

# Notice of meeting and agenda

## City of Edinburgh Council

**10.00 am Thursday, 22nd June, 2023**

Main Council Chamber - City Chambers

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

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 Any items under “Private Business” will not be published, although the decisions will be recorded in the minute.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

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## **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 The City of Edinburgh Council of 1 June 2023 – submitted for approval as a correct record 25 - 136

## **5. Leader's Report**

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## **6. Appointments**

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- 6.1 If any

## 7. Reports

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	(b) Bed Base Review – Drumbrae Care Home – referral from the Finance and Resources Committee	
<b>7.2</b>	Adult Support and Protection and Social Work and Social Care Inspection Improvement Plans – Report by the Chief Executive	177 - 218
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## 8. Motions

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### 8.1 By Councillor Parker - Supporting Community Climate Action

“Council:

- 1) Notes that becoming a net zero city by 2030 is a core priority of the Council’s business plan and that “engaging and empowering citizens to help tackle climate change” is a key focus of the Council’s 2030 Climate Strategy which underpins delivery of this priority.
- 2) Welcomes the work of EVOC (Edinburgh Voluntary Organisations’ Council) and SCCAN (Scottish Communities Climate Action Network) to develop proposals for a Community Climate Hub where groups can co-ordinate and share resources around climate action, building on the success of the Community Climate Forum which is already supported by the Council.
- 3) Notes that overwhelming feedback from community groups through the Community Climate Forum highlights the need for a physical space where groups can meet and co-ordinate activity, and that a central Community Climate Hub could serve this function.
- 4) Welcomes that the Scottish Government has made £4.3m available for community groups, charities and social enterprises to apply for up to £250k to set up and lead Climate Action Hubs in local authorities across Scotland.

Further, Council agrees that:

- 5) In principle, creation of a Community Climate Hub would be positive for the city and help the Council to deliver its Climate Strategy by creating space for residents to meaningfully engage on issues relating to climate and sustainability, and that this could be a valuable resource for the Council too.
- 6) Given its role in developing the 2030 Climate Strategy and through its leadership and influence on climate action in the city already, the Council should be engaged with any Community Climate Hub that is created to ensure a joined-up approach as part of delivery of the 2030 Climate

Strategy.

Therefore, requests that:

- 7) Officers explore how the Council could support EVOC / SCCAN and community groups with “in-kind” support throughout the bid writing process to secure funding for the development of a Community Climate Hub.
- 8) Officers also explore through its estates teams if there are any central spaces which could be leased by the Community Climate Hub if it is successful in securing funding, as part of its commitment to delivering a net zero city by 2030
- 9) Officers report back on actions 7) and 8) at the next Climate and Sustainability APOG.”

## 8.2 By Councillor Parker - Student Homelessness Crisis

“Committee:

- 1) Notes with concern reports from the student group ‘Slurp: students for Action on Homelessness’ that, last year:
  - 20.8% of second to fifth year undergraduates did not have their name on a tenancy agreement at the start of teaching in Semester 1
  - 8.7% of second to fifth year undergraduates did not have their name on a tenancy agreement by Week 5 of teaching in Semester 1
  - 78.6% of undergraduates are worried about where they will live next year
- 2) Notes that whilst the university has reported taking some steps to address this such as through its “Accommodation Guarantee” and making some temporary accommodation available within its estate for students experiencing homelessness, the student community reports that this response is inadequate for the scale of the problem.
- 3) Recognises that this is a crisis, and a joined-up response from the Council and University will be important to address it, and that this might include thinking about more

creative solutions, such as supporting the creation of more student housing co-operatives to address needs.

Therefore, requests:

- 4) The Convener of the Housing, Homelessness and Fair Work Committee organises a clerked meeting in advance of Semester 1 of the 2023/2024 academic year with representatives from the University, Slurp campaign, student housing co-operative, each political group, Council officers and any other relevant, interested parties to discuss the crisis.
- 5) In advance of the meeting, officers prepare a short briefing note for attendees at the meeting outlining how the Council and University of Edinburgh currently work together to tackle issues relating to student housing and homelessness.”

### 8.3 By Councillor McKenzie - Haymarket Square Construction

“Council:

**Notes that:**

- 1) Construction work at Haymarket Square began in March 2020 and is expected to continue until the end of 2025. Prior to this work, there had been two years of work to strengthen the railway tunnels.
- 2) This construction has caused noise pollution with knock-on mental health impacts, and in some cases, loss of earnings for local residents.
- 3) The building which is currently under construction will sit adjacent to the Dalry Colonies and will be leased to the Council for 25 years for the ‘Edinburgh International Conference Centre (EICC) hotel and hotel school project’.
- 4) The final business case for this project states “the Council’s involvement is driving betterment of what would otherwise happen”.

**Recognises that:**

- 5) The Council allows construction work to take place from

7am until 7pm, Monday to Saturday.

- 6) This policy has never been updated post-covid to consider the impact of construction noise on residents, with increased impact on people who are working from home, working nights or with caring responsibilities.
- 7) An assessment of the impact of noise on local residents has not been conducted since construction began.
- 8) The development of a positive, supportive relationship between the hotel and the residents of the Dalry Colonies will be important for the success of the project.

**Requests that:**

- 9) Elected members who sit on the EICC Board should convene a meeting between representatives of Sir Robert McAlpine, Dalry Colonies Residents Association and QMile.
- 10) This meeting should take place within 2 weeks and should consider the following requests from neighbouring residents:
  - a) Construction work should not begin before 9am on weekends. Site access – including the moving of vehicles – should not be permitted before 9am
  - b) Site management should review the need for frequent use of horns, sirens and other loud site noise with workers requested to be considerate of the neighbours.
  - c) Confirmation that post-construction surveys will take place to assess potential damage to neighbouring properties as a result of the development.”

**8.4** By Councillor O’Neill – Fuel Poverty Assistance

“Council:

- 1) Notes with regret that fuel poverty will remain a pertinent issue for many across the city due to inflation and the global energy crisis; and certain groups are at higher risk of extreme poverty – older adults, those on low income

and disabled people for example.

- 2) Further notes the UK Government provided £400 off energy bills to eligible households in England, Scotland, and Wales from October 2022 – March 2023 to help households through winter.
- 3) Expresses concern that the levels of unclaimed support are extremely high across Scotland; according to Ofgem, 34% of eligible households in Edinburgh have not redeemed vouchers which equates to £1,374,120.

Therefore requests:

- 4) That by the end of day on Friday 23<sup>rd</sup> June, the Council Leader writes to local advice and support services across the city to ensure as many people as possible are aware of the support they could access before the deadline.
- 5) Council uses its communication channels to make constituents aware of the deadline of vouchers expiring on 30<sup>th</sup> June 2023 and the following key facts from Energy Action Scotland;
  - a) The vouchers issued under the scheme are valid for 90 days, expired vouchers can be re-issued through the energy supplier, but all vouchers expire on 30<sup>th</sup> June when the scheme ends.
  - b) If a household is 'storing' their vouchers to redeem later, they must be aware that most pre-payment meters can only hold up to around £250 of energy credit at a time.
  - c) If a household didn't receive, has lost their voucher or had it expire, then they must ask their supplier for a new one to be reissued.
  - d) All eligible pre-payment meter households should have received all six of their vouchers by now. These will have been sent from their energy supplier by post, email or text message.
  - e) If the voucher was initially sent by post, people can ask their supplier to send it by email or text message instead."



**8.5** By Councillor Whyte - Controlled Parking Zone (CPZ) Anomalies  
– N6 Abbeyhill

- “1) Council notes that the N6 Abbeyhill CPZ is listed to have “implementation starting 12 June 2023” on the Council website and that a “go live” date is likely to be approximately two months later.
- 2) Council expresses concern that streets that were under development and were still “potentially adoptable” at the time of the initial design and legal process to implement the CPZ remain out with the controls and that work by Council officers to bring these within the CPZ is still in progress with a further legal process still to be undertaken.
- 3) Council recognises that this will create an uncontrolled island area within the CPZ and that residents in those streets will likely be plagued with overspill parking and commuter parking that previously used the surrounding areas. Further, should these streets be full any resident returning home to park for a period that includes controlled hours would be unable to do so and would have to find a space outside the zone – a minimum of 800m and a ten-minute walk from their home.
- 4) Council agrees that a report should be provided to the August Transport and Environment Committee updating the status of the process to include affected streets within the zone N6 controls.
- 5) Council further agrees that the report should explore the possibility of allowing residents in these streets access to an N6 permit prior to that legal process to allow them to park nearer to home while the anomaly is resolved and in line with the policy aims of the CPZ to prioritise resident parking over commuters.”

**8.6** By Councillor Dalgleish - Energy Efficiency in Homes -  
Introduction of Long-term Domestic Standards

“Council:

- 1) Understands that the Scottish Government will set long-term domestic standards by introducing regulations requiring all residential properties in Scotland to achieve an Energy Performance Certificate rating of at least equivalent to EPC C by 2033, where technically and legally feasible and cost-effective.
- 2) Notes the findings of the Heat in buildings strategy (October 2021) which sets out plans for how the Scottish Government proposes to reduce greenhouse gas emissions from Scotland’s buildings, via introduction of regulations by 2025 setting energy efficiency standards across all housing tenures.
- 3) Notes that during a time of economic uncertainty and a cost-of-living crisis, many Edinburgh residents will have little to no disposable income to invest in upgrading their homes to the standards set out in the Heat in buildings strategy regulations over the short to medium term.
- 4) Understands the unique nature of Edinburgh as a city with a strong historic fabric, reflected by the presence of 50 Conservation Areas and over 4,000 Listed Buildings, and the significant number of residential properties located within the designated conservation areas and directly and indirectly designated as listed buildings.
- 5) Acknowledges that a wide range of physical alterations and adaptations to residential homes in these cases are subject to regulation including the need for planning permission and listed building consent which will likely be required as part of efforts to achieve greater energy efficiency.
- 6) Acknowledges the ongoing work associated with the Motion by Councillor Osler on Conservation and Adaptation, including the completion of the recent consultation which sought views on the additional challenge those living within conservation areas face, when trying to adapt homes to make them more sustainable to improve energy efficiency and notes that the findings of this and the associated

working group will be reported to Planning Committee.

Finally, Council requests

- 7) That the Council Leader write to Minister for Housing requesting a meeting to discuss the challenges in residential properties within conservation areas and those which are listed buildings, face when looking to adapt and alter homes to achieve an Energy Performance Certificate rating of at least equivalent to EPC C, and to request further clarification on whether the adaptations required in the context of being technically feasible, legally feasible and cost-effective apply as exemptions to the regulations.
- 8) Furthermore, the Council Leader should discuss with the Minister the possibility of additional funds being allocated to the City of Edinburgh Council to assist with any potential consequences of the regulations found in the Heat in buildings strategy report.”
- 9) The outcome of these discussions be circulated to the Housing, Homelessness and fair work Committee, and the Planning Committee via an addition to the Business Bulletin.

#### **8.7 By Councillor Faccenda - Toilet Provision**

“Council:

Recognises the importance of safe accessible toilets across the city and that the lack of such facilities is a serious impediment to many, especially women, older people and those with certain health conditions to be able to go out, shop and enjoy green spaces.

Furthermore, notes that the toilets at Taylor Gardens in Leith have been closed since lockdown and still show as under repair on the council website.

Council asks for an update to the Transport and Environment Committee on the necessary work required and related costs to reopen the Taylor Garden toilets and what security measures and any staffing that will be required.”

**8.8** By Councillor Hyslop - Established Character of Edinburgh's Communities

- “1) Notes that Policy HOU 6 of the CityPlan 2030 states that “Planning permission will be granted for purpose-built student accommodation where: d) there will be no adverse impact on the established character of the area”.
- 2) Notes that there have been instances at the Development Management Sub-Committee where questioning of Planning Officers has highlighted challenges in determining the established character of an area.
- 3) Requests that a report be prepared and presented to the Planning Committee within 2 cycles which outlines a strategy for authoritatively determining the established character of communities across Edinburgh with associated potential timescales.”

**8.9** By Councillor Macinnes - Abortion Rights

“Council:

notes with dismay the recent 28 month prison sentence imposed on a woman who, during the very difficult circumstances of Covid lockdown, choose to exercise her right to an abortion but who was not aware of how advanced her pregnancy was.

Does not consider that a prison sentence is appropriate in these circumstances and calls for a change in attitude and if required legislation to prevent this occurring.

Regrets the excessive punishment, particularly when viewed in comparison to other sentencing guidelines and practice in other fields.

Welcomes those efforts, such as ‘Abortion should not be a crime’, an event hosted by BPAS, Women’s Equality Party and the Fawcett Society, to shine a light on these issues, to highlight the disparity in the treatment of women in the judicial system, particularly in relation to reproductive rights.

Requests that the Council Leader, in consultation with Group

Leaders on content, writes to appropriate Ministers in the UK government, expressing our concern and requesting feedback on how such a situation could be avoided in future. Further requests an additional letter to appropriate Scottish Ministers seeking assurance that Scottish Courts would as things stand not come to the same conclusion and any action the Government plans to further ensure this is the case.”

**8.10** By Councillor Gardiner - Short Term Lets

- “1) Council notes the outcome of the Court of Session decision on Edinburgh’s Short Term Let policy being “unlawful” and acknowledges the need to respond swiftly to ensure the new policy is legally sound and enforceable.
- 2) Council therefore agrees to receive a report to the Planning and Regulatory Committees within once cycle: to examine the impact of the judgement, to identify any actions required to make the policy legally competent and to set a timeline for when changes can be made to ensure the policy is enforceable. This should also contain information on the legal advice sought prior to implementation.”

**8.11** By Councillor Mumford - Dignity and Support for Asylum Seekers

“Council

**Notes:**

- 1) that the use of HMS Victoria to house people arriving in Edinburgh from Ukraine was agreed with the Scottish Government only under specific circumstances which included consultation with the Ukrainian Community, agreement of support packages, and in the context of national schemes to support people displaced by the invasion of Ukraine;
- 2) that this arrangement is due to end on July 11<sup>th</sup> 2023 and following extensive work from Council staff and with support from the Scottish Government, Ukrainian families

are now moving into more suitable accommodation which can better meet their needs;

- 3) That the Convener of HHFW Convener has been instructed to write to the relevant ministers in Scottish and UK Governments setting out the housing needs of all refugee communities in the city and requesting details from both governments of their long-term plan to support the Council to address this;
- 4) That last month the Council reaffirmed its commitment to be a city which welcomes refugees, migrants, asylum seekers and all those seeking sanctuary.

#### **Further notes**

- 5) the UK Government's continuation of the 'hostile environment' for refugees, asylum seekers and migrants which now includes proposals to place them in highly unsuitable floating accommodation, with the Prime Minister pledging to use "as many barges as it takes";
- 6) that this approach includes utilising the 'Bibby Stockholm', an engineless barge in Falmouth which is intended to "house" 500 people, each given a living area smaller than a parking space;
- 7) that there is no indication of plans being put in place to support the wellbeing of people placed on this barge, or to provide additional funding or support to the local authority or public and third sector organisations for this;
- 8) That Wirral Council were approached about a similar scheme and refused to support this proposal, with the leader of the council saying "The idea that as many as 2,000 asylum seekers, people fleeing persecution and torture, would be marooned on barges, effectively prison ships, is immoral and inhumane."
- 9) **Condemns** the UK Government's hostile environment and their plans for unsuitable floating accommodation without due regard for human rights and the wellbeing of people seeking support;
- 10) **Opposes** any potential moves by the UK Government to dock boats to house refugees, asylum seekers and

migrants in Edinburgh unless the UK Government will commit to:

- a) Ensuring adequate standards of living, access to services including health checks and medical care and civic freedoms;
  - b) Early and ongoing conversations with Edinburgh Council, the Scottish Government, Education Scotland, the NHS and other potential service providers including the third sector;
  - c) Ending the national policy of No Recourse to Public Funds, which prevents Edinburgh Council from offering support to people needing help; and
- 11) Instructs** the Council Leader and Chief Executive to communicate this position should the UK Government approach Edinburgh Council about utilising floating accommodation to accommodate people in the city.”

## 9. Congratulatory Motions

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### 9.1 By Councillor Day - Edinburgh Women's Aid 50th Anniversary

“Council:

Notes this year marks the 50th anniversary of Edinburgh Women’s Aid.

Recognises the tens of thousands of women and children that have had access to safe accommodation and support through their activism and action against domestic abuse.

Understands that they will be hosting a year-long series of events to mark their anniversary, with one co-hosted by the School of Social and Political Science at Edinburgh University attended by the Council Leader, in recognition of their important endeavours.

Celebrates this milestone and asks the Lord Provost to recognise this anniversary in an appropriate manner.”

### 9.2 By Councillor Day - Traverse 60th Anniversary Celebrations

“Council:

Notes this year marks the 60th anniversary of the establishment of the Traverse Theatre.

Recognises the far-reaching impact that the Traverse has had in terms of talent discovery and development; and the impact it has had on the cultural environment of the City.

Understands that on their landmark 50<sup>th</sup> anniversary year, the Council honoured the theatre with a reception to acknowledge the contribution the Traverse has made to the City, Scotland, UK and wider global new playwriting ecology.

Asks the Lord Provost to celebrate this milestone in an appropriate manner.”

**9.3** By Councillor Walker - 20th Anniversary UNESCO City of Literature

“Council:

Recognises and celebrates the 20th anniversary in 2024 of Edinburgh’s designation as the world’s first UNESCO City of Literature reflecting our exceptional contemporary writing talent and rich tradition as the home of so many world-renowned literary figures throughout the centuries.

Acknowledges the founding role of Edinburgh UNESCO City of Literature Trust in the establishment and growth of what is now a network of 42 UNESCO Cities of Literature cities in 32 countries worldwide.

Acknowledges the Council’s continued support of the UNESCO City of Literature designation.

Looks forward to Edinburgh’s hosting the annual UNESCO Cities of Literature Conference in 2024 as part of the 20th Anniversary celebrations and supports the conference as an opportunity to promote in our city the UNESCO designation as the world’s first UNESCO City of Literature, providing opportunities to further develop international partnerships, and ensuring literature professionals in our city can meet international programmers and organisations.



Reflects the Council's key role in both achieving the designation and on-going success of the Edinburgh UNESCO City of Literature and the network of up to 70 international delegates participating in the Conference in 2024.

Requests the Lord Provost marks this important occasion in an appropriate manner.”

**9.4** By Councillor Parker - Ard-Sgoil Sheumais Ghilleasbuig - James Gillespie's High School - Award for Gaelic Education

“The Council:

- 1) Congratulates pupils, teachers and staff from Àrd-Sgoil Sheumais Ghilleasbuig / James Gillespie's High School for winning the 'Gaelic Education' category at the Scottish Education Awards in Glasgow on 7 June 2023;
- 2) Notes that Scottish Education awards recognise those who dedicate their lives to children and young people and showcases the valuable work and innovation in Scottish classrooms;
- 3) Notes that the Gaelic Education category is dedicated to education settings which foster a culture of respect, ambition and achievement with regard to Gaelic - and help promote the flourishing of the Gaelic language;
- 4) Recognises that this award follows the opening last year of the Ath-Thaigh Darroch / Darroch annex for Gaelic education at JGHS – and the virtual tour here <https://youtu.be/CB3KB4S9jSI>
- 5) Requests that the Lord Provost recognises this achievement 'sgoinneil' in an appropriate way.”

**9.5** By Councillor Burgess - Hope Cottage Nursery – Education Scotland Award 2023 for 'Making a Difference'

“Council:

- 1) Congratulates Hope Cottage Nursery School in Southside-Newington for winning the early years 'Making a

Difference' category at the Scottish Education awards 2023 in Glasgow on 7 June;

- 2) Notes that Scottish Education awards recognise those who dedicate their lives to children and young people and showcases the valuable work and innovation in Scottish classrooms;
- 3) Recognises that this award celebrates an early learning or childcare establishment that has committed to transforming the lives of learners - overcoming obstacles to nurture equality, achievement and wellbeing;
- 4) Recognises the innovative work at Hope Cottage Nursery in taking an Eco Pledge to 'cut down, cut out and source natural not synthetic' and 'tackle the huge problem of plastic waste by making permanent sustainable changes, focusing on cutting out non-recyclable plastics and microplastics';
- 5) Applauds the Hope Cottage Eco Journal, that aims to share their 'Eco Journey' into sustainable practice including with other schools  
<https://hopecottageeco.blogspot.com/>
- 6) Thanks Hope Cottage teachers Lisa McLaughlin and Natasha Stewart for bringing children from Hope Cottage Nursery to the Education, Children and Families Committee on 6 June to present examples of their work - <https://tinyurl.com/bdeuerk6> (from 00:27:00) and that the council will now look to ensure that materials in the procurement catalogue used in schools are truly environmentally friendly;
- 7) Requests that the Lord Provost recognises this fantastic achievement in an appropriate way."

**9.6** By Councillor McNeese-Mechan - Multi-Cultural Family Base

"Council notes the significant contributions made by Multi-Cultural Family Base (MCFB) to families arriving to settle in the capital city.

Council recognises that MCFB are now celebrating their 25th

year in Edinburgh.

Council acknowledges the contributions to social cohesion this work offers, and the value and importance of professional social services being available in key community languages by MCFB staff who are trained in cultural awareness.

Council further notes that the key services offered by MCFB continued even during the pandemic, bringing reassurance to highly vulnerable families.

Council therefore asks that the Lord Provost recognises the welcome contributions of Multi-Cultural Family Base in an appropriate manner.”

## 10. Questions

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| <b>10.5</b> | By Councillor McKenzie - Cases Relating to Foliage - for answer by the Convener of the Transport and Environment Committee | 467 - 468 |
| <b>10.6</b> | By Councillor Thornley - North Gyle Flood Study – for answer by the Convener of the Transport and Environment Committee    | 469 - 470 |

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| <b>10.7</b>  | By Councillor Thornley - Speed Limit Reductions in West Edinburgh – for answer by the Convener of the Transport and Environment Committee       | 471 - 472 |
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<b>10.19</b>	By Councillor McFarlane - Signage Repairs and Road Markings in City Centre – for answer by the Convener of the Transport and Environment Committee	495 - 496
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<b>10.21</b>	By Councillor Flannery - Monitoring of the 41 Bus Withdrawal and New Number 9 Bus Service – for answer by the Convener of the Transport and Environment Committee	499 - 500
<b>10.22</b>	By Councillor Kumar - British Sign Language – for answer by the Convener of the Education, Children and Families Committee	501 - 502
<b>10.23</b>	By Councillor Booth - Size of City of Edinburgh Council Secondary Schools – for answer by the Convener of the Education, Children and Families Committee	503 - 504

- 10.24** By Councillor Booth - Introduction of a School Street at Stanwell Street – for answer by the Convener of the Transport and Environment Committee 505 - 506

## Deputations

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### Nick Smith

Service Director, Legal and Assurance

## Information about the City of Edinburgh Council

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The City of Edinburgh Council consists of 63 Councillors and is elected under proportional representation. The City of Edinburgh Council usually meets once a month and the Lord Provost is the Convener when it meets.

The City of Edinburgh Council usually meets in the Council Chamber in the City Chambers on the High Street in Edinburgh. There is a seated public gallery and the Council meeting is open to all members of the public.

## Further information

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If you have any questions about the agenda or meeting arrangements, please contact Gavin King, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4239, email [gavin.king@edinburgh.gov.uk](mailto:gavin.king@edinburgh.gov.uk).

A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the main reception office, City Chambers, High Street, Edinburgh.

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Any information presented by individuals to the Council at a meeting, in a deputation or otherwise, in addition to forming part of a webcast that will be held as a historical record, will also be held and used by the Council in connection with the relevant matter until that matter is decided or otherwise resolved (including any potential appeals and other connected processes). Thereafter, that information will continue to be held as part of the historical record in accordance with the paragraphs above.

If you have any queries regarding this, and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact Committee Services ([committee.services@edinburgh.gov.uk](mailto:committee.services@edinburgh.gov.uk)).

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# Minutes

## The City of Edinburgh Council

Edinburgh, Thursday 1 June 2023

Present:

### LORD PROVOST

The Right Honourable Robert Aldridge

### COUNCILLORS

Scott Arthur  
Danny Aston  
Jule Bandel  
Alan C Beal  
Fiona Bennett  
Marco Biagi  
Chas Booth  
Steve Burgess  
Jack Caldwell  
Lezley Marion Cameron  
Kate Campbell  
Christopher Cowdy  
James Dalgleish  
Euan R Davidson  
Cammy Day  
Sanne Dijkstra-Downie  
Stuart Dobbin  
Phil Duggart  
Katrina Faccenda  
Pauline Flannery  
Catherine Fullerton  
Neil Gardiner  
Fiona Glasgow  
Margaret A Graham  
Joan Griffiths  
Dan Heap  
Euan Hyslop  
Stephen P Jenkinson  
Tim Jones  
David Key

Simita Kumar  
Kevin Lang  
Lesley Macinnes  
Martha Mattos Coelho  
Finlay McFarlane  
Ross McKenzie  
Amy McNeese-Mechan  
Adam McVey  
Jane E Meagher  
Claire Miller  
Max Mitchell  
Jo Mowat  
Alys Mumford  
Marie-Clair Munro  
Vicky Nicolson  
Kayleigh O'Neill  
Hal Osler  
Ben Parker  
Tim Pogson  
Susan Rae  
Neil J Ross  
Jason Rust  
Alex Staniforth  
Edward J Thornley  
Val Walker  
Mandy H Watt  
Iain Whyte  
Norman J Work  
Louise Young  
Lewis J Younie

## 1 Deputations

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**a) tie (time for inclusive education)  
(in relation to item 12 -- Time for Inclusive Education - Motion by  
Councillor McFarlane)**

The deputation indicated that the foundational purpose of LGBT inclusive education in Scotland was to take a proactive educational approach to preventing and addressing the prejudice and bullying that young people who were LGBT, perceived to be by others, or had LGBT family members can still experience at school. They indicated that homophobia in particular remained one of the more common forms of prejudice that young people witnessed and experienced and that the policy area nationally on LGBT inclusive education was in response to that.

The deputation stressed that they wanted to ensure that teachers and school staff in Edinburgh had the most up-to-date and effective knowledge, tools and practice in order to support the delivery of LGBT inclusive education effectively and indicated that in passing the motion, the Council at no cost would have the full support of **tie**, the opportunity to begin progressing the implementation of the policy area and ensure teachers and school staff had a clear awareness that there were nationally approved resources to support them and to facilitate a clear understanding of how to deliver this effectively meaningfully and in a lasting way that works for the unique setting and their learners.

(see item 12 below)

**b) Nourish Scotland  
(in relation to item 17 - Achieving Our Sustainable Food Goals – Motion  
by Councillor Faccenda )**

The deputation indicated that they felt that the food system that we had at the moment was not fit for the future. The most immediate cause for concern was the rise in food prices recently and the impact that would have on families being able to afford to put food on the table. They stressed that the food that was being produced was causing illnesses and was also bad for the environment.

The deputation felt that Edinburgh was in a good position to take the lead on food, to bring in more businesses and people from the health services, and to engage more with the people in Edinburgh. They indicated that Edinburgh had a solid foundation and had looked at ways to end poverty related food hunger in Edinburgh with some of the best examples in the UK of community

led food initiatives. They urged the Council to support the motion by Councillor Faccenda.

(see item 17 below)

**c) The Educational Institute of Scotland, Further Education Lecturers' Association, Edinburgh College  
(in relation to Item 19 - Edinburgh College Faces Funding Cuts - Motion by Councillor Jones)**

The deputation presented an update on what they saw as a major funding crisis at the college which they felt was the most difficult time that they had experienced, They indicated that in the last year, the government had announced a flat cash settlement, but actually had taken off additional public money that had been given, so it meant a reduction of 3.3%, so a cut in real terms.

The deputation were in support of the motion by Councillor Jones and indicated that all the reductions that had taken place at the moment had come from lecturing staff. They stressed that they were the frontline people who delivered to the students, the cut was 8% and there were sections of the curriculum that had just been cut away which would result in no events teaching at Edinburgh College in the next year as the whole department had been shut. They indicated that they motion was not just about the staff, not just about the students, not just about the college but about the whole Edinburgh community and they felt that their role in it was very important.

(see item 19 below).

## **2 Minutes**

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### **Decision**

To approve the minute of the Council of 4 May 2023 as a correct record.

## **3 Leader's Report**

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The Leader presented his report to the Council. He commented on:

- Time Out Magazine – Edinburgh best city in the world to visit
- Tourism Levy
- Appointment of Kat Brogan as Chair of Living Wage Action Group
- Firrhill High School nomination for best high school in the UK
- Hope Cottage Nursery and James Gillespie's High School - Scottish Education Awards nominations

- Peter Howson – City Arts Centre Exhibition
- Trams opening – congratulations t
- Council Community Safety Teams - thanks

The following questions/comments were made:

Councillor McVey	- Confidence in IJB Chair
	- Thanks to service of Chief Officer
Councillor Lang	- Legislation for the visitor levy – Section 17 – Council use of resources
Councillor Mumford	- Police Scotland and Council – bigotry and racism
Councillor Whyte	- Low Traffic neighbourhoods in Leith and Corstorphine – no evidence that LTNs reduce traffic numbers
Councillor McKenzie	- Top 3 priorities for current administration
Councillor Meagher	- Visitors to Portobello – additional toilets
Councillor Key	- Braid Burn School Pool
Councillor Beal	- Corstorphine Low Traffic Neighbourhood – displacement of traffic to neighbouring streets
Councillor Parker	- Anti migrant policies – living spaces
Councillor Cowdy	Update of disembarkation of MS Victoria on 11 July 2023 – alternative accommodation for refugees
Councillor Lezley Marion Cameron	- Safe access to and through the quadrangle of the City Chambers - management
Councillor Aston	- Advice to new Labour Councillors in England
Councillor Bennett	- High profile events at Murrayfield – clean up operations
Councillor O'Neill	- Scotland's deposit return scheme - delays
Councillor Jones	- School Inspection reports – Education, Children and Families Committee

Councillor Walker	- Marking the work of organisations in community events and festivals - visits
Councillor Macinnes	- Round table event to reassure union reps and colleagues
Councillor Thornley	- FOI - Violence in secondary schools
Councillor Miller	- West Lothian – closure of Council care homes – call for an immediate stop to the consultation on the closure of care homes in Edinburgh
Councillor Munro	- Morningside and surrounding areas - new ETROs document
Councillor Kumar	- Racial Discrimination – Council tribunal finding
Councillor Heap	- Uptake of school child payments and other payments
Councillor McFarlane	- Low emissions zone
Councillor Fullerton	- WASPS studio - closure

## 4 Appointment to Committees

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### Decision

To appoint Councillor Dalglish to the Finance and Resources Committee in place of Councillor Griffiths.

## 5 Interim Resource – Director of Adult Social Care

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Details were provided on contingency arrangements which had been considered and put in place to ensure immediate service continuity and leadership and to allow the recruitment process for the Chief Officer for the Edinburgh Health and Social Care Partnership to be scoped out.

### Motion

- 1) To note that the Chief Executive, in consultation with the Lord Provost and Group Leaders, under the urgency provisions set out in paragraph 2.1.16 of the Committee Terms of Reference and Delegated Functions commenced with the appointment of an Interim Director of Adult Social Care.

- 2) To note this appointment which would be for up to six months duration at a cost of circa £161,356 (based on a 4-day working week) and to approve budget for this spend.

- moved by Councillor Day, seconded by Councillor Watt

### **Amendment 1**

- 1) Council regrets that the feedback from some Group Leaders on appointing a like-for-like replacement Chief Officer for IJB instead of disaggregating Health and Social Care services was ignored.
- 2) Further regrets that feedback from Group Leaders on articulating the job description prior to the appointment was ignored.
- 3) Council regrets that far from stabilising services, the manner of the appointment leaves Edinburgh's IJB unable to properly function across social care and NHS services with no relevant officer responsible for both components, undoing the founding principles of integration and undermining service recovery in both the short and long term.
- 4) Council agrees the contract award of £403,390 for a annual FTE salary is an indefensible sum of money in the face of severe financial pressures in the EIJB.
- 5) Therefore agrees to cancel the contract of the Interim Director of Adult Social Care with immediate effect following the process described in paragraph 3.5 of the report.
- 6) Council agrees to request an immediate secondment from the Scottish Government to act into the role of Chief Officer of the EIJB and asks the EIJB considers joining the Council in making this request.
- 7) Should no secondment be in place at the time of the interim Director of Adult Social Care leaving, the Council requests that the EIJB continue temporary acting up arrangements for the Chief Officer role until a secondment begins.
- 8) Council instructs the Chief Executive to provide a report to Council on June 22nd 2023 to confirm interim senior management arrangements to progress short and long term service recovery.

- moved by Councillor Nicolson, seconded by Councillor McVey

## Amendment 2

“Council:

- 1). Notes that the Chief Officer left employment on 19th May, leaving a vacancy at a time when the Edinburgh Integration Joint Board (EIJB) and the Edinburgh Health & Social Care Partnership (EHSCP) require an improvement plan to address the failings reported by two recent inspections, a budget with recurring revenue savings of £47m, and a strategic plan for financially sustainable integrated health & social care services.
- 2) Recognises the hard work of frontline workers who continue to provide services for residents despite this challenging environment.
- 3) Notes (per the Scheme of Integration) the EIJB is responsible for recruiting a replacement Chief Officer, however notes with concern that to date board members have not been contacted and are not aware if any steps have been taken to recruit either an interim or permanent Chief Officer.
- 4) Understands that the Chief Executive considered it urgent to recruit an Interim Director of Adult Social Care in these circumstances.
- 5) However, regrets that City of Edinburgh Council’s recruitment policy has not been followed, and that a role of Interim Director of Adult Social Care has been “established” (paragraph 2.2 of the report by the Chief Executive) and recruitment carried out without a job description or person specification despite repeated requests from elected members, and regrets the lack of detail provided at paragraph 3.6 of the report about this.
- 6) Notes additional irregularities with the recruitment of the Interim Director, for example the recruitment panel agreed to recruit on the basis of £161k pro rata for a 5 day working week with at least 3-4 days in Edinburgh for a minimum of 6 months, however the report recommends £161k for 6 months of 4 day working week with no mention of location.
- 7) Additionally notes that Council is being asked to agree a proposed new Children, Education and Justice Services Structure at Item 7.2 on the agenda for the meeting which includes the statutory role of Chief Social Work Officer (CSWO), and that a new role of Principal Social Worker with responsibility for adult services will be created in the EHSCP, and therefore recognises the need for clarity about how these roles will join up under the circumstances within EHSCP.
- 8) In order to proceed, calls on the Chief Executive to

- a) Consult the EIJB on the process to recruit a Chief Officer, and the Executive Director of Children, Education, and Justice Services regarding the structure of social work across children and adult services.
- b) Follow all recruitment policies including writing job descriptions and person specifications for proposed roles.
- c) Consult with group leaders / co-conveners and health & social care spokespeople on a strategic approach to adult social care organisational structure, roles and recruitment with reference to interdependencies with children's services and EIJB.
- d) Report to Council with recommendations in one cycle.
- 9) As a point of accuracy, corrects paragraph 3.3 of the report to reflect that 3 candidates were interviewed by the recruitment panel."

- moved by Councillor Miller, seconded by Councillor Mumford

### **Voting**

The voting was as follows:

For the Motion	-	33 votes
For Amendment 1	-	18 votes
For Amendment 2	-	10 votes

(For the Motion: Lord Provost, Councillors. Arthur, Beal, Bennett, Caldwell, Lezley Marion Cameron, Cowdy, Dalgleish, Davidson, Day, Dijkstra-Downie, Duggart, Faccenda, Flannery, Graham, Griffiths, Jenkinson, Jones, Lang, Meagher, Mitchell, Mowat, Munro, Osler, Pogson, Ross, Rust, Thornley, Walker, Watt, Whyte, Young and Younie.

For Amendment 1: Councillors Aston, Biagi, Campbell, Dobbin, Fullerton, Gardiner, Glasgow, Hyslop, Key, Kumar, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Meechan, McVey, Nicolson, and Work.

For Amendment 2: Councillors Bandel, Booth, Burgess, Heap, Miller, Mumford, O'Neill, Parker, Rae and Staniforth.)

### **Decision**

To approve the motion by Councillor Day.

(Reference – report by the Chief Executive, submitted)



## 6 Children, Education and Justice Services Structure

---

Details were provided on a proposed alternative structure for the senior leadership team in Children, Education and Justice Services, responding to a recommendation from the Recruitment Committee on 20 February 2023 for the Service Director, Children's Services and Criminal Justice.

### Decision

- 1) To approve the proposed changes to the Children, Education and Justice Services senior leadership structure.
- 2) To approve the permanent recruitment to the new post to start immediately. This appointment would be made in line with the Chief Officer Recruitment Policy and would be led by the Recruitment Committee, composed of the appropriate elected members.

(Reference: report by the Executive Director of Children, Education and Justice Services, submitted)

## 7 Heathervale Children's House

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In response to a motion by Councillor Key, details were provided on the work undertaken in Heathervale Children's House following the Care Inspectorate inspection which took place on the 23rd and 24th January 2023 which graded the house as Adequate.

### Motion

To note the work undertaken following the Care Inspectorate Inspection at Heathervale Children's House on the 23 and 24 January 2023, following the approved motion by Councillor Key on Heathervale Care Home Service on 4 May 2023.

- moved by Councillor Griffiths, seconded by Councillor Graham

### Amendment

- 1) To note the work undertaken following the Care Inspectorate Inspection at Heathervale Children's House on the 23 and 24 January 2023, following the approved motion by Councillor Key on Heathervale Care Home Service on 4 May 2023.
- 2) Is very concerned that between the visit of the Technical Operation Manager, Place Directorate on 9 Feb 2023 (three working weeks after the Inspection) and the visit by the Executive Director of Children, Education and Justice

Services on 5 April (10 weeks after the inspection) that there appeared to be considerable work outstanding to the fabric of the building and limited furniture in place at Heathervale.

- 3) Regrets that details of the Improvement Plan (called for in Para 4 of the original motion) have not been included in the report.
- 4) Further regrets that there is still no explanation as to why Councillors were not made aware of the contents of the report immediately in their role as Corporate Parents (mentioned in Para 5 of the original motion)
- 5) Therefore requests a further report to Council in one cycle giving the details of the Improvement Plan and reasons as to why Elected Members were not informed of the outcome of the Inspection.

- moved by Councillor Key, seconded by Councillor Glasgow

In accordance with Standing Order 21(12), the amendment was accepted as an addendum to the motion.

### **Decision**

To approve the following adjusted motion by Councillor Griffiths:

- 1) To note the work undertaken following the Care Inspectorate Inspection at Heathervale Children's House on the 23 and 24 January 2023, following the approved motion by Councillor Key on Heathervale Care Home Service on 4 May 2023.
- 2) To note concern that between the visit of the Technical Operation Manager, Place Directorate on 9 Feb 2023 (three working weeks after the Inspection) and the visit by the Executive Director of Children, Education and Justice Services on 5 April (10 weeks after the inspection) that there appeared to be considerable work outstanding to the fabric of the building and limited furniture in place at Heathervale.
- 3) To regret that details of the Improvement Plan (called for in Para 4 of the original motion) had not been included in the report.
- 4) To further regret that there was still no explanation as to why Councillors were not made aware of the contents of the report immediately in their role as Corporate Parents (mentioned in Para 5 of the original motion)

- 5) To therefore request a further report to Council in one cycle giving the details of the Improvement Plan and reasons as to why Elected Members were not informed of the outcome of the Inspection.

(References: Act of Council No 20 of 4 May 2023; report by the Executive Director of Children, Education and Justice Services, submitted)

## **8 Family Swim Sessions in Braidburn Pool**

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In response to a motion by Councillor Arthur, details were provided on the current position with extra-curricular swimming lessons for learners with Additional Support Needs, and their families at Braidburn Pool.

### **Decision**

To note that the report had been withdrawn and would be considered at the meeting on 22 June 2023.

(References: Act of Council No 33 of 4 May 2023; report by the Executive Director of Children, Education and Justice Services, submitted.)

## **9 Consideration of Private Business – Motion by Councillor Lang**

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The following motion by Councillor Lang was submitted in terms of Standing Order 17:

“Council:

- 1) notes that, at its meeting on 21 March 2023, the Policy & Sustainability Committee considered a report on 'Four Seasons Healthcare - North Merchiston and Castlegreen Care Homes'.
- 2) acknowledges the commercial sensitivity that rightly led the committee to consider this item in private.
- 3) notes an addendum was tabled to the report which extended beyond the specific case of the two care homes and resulted in a majority decision to agree:
  - a) that 'the council's role as a care provider is best met through council owned and operated care homes' and,
  - b) that 'CECs presumption going forward should be in favour of an in-house model', and for 'the Convenor to communicate this council position to EIJB'.

- 4) recognises this addendum was never published publicly and that any group which may have wished to give a deputation on these general issues would not have been able to do so.
- 5) further recognises that members of the public were excluded and the webcast turned off for the debate and vote on the general issues covered by the addendum.”
- 6) agrees the Council should aspire to the highest levels of openness, transparency and accountability in its decision making.
- 7) recognises that, whilst there will be individual cases and sensitive matters which require consideration in private, discussion and decisions on general policy issues should always be held in public unless there are exceptional circumstances.
- 8) requests that officers consider the issues which arose on 21 March 2023 and reports back to Council within six months with options on how procedures could be amended to ensure discussions on general issues and decisions on policy are taken in public, even when the catalyst for such a discussion comes from a private agenda item.”

### **Motion**

To approve the motion by Councillor Lang

- moved by Councillor Lang, seconded by Councillor Davidson

### **Amendment**

To add to the motion by Councillor Lang:

- “1) Welcomes that the council’s presumption is now towards council owned and operated care homes and believes this will lead to better care for our residents, and representation for our workers;
- 2) Regrets that the Council’s standing orders and deadlines mean that groups are never able to offer deputations on amendments and addendums, and welcomes the ongoing work happening on access and inclusion at the council to address this democratic deficit;

- 3) Therefore requests that the officer report includes consideration and recommendations around timelines for motion, amendment, and delegation request submissions, public notice of agenda items, and reporting of outcomes (or provides signposting to other work being undertaken on these issues).”

- moved by Councillor Mumford, seconded by Councillor Parker

In accordance with Standing Order 22(12), the amendment was adjusted and accepted as an addendum to the motion.

## **Decision**

To approve the following adjusted motion by Councillor Lang:

- 1) To note that, at its meeting on 21 March 2023, the Policy & Sustainability Committee considered a report on 'Four Seasons Healthcare - North Merchiston and Castlegreen Care Homes'.
- 2) To acknowledge the commercial sensitivity that rightly led the committee to consider this item in private.
- 3) To note an addendum was tabled to the report which extended beyond the specific case of the two care homes and resulted in a majority decision to agree:
  - a) that 'the council's role as a care provider is best met through council owned and operated care homes' and,
  - b) that 'CECs presumption going forward should be in favour of an in-house model', and for 'the Convenor to communicate this council position to EIJB'.
- 4) To recognise this addendum was never published publicly and that any group which may have wished to give a deputation on these general issues would not have been able to do so.
- 5) To further recognise that members of the public were excluded and the webcast turned off for the debate and vote on the general issues covered by the addendum.
- 6) To agree the Council should aspire to the highest levels of openness, transparency and accountability in its decision making.
- 7) To recognise that, whilst there would be individual cases and sensitive matters which required consideration in private, discussion and decisions on

general policy issues should always be held in public unless there were exceptional circumstances.

- 8) To request that officers consider the issues which arose on 21 March 2023 and report back to Council within six months with options on how procedures could be amended to ensure discussions on general issues and decisions on policy were taken in public, even when the catalyst for such a discussion came from a private agenda item.”
- 9) To regret that the Council’s standing orders and deadlines meant that groups were never able to offer deputations on amendments and addendums, and welcome the ongoing work happening on access and inclusion at the council to address this democratic deficit;
- 10) To therefore request that the officer report include consideration and recommendations around timelines for motion, amendment, and delegation request submissions, public notice of agenda items, and reporting of outcomes (or provides signposting to other work being undertaken on these issues).

## **10 EDI Training – Motion by Councillor Kumar**

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The following motion by Councillor Kumar was submitted in terms of Standing Order 17 and verbally adjusted in terms of Standing Order 22(5):

“Council:

- 1) Thanks officers for offering training around Equality and Diversity to elected representatives and refers to Council’s Equality and Diversity Framework 2021-25.
- 2) Notes on calls for both Police Scotland and Metropolitan Police to improve their Equality and Diversity training.
- 3) Recognises that Equality and Diversity training is critical and has a profound impact on those with protected characteristics under Equality Act 2010; and other people
  - with learning, sensory, and physical disabilities
  - experiencing domestic abuse and violence
  - facing digital exclusion
  - with care experience

- from other underrepresented groups such as ethnic minority and Gypsy Travellers.
- 4) Notes that current equality and diversity training is offered as a one-off online training for staff.
  - 5) Agrees to review our Equality and Diversity training, learning, and development practice and to consider changes for example:
    - a) A programme of mandatory training to be completed over a three-year period completed both in-person and online.
    - b) Additional opportunities for in-person training to reflect on case studies and examples of unconscious bias training that can impact on how we develop policies, procurement, funding, design and deliver services.
    - c) Recognises the essential value of 'lived experience, therefore should explore services of organisations such as CEMVO Scotland, Multi-Cultural Family Base and others to provide training on behalf of the Council.
  - 6) Requests an update to be provided to Policy and Sustainability Committee in 2 cycles.”

### **Motion**

To approve the motion by Councillor Kumar,

- moved by Councillor Kumar, seconded by Councillor Glasgow

### **Amendment 1**

Council agrees to:

- 1) To refer the amended motion to the Equalities Working Group to allow officers the space to work with members on how we can create an inclusive council culture and a city where everyone feels like they truly belong.
- 2) To request the Equalities Working Group work with officers to draft a framework which includes a timescale and costs to review the effectiveness of current Equality and Diversity training, engaging with the Trade Unions and representatives from the staff network throughout.

- moved by Councillor Lezley Marion Cameron, seconded by Councillor Dalgleish

## **Amendment 2**

- 1) To add after point (4) in the motion by Councillor Kumar:

“Further notes that current training and awareness should be improved to battle the rise in sexist, homophobic, transphobic, racist, and ableist abuse that some members and colleagues are facing.”

Reorder accordingly.

- 2) After point (5) b) in the motion:

“Ensures that lived experience is central to training, learning and development or redevelopment of policy”

Reorder accordingly.

- 3) In point (6) of the motion after “2 cycles” include:

“[...] detailing how the Council will review our training, learning and development practices as set out in point above, noting gaps and shortfalls, successes, financial implications and a timeline for future implementation.”

- moved by Councillor Mumford, seconded by Councillor O’Neill

## **Amendment 3**

Deletes all of the motion by Councillor Kumar and replaces with:

- 1) Council notes that the Council has in place an active Diversity and Equality Framework 2021-25, approved and implemented during the last Council term under the then SNP/Labour led Administration. This Framework has active governance overseen by elected members through quarterly briefings to the Elected Members Equality Working Group, an annual report to Committee and a statutory two-year progress report as required under the Equalities Act with full details listed here: [Equality and diversity framework 2021 to 2025 – The City of Edinburgh Council](#).
- 2) Council further notes that elected members have recently been offered the opportunity to undertake Equality and Diversity Training and that Unconscious Bias training is mandatory for elected members if they are to participate in Chief Officer selection panels.
- 3) Council agrees that a briefing note is circulated to all elected members once the statutory two-year progress report is available outlining the ongoing work of the Framework, giving an update on adequacy and effectiveness to date



and highlighting any suggestions for implementation in the next iteration of the Framework post 2025 to maintain best practice.”

- moved by Councillor Whyte, seconded by Councillor Mitchell

In accordance with Standing Order 22(12), Amendments 1 and 2 were accepted as addendums to the motion.

### **Voting**

The voting was as follows:

For the Motion (as adjusted)	-	52 votes
For Amendment 3	-	8 votes

(For the Motion (as adjusted): Lord Provost, Councillors Arthur, Aston, Bandel, Beal, Bennett, Biagi, Booth, Burgess, Caldwell, Lezley Marion Cameron, Campbell, Dalgleish, Davidson, Day, Dijkstra-Downie, Dobbin, Faccenda, Flannery, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Heap, Hyslop, Jenkinson, Key, Kumar, Lang, Macinnes, McFarlane, McKenzie, McNeese-Meechan, McVey, Meagher, Miller, Mumford, Nicolson, O’Neill, Osler, Parker, Pogson, Rae, Ross, Staniforth, Thornley, Walker, Watt, Work, Young and Younie.

For Amendment 3: Councillors Cowdy, Doggart, Jones, Mitchell, Mowat, Munro, Rust and Whyte.)

### **Decision**

To approve the following adjusted motion by Councillor Kumar

- 1) To thank officers for offering training around Equality and Diversity to elected representatives and refer to Council’s Equality and Diversity Framework 2021-25.
- 2) To note on calls for both Police Scotland and Metropolitan Police to improve their Equality and Diversity training.
- 3) To recognise that Equality and Diversity training was critical and had a profound impact on those with protected characteristics under Equality Act 2010; and other people
  - with learning, sensory, and physical disabilities
  - experiencing domestic abuse and violence
  - facing digital exclusion

- with care experience
  - from other underrepresented groups such as ethnic minority and Gypsy Travellers.
- 4) To note that current equality and diversity training was offered as a one-off online training for staff.
  - 5) To further note that current training and awareness should be improved to battle the rise in sexist, homophobic, transphobic, racist, and ableist abuse that some members and colleagues were facing
  - 6) To agree to review the Equality and Diversity training, learning, and development practice and to consider changes for example:
    - a) A programme of mandatory training to be completed over a three-year period completed both in-person and online.
    - b) Additional opportunities for in-person training to reflect on case studies and examples of unconscious bias training that can impact on how we develop policies, procurement, funding, design and deliver services.
    - c) Ensures that lived experience is central to training, learning and development or redevelopment of policy
    - c) Recognises the essential value of 'lived experience, therefore should explore services of organisations such as CEMVO Scotland, Multi-Cultural Family Base and others to provide training on behalf of the Council.
  - 7) To request an update be provided to Policy and Sustainability Committee in 2 cycles detailing how the Council would review our training, learning and development practices as set out in point 6 above, noting gaps and shortfalls, successes, financial implications and a timeline for future implementation
  - 8) To refer the amended motion to the Equalities Working Group to allow officers the space to work with members on how to create an inclusive council culture and a city where everyone felt like they truly belonged.
  - 9) To request the Equalities Working Group work with officers to draft a framework which included a timescale and costs to review the effectiveness of current Equality and Diversity training, engaging with the Trade Unions and representatives from the staff network throughout.

## 11 Russian Kidnapping of Ukrainian Children – Motion by Councillor McNeese-Mechan

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The following motion by Councillor McNeese-Mechan was submitted in terms of Standing Order 17:

“Council:

- 1) Reaffirms our commitment to both Edinburgh’s sister city Kyiv and the Ukrainian people in their struggle to free their country from the illegal Russian invasion.
- 2) Notes the City recently welcomed a visit from Member of the Ukrainian Parliament Lesia Vasylenko, Head of the Subcommittee on Climate Change and Clean Air. Although the government and parliament of Ukraine continue to function despite the odds, in the past twelve months, Vasylenko has had to shift her attention from clean air to air raids, due to the ongoing bombardment of the cities and countryside of Ukraine.
- 3) Notes with concern that on the 9th of March Lesia Vasylenko highlighted Russia’s programme of kidnapping Ukrainian children and transferring them to camps, a war crime. US State Department Spokesman Ned Price has also confirmed that the Russian authorities have systematically snatched thousands of Ukrainian children, ranging in age from 4 months old to 17 years old, and refused to return them, having cut off all contact with their families confirming these war crimes have taken place.
- 4) Strongly denounces the Russian kidnapping and forced re-education of an estimated 6000 Ukrainian children, according to Yale University’s Humanitarian Research Lab.

Council particularly decries the practice of forcing boys aged 14 to 17 to train for armed combat and deployment in the Russian army.

- 5) Affirms its commitment to the UN Declaration on the Rights of the Child, and condemns the Russian authorities’ war crimes as well as the attempted cultural eradication of banning of the use of the Ukrainian language by the kidnapped children.
- 6) Supports the decision by the International Criminal Court to issue an arrest warrant for Vladimir Putin.
- 7) Agrees the Council Leader should write to the UK Government to again ask them to suspend diplomatic credentials of the Russian Consulate in Edinburgh and expel all Russian State agents from the City of Edinburgh as well as supporting stronger international sanctions.”

## **Motion**

To approve the motion by Councillor McNeese-Mechan.

- moved by Councillor McNeese-Mechan, seconded by Councillor Fullerton

## **Amendment**

To add at the end of the motion by Councillor McNeese-Mechan:

- “8) Notes that some types of international sanctions have negative effects on the lives of ordinary citizens and therefore the letter should stress stronger sanctions should be against the Russian government and military, not ordinary Russian citizens.
- 9) Further notes that ‘Russian state agents’ should exclude those whose occupation is entirely dedicated to the welfare of Russian born people living in Edinburgh (and wider Scotland) and that the letter should reflect that also.”

- moved by Councillor Staniforth, seconded by Councillor Booth

## **Voting**

The voting was as follows:

For the motion	-	49 votes
For the amendment	-	11 votes

(For the motion: Lord Provost, Councillors Arthur, Aston, Beal, Bennett, Biagi, Caldwell, Lezley Marion Cameron, Campbell, Cowdy, Dalgleish, Davidson, Day, Dijkstra-Downie, Dobbin, Doggart, Faccenda, Flannery, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Hyslop, Jenkinson, Jones, Key, Kumar, Lang, Macinnes, McFarlane, McNeese-Meechan, McVey, Meagher, Mitchell, Mowat, Munro, Nicolson, Osler, Pogson, Ross, Rust, Thornley, Walker, Watt, Whyte, Work, Young and Younie.

For the amendment: Councillors Bandel, Booth, Burgess, Heap, McKenzie, Miller, Mumford, O'Neill, Parker, Rae and Staniforth.)

## **Decision**

To approve the motion by Councillor McNeese-Mechan.

## 12 Time for Inclusive Education – Motion by Councillor McFarlane

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The following motion by Councillor McFarlane was submitted in terms of Standing Order 17:

“Council:

- 1) Celebrates the fact that in 2021 Scotland was the first country in the world to agree cross-Party to embed lesbian, gay, bisexual and transgender (LGBT) inclusive education across the school curriculum and notes that there is a national expectation that Local Authorities ensure that all schools are delivering an LGBT inclusive education for their learners.
- 2) Agrees that LGBT inclusive education contributes to ensuring that all young people see themselves, their families, and the world around them in what they learn. Further agrees that this should be meaningful, relevant, and part of ordinary learning, rather than exceptional or siphoned into particular calendar months or one-off occasions.
- 3) Notes that the charity Time for Inclusive Education (TIE) provides services and resources, co-developed with teachers from across Scotland and suitable for primary and secondary pupils that include stage appropriate educational workshops for pupils, professional learning for teachers, and curriculum materials. This is in addition to their responsibility for managing the new national platform [lgbteducation.scot](https://www.lgbteducation.scot) on behalf of the Scottish Government and endorsed by a variety of stakeholders including those in the education sector.
- 4) Understands that schools that have utilised this national platform and completed Stages 1 and 2 of the CPD pathway provided by TIE have reported significant and notable success in increasing the confidence of teachers to deliver LGBT inclusive education. Schools who have engaged with TIE's learner sessions, including those in Edinburgh have reported that pupils within their school community have a greater understanding of diversity, the impact of prejudice, and anti-bullying.
  - 4.1) Further understands that these resources and training are entirely free and come at no monetary cost to schools due to core funding support from The Scottish Government.

Therefore Council agrees:

- 5) To pursue embedding a proactive educational approach to addressing the stereotypes and stigma which can lead to prejudice or bullying experienced by pupils who are LGBT+, perceived or thought to be by others, or have LGBT

family members (such as same-sex parents) in our school settings. This should be additional to procedures for supporting pupils who experience instances of bullying due to their sexuality, gender identity or perceived characteristics of such identities.

- 6) To agree that the working ambition of the council should be towards a 100% completion rate of the Scottish Government's Stage 1 and Stage 2 national professional learning among Edinburgh's primary and secondary teachers. Additionally, Council agrees to commit to publishing our progress towards meeting the national expectation annually alongside the percentage of primary and secondary teachers who have completed Stage 1 and Stage 2 of the CPD pathway to the Education, Children and Families Committee.
- 7) That appropriate officers should engage directly with TIE with a view to working with them to host a launch event for the [lgbteducation.scot](http://lgbteducation.scot) national platform in the City Chambers emulating the success in other Local Authorities and engaging the city's headteachers, heads of department and council education officers with the opportunities that this can bring.
- 8) To further request a report to Education, Children and Families Committee within three cycles outlining:
  - Progress and efforts to date in rolling out LGBT+ inclusive education in Edinburgh identifying any challenges encountered thus far and potential solutions to overcome them. This should also include additional third sector work in this sphere such as LGBT+ Youth Scotland's Charter programme.
  - A prospective timeline or work programme looking to achieve or near achieve the aspiration of 100% of primary and secondary teachers progressing through Stage 1 and Stage 2 of the national professional learning.
  - Whether it may be appropriate to embed an LGBT+ Inclusive Education Action Plan within Edinburgh's Education Improvement Plans."

The Council had heard a deputation from tie (time for inclusive education) on this issue (see item 1(a) above).

### **Motion**

To approve the motion by Councillor McFarlane.

- moved by Councillor McFarlane, seconded by Councillor Biagi

## Amendment

Deletes all of the motion by Councillor McFarlane and replaces with:

- 1) Council notes that the Council has in place an active Diversity and Equality Framework 2021-25, approved and implemented during the last Council term under the then SNP/Labour led Administration. This Framework has active governance overseen by elected members through quarterly briefings to the Elected Members Equality Working Group, an annual report to Committee and a statutory two-year progress report as required under the Equalities Act with full details listed here: [Equality and diversity framework 2021 to 2025 – The City of Edinburgh Council](#).
- 2) Council agrees that a briefing note is circulated to all elected members once the statutory two-year progress report is available outlining the ongoing work of the Framework, giving an update on adequacy and effectiveness to date and highlighting any suggestions for implementation in the next iteration of the Framework post 2025 to maintain best practice'
- 3) This briefing note should include an assessment of whether and how, the "Time for Inclusive Education" programme should be implemented by the Council. This issue then to be discussed through the Framework's and the Education service's governance processes.

- moved by Councillor Whyte, seconded by Councillor Jones

## Voting

The voting was as follows:

For the motion	-	52 votes
For the amendment	-	8 votes

(For the motion: Lord Provost, Councillors Arthur, Aston, Bandel, Beal, Bennett, Biagi, Booth, Burgess, Caldwell, Lezley Marion Cameron, Campbell, Dalgleish, Davidson, Day, Dijkstra-Downie, Dobbin, Faccenda, Flannery, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Heap, Hyslop, Jenkinson, Key, Kumar, Lang, Macinnes, McFarlane, McNeese-Meechan, McVey, Meagher, Miller, Mumford, Nicolson, O'Neill, Osler, Parker, Pogson, Rae, Ross, Staniforth, Thornley, Walker, Watt, Work, Young and Younie.

For the amendment: Councillors Cowdy, Doggart, Jones, Mitchell, Mowat, Munro, Rust and Whyte.)

## Decision

To approve the motion by Councillor McFarlane.

## 13 International Overdose Awareness Day – Motion by Councillor McFarlane

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The following motion by Councillor McFarlane was submitted in terms of Standing Order 17:

“Council:

- 1) Notes that International Overdose Awareness Day takes place on the 31st of August every year and that this is a worldwide annual campaign to end overdose, remember without stigma those who have died, and acknowledge the grief of the family and friends left behind.
- 2) Further notes that in 2022 the City of Edinburgh Council acknowledged this day by supporting Turning Point Scotland with an overdose awareness street stall in Leith.
- 3) Agrees to annually mark this day across the city with information promoted through the Council’s social media channels to both raise awareness and signpost support services that are available in addition to engaging with Edinburgh’s Health and Social Care Partnership to establish whether there can be further on the ground activity as in previous years.
- 4) Further agrees to a report to Culture and Communities Committee in two cycles investigating the possible options for a formal memorial or place of remembrance to those who tragically lost their lives in this way.”

### **Motion**

To approve the motion by Councillor McFarlane.

- moved by Councillor McFarlane, seconded by Councillor Hyslop

### **Amendment 1**

Deletes all of the motion by Councillor McFarlane and replaces with:

“Notes that according to data from the National Records of Scotland published in July 2022 that in 2020 there were a record 1,339 drug-related deaths in Scotland, with figures for 2021 showing a decrease of just nine from the year before.

Notes that this is the first fall in drugs deaths in Scotland since 2013, and welcomes that drug-related hospital admissions have declined along with the number of incidents in which the Scottish Ambulance Service had to administer the drug naloxone to reverse the effects of opioid use. Notes that despite these positive signs Scotland continues to be in a state of crisis with respect to drug deaths, with over



2,500 deaths been recorded and over 11,000 doses of naloxone administered since the Scottish Government Declared the crisis a “public health emergency”.

Notes the per capita drugs deaths are higher in Scotland than anywhere else in Europe, with a death rate of 327 per million people aged 15-64 whilst Great Britain as a whole has a death rate of 88 per million people aged 15-64.

Agrees that no single policy can solve the crisis and that any substantial reduction in deaths will take several years, and therefore welcomes the integrated approach the Scottish Government is now taking.

Agrees therefore that the Council Leader should work with COSLA leaders to ask that the Scottish Government establishes a national memorial at the point at which Scotland’s drug crisis and public health emergency is declared to be at an end.”

- moved by Councillor Arthur, seconded by Councillor Lezley Marion Cameron

### **Amendment 2**

Council

Delete paragraph 4) of the motion by Councillor McFarlane and insert:

- “4) Agrees there is a strong case for a formal memorial or place of remembrance to those who have tragically lost their lives through an overdose while recognising there is no defined council policy or process for the creation of a memorial, either for this or other deserving cases.
- 5) therefore requests a report to the Culture & Communities Committee in two cycles on how the Council can establish such a policy and process, with a memorial for those who have lost their lives through an overdose being the first to be considered under this policy.”

- moved by Councillor Davidson, seconded by Councillor Osler

### **Amendment 3**

Adds after paragraph 1 of the motion by Councillor McFarlane a new paragraph 2 and renumber accordingly:

- “2) Regrets that Scotland has the highest number of drug deaths in Europe on a per population basis and therefore a day when people can remember those who have died of drug overdoses is a solemn reminder to the Scottish Government and those charged with the responsibility of helping people out of the misery of addiction that there is significant work to be done to reduce the numbers of families who suffer a loss due to this problem.”

- moved by Councillor Mowat, seconded by Councillor Cowdy

In accordance with Standing Order 22(12), Amendment 1 was adjusted and accepted as an addendum to the motion, Amendment 2 was accepted as an amendment to the motion and Amendment 3 was accepted as an addendum to the motion.

## **Decision**

To approve the following adjusted motion by Councillor McFarlane:

- 1) To note that International Overdose Awareness Day takes place on the 31st of August every year and that this was a worldwide annual campaign to end overdose, remember without stigma those who had died, and acknowledge the grief of the family and friends left behind.
- 2) To regret that Scotland had the highest number of drug deaths in Europe on a per population basis and therefore a day when people could remember those who had died of drug overdoses was a solemn reminder to the Scottish Government and those charged with the responsibility of helping people out of the misery of addiction that there was significant work to be done to reduce the numbers of families who suffered a loss due to this problem
- 3) To further note that in 2022 the City of Edinburgh Council acknowledged this day by supporting Turning Point Scotland with an overdose awareness street stall in Leith.
- 4) To agree to annually mark this day across the city with information promoted through the Council's social media channels to both raise awareness and signpost support services that were available in addition to engaging with Edinburgh's Health and Social Care Partnership to establish whether there could be further on the ground activity as in previous years.
- 5) To agree there was a strong case for a formal memorial or place of remembrance to those who had tragically lost their lives through an overdose while recognising there was no defined council policy or process for the creation of a memorial, either for this or other deserving cases.
- 6) To therefore request a report to the Culture and Communities Committee in two cycles on how the Council could establish such a policy and process, with a memorial for those who had lost their lives through an overdose being the first to be considered under this policy
- 7) To note that according to data from the National Records of Scotland published in July 2022 that in 2020 there were a record 1,339 drug-related

deaths in Scotland, with figures for 2021 showing a decrease of just nine from the year before.

- 8) To note that this was the first fall in drugs deaths in Scotland since 2013, and welcomed that drug-related hospital admissions had declined along with the number of incidents in which the Scottish Ambulance Service had to administer the drug naloxone to reverse the effects of opioid use. To note that despite these positive signs Scotland continued to be in a state of crisis with respect to drug deaths, with over 2,500 deaths recorded and over 11,000 doses of naloxone administered since the Scottish Government Declared the crisis a “public health emergency”.
- 9) To note the per capita drugs deaths were higher in Scotland than anywhere else in Europe, with a death rate of 327 per million people aged 15-64 whilst Great Britain as a whole had a death rate of 88 per million people aged 15-64.
- 10) To agree that no single policy could solve the crisis and that any substantial reduction in deaths would take several years, and therefore to welcome the integrated approach the Scottish Government was now taking.
- 11) To agree therefore that the Council Leader should work with COSLA leaders to ask that the Scottish Government establish a national memorial.

## **14 Bowling Greens – Motion by Councillor Osler**

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The following motion by Councillor Osler was submitted in terms of Standing Order 17:

### **“Council**

- 1) Notes with regret that Edinburgh Leisure has given notice that they intend to return two bowling venues at St Margaret’s Park and Victoria Park prior to the start of the 2023 bowling season.
- 2) Appreciates that this has come as a shock to users of these facilities who were given little warning.
- 3) Understands that officers from Parks and Greenspace, Sports and Estates are meeting to review options for alternatives uses which might include public toilets and café provision.
- 4) Agrees that the Council when presented with the opportunity of increasing the provision of publicly accessible toilets that this should be explored.

Therefore

- 5) Agrees that a report will go to Culture and Communities within two cycles looking into what uses could be provided at these venues including them remaining as Bowling Greens with publicly accessible toilet provision.”

### **Motion**

To approve the motion by Councillor Osler.

- moved by Councillor Osler, seconded by Councillor Beal

### **Amendment 1**

To add to the motion by Councillor Osler:

- “6) In addition, the report should consider potential community projects to repurpose the bowling greens into community growing areas incorporating fruit trees, edible flowers and vegetable beds.”

- moved by Councillor Graham, seconded by Councillor Lezley Marion Cameron

### **Amendment 2**

To add to the motion by Councillor Osler:

“Further agrees that the report should also:

- 1) include possible alternative community uses for these venues;
- 2) include changing places toilets, water access points, rest points and weather protection - in line with council approach towards accessibility and climate adaptation – in its consideration of publicly accessible facilities.

Also requests a separate briefing note on other Council owned bowling greens at risk of potential closure.”

- moved by Councillor Mumford, seconded by Councillor Miller

### **Amendment 3**

To add at the end of the motion by Councillor Osler:

- “6) This report to place these considerations within the context of the agreed approach to providing public toilets in Premier Parks, any upcoming Sport Strategy and to provide full costings and details of available budget provision.”

- moved by Councillor Doggart, seconded by Councillor Mitchell

In accordance with Standing Order 22(12), Amendments 1, 2 and 3 were accepted as addendums to the motion.

## **Decision**

To approve the following adjusted motion by Councillor Osler:

- 1) To note with regret that Edinburgh Leisure had given notice that they intended to return two bowling venues at St Margaret's Park and Victoria Park prior to the start of the 2023 bowling season.
- 2) To appreciate that this had come as a shock to users of these facilities who were given little warning.
- 3) To understand that officers from Parks and Greenspace, Sports and Estates were meeting to review options for alternative uses which might include public toilets and café provision.
- 4) To agree that the Council when presented with the opportunity of increasing the provision of publicly accessible toilets that this should be explored.
- 5) To therefore agree that a report would go to Culture and Communities within two cycles looking into what uses could be provided at these venues including them remaining as Bowling Greens with publicly accessible toilet provision.
- 6) In addition, the report should consider potential community projects to repurpose the bowling greens into community growing areas incorporating fruit trees, edible flowers and vegetable beds.
- 7) To further agree that the report should also:
  - a) include possible alternative community uses for these venues;
  - b) include changing places toilets, water access points, rest points and weather protection - in line with council approach towards accessibility and climate adaptation – in its consideration of publicly accessible facilities.
- 8) This report to place these considerations within the context of the agreed approach to providing public toilets in Premier Parks, any upcoming Sport Strategy and to provide full costings and details of available budget provision.

## 15 Celebrating Pride Month – Motion by Councillor Heap

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The following motion by Councillor Heap was submitted in terms of Standing Order 17:

“Council:

- 1) Welcomes the celebration of Pride in Edinburgh this month;
- 2) Understands that pride is a celebration of the diversity, history, achievements and equal status and dignity of the LGBTIQ+ community;
- 3) Celebrates the significant strides made in LGBTIQ+ equality in recent decades, but
- 4) Further understands that Pride is also a protest against the continuing, and in some cases, increasing, inequalities faced by this community;
- 5) Notes with regret the 10% and 87% yearly increases in, respectively, sexual orientation and transgender hate crimes in Scotland in 2021/22;
- 6) Further notes with regret that the UK fell several places in the recently-published ILGA Europe’s Rainbow Index ranking of countries by progress on LGBTI+ equality, noting a number of regressions in LGBTIQ+ equality, including that “Anti-trans rhetoric continued to cause serious damage in the UK again this year, with continued hostile reporting in mainstream newspapers” and also that “LGBT Youth Scotland’s ‘Life in Scotland’ report found that the rate of LGBTI young people thinking Scotland was a “good place for LGBTI young people to live” dropping from 81% to 65% in just five years”
- 7) Believes that the Council chamber and Committee chambers should be no place for speeches which endanger the transgender and broader LGBTIQ+ communities.
- 8) Welcomes the flying of the Progress Flag from the City Chambers for the entirety of Pride Month.
- 9) Believes the Council has a central role in driving progress towards the full equality and inclusion of LGBTIQ+ people in Edinburgh.
- 10) And requests a report to the first Full Council after the summer recess covering:
  - (a) what progress on LGBTIQ+ equality has been made as part of the Council’s Equality and Diversity Framework 2021-2025 so far;

- (b) And what future actions it will take as part of the Framework to advance LGBTIQ+ equality including (i) what can be done to support local pride activities across the city, and
- (c) How the Council works with Police Scotland to tackle LGBTIQ+ hate crime.”

### **Motion**

To approve the motion by Councillor Heap.

- moved by Councillor Heap, seconded by Councillor O'Neill

### **Amendment 1**

Delete Paragraph 10 of the motion by Councillor Heap and replace with:

“Council reaffirms its previous commitments to creating an inclusive, accessible Council culture and workplace; and to Edinburgh being an inclusive, accessible city where everyone feels and believes they truly belong;

Agrees that this amended motion be referred to the Equality Working Group to allow officers the space to work with members on how we can create an inclusive council culture and a city where everyone feels like they can truly belong.

To request the Equalities Working Group draft a framework which includes a timescale and costs to review:

- (a) What progress on LGBTIQ+ equality has been made as part of the Council's Equality and Diversity Framework 2021-2025 so far;
- (b) And what future actions it will take as part of the Framework to advance LGBTIQ+ equality including (i) what can be done to support local pride activities across the city, and
- (c) How the Council works with Police Scotland to tackle LGBTIQ+ hate crime;

Council calls for the outcome report to the Policy and Sustainability Committee by the end of the year.

- moved by Councillor Lezley Marion Cameron, seconded by Councillor Walker

### **Amendment 2**

To add to the end of the motion by Councillor Heap:

“11) agrees the Leader of the Council should write to the Edinburgh Divisional Commander to request that the next Police Scotland report to the Culture and

Communities Committee specifically address what action is being taken to tackle LGBTIQ+ hate crime.”

- moved by Councillor Lang, seconded by Councillor Thornley

### **Amendment 3**

To add to the motion by Councillor Heap:

- 1) Council notes that the Council has in place an active Diversity and Equality Framework 2021-25, approved and implemented during the last Council term under the then SNP/Labour led Administration. This Framework has active governance overseen by elected members through quarterly briefings to the Elected Members Equality Working Group, an annual report to Committee and a statutory two-year progress report as required under the Equalities Act with full details listed here: [Equality and diversity framework 2021 to 2025 – The City of Edinburgh Council](#).
- 2) Council agrees that a briefing note is circulated to all elected members once the statutory two-year progress report is available outlining the ongoing work of the Framework, giving an update on adequacy and effectiveness to date and highlighting any suggestions for implementation in the next iteration of the Framework post 2025 to maintain best practice.

- moved by Councillor Whyte, seconded by Councillor Mitchell

In accordance with Standing Order 22(12), Amendment 1 was adjusted and accepted as an addendum to the motion and Amendments 2 and 3 were accepted as addendums to the motion.

### **Decision**

To approve the following adjusted motion by Councillor Heap:

- 1) To welcome the celebration of Pride in Edinburgh this month.
- 2) To understand that pride was a celebration of the diversity, history, achievements and equal status and dignity of the LGBTIQ+ community.
- 3) To celebrate the significant strides made in LGBTIQ+ equality in recent decades.
- 4) To further understand that Pride was also a protest against the continuing, and in some cases, increasing, inequalities faced by this community.
- 5) To note with regret the 10% and 87% yearly increases in, respectively, sexual orientation and transgender hate crimes in Scotland in 2021/22.



- 6) To further note with regret that the UK fell several places in the recently-published ILGA Europe's Rainbow Index ranking of countries by progress on LGBTIQ+ equality, noting a number of regressions in LGBTIQ+ equality, including that "Anti-trans rhetoric continued to cause serious damage in the UK again this year, with continued hostile reporting in mainstream newspapers" and also that "LGBT Youth Scotland's 'Life in Scotland' report found that the rate of LGBTI young people thinking Scotland was a "good place for LGBTI young people to live" dropping from 81% to 65% in just five years"
- 7) To believe that the Council chamber and Committee chambers should be no place for speeches which endangered the transgender and broader LGBTIQ+ communities.
- 8) To welcome the flying of the Progress Flag from the City Chambers for the entirety of Pride Month.
- 9) To believe the Council had a central role in driving progress towards the full equality and inclusion of LGBTIQ+ people in Edinburgh.
- 10) To reaffirm its previous commitments to creating an inclusive, accessible Council culture and workplace; and to Edinburgh being an inclusive, accessible city where everyone feels and believes they truly belong.
- 11) To agree that this motion be referred to the Equality Working Group to allow officers the space to work with members on how to create an inclusive council culture and a city where everyone felt like they could truly belong, including
  - a) What progress on LGBTIQ+ equality had been made as part of the Council's Equality and Diversity Framework 2021-2025 so far;
  - b) What future actions it would take as part of the Framework to advance LGBTIQ+ equality including (i) what could be done to support local pride activities across the city, and
  - c) How the Council worked with Police Scotland to tackle LGBTIQ+ hate crime.
- 12) To request the Group report on these issues and any others it considered important to the Policy and Sustainability Committee (with the option for subsequent referral to Full Council) by the end of the calendar year
- 13) To agree the Leader of the Council should write to the Edinburgh Divisional Commander to request that the next Police Scotland report to the Culture and Communities Committee specifically address what action was being taken to tackle LGBTIQ+ hate crime.

- 14) To note that the Council had in place an active Diversity and Equality Framework 2021-25, approved and implemented during the last Council term under the then SNP/Labour led Administration. This Framework had active governance overseen by elected members through quarterly briefings to the Elected Members Equality Working Group, an annual report to Committee and a statutory two-year progress report as required under the Equalities Act with full details listed here: [Equality and diversity framework 2021 to 2025 – The City of Edinburgh Council](#).
- 15) To agree that a briefing note be circulated to all elected members once the statutory two-year progress report was available outlining the ongoing work of the Framework, giving an update on adequacy and effectiveness to date and highlighting any suggestions for implementation in the next iteration of the Framework post 2025 to maintain best practice.

## **16 Critical Risks – Motion by Councillor Mowat**

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The following motion by Councillor Mowat was submitted in terms of Standing Order 17 and verbally adjusted in terms of Standing Order 22(5):

“Council notes:

That the black rated critical risks for service delivery and workforce on the Corporate Leadership Team’s Risk Register is unprecedented and presents the most serious challenge to the organisation;

That the Council’s core function is to deliver services to the residents of Edinburgh who rely on the Council as their sole service provider;

That Councillors have a duty to both ensure the Corporate Leadership Team focuses their attention on addressing this issue with the utmost urgency and to support staff to ensure that the situation does not worsen;

That the latest Audit Scotland Local Government Overview 2023 details the serious challenges facing councils and has produced a checklist that all Councillors should complete to focus their attention which includes the question “Are we (Councillors and senior officers) investing time and capacity into thinking radically about the Council’s future operating model?”

Agrees:

- 1) That the Chief Executive will bring a report to Full Council in 2 cycles detailing a plan to reduce the Critical risks noted above, and that plan will be monitored by an appropriate Committee for the next six months and a further report detailing progress will be brought to Council in December 2023;

- 2) That Councillors support officers by considering whether motions, amendments and written questions are necessary for the pursuance of Council business and delivery and resist bringing those that would add to officer workload and to review this restraint when the progress report is brought to council in December 2023.”

### **Motion**

To approve the motion by Councillor Mowat.

- moved by Councillor Mowat, seconded by Councillor Doggart

### **Amendment 1**

- 1) To add after paragraph four ‘operating model?’ in the motion by Councillor Mowat:

“And further notes an additional set of questions are:

*Does my council have detailed corporate and service workforce planning in place?*

*Have these plans been updated to:*

- *reflect the changing nature of services the council provides*
- *ensure the delivery of long term priorities*
- *address specific skill shortages to build a resilient workforce for the future*
- *consider the impact of an ageing workforce, succession planning and skills development, including leadership skills development”*

- 2) To add to point 1) of the motion:

“And this report should include a detailed corporate and service workforce plan which answers the questions set out above and should be referred onto GRBV for scrutiny alongside risk reports.”

- 3) To add at point 2) of the motion:

“but that this should in no way infringe on opposition parties’ ability to effect change and the ability of councillors to scrutinise.”

- moved by Councillor Campbell, seconded by Councillor McVey

## Amendment 2

To amend the motion by Councillor Mowat as below with additions in **bold** and deletions in ~~striketrough~~:

“Council notes:

- That the black rated critical risks for service delivery and workforce on the Corporate Leadership Team’s Risk Register is unprecedented and presents the most serious challenge to the organisation;
- That **one of** the Council’s core functions is to deliver services to the residents of Edinburgh who rely on the Council as their sole service provider **as well as ensuring that the Council is equipped to deliver these services (and others) in the future, and that this requires longer term planning and investment to address challenges which will threaten the ability of the Council to deliver these services in the longer term, for example, the impact of the climate and nature emergencies.**
- **That the Council also has a function as a leader in Scotland’s Capital City, occupying a unique and influential position which can, and should, be harnessed to set an agenda and inspire wider change, and that this routinely happens through its Civic Office, as well as through the actions of elected members in their communities and through formal Council business such as motion submissions.**
- That Councillors have a duty to both ensure the Corporate Leadership Team focuses their attention on addressing this issue with the utmost urgency and to support staff to ensure that the situation does not worsen;
- That the latest Audit Scotland Local Government Overview 2023 details the serious challenges facing councils and has produced a checklist that all Councillors should complete to focus their attention which includes the question “Are we (Councillors and senior officers) investing time and capacity into thinking radically about the Council’s future operating model?”
- **That there is a significant piece of work already underway looking at tackling systemic discrimination within Council business practices and that many actions likely to be proposed to address this and make practices more accessible will also help to reduce staff workload and address some of the critical risks outlined above.**
- **That previous attempts to amend the Council’s Standing Orders to build more time into Council processes were not successful, but that these are due to be reviewed again in Autumn 2023 giving an opportunity to**

**prioritise the wellbeing of staff and the quality of decision-making processes;**

Agrees:

- 1) That the Chief Executive will bring a report to Full Council in ~~1 cycle~~ **2 cycles** detailing a plan to reduce the critical risks noted above, and that plan will be monitored by an appropriate Committee for the next six months and a further report detailing progress will be brought to Council in December 2023; **further agrees that these reports will also include details about how the Council plans to analyse and benchmark spinal column pay against other local authorities and the private sector to consider what changes may be required to tackle problems of workforce retention and recruitment.**
- 2) That Councillors support officers by ~~considering whether motions, amendments and written questions are necessary for the pursuance of Council business and delivery and resist bringing those that would add to officer workload and to review this restraint when the progress report is brought to council in December 2023~~ **participating in the various workshops which are already planned to design better processes and structures to govern Council business, for example through the radical overhauling of Council standing orders and embracing technology in the pursuance of Council business.**

**That Councillors have a democratic right and duty to bring forward motions / questions as they see fit and that whilst some self-moderation might be helpful, a more robust and appropriate response to tackle the problems highlighted in this motion is a systemic one, focused on building a better framework around how the Council conducts business and taking action to consider pay and working conditions of Council Officers.**

- moved by Councillor Parker, seconded by Councillor Miller

In accordance with Standing Order 22(12), Amendment 1 was adjusted and accepted as an addendum to the Motion

In accordance with Standing Order 22(12), Amendment 2 was accepted as an addendum to Amendment 1

### **Voting**

The voting was as follows:

For the Motion (as adjusted)	-	33 votes
For Amendment 1 (as adjusted)	-	26 votes

(For the Motion (as adjusted): Lord Provost, Councillors. Arthur, Beal, Bennett, Caldwell, Lezley Marion Cameron, Cowdy, Dalglish, Davidson, Day, Dijkstra-Downie, Daggart, Faccenda, Flannery, Graham, Griffiths, Jenkinson, Jones, Lang, Meagher, Mitchell, Mowat, Munro, Osler, Pogson, Ross, Rust, Thornley, Walker, Watt, Whyte, Young and Younie.

For Amendment 1 (as adjusted): Councillors Aston, Bandel, Biagi, Booth, Burgess, Campbell, Dobbin, Fullerton, Gardiner, Glasgow, Heap, Hyslop, Key, Kumar, Macinnes, McFarlane, McKenzie, McNeese-Meechan, McVey, Miller, Mumford, Nicolson, O'Neill, Parker, Staniforth and Work.)

## **Decision**

To approve the following adjusted motion by Councillor Mowat

- 1) To note that the black rated critical risks for service delivery and workforce on the Corporate Leadership Team's Risk Register was unprecedented and presented the most serious challenge to the organisation and this report should include a detailed corporate and service workforce plan which answers the questions set out above and should be referred onto GRBV for scrutiny alongside risk reports
- 2) To note that the Council's core function was to deliver services to the residents of Edinburgh who relied on the Council as their sole service provider.
- 3) To note that Councillors had a duty to both ensure the Corporate Leadership Team focussed their attention on addressing this issue with the utmost urgency and to support staff to ensure that the situation did not worsen.
- 4) To note that the latest Audit Scotland Local Government Overview 2023 detailed the serious challenges facing councils and had produced a checklist that all Councillors should complete to focus their attention which included the question "Are we (Councillors and senior officers) investing time and capacity into thinking radically about the Council's future operating model?"
- 5) To further note an additional set of questions were:

*Does my council have detailed corporate and service workforce planning in place?*

*Have these plans been updated to:*

- *reflect the changing nature of services the council provides*
- *ensure the delivery of long term priorities*

- *address specific skill shortages to build a resilient workforce for the future*
  - *consider the impact of an ageing workforce, succession planning and skills development, including leadership skills development.*
- 6) To agree that the Chief Executive would bring a report to Full Council in 2 cycles detailing a plan to reduce the Critical risks noted above, and that plan would be monitored by an appropriate Committee for the next six months and a further report detailing progress would be brought to Council in December 2023.
- 7) To agree that Councillors support officers by considering whether motions, amendments and written questions were necessary for the pursuance of Council business and delivery and resist bringing those that would add to officer workload and to review this restraint when the progress report was brought to council in December 2023.

## **17 Achieving Our Sustainable Food Goals – Motion by Councillor Faccenda**

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The following motion by Councillor Faccenda was submitted in terms of Standing Order 17:

“Council notes:

- In 2023 the Edinburgh Medal was awarded to global food campaigner Professor Marion Nestle and Edinburgh has now achieved Silver Status from Sustainable Food Places.
- The Edible Edinburgh Sustainable Food Partnership which was set up in 2014 to bring together stakeholders and partners to address key issues of health, well-being, climate change and food justice, campaigning for change and informing policy for collaborative food and growing projects has produced a Sustainable Food Plan for Edinburgh setting out a 10-year plan for the city
- That sustainable food systems are central to achieving the 3 goals of the Council Business Plan, Challenging Poverty, Achieving Net Zero 2030 ambitions and the well-being of all Edinburgh citizens.
- The recent report commissioned by the Council on developing food markets/hubs across the City to address food sustainability and food and health inequalities.

Council reaffirms that:

- Everyone in Edinburgh should have equal access to affordable, good, healthy food.
- Our food should be produced in a way that is good for the environment and biodiversity making Edinburgh a city that produces, provides, and purchases food that is good for the planet, good for people and good for all those involved in growing, making and selling it.
- We should support a vibrant and resilient local food economy celebrating local food enterprises.
- People working in the food system should be respected and paid a fair wage.

Furthermore, council notes that:

Council agrees:

- 1) To continue to support the work of the Edible Edinburgh Sustainable Food Partnership.
- 2) Build public awareness and active food citizenship.
- 3) Take a strategic and collaborative approach to good food governance in council work by gathering information on all council provided catering and food procurement with a view to revitalising local and sustainable food supply chains.
- 4) Council asks for a report in 3 cycles to the Policy and Sustainability Committee to bring together an assessment of all food related initiatives across the council as a start to developing our statutory Food Plan and to avoid repetition of work being done due to the current broad range of work across the Council.”

The Council had heard a deputation from Nourish Scotland on this issue (see item 1(b) above).

### **Motion**

To approve the motion by Councillor Faccenda.

- moved by Councillor Faccenda, seconded by Councillor Griffiths



### **Amendment 1**

To delete paragraph 4) of the motion by Councillor Faccenda and insert:

"4) agrees that the Sustainable Food City Plan, due before the Policy and Sustainability Committee for approval, should include within the covering report a thorough assessment of all the food related activities across the council and how these are coordinated to avoid any unnecessary duplication of work".

- moved by Councillor Lang, seconded by Councillor Dijkstra-Downie

### **Amendment 2**

1) Under "Council notes" in the motion by Councillor Faccenda to add an additional bullet point:

- That poverty is a significant barrier to accessing food, and that UK welfare reforms have been identified by food banks and academic studies as the leading cause of food insecurity, and that therefore, from a climate justice perspective, this must also be considered as part of any work on sustainable food systems

2) Under "Council agrees" at 4) of the motion, insert the words "including any initiatives that tackle food poverty" after the words "across the Council".

3) Also adds additional point to the motion:

"5) Notes that there are a number of reports due relating to sustainable food policy and therefore requests that, in consultation with groups, officers propose a means of reconciling all various reports and updates – including that proposed at 4) – to facilitate good governance and ease of understanding for members."

- moved by Councillor Parker, seconded by Councillor Heap

### **Amendment 3**

To add a new paragraph 5 to Council agrees in the motion by Councillor Faccenda:

"To provide a breakdown of costs of the work being undertaken split into costs/officer time associated with the tasks related to statutory and non-statutory duties."

- moved by Councillor Mowat, seconded by Councillor Doggart

In accordance with Standing Order 22(12), Amendment 1 was adjusted and accepted as an amendment to the Motion and Amendment 2 and 3 were accepted as addendums to the Motion.

## **Decision**

To approve the following adjusted motion by Councillor Faccenda:

Council notes:

- 1) To note in 2023 the Edinburgh Medal was awarded to global food campaigner Professor Marion Nestle and Edinburgh has now achieved Silver Status from Sustainable Food Places.
- 2) To note the Edible Edinburgh Sustainable Food Partnership which was set up in 2014 to bring together stakeholders and partners to address key issues of health, well-being, climate change and food justice, campaigning for change and informing policy for collaborative food and growing projects had produced a Sustainable Food Plan for Edinburgh setting out a 10-year plan for the city.
- 3) To note that sustainable food systems were central to achieving the 3 goals of the Council Business Plan, Challenging Poverty, Achieving Net Zero 2030 ambitions and the well-being of all Edinburgh citizens.
- 4) To note the recent report commissioned by the Council on developing food markets/hubs across the City to address food sustainability and food and health inequalities.
- 5) To agree that the Sustainable Food City Plan, due before the Policy & Sustainability Committee for approval, should include within the covering report a thorough assessment of all the food related activities across the council and how these were coordinated to avoid any unnecessary duplication of work.
- 6) To reaffirm that everyone in Edinburgh should have equal access to affordable, good, healthy food.
- 7) To reaffirm that our food should be produced in a way that was good for the environment and biodiversity making Edinburgh a city that produced, provided, and purchased food that was good for the planet, good for people and good for all those involved in growing, making and selling it.
- 8) To reaffirm that the Council should support a vibrant and resilient local food economy celebrating local food enterprises.
- 9) To reaffirm that people working in the food system should be respected and paid a fair wage.

- 10) To agree to continue to support the work of the Edible Edinburgh Sustainable Food Partnership.
- 11) To agree to build public awareness and active food citizenship.
- 12) To agree to take a strategic and collaborative approach to good food governance in council work by gathering information on all council provided catering and food procurement with a view to revitalising local and sustainable food supply chains.
- 13) To agree that the Sustainable Food City Plan, due before the Policy and Sustainability Committee for approval, should include within the covering report a thorough assessment of all the food related activities across the council and how these were coordinated to avoid any unnecessary duplication of work. The report should also include any initiatives that tackled food poverty.
- 14) To note that there were a number of reports due relating to sustainable food policy and therefore request that, in consultation with groups, officers propose a means of reconciling all various reports and updates – including that proposed at 13) – to facilitate good governance and ease of understanding for members.”
- 15) To agree to officers providing a breakdown of costs of the work being undertaken split into costs/officer time associated with the tasks related to statutory and non-statutory duties.

## **18 Safe Cycling at Work – Motion by Councillor Day**

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The following motion by Councillor Day was submitted in terms of Standing Order 17:

“Council notes there is an increasing number of cycle delivery services in the city that do not provide their workers with lights or high visibility clothing and as such there could be at risk to these riders and other road users.

Council believes that it is essential for all road users to behave responsibly and to adhere to the highway code.

Council agrees employers are responsible for supplying the appropriate safety clothing/equipment for their delivery teams and therefore agrees to support a joint campaign with the Police, and any other relevant organisation, on promoting cycle safety at work.”

## **Motion**

To approve the motion by Councillor Day

- moved by Councillor Day, seconded by Councillor Meagher

## **Amendment 1**

1) To add to the first paragraph of the motion by Councillor Day:

“Council notes that many delivery riders, particularly those working for takeaway food platforms, have had their attempts at recognition as 'workers' in an employment law sense opposed by the delivery platforms and refused by the courts. This leaves them, like others in the gig economy, in an extremely difficult position, with precarious jobs and without the basic protections afforded to employees and workers.

2) To add to the end of the motion:

“Council therefore calls for the implementation of the recommendations of the Gig Economy Taskforce which was set up and reported in March 2022, during the last administration.

‘...Highway Code. Council recognises that evidence clearly shows that the greatest danger to cyclists, pedestrians and wheelchair users comes from vehicle driver behaviour.

Further requests that Council implements, through its social media channels and internal dialogue with staff who drive on behalf of the Council, a public campaign that specifically supports Police Scotland Operation Close Pass which aims to improve safety for cyclists by encouraging drivers to leave with a minimum 1.5m passing distance, around cyclists, pedestrians and wheelchair users.”

- moved by Councillor Aston, seconded by Councillor Macinnes

## **Amendment 2**

To delete the third paragraph of the motion by Councillor Day and replace with:

“Council also believes that all road users should be and feel safe when using our roads.

Council agrees that employers are responsible for ensuring that their cycle delivery teams' safety equipment is compliant with the Highway Code.

Furthermore, Council understands that many cycle deliverers work on a self-employed or casual basis and are therefore not classed as employees. Nevertheless, Council believes that organisations have a duty of care for workers that deliver services in their name, and that where possible, these organisations should ensure that their deliverers' safety equipment complies with the Highway Code.

Council therefore agrees to support a joint campaign with the Police and any other relevant organisations on promoting cycle safety at work.”

- moved by Councillor Dijkstra-Downie, seconded by Councillor Caldwell

### **Amendment 3**

- 1) To add after the second paragraph of the motion by Councillor Day:
  - “3) Notes that delivery riders face poor working conditions, including but not limited to low pay and considerable time pressure to make deliveries.
  - 4) Further notes that delivery riders predominantly work as independent contractors, and, as a result, do not have the same employee rights as salaried employees. Notes that as a result, employers are often not legally required to provide them with safety equipment such as lights, affecting their health and safety at work. Further notes that their status as independent contractors also makes it more difficult for workers to unionise and demand better working conditions.
  - 5) Notes that delivery riders are at high risk of being involved in road traffic accidents and are exposed to high levels of pollution.
  - 6) Agrees that the best way to promote road safety, prevent conflicts between motor vehicles, cyclists, and pedestrians, and avoid injuries and casualties is to provide safe segregated cycling infrastructure.”
- 2) To replace the text after “for their delivery teams” with:

“and invites delivery riders to talk to councillors about what improvements are needed, for example at the Spokes Bike Breakfast, followed by a short report by October 2023 on how the council could provide drop in points at council buildings (e.g. libraries) with tools, free lights, bike checks, security markings, free copies of the Highway Code, and guidance on how to unionise.”

- moved by Councillor Bandel, seconded by Councillor Miller

## **Amendment 4**

To add to the motion by Councillor Day:

- 1) Inserts semi-colon after “teams” in final paragraph then:  
“Notes that many cycle delivery riders are self-employed”
- 2) Inserts after work:  
“which will also consider how to reach and engage with those riders who are self-employed”.

- moved by Councillor Rust, seconded by Councillor Munro

In accordance with Standing Order 22(12), Amendment 1 was adjusted and accepted as an addendum to the motion, Amendments 2 and 3 were accepted as amendments to the motion, and Amendment 4 was accepted as an addendum to the motion.

In accordance with Standing Order 22(12), Amendments 2,3 and 4 were accepted as amendments to Amendment 1

## **Voting**

For the Motion (as adjusted)	-	33 votes
For Amendment 1 (as adjusted)	-	26 votes

(For the Motion (as adjusted): Lord Provost, Councillors. Arthur, Beal, Bennett, Caldwell, Lezley Marion Cameron, Cowdy, Dalgleish, Davidson, Day, Dijkstra-Downie, Duggart, Faccenda, Flannery, Graham, Griffiths, Jenkinson, Jones, Lang, Meagher, Mitchell, Mowat, Munro, Osler, Pogson, Ross, Rust, Thornley, Walker, Watt, Whyte, Young and Younie.

For Amendment 1 (as adjusted): Councillors Aston, Bandel, Biagi, Booth, Burgess, Campbell, Fullerton, Gardiner, Glasgow, Heap, Hyslop, Key, Kumar, Macinnes, McFarlane, McKenzie, McNeese-Meechan, McVey, Miller, Mumford, Nicolson, O'Neill, Parker, Rae, Staniforth and Work.)

## **Decision**

To approve the following adjusted motion by Councillor Day:

- 1) To note there was an increasing number of cycle delivery services in the city that did not provide their workers with lights or high visibility clothing and as such there could be a risk to these riders and other road users. To note that many delivery riders, particularly those working for takeaway food platforms,

had had their attempts at recognition as 'workers' in an employment law sense opposed by the delivery platforms and refused by the courts. This left them, like others in the gig economy, in an extremely difficult position, with precarious jobs and without the basic protections afforded to employees and workers.

- 2) To believe that it was essential for all road users to behave responsibly and to adhere to the highway code.
- 3) To note that delivery riders faced poor working conditions, including but not limited to low pay and considerable time pressure to make deliveries.
- 4) To further note that delivery riders predominantly worked as independent contractors, and, as a result, did not have the same employee rights as salaried employees. To note that as a result, employers were often not legally required to provide them with safety equipment such as lights, affecting their health and safety at work. To further note that their status as independent contractors also made it more difficult for workers to unionise and demand better working conditions.
- 5) To note that delivery riders were at high risk of being involved in road traffic accidents and were exposed to high levels of pollution.
- 6) To agree that the best way to promote road safety, prevent conflicts between motor vehicles, cyclists, and pedestrians, and avoid injuries and casualties was to provide safe segregated cycling infrastructure.
- 7) To also believe that all road users should be and feel safe when using our roads.
- 8) To agree that employers were responsible for ensuring that their cycle delivery teams' safety equipment was compliant with the Highway Code.
- 9) Furthermore, to understand that many cycle deliverers worked on a self-employed or casual basis and were therefore not classed as employees. Nevertheless, to believe that organisations had a duty of care for workers that delivered services in their name, and that where possible, these organisations should ensure that their deliverers' safety equipment complied with the Highway Code.
- 10) To invite delivery riders to talk to councillors about what improvements were needed, for example at the Spokes Bike Breakfast, followed by a short report by October 2023 on how the council could provide drop in points at council buildings (e.g. libraries) with tools, free lights, bike checks, security markings, free copies of the Highway Code, and guidance on how to unionise.

- 11) To therefore agree to support a joint campaign with the Police and any other relevant organisations on promoting cycle safety at work which would also consider how to reach and engage with those riders who were self-employed.
- 12) To further request that Council implement, through its social media channels and internal dialogue with staff who drove on behalf of the Council, a public campaign that specifically supported Police Scotland Operation Close Pass which aimed to improve safety for cyclists by encouraging drivers to leave with a minimum 1.5m passing distance, around cyclists, pedestrians and wheelchair users.
- 13) To note that many cycle delivery riders were self-employed.

## **19 Edinburgh College Faces Funding Cuts – Motion by Councillor Jones**

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The following motion by Councillor Jones was submitted in terms of Standing Order 17:

“Council notes –

- Edinburgh College is the flagship college of further education for Scotland delivering 10% of all college activity in Scotland. It provides education courses to around 27000 students every year, helping address skills gaps, employability, social mobility and income poverty.
- 900 students are from a care experienced background, around 15% are from the 20% most deprived wards and 20% of students report having a disability.
- 90% of students report that they are satisfied with their Edinburgh College experience, and 95% go onto a positive destination.
- Edinburgh college works with over 2000 businesses and 10,000 employees a year to aid economic growth and SME development furthermore is committed to providing the necessary skills for the new Forth Green Freeport.
- The College welcomes students from over 100 countries and undertake teaching work across all five continents.
- Council notes that the Scottish Government has clawed back a £46 million uplift promised to Scotland's universities and colleges in the most recent budget. The resulting impact for Edinburgh College will likely lead to further staff cuts to achieve the cost savings, possible reductions in student support services, and further reductions in the number of courses offered, all negatively impacting on the College's capacity to deliver good quality



outcomes for students, addressing skills gaps in the region, and enabling inclusive economic growth.

- Edinburgh College already experiences 13% less funding than other colleges throughout Scotland as a result of the present funding formula.
- Only last year, John Swinney, Acting Finance Secretary, said “We must have a skills, training and research environment that enables our people and businesses to realise their potential. For that reason we have increased the resources available to the College and university sectors by £26 million and £20 million to support this process.” Mr Dey confirmed that this increase would now not happen. This cut in funding is a total betrayal.
- Council requests that the Leader of the Council writes immediately in the strongest terms possible to Minister for Higher and Further Education; and Minister for Veterans - Graeme Dey, to reverse these cuts and furthermore to remove the disparity which already exists in funding received by Edinburgh College.”

The Council had heard a deputation from The Educational Institute of Scotland, Further Education Lecturers’ Association, Edinburgh College on this issue (see item 1(c) above).

### **Motion**

To approve the motion by Councillor Jones

- moved by Councillor Jones, seconded by Councillor Cowdy

### **Amendment 1**

To add at the end of paragraph 7 in the motion by Councillor Jones:

“Understands there is an ongoing dispute between the EIS-FELA Trade Union and Edinburgh College and notes the number of unique courses offered by Edinburgh College which would be completely withdrawn if proposed cuts go ahead.”

- moved by Councillor Faccenda, seconded by Councillor Jenkinson

### **Amendment 2**

To add a further 2 bullet points to the motion by Councillor Jones:

“Notes the Institute of Fiscal Studies reports that between 2010–11 and 2019–20, spending per student in England fell by 14% in colleges and 28% in school sixth forms, and that the real-terms value of funding for most study programmes is likely to have declined by a lot more than 9% over the last decade. Further notes the

significant negative financial impact on Scotland of these decisions by the UK Government through Barnett consequentials.

Therefore agrees that the Leader of the Council writes immediately in the strongest terms possible to the UK Government requesting an urgent review of the austerity agenda and encourage increased investment across service areas, including in further and higher education to help address this.”

- moved by Councillor Campbell, seconded by Councillor Fullerton

### **Amendment 3**

To delete all after the fifth point ending “five continents” in the motion by Councillor Jones and insert:

- “6) Notes the financial challenges facing the Scottish Government as laid out in the Scottish Fiscal Commission’s Fiscal Sustainability report which highlights that the most significant factor impacting on Scotland’s finances is the Block Grant from Westminster.
- 7) Regrets that the one-off additional £46 million allocated to colleges and universities was reallocated by the Scottish Government due to funding pressures;
- 8) Believes that colleges across Scotland deserve fair funding based on an equitable formula;
- 9) Supports the six asks of Educational Institute of Scotland (EIS) and Further Education Lecturer’s Association (FELA), namely:
  - 9.1 Establishing accountable and supportive college management;
  - 9.2 Securing a commitment to fund the FE sector fairly;
  - 9.3 Protecting Quality Learning and Teaching for all FE students;
  - 9.4 Embedding Fair Work practices for all;
  - 9.5 Reducing the burden of unnecessary and increasing workload.
  - 9.6 A fair pay rise for all lecturers.
- 10) Additionally, reaffirms our position against compulsory redundancies and emphasises that this extends to colleges and further education establishments;
- 11) Finally, requests that the Council Leader writes to the Scottish Government calling on them to deliver fair and sustainable funding arrangements for

Scotland's colleges, with specific reference to Edinburgh College, as soon as possible."

- moved by Councillor Burgess, seconded by Councillor O'Neill

#### **Amendment 4**

To add at the end of the final point in the motion by Councillor Jones:

"and to honour the commitment to no compulsory redundancies"

- moved by Councillor McKenzie, seconded by Councillor Miller

In accordance with Standing Order 22(12), Amendment 1 was accepted as an addendum to the motion and Amendment 3 adjusted and accepted as an addendum to the motion.

In accordance with Standing Order 22(12), Amendment 1, 3 and 4 were accepted as addendums to Amendment 2.

#### **Voting**

For the Motion (as adjusted) - 21 votes

For Amendment 2 (as adjusted) - 39 votes

(For the Motion (as adjusted): Lord Provost, Councillors Beal, Bennett, Caldwell, Cowdy, Davidson, Dijkstra-Downie, Doggart, Flannery, Jones, Lang, Mitchell, Mowat, Munro, Osler, Ross, Rust, Thornley, Whyte, Young and Younie.

For Amendment 2 (as adjusted): Councillors Arthur, Aston, Bandel, Biagi, Booth, Burgess, Lezley Marion Cameron, Campbell, Dalgleish, Day, Dobbin, Faccenda, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Heap, Hyslop, Jenkinson, Key, Kumar, Macinnes, McFarlane, McKenzie, McNeese-Meechan, McVey, Meagher, Miller, Mumford, Nicolson, O'Neill, Parker, Pogson, Rae, Staniforth, Walker, Watt, Work.)

#### **Decision**

To approve the following adjusted Amendment 2 by Councillor Campbell:

- 1) To note Edinburgh College was the flagship college of further education for Scotland delivering 10% of all college activity in Scotland. It provided education courses to around 27000 students every year, helping address skills gaps, employability, social mobility and income poverty.

- 2) To note 900 students were from a care experienced background, around 15% were from the 20% most deprived wards and 20% of students reported having a disability.
- 3) To note 90% of students reported that they were satisfied with their Edinburgh College experience, and 95% go onto a positive destination.
- 4) To note Edinburgh college worked with over 2000 businesses and 10,000 employees a year to aid economic growth and SME development furthermore was committed to providing the necessary skills for the new Forth Green Freeport.
- 5) To note the College welcomed students from over 100 countries and undertook teaching work across all five continents.
- 6) To understand there was an ongoing dispute between the EIS-FELA Trade Union and Edinburgh College and note the number of unique courses offered by Edinburgh College which would be completely withdrawn if proposed cuts went ahead.
- 7) To note the Institute of Fiscal Studies reported that between 2010–11 and 2019–20, spending per student in England fell by 14% in colleges and 28% in school sixth forms, and that the real-terms value of funding for most study programmes was likely to have declined by a lot more than 9% over the last decade. To further note the significant negative financial impact on Scotland of these decisions by the UK Government through Barnett consequentials.
- 8) To therefore agree that the Leader of the Council write immediately in the strongest terms possible to the UK Government requesting an urgent review of the austerity agenda and encourage increased investment across service areas, including in further and higher education to help address this.
- 9) To note the financial challenges facing the Scottish Government as laid out in the Scottish Fiscal Commission's Fiscal Sustainability report which highlighted that the most significant factor impacting on Scotland's finances is the Block Grant from Westminster.
- 10) To regret that the one-off additional £46 million allocated to colleges and universities was reallocated by the Scottish Government due to funding pressures;
- 11) To believe that colleges across Scotland deserved fair funding based on an equitable formula.

- 12) To support the six asks of Educational Institute of Scotland (EIS) and Further Education Lecturer's Association (FELA), namely:
  - a) Establishing accountable and supportive college management
  - b) Securing a commitment to fund the FE sector fairly
  - c) Protecting Quality Learning and Teaching for all FE students
  - d) Embedding Fair Work practices for all
  - e) Reducing the burden of unnecessary and increasing workload
  - f) A fair pay rise for all lecturers
- 13) Additionally, to reaffirm the Council's position against compulsory redundancies and emphasise that this extended to colleges and further education establishments;
- 14) Finally, to request that the Council Leader write to the Scottish Government calling on them to deliver fair and sustainable funding arrangements for Scotland's colleges, with specific reference to Edinburgh College, as soon as possible and to honour the commitment to no compulsory redundancies.

## **20 North Edinburgh Community Festival – Motion by Councillor O'Neill**

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The following motion by Councillor O'Neill was submitted in terms of Standing Order 17:

“Council;

- 1) Congratulates North Edinburgh Community Festival which took place on Saturday 13th May in West Pilton Park.
- 2) Notes the scale of the event with 80 community stalls, live music and performances, Disney themed parade, variety of food stalls and other activities for all ages and abilities.
- 3) Further notes the support from sponsors, organisations such as Scotmid, Edinburgh College, The National Lottery, The Edinburgh Partnership, and local organisations in the north of the city including Granton Youth, West Pilton Neighbourhood Centre (WPNC), Fresh Start, North Edinburgh Arts, L.I.F.T, Project Esperanza, P.C.H.P., Stepping Stones and many more.

- 4) Thanks those who organised this free, family friendly and community-led event and those who volunteered on the festival team ensuring its operation on the day.
- 5) Commends the care taken to accessibility with the provision of a wheelchair accessible buggy that helped transport people from the WPNC onto the park and around the stalls.
- 6) Further commends the work to create, foster and showcase the power and community of North Edinburgh.
- 7) Looks forward to the next North Edinburgh Community Festival.”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

### **Decision**

To approve the motion by Councillor O'Neill.

## **21 The Forth Act and A Midsummer Night's Dream – Motion by Councillor Heap**

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The following motion by Councillor Heap was submitted in terms of Standing Order 17:

“Council:

- 1) Welcomes the setting up of a new community theatre group in west Edinburgh, The Forth Act.
- 2) Notes that it will hold its first production, which will be *A Midsummer Night's Dream* by William Shakespeare, in Saughton Park, 21-24 June.
- 3) Welcomes that local people will be involved in all elements of the production, including the acting, costumes, direction and scenery.
- 4) Believes that Community Theatre projects such as The Forth Act are essential in ensuring that everyone in the city has access to cultural opportunities.
- 5) Wishes The Forth Act the best of luck with their production, and all the very best with their future development.
- 6) Requests The Lord Provost congratulate The Forth Act on their establishment and first production.”

## **Motion**

To approve the motion by Councillor Heap.

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

## **Amendment**

In (3) of the motion by Councillor Heap, after “scenery” and before “.”, insert:

“, and also welcomes the involvement of North Edinburgh Community Shed, Edinburgh Spiders, Vintage Vibes, and Granton Goes Greener”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

In accordance with Standing Order 22(12), the amendment was accepted as an addendum to the motion.

## **Decision**

To approve the following adjusted motion by Councillor Heap:

- 1) To welcome the setting up of a new community theatre group in west Edinburgh, The Forth Act.
- 2) To note that it would hold its first production, which would be *A Midsummer Night's Dream* by William Shakespeare, in Saughton Park, 21-24 June.
- 3) To welcome that local people would be involved in all elements of the production, including the acting, costumes, direction and scenery and also to welcome the involvement of North Edinburgh Community Shed, Edinburgh Spiders, Vintage Vibes, and Granton Goes Greener.
- 4) To believe that Community Theatre projects such as The Forth Act were essential in ensuring that everyone in the city had access to cultural opportunities.
- 5) To wish The Forth Act the best of luck with their production, and all the very best with their future development.
- 6) To request The Lord Provost congratulate The Forth Act on their establishment and first production

## 22 Spartans FC – Motion by Councillor Dobbin

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The following motion by Councillor Dobbin was submitted in terms of Standing Order 17:

“Council:

Is proud to celebrate and recognise the success of Spartans FC in winning the Lowland League (for the second time since the league was formed in 2013), and subsequently beating Albion Rovers to win promotion to the SPFL: League Division 2.

Council also recognises the success of the Women’s team in having 4 of their players selected as internationals for the Scotland under 19’s

These are magnificent achievements, and great testament to Spartans continued commitment to develop young players from North Edinburgh and changing lives through sport.

To celebrate this outstanding achievement Council requests that the Lord Provost writes to Spartans to congratulate them on their sporting success and to acknowledge the importance of the wide range of work that they do in serving the communities of North Edinburgh.”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

### **Decision**

To approve the motion by Councillor Dobbin.

## 23 The Spartans FC – Motion by Councillor Mowat

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The following motion by Councillor Mowat was submitted in terms of Standing Order 17:

”That Council;

Congratulates The Spartans Football Club on their historic promotion to the SPFL League 2 following their recent Pyramid Play-Off victory against Albion Rovers.

Further congratulates The Spartans Football Club, who play their home games at Ainslie Park in Pilton Drive, for their achievement not only in gaining promotion but also on winning their record third Lowland League title in doing so.



Celebrates the work the community club undertake within North Edinburgh under the stewardship of Chairman Craig Graham and Manager Douglas Samuel and asks the Lord Provost to mark this in an appropriate way.”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

### **Decision**

To approve the motion by Councillor Mowat.

## **24 Spartans FC – Winning the Lowland Football League and Promotion to League Two of SPFL – Motion by Councillor Arthur**

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The following motion by Councillor Arthur was submitted in terms of Standing Order 17:

”Council;

Congratulates The Spartans FC for winning the Lowland Football going on to win promotion to League Two of SPFL.

Notes that in part the success is due to how the club is embedded in the local community, as Dougie Samuel MBE (manager) put it: “I think we’re recognised as being a community anchor organisation that does help local people.”

Welcomes that The Spartans FC will join FC Edinburgh, Heart of Midlothian and Hibernian in the SPFL.

Agrees that the Lord Provost should mark the success of Dougie Samuel MBE and his team in an appropriate manner.”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

### **Decision**

To approve the motion by Councillor Arthur.

## **25 Congratulating Spartans FC – Motion by Councillor O’Neill**

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The following motion by Councillor O’Neill was submitted in terms of Standing Order 17:

“Council:

- 1) Congratulates Edinburgh team Spartans FC for their triumph against Albion Rovers which has been hailed as a great moment in club history.

- 2) Notes that the club was founded in 1951 by University of Edinburgh graduates and has been transformed in the past 20 years thanks to chairman Craig Graham.
- 3) Commends this transformation which includes establishing a youth academy pathway and a women & girls section.
- 4) Further notes that this win promotes Spartans to the Scottish Professional Football League (SPFL).
- 5) Wishes the team the best of luck with the season and congratulates all involved in the club and its work.”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

### **Decision**

To approve the motion by Councillor O'Neill.

## **26 Edinburgh High School Students Union – Motion by Councillor Mumford**

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The following motion by Councillor Mumford was submitted in terms of Standing Order 17:

“Council;

- Welcomes the creation of the Edinburgh High School Students Union (EHSSU) in January 2023, with the aim of “giving a voice to young people in Edinburgh to collectively raise issues and create a better and more positive educational experience for all”;
- Celebrates this initiative and recognises that supporting EHSSU can enable the Council to further our commitment to respecting pupil voice;
- Congratulates the EHSSU on their six-month anniversary and request the Lord Provost marks this in an appropriate way.”

### **Motion**

To approve the motion by Councillor Mumford

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

## **Amendment**

To add to the motion by Councillor Mumford:

“Notes that the Convener of Education met with representatives of this group, to look at how we can work with them, and committed to ensure their online app can be made available via iPads provided to young people in schools.”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

In accordance with Standing Order 22(12), the amendment was accepted as an addendum to the motion.

## **Decision**

To approve the following adjusted motion by Councillor Mumford:

- 1) To welcome the creation of the Edinburgh High School Students Union (EHSSU) in January 2023, with the aim of “giving a voice to young people in Edinburgh to collectively raise issues and create a better and more positive educational experience for all”;
- 2) To celebrate this initiative and recognise that supporting EHSSU could enable the Council to further its commitment to respecting pupil voice;
- 3) To congratulate the EHSSU on their six-month anniversary and request the Lord Provost marks this in an appropriate way.
- 4) To note that the Convener of Education met with representatives of this group, to look at how the Council could work with them, and committed to ensure their online app could be made available via iPads provided to young people in schools.

## **27 Questions**

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The questions put by members to this meeting, written answers and supplementary questions and answers are contained in Appendix 4 to this minute.

## Appendix 1

(As referred to in Act of Council No 27 of 1 June 2023)

### QUESTION NO 1

By Councillor Doggart for answer by the Convener of the Finance and Resources Committee at a meeting of the Council on 1 June 2023

**Swift IT System - this question in its entirety was continued from the meeting on 4 May 2023.**

- Question** (1) When did officers become aware that social work information was held outside the Swift system?
- Answer** (1) Information has always been stored outside the Swift system, because it was designed and implemented without a supporting document management system. While it is possible to store documents within the system, this is known to cause system performance issues and therefore not standard practice.
- Question** (2) When did officers become aware that storing social work information outside the Swift IT system was not compliant with GDPR?
- Answer** (2) GDPR came into force in 2018 and it was then that issues with the non-compliance were raised. Issues with the likely non-compliance of Swift were raised in June 2018.
- Question** (3) On discovering Swift was not GDPR compliant, what actions did officers take to mitigate the data security risks?
- Answer** (3) An initial case for change was considered in June 2018. This led to a full business case for the replacement of Swift, which was brought forward in October 2019. This would have mitigated both the risks associated with Swift and eliminated the need to store information outside of the new system. Risks associated with the status quo were recorded.
- Question** (4) When did officers report the non-compliance with GDPR to the Information Commissioner?

**Answer** (4) The Information Commissioner recognised at the time of GDPR implementation that not all issues, especially those relating to legacy IT systems, would be resolved before May 2018. As the council was due to replace the system which would have resolved the issues with non-compliance, it was therefore not reported to the ICO.

**Question** (5) Does the current Swift usage remain non-compliant with GDPR and do the data security risks remain live?

**Answer** (5) Yes, the risks are well understood and mitigation has taken place where possible.

**Question** (6) Did individuals referenced in the Tanner report have unrestricted access to sensitive personal data held outside Swift?

**Answer** (6) Yes. However, it would be normal for staff at that level to have access to all information.

**Supplementary Question** Clarification for answer 4.

If the reason for not referring the matter to the ICO was due to the imminent replacement of SWIFT, when the CLT took the decision not to present a SWIFT replacement business case to elected members in 2019 (and in all subsequent years), why did no officer report the matter to the ICO?

**Supplementary Answer** When it became clear that the procurement and implementation of a replacement system was delayed, a SWIFT Governance Board was established to ensure that risks continued to be monitored and mitigated where possible – actions which the ICO would expect organisations to take.

ICO guidance requires organisations to report personal data breaches that have a high privacy impact on individuals. While the over retention of client data is a breach of the ‘storage limitation’ principle, given the retention periods for the data concerned, the direct impact on individuals is minimal with the mitigations the Council has in place. It does not meet the definition of a “personal data breach” which requires to be reported.

If there was a major personal data breach or loss of personal data as a consequence of SWIFT other storage use, the personal data breach should be reported and would be processed in line with the Council's breach procedures, including possible reporting to the ICO (depending on the seriousness of the breach).

It should be noted that there is currently a moratorium on the destruction of any client information (held in any format or system, both adults and children) as a consequence of the Scottish Child Abuse Inquiry. Information held in client records may be required at some future juncture to inform the work of the Inquiry.

**QUESTION NO 2**

**By Councillor Aston for answer by  
the Convener of Housing,  
Homelessness and Fair Work  
Committee at a meeting of the  
Council on 1 June 2023**

**Question** (1) Given a number of recent instances where Council properties have been removed from the disposals list despite neighbours of those properties having been told that they would be disposed of, has there been any change to the policy in relation to acquisitions and disposals programme which has not been agreed either by the Housing, Homelessness and Fair Work Committee or by Council in the last twelve months?

**Answer** (1) There have been no changes made to the Acquisitions and Disposals policy for Council housing that have not been approved by the Council or a Council Committee.

The overarching objective remains to increase supply of Council homes and reduce ongoing management and maintenance costs by consolidating HRA assets.

Since the implementation of the policy, 259 homes have been purchased and 137 homes have been sold. This has led to 67 blocks becoming fully Council owned, 105 blocks where the Council has divested its interest and 179 blocks where the Council has further consolidated its majority ownership. Securing majority ownership in mixed tenure blocks supports the delivery of common repairs and improvements.

Homes that are identified for disposal often require minor works to be carried out prior to marketing. This helps to ensure best value for the HRA. It has taken longer than anticipated to complete minor works to a minority of homes earmarked for disposal due to available resources and the need to prioritise work to tenanted homes and repairs to void properties that will be re-let.

With regards to the disposals criteria, no changes have been made. If a home becomes vacant and meets the criteria, it is earmarked for disposal. However, there have been short to medium term management actions taken to postpone the sale of homes to respond to wider challenges. This has included 29 homes that have been earmarked for disposal being let out as Temporary Accommodation and nine homes which have been made available to support the Council's response to the Ukrainian situation. The intention remains that these homes will be sold.

Before homes are disposed of on the open market, ownership checks are carried out in the stair to determine whether any registered social landlords currently have a presence and whether they would be interested in purchasing the home directly. If this is unsuccessful, the home is offered to the Council's Private Sector Leasing (PSL) delivery partner, Link Housing Association.

**Question** (2) Can the Convener please state the current policy for the acquisitions and disposals programme?

**Answer** (2) The overarching policy is as follows:

- Increase the number of affordable homes in the city by purchasing homes in blocks where the Council has over 50% ownership, funded by the disposal of homes in blocks where the Council is a minority owner.
- No net loss of social rented homes in any neighbourhood, over five years.
- Receipts ring fenced for affordable housing.
- Retain wheel chair accessible homes, unless inefficient to maintain.
- Buy homes from owners and offer a sitting tenancy, where it supports the mixed tenure investment programme.



**QUESTION NO 3**

**By Councillor Nicolson for answer by  
the Chair of the Edinburgh  
Integration Joint Board at a  
meeting of the Council on 1  
June 2023**

**Question**

After the previous chief officer's sudden departure from the partnership, can you confirm that the person appointed was appointed to the whole role of Chief Officer of EIJB?

**Answer**

No. The role of Interim Director of Adult Social Care will primarily focus on the delivery and leadership of the adult social care portfolio of the Health and Social Care Partnership and drive forward the Improvement Plan.

It has been agreed to take legal and HR advice to transition this to an interim Chief Officer role.

This specific role is for an interim period to allow the wider permanent appointment of the Chief Officer of Edinburgh HSCP to be undertaken by the IJB in liaison with the City of Edinburgh Council and NHS Lothian, whilst ensuring continued focus on this aspect of the portfolio.

**QUESTION NO 4**

**By Councillor McVey for answer by  
the Convener of the Transport  
and Environment Committee at  
a meeting of the Council on 1  
June 2023**

**Question** (1) How many car parking spaces (based on average use on available bays) have been reduced through the rollout of the CPZ in June 2023?

**Answer** (1) No marked car parking spaces have been removed due to the rollout of Controlled Parking Zone (CPZ).

The layout of all parking places and yellow lines reflects the Council's legal obligations, and the need for the layout of parking places to avoid negative impacts on vehicle movement or access to property, including private or off-street parking places. Parking places have been located, following consultation, where it is considered safe and appropriate for vehicles to park.

**Question** (2) How many of these reductions were due to:

- a) improving connectivity by reducing double parking on narrow streets blocking general vehicle and service vehicle access?
- b) improving access to local bin hubs and other serviced amenities?
- c) improving visibility at junctions?
- d) another reason?

**Answer** (2) See answer 1.

**Question** (3) For remaining space that has been lost for local residents' priority bay parking that don't meet the rationale for a, b and c, what is the explanation for each location?

**Answer** (3) See answer 1.

**Question** (4) When will the new restrictions be reviewed and when is the earliest that residents can expect to see modifications from the plans being implemented?

**Answer** (4) All parking and waiting restrictions are under continuous review. Any proposed modifications will be subject to the statutory Traffic Regulation Order (TRO) process which can take 12 to 18 months to complete.

**Question** (5) When did officers make contact with local essential service providers, such as GP practices, police station to explore solutions to any potential local impacts?

**Answer** (5) Leaflets were delivered to all residents and businesses as part of the initial consultation in 2019, for the statutory TRO consultation in 2022 and again prior to the on-street work starting in 2023.

**Question** (6) Can the Convenor commit to ensuring officers make urgent contact with those lifeline service providers to ensure any issues are quickly overcome to protect local access to services?

**Answer** (6) The Council is in regular contact with the Emergency services and works closely with them to minimise any issues of access to services.

Essential User Permits are available to qualifying healthcare professionals within the new zones and all residents and businesses in the respective areas have been encouraged to contact the Council should they have any concerns - [controlledparkingzone@edinburgh.gov.uk](mailto:controlledparkingzone@edinburgh.gov.uk).

If Councillors become aware of any issues with local access to services, please contact the Parking Team ([controlledparkingzone@edinburgh.gov.uk](mailto:controlledparkingzone@edinburgh.gov.uk)) or pass on the team's details to local service providers.

**QUESTION NO 5**

**By Councillor Key for answer by the  
Convener of the Transport and  
Environment Committee at a  
meeting of the Council on 1  
June 2023**

**Question** (1) Given that Council policy on EV charging equipment is to site it on the road and not the pavement, can he tell me how many EV charging installations are sited on public realm pavements in Edinburgh?

**Answer** (1) Zero. There have been no chargers placed on the footway since the Council began on street installation in October 2021.

However, almost all feeder power cabinets (the green metal boxes normally) have been placed on footways throughout the city where footway widths have allowed this and 1.5m of footway has been retained.

Whilst this practice was deemed acceptable in 2021, the current Transport and Environment Committee in April 2023 agreed that neither chargers nor feeder cabinets should be placed on footpath and that the Edinburgh Street Design Guidance should be updated to reflect this.

**Question** (2) What is the timescale to have these, incorrectly positioned, pavement-mounted EV installations moved into the roadway, where they should be?

**Answer** (2) See answer 1. Officers are undertaking a review of cabinet placement and assessing all locations. If there are any locations where footway width has been reduced to less than 1.5M, they will be prioritised for transfer to the carriageway. This work will be funded by charger income.

**QUESTION NO 6**

**By Councillor McFarlane for answer  
by the Convener of the Culture  
and Communities Committee  
at a meeting of the Council on  
1 June 2023**

**Question**

Following completion of the review of Lifelong Learning can the Convener confirm if any staff have already been put on the redeployment list instead of supporting the vital work across Edinburgh's community centres?

**Answer**

Four individuals have been unsuccessful in securing positions within the new service teams. Of these, three individuals are now in the redeployment pool and are being supported to secure alternative employment within the Council. One individual has decided to accept an offer of Voluntary Redundancy.

**QUESTION NO 7**

**By Councillor Campbell for answer  
by the Convener of the Culture  
and Communities Committee  
at a meeting of the Council on  
1 June 2023**

**Question** (1) Following completion of the review of Lifelong Learning can the convener confirm the overall budget saving that is being delivered?

**Answer** (1) The staffing budget for the posts in-scope of the Lifelong Learning Review was £4.40m, with an approved saving of £0.170m being delivered. The staffing budget for the service moving forward is £4.23m.

**Question** (2) Can the convener confirm the full budget that was allocated to this service prior to the review, and the new budget allocated to the services that have come out of the review?

**Answer** (2) See answer 1 above.

Some services in Wider Achievement and Lifelong Learning rely on external and earned income to meet the service cost. There has been no change to this in 2023/24 but may be subject to future changes if there is a change in the income/funding received by the Council.

In addition, in 2023/24 Sportscotland has increased its funding to the Council and Shared Prosperity Funding has been allocated to the Council for Community Empowerment and Engagement activities (this funding is in place until the end of financial year 2024/25).

**Question** (3) Can the convener ensure this includes staffing costs and any other ad-hoc funding or funding provided to support delivery of lifelong learning services both before and after the review?

**Answer** (3) See answers 1 and 2 above.

## QUESTION NO 8

**By Councillor Nicolson for answer by the Chair of the Edinburgh Integration Joint Board at a meeting of the Council on 1 June 2023**

### Question

Recruitment of frontline staff in the Health and Social Care Partnership is still an issue impacting all service delivery across Health and Social Care. It is positive that the H&SCP have enlisted the Capital City Partnership to manage the recruitment of more staff into the workforce. What is the additional cost of this and when will the findings brought back for councillors to analyse the impact of this approach.

### Answer

The Scottish Government's Edinburgh Assistance Programme (EAP) team supported a proposal to use Capital City Partnership (CCP) to support the Edinburgh Health and Social care Partnership (EHSCP) recruitment of front-line staff. Two CCP HR staff were recruited in October 2022 for 48 months at a total fixed cost of £253K. KPIs are included on the contract.

The CCP programme has a locality and neighbourhood focus and is flexible to respond to the wide-ranging nature of recruitment challenges, linking into wider local and national opportunities, and increasing employment opportunities and 'good work'.

The main drive is at entry level for social care services and since November 2022 local and targeted recruitment fairs have taken place monthly. CCP has also secured support of Community Renewal for additional staff support, established a short Health and Social Care training course programme using CCP Vocational Training Framework (VTF) funding and have established strong links to DWP and MyJobScotland.

Since October, when CCP employed specialists to work directly with EHSCP, we have had 22 confirmed job offers. We expect this figure to be underreported due to the delay

in self-managing candidates informing CCP of outcomes of applications and interviews. Footfall to CCP run events is high, with 300 attending the recent NHS event in Leith. We are working closely with CCP to improve historic reporting and establish a process to verify the number of new starts going forwards. Data on performance is being captured monthly and is fed back into the EAP reporting framework. Performance will also be scrutinised by the Edinburgh Integration Joint Board (EIJB) Performance and Delivery Committee.



**QUESTION NO 9**

**By Councillor Macinnes for answer  
by the Convener of the Finance and  
Resources Committee at a meeting  
of the Council on 1 June 2023**

**Question**

Can the convener confirm how much funding was given to Edinburgh Council for 2023/24 financial year by the Scottish Government, ringfenced to mitigate the impacts of UK government policy decisions, including but not limited to the bedroom tax, the two-child family cap and the rape clause and any funding supplied for the Scottish Welfare Fund and crisis grants?

**Answer**

Although the final amount of funding received will be aligned to the actual level of payments made, the Council's 2023/24 grant funding settlement from the Scottish Government assumes receipt of £4.962m of Discretionary Housing Payments funding in respect of full bedroom tax/underoccupancy regulations mitigation and £0.991m for full benefit cap mitigation.

While the Council's grant funding settlement includes a number of other sums to support families and individuals during the cost-of-living crisis, these do not explicitly offset the impacts of UK government policy decisions.

**QUESTION NO 10**

**By Councillor McFarlane for answer  
by the Convener of the Transport  
and Environment Committee at a  
meeting of the Council on 1 June  
2023**

**Question**

To ask the Convener of the Transport and Environment Committee for an update on prospective plans to relocate the statue *Body and Soul* from Hunter Square.

**Answer**

Officers are investigating the feasibility of relocating the statue to the Museum of Edinburgh Courtyard. Researching the infrastructure and arrangements for doing so and will provide an update through Culture and Communities Committee Business Bulletin and to local ward members when plans are in place.

**QUESTION NO 11**

**By Councillor Dobbin for answer by  
the Leader of the Council at a  
meeting of the Council on 1 June  
2023**

**Question** (1) What new initiatives, ideas or technologies have been brought back from the Smart Cities Summit for review by the Council's Smart Cities Team?

**Answer** (1) New links are being developed with a wealth of opportunity and potential partnerships with the council, industry and universities in Taiwan.

**Question** (2) Given the visit to Taiwan was approved at Full Council, when will the Council Leader be providing a report back to Council on the learnings from the visit and the value derived for our City.

**Answer** (2) There was a Business Bulletin provided at last weeks P & S Committee, as a report was not required at full council. I propose to provide a report at the August (2023) Policy & Sustainability Committee.

**QUESTION NO 12**

**By Councillor Dijkstra-Downie for  
answer by the Convener of the  
Transport and Environment  
Committee at a meeting of the  
Council on 1 June 2023**

**Question** (1) Which streets will see the installation of signage for contraflow cycling on one-way streets (as per Council policy) between now and the end of the 2023?

**Answer** (1) Contraflow cycling on the following one-way streets is being delivered as part of the Leith Connections project:

- Burgess Street;
- Maritime Lane;
- Tolbooth Wynd; and
- Water Street

In addition, three further streets have just had contraflow cycling permitted as part of traffic management associated with the Kings Theatre redevelopment.

- Leven Terrace;
- Valleyfield Street; and
- Glengyle Terrace.

Officers are aware of the concerns that have been raised by various parties with respect to the changes on Glengyle Terrace. In order to allow us to better understand the operation of the new road layout and priority changes, officers have commissioned a video survey that will take place this week. The survey will help to inform the development of any adjustments (if needed) to the current layouts.

Design work is underway on over 50 streets which are proposed to have contraflow cycling installed from August 2024. Information will be provided to Committee and local ward Councillors at the appropriate time.

**Question** (2) What metrics are used to determine which streets are suitable for the implementation of contraflow cycling signage?

**Answer** (2) Criteria considered include traffic flow and speed, road width and clear road width; cycle flows and parking and loading.

**Question** (3) Is Cockburn Street part of the implementation plan? If not, why not?

**Answer** (3) Contraflow cycling is not currently permitted on Cockburn Street. This will be considered as part of the current design work ongoing on Old Town Streets through the City Centre Transformation project.

**QUESTION NO 13**

**By Councillor Caldwell for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 1 June 2023**

- Question** (1) Several CBR sites in Phase 1, 2 and A (such as South Sloan Street and Easter Road) remain incomplete due to on-the-ground challenges completing the initial TRO, which has left some residents having to use the carriageway to use bins. How many outstanding CBR TROs are there to advertise in Phases 1, 2 and A?
- Answer** (1) One Traffic Regulation Order (TRO) is anticipated to be progressed later on the year to correct all minor discrepancies on the original TROs with regards to bin hubs in Phases 1, 2, A and 3.
- Question** (2) What steps are being taken to ensure binhubs are completed for residents at these locations as soon as the outstanding CPZ Phase 1 TROs are executed?
- Answer** (2) The Parking and Communal Bin Review (CBR) teams are liaising regularly on progress with the respective TROs, their implementation and subsequent changes that will address any issues with bin hubs.
- Question** (3) Since the initial first stage consultation of CPZ Phase 1 to present, how many applications (of both new bays and removals) have the 'Disabled Persons Parking', 'Controlled Parking Zones' and 'Parking' teams received respectively which could not be progressed due to the open CPZ Phase 1 TRO?
- Answer** (3) It should be noted that Blue Badge holders in the new CPZs are entitled to free residents' parking permits. Blue Badge holders are also permitted to park free of charge and without time limit within pay and display and shared use bays, and on yellow line restrictions providing there is no loading prohibition in force.

Nonetheless, 19 Disabled Person Parking Permit (DPPPs) applications could not be progressed due to the Phase 1 TRO, comprising of 13 requests for new DPPPs and six requests to have bays removed.

**Question** (4) What steps are being taken to ensure these requests are completed for residents at these locations as soon as the outstanding CPZ Phase 1 TROs are executed?

**Answer** (4) Parking patterns are expected to change once the new CPZ controls come into effect, so all locations will be reviewed, using the assessment criteria for CPZ DPPP applications, once the new controls have bedded in.

**QUESTION NO 14**

**By Councillor Lang for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 1 June 2023**

**Question** (1) When is it expected that Builyeon Road in Queensferry will be diverted through the new housing development?

**Answer** (1) This forms part of the developer's programme of works and officers are not aware of the timetable for this.

**Question** (2) What is the current timetable for turning the existing Builyeon Road into an active travel route?

**Answer** (2) An initial community and stakeholder engagement exercise was undertaken in 2022 on proposals for a new active travel route across the south of Queensferry, between the major development sites at Builyeon Road and South Scotstoun. This includes the development of the existing Builyeon Road as an active travel route and linear park (as per the action within the Local Development Plan Action Programme). A Final Concept Design was published on the [Consultation and Engagement Hub](#) in December 2022.

The Council has now received funding from Transport Scotland through the Sustrans Places for Everyone fund to continue the design development of this route. A design contract will be awarded in the next few months.

The Local Development Plan Action Programme 2023 update (which was approved at the Planning Committee on [19 April 2023](#)) shows an estimated delivery date of the relevant action of 2027.

**Supplementary Question**

The position of the developer has been that it is awaiting confirmation from the Council as to when it wishes to close the existing Builyeon Road and have all traffic diverted through the new development. In light of the conveners answer at (1), can he clarify when it is likely this request will be made?



**Supplementary  
Answer**

Awaiting answer.

**QUESTION NO 15**

**By Councillor Flannery for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 1 June 2023**

The decision to progress to legislative TRO for B1 potential CPZ in Southside Newington is complex and divisive, particularly for residents who live on its Eastern side. Can the Convener -

**Question** (1) Confirm that progress to Phase 2 of the city-wide CPZ scheme has been paused to assess impact of Phase 1 first?

If this is the case, can the Convener explain why Phase 3, which includes the B1 CPZ, will still progress before the findings of Phase 2?

**Answer** (1) Phase 2 is paused for two primary reasons:

- a) To allow for further engagement on the need for controls and the detail of the proposed designs; and
- b) To allow for an assessment of the impact of Phase 1 on neighbouring areas.

As a significant part of Phase 2 lies adjacent to Phase 1 (Bonnington, Easter Road, Lochend and Willowbrae North), any proposed changes in these areas have been paused.

However, as reported to Transport and Environment Committee in [December 2022](#), Phase 3 has been assessed on the basis of whether elements are linked or adjacent to other Phases and whether the parking pressures in Phase 3 areas are separate to pressures identified in Phase 1. Where there is evidence to support proceeding with elements of Phase 3 (not linked or adjacent to other Phases, with the parking pressures in those areas separate to pressures elsewhere) these will now proceed to legal process.

**Question** (2) Can the Convener confirm that the process, starting from July 2023, will include a residents' consultation on implementation and design?

And confirm or rule out the possibility of the Eastern side of B1, Waverley Park, to be considered as part of the B7 area, which includes Prestonfield to the South of the Ward?

**Answer** (2) The original designs, as presented in the informal consultation, are being revisited in light of the comments and suggestions received, and the revised designs will be available to view during the formal advertising stage of the legal process.

The legal process allows a period during which objections can be made. Residents will have the opportunity at that stage to submit any further representations at that stage. If more than six objections are received, a report on the representations made will be presented to Licensing Sub-Committee for consideration.

In respect of the B1 and B7 areas, the Strategic Review of Parking considers these to be entirely separate entities. The proposals for these areas, and the reasoning behind the proposed approach, was set out in the [December 2022](#) report.

Councillor Pogson has arranged a meeting between myself and Waverley Park residents on the 5<sup>th</sup> of June where I hope to listen to any concerns they may have.

**QUESTION NO 16**

**By Councillor Dijkstra-Downie for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 1 June 2023**

- Question**            **(1)** a)    What information does the Council hold on the type and volume of food waste from school meals in primary schools in relation to meals or food items cooked but not served?
- b)    What measures are in place to reduce this type of food waste?

- Answer**            **(1)** a)    The council utilise the ParentPay system to ensure only meals ordered by parents are produced – this has reduced kitchen waste by 22% since the system was introduced. Each kitchen has a clear food bin in the kitchen where the unit manager can review the items being wasted and record, they then feed into the central team at locality meetings on any items proving high waste for product re-engineering.
- b)    The biggest waste comes from plate waste (i.e. waste from meals served but not eaten) Schools on a local level are responsible for managing this process with guidance provided centrally.

- Question**            **(2)** a)    What information does the Council hold on the type and volume of food waste from school meals in primary schools in relation to meals or food items served but not eaten?
- b)    What measures are in place to reduce this type of food waste?

- Answer**            **(2)** As above

- Question**            **(3)** How does the Council assess the popularity of menu options?

- Answer** (3) The council carry out several product trials prior to any new menu being launches, this includes transporting items and discussions with pupils. The council work with national bodies such as ASSIST FM who use a national menu bank of recipes tried and tested on pupils across Scotland. School meals are heavily regulated and so the SG food regs govern a vast majority of the products sold in schools
- Question** (4) How does the Council act on any information gathered under 1, 2 or 3 when it comes to set its menus?
- Answer** (4) The menu development team meet 4 times annually to review products, discuss supply chain pressures, market trends and innovations and the results of any parental engagement. The team then use this information to shape the following years menu.
- Question** (5) How are pupils currently educated about food waste?
- Answer** (5) We have food and health education frameworks for each level to guide progressive delivery of the curriculum. Food waste features at each level through the journey of food, identifying how to prevent food related waste and food safety to reduce spoilage.

**QUESTION NO 17**

**By Councillor Thornley for answer by the Convener of the Culture and Communities Committee at a meeting of the Council on 1 June 2023**

**Scottish Government Playpark Funding**

Further to answers provided to question 10.10 at the 30 June 2022 of the Council:

- Question** (1) Can the Convener provide the final list of play parks which were upgraded from the 2022/23 allocation of Scottish Government funding?
- Answer** (1) Following the report to Culture and Communities Committee on [7 March 2023](#), the final list of playparks upgraded in 2022/23 was:
- Loganlea Avenue;
  - Dundas Park;
  - Figgate Park;
  - Glenvarloch Crescent;
  - Inch Park (equipment replacement only);
  - Morningside Public Park; and
  - Clovenstone Gardens. Upgrades to a further six play areas were tendered in 2022/23, and delivery is ongoing..
- Question** (2) How much money will the Council receive from the Scottish Government for 2023/24 for upgrading play parks?
- Answer** (2) As reported to Culture and Communities Committee in March 2023, the Council's allocation of funding from the Scottish Government's playpark investment fund is £811,000.
- Question** (3) Which play parks are to be upgraded with the 2023/24 funding?

**Answer**

**(3)** There are ongoing upgrades to:

- Montgomery Street Park, (part-funded in 2022/23);
- Victoria Park (Toddler);
- Dean Park Place;
- Dumbryden Grove;
- Hailesland Gardens; and
- Morvenside.

The programme for 2023/24 was also set out in report to Committee. Depending on the timetable for consultation and planning, some may fall into subsequent years. As requested by Culture and Communities Committee, an annual update on investment in 2023/24 and planned investment in 2024/25 will be reported to Committee in February 2024.

In addition to the investment programme set out above, Developer's Contributions will support improvements to the park infrastructure and play facilities within King George V Park, Eyre Place.

**QUESTION NO 18**

**By Councillor Heap for answer by the  
Convener of the Culture and  
Communities Committee at a  
meeting of the Council on 1 June  
2023**

**Question**

What is the Council doing to reduce the number of empty shopfronts, in particular by facilitating community access and meantime use?

**Answer**

In the wake of the Coronavirus pandemic, in the city centre, Council officers met with property agents and offered to provide a 'match making' service to put landlords in touch with community and third sector organisations who might be looking for shorter term leases.

It was hoped that this would be mutually beneficial to the respective parties however, to date, there have been no requests made for this support with feedback from property agents that their clients were either marketing for longer term tenants at market rates or were happy with vacant possession of units on the basis that redevelopment was planned.

There has not been an targeted approach in other parts of the city, although officers have assisted community and third sector organisations where they are looking to secure facilities by acquiring or leasing property.

The Council continues to promote Non Domestic Rates relief (including Fresh Start, discretionary and charitable reliefs and the Small Business Bonus scheme, all which could be relevant to community groups). Fresh Start Relief allows for 100% relief for up to 12 months for new occupation of a property that has been empty for six months preceding the new occupation. The rateable value of the eligible property must not exceed £100,000.

In terms of the Council's role as Planning Authority, a flexible approach is taken to meanwhile uses. The Town and Country Planning (Use Classes) (Scotland) Order 1997 was



also amended earlier this year to amalgamate shops with financial, professional and other services. This means that changing vacant shops to financial, professional and other services does not require planning permission giving landlords more flexibility.

**QUESTION NO 19**

**By Councillor Heap for answer by the  
Convener of the Culture and  
Communities Committee at a  
meeting of the Council on 1 June  
2023**

**Question**           **(1)** Will they be meeting artists from the Save Our Studios campaign?

**Answer**           **(1)** The Convener has contacted the Save Our Studios campaign to arrange a convenient time to meet the artists.

**Question**           **(2)** To provide a summary of this meeting

**Answer**           **(2)** The Convener will update the Culture and Communities Committee on the outcome.

**QUESTION NO 20**

**By Councillor Heap for answer by the  
Convener of the Culture and  
Communities Committee at a  
meeting of the Council on 1 June  
2023**

**Question**

Whether they will provide a report back from their meeting regarding the West Park Place studios held as a result of the recent Committee motion regarding the studios?

**Answer**

A meeting with West Park Place studios (WASPS) officials and representatives of the artists was provisionally organised for 23 May 2023. However, this has been rescheduled by their Chief Executive Officer to 6 June 2023. The Convener has also contacted the save our studios campaign and will update the Culture and Communities Committee on the outcome.

**QUESTION NO 21**

**By Councillor Heap for answer by the  
Convener of the Culture and  
Communities Committee at a  
meeting of the Council on 1 June  
2023**

To provide information on:

**Question**           **(1)** The number of meetings they or their officials have had with external bodies regarding the Filmhouse over the past three months

**Answer**           **(1)** Officers have had 8 meetings with external bodies regarding the Filmhouse since 2 February 2023. One of those meetings (on 3 May 2023) included the Council Leader and Convener.

**Question**           **(2)** A summary of the content of those meetings

**Answer**           **(2)** The meetings have explored possible ways to support parties seeking to lease the property at 88 Lothian Road from the new owner and who wish to operate it as a cultural film venue.

**QUESTION NO 22**

**By Councillor Cowdy for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 1 June 2023**

**Local Flood Risk Management Plan 2022-28, Action ID 26603 for the Water of Leith (Page 264), and ID 26803 for Niddrie Burn (Page 281) are indicated for delivery 2023-2025 and state:**

*“The volume of water that would overwhelm the sewer system and cause flooding from manholes or inside our homes is to be assessed, to support understanding of the performance of the urban drainage network.*

*“Scottish Water will carry out an assessment of sewer flood risk within the highest priority sewer catchments, which includes the Edinburgh sewer catchment in this target area. This will help to improve knowledge and understanding of potential surface water flood risk.*

*Action delivery lead is Scottish Water in coordination with the local authority.*

*Outputs of this modelling assessment will be shared with local authorities and SEPA.”*

**Question**

Can the Convener confirm what steps he has taken to ensure Scottish Water instigates this action in co-ordination with CEC?

**Answer**

When it comes to flooding and flood mitigation, there is a complex interaction between surface water and wastewater from property and watercourses. The Council and Scottish Water are working together through the Edinburgh and Lothians Strategic Drainage Partnership (which also encompasses SEPA and neighbouring local authorities) to address these issues together.

Scottish Water are developing their own studies to analyse impact from sewer flooding within the context of climate change. Their work considers sources of flooding and wider surface water management throughout the city.

Alongside this, the Council is working closely with Scottish Water to develop Surface Water Management Plans, which identify areas of the city at particular risk of flooding and develop mitigation measures for the effective management of surface water.

This collaborative approach to assessing the impact of surface water on sewer systems is being used to develop plans for the management of flood risk (considering both strategy/guidance and implementing enhanced sustainable drainage within projects). As an example of this collaborative approach, in the Craigleith Catchment Study Scottish Water is undertaking detailed “2Di” modelling to better understand flood risk and potential interventions, and the Council is progressing some of the potential interventions identified.

**QUESTION NO 23**

**By Councillor Cowdy for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 1 June 2023**

**Question**

Can the Convener provide tonnage data for recycling volumes at Household Waste Recycling Centres for the 3 years up to March 2023.

**Answer**

Tonnage data for recycling volumes at Household Waste Recycling Centres is provided in the table below.

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Tonnage Recycled</b>	13,010.17	16,086.58	13,433.41
<b>Tonnage to disposal</b>	6,227.19	8,339.51	6,889.14
<b>Total Waste Arisings (TWA)</b>	19,237.36	24,426.09	20,322.55
<b>Recycling Performance</b>	67.6%	65.9%	66.1%

**QUESTION NO 24**

**By Councillor Cowdy for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 1 June 2023**

**Local Flood Risk Management Plan, Action IDs 26605, 26705, and 26806 require ongoing work that:**

*“Community engagement is to continue to be carried out in the area by the responsible authorities to raise awareness of flood risk.*

*Awareness raising should be developed based on the outcomes of the surface water management plan and flood studies.*

*Action delivery lead is The City of Edinburgh Council in coordination with responsible authorities and the Scottish Flood Forum.”*

**Question**

Can the Convener confirm how CEC is complying with its community engagement responsibilities and how it is co-ordinating with Scottish Flood Forum and responsible authorities?

**Answer**

The Council directly engages with community groups, individuals, elected members and Parliament officials where there are specific flooding issues. Recent examples of this include meetings and discussions with groups in Stockbridge and Murrayfield in relation to the Water of Leith.

Information relating to flood risk management, planning guidance, and emergency actions is available through the [Council website](#), which has recently been updated to include information on flood gate operations.

On a wider scale, The Scottish Flood Forum (SFF), SEPA and Scottish Water provide advice and guidance in relation to flood risk (including details of responsibilities of organisations and individuals). SEPA issue Flood Alerts and Flood Warnings through their Floodline service, to which the Council provides input in relation to local flood risk in Edinburgh.



Through the Edinburgh & Lothians Strategic Drainage Partnership, the Council has committed to investing up to £50,000 on communications in relation to projects which are progressed in partnership with Scottish Water. Scottish Water are matching that contribution.

This will be used to promote some of the projects identified for progression as a result of the capital investment agreed by the Council in February 2023.

The SFF work with local authorities across Scotland to provide community advice. The Council liaises with the SFF on individual flooding cases (as required) and provides advice on potential mitigation actions (where appropriate).

During Flood Alerts, the Council often issues communications advising on actions being taken and where the public can find information. Direct contact is also made with elected members in affected areas to advise on the actions being taken.

**QUESTION NO 25**

**By Councillor Cowdy for answer by  
the Convener of the Transport  
and Environment Committee at  
a meeting of the Council on 1  
June 2023**

**Murrayfield TTROs for concerts**

**Question** (1) Has an IIA been carried out for the road closures for the Murrayfield concerts; whilst it would not be necessary to carry out an EIA for each individual closure has one been done to assess the impact of closures on adjacent residential communities which can only leave or access their properties via the A8?

**Answer** (1) The approach taken to preparing for events has been to carry out a detailed risk assessment, within which the potential impact on local communities is a key consideration. Therefore, closing roads and access routes is only considered when absolutely required to protect pedestrians in a road and/or if there are other public safety risks identified.

In preparing for events, Council officers are mindful of the impact on local residents and businesses, the environment and the local economy when implementing event management plans.

Officers will look into the possibility of preparing a generic Integrated Impact Assessment for events in the city later in the year.

**Question** (2) Does the Convener consider that the notification process of closures for residents is adequate?

**Answer** (2) I have asked what further reasonable steps can be taken to notify local residents, businesses and elected members.

**QUESTION NO 26**

**By Councillor Mitchell for answer by  
the Convener of the Finance  
and Resources Committee at a  
meeting of the Council on 1  
June 2023**

**Question**           **(1)** How many occurrences of Council Tax arrears have been caused because an incorrect or already occupied address has been used to open a new Council Tax account in each of the last five years?

**Answer**           **(1)** We are unable to provide an answer to this question as our systems don't hold this level of data. I can however confirm the number of changes of address processes received for 2022/23 was 65k. We can confirm that occurrences of Council Tax arrears due to an incorrect or already occupied address has not been highlighted as an area of concern through our Quality and Complaints data.

**Question**           **(2)** What is the total amount of Council Tax arrears accumulated for each of the last five years because of this?

**Answer**           **(2)** N/A

**Question**           **(3)** How much remains to be paid for each of the last five years?

**Answer**           **(3)** N/A

## QUESTION NO 27

**By Councillor Cowdy for answer by  
the Convener of the Transport  
and Environment Committee at  
a meeting of the Council on 1  
June 2023**

- City Mobility Plan 2021-2030, Policy Measure MOVEMENT 2 - Bus Network Review states:  
*“Review the city’s bus network to better align with the Council’s strategic priorities including improving accessibility, integration and reducing congestion in the city centre.”*
- Draft Public Transport Action Plan 2030 –  
Page 30, Item 8, Bus Network Review, states:  
*“As this plan (Circulation Plan) is implemented, we will agree an evolved integrated public transport system including stops, routes and public transport interchanges.”*  
Page 36, Item 11, Improve Governance and Co-ordination, states:  
*“We will therefore deliver new governance for Council owned public transport services with the new company set to be in place in 2023.”*
- Transport & Environment Committee, Feb 2023, approved a delivery programme based on the draft Public Transport Action Plan (PTAP)
- Elected Member training – Lothian Buses, 16<sup>th</sup> May
  - i) Lothian Buses supported the principle that they need to remain a fully commercial operator to “remain competitive, offer best value, and deliver a cross-subsidised holistic network”.
  - ii) Several Councillors raised important issues about the lack of influence the Council has on Lothian Buses including changes to Routes and Timetables.

### **In light of the above:**

- Question**            **(1)** Does the Convener expect Improved Governance of a new Public Transport Company will provide CEC with more influence over bus Routes and Timetables?

**Answer** (1) One of the key aims of transport ALEO reform is to strengthen links between elected members and the reformed transport company through the creation of a Liaison Committee. The detail of this will be decided by Councillors, but I understand it cannot provide more direct influence over routes and timetables but I hope will create an effective space for such issues to be debated.

**Question** (2) When will the Convener be bringing ideas on how to Improve Governance to Transport & Environment Committee for debate?

**Answer** (2) As part of the ALEO reform process a new Liaison Committee, as noted above, is proposed. Officers are currently drafting terms of reference for this group which will be brought to Transport and Environment Committee for approval.

**Question** (3) Does the Convener still believe a new Public Transport Company will be in place in 2023?

**Answer** (3) The ALEO reform project is scheduled to complete in early 2024.

**Question** (4) When will the Bus Network Review be scheduled?

**Answer** (4) There is an update on delivery of the City Mobility Plan scheduled in late 2023. Work is ongoing with operators as part of the Public Transport Action Plan to look at the wider network for bus routes.

Feedback from residents, businesses and Community Councils (not least at the May Transport & Environment Committee) following changes to the 41 service (now notionally 47/B) highlight the necessity of maintaining good links to and through the city centre.

**QUESTION NO 28**

**By Councillor Whyte for answer by  
the Convener of the Planning  
Committee at a meeting of the  
Council on 1 June 2023**

**Question** (1) Please provide a copy of the report of the study the Council commissioned from MKA Economics entitled "Economic Value of Residential and Short Term Lets in Edinburgh".

**Answer** (1) The MKA Economics study will be reported to Planning Committee on 14 June 2023. The report will contain a copy of the study.

**Question** (2) Please also detail the costs involved in commissioning this report.

**Answer** (2) £7,800

**QUESTION NO 29**

**By Councillor Parker for answer by  
the Convener of the Housing,  
Homelessness and Fair Work  
Committee at a meeting of the  
Council on 1 June 2023**

In the last 10 years:

- Question** (1) How many tenants in social housing found responsible for anti-social behaviour have been evicted from their home and re-housed
- Answer** (1) There have been 30 evictions within the last 10 years from Council Housing for Antisocial Behaviour. The Council does not hold this information in respect of other Social Landlords.
- Question** (2) How many tenants in social housing who were/are victims or targets of anti-social behaviour by other tenants, have been offered alternative tenancies
- Answer** (2) For Council housing, this information is not recorded in a format which allows it to be reported as requested. I have asked officers to investigate options to enable the recording of this information for reporting purposes in the future. For other social landlords, the Council does not hold this information.
- Question** (3) How many tenants in social housing who were/are victims or targets of anti-social behaviour by other tenants have been advised to declare themselves homeless and give up their tenancies
- Answer** (3) For Council housing, this information is not recorded in a format which allows it to be reported as requested. I have asked officers to investigate options to enable the recording of this information for reporting purposes in the future. However, while Council officers should not be advising tenants to give up their tenancies and declare themselves as homeless, there may be instances where officers will offer temporary accommodation to provide respite for

tenants from anti-social behaviour. If Elected Members are aware of any instances where tenants have been asked to give up their tenancy, please let me know or contact the Service Director for Housing and Homelessness



**QUESTION NO 30**

**By Councillor Booth for answer by  
the Convener of the  
Development Management  
Sub-Committee at a meeting of  
the Council on 1 June 2023**

**Question**

Please will the convener provide the following statistics, in each quarter from 1 April 2018 to date, and including a column of running totals for each of these items to that date:

- a) the number of planning applications received by the City of Edinburgh Council for a change of use to short term let;
- b) the number of these applications that were refused;
- c) the number of these applications that were granted;
- d) the number of these applications that were withdrawn;
- e) the number of applications received by the City of Edinburgh Council for a certificate of lawful use for a retrospective change of use to a short term let;
- f) the number of these applications that were refused;
- g) the number of these applications that were granted;
- h) the number of these applications that were withdrawn;

**Answer**

The tables below provide the requested information.

### Applications for Planning Permission for Short-term Lets

		Received		Refused		Granted	
		Total per quarter	Running total	Total per quarter	Running total	Total per quarter	Running total
<b>18/19</b>	Q1	0	0	1	1	0	0
	Q2	2	2	3	4	0	0
	Q3	0	2	1	5	0	0
	Q4	5	7	0	5	0	0
<b>19/20</b>	Q1	4	11	0	5	3	3
	Q2	0	11	2	7	1	4
	Q3	3	14	0	7	0	4
	Q4	2	16	1	8	4	8
<b>20/21</b>	Q1	4	20	0	8	1	9
	Q2	3	23	2	10	1	10
	Q3	3	26	2	12	0	10
	Q4	6	32	0	12	3	13
<b>21/22</b>	Q1	7	39	3	15	4	17
	Q2	7	46	3	18	4	21
	Q3	6	52	1	19	4	25
	Q4	103	155	2	21	5	30
<b>22/23</b>	Q1	66	221	14	35	1	31
	Q2	71	292	12	47	7	38
	Q3	88	380	37	84	84	122
	Q4	53	433	21	105	2	124
<b>23/24</b>	Q1	20	453	72	177	2	126

### Applications for Certificates of Lawful Use for Short-term Lets

		Received		Refused		Granted	
		Total per quarter	Running total	Total per quarter	Running total	Total per quarter	Running total
<b>18/19</b>	Q1	1	1	0	0	0	0
	Q2	0	1	0	0	0	0
	Q3	0	1	1	1	0	0
	Q4	3	4	0	1	0	0
<b>19/20</b>	Q1	1	5	2	3	0	0
	Q2	0	5	2	5	0	0
	Q3	0	5	0	5	0	0
	Q4	1	6	1	6	0	0
<b>20/21</b>	Q1	0	6	0	6	0	0
	Q2	0	6	0	6	0	0
	Q3	4	10	0	6	3	3
	Q4	2	12	0	6	1	4
<b>21/22</b>	Q1	2	14	1	7	3	7
	Q2	4	18	0	7	1	8
	Q3	1	19	0	7	3	11
	Q4	29	48	1	8	9	20
<b>22/23</b>	Q1	10	58	1	9	18	38
	Q2	20	78	6	15	6	44
	Q3	29	107	2	17	5	49
	Q4	33	140	2	19	17	66
<b>23/24</b>	Q1	11	151	1	20	36	102

**QUESTION NO 31**

**By Councillor Nicolson for answer by  
the Chair of the Edinburgh  
Integration Joint Board at a  
meeting of the Council on 1  
June 2023**

**Question** (1) On May 23 at Policy and Sustainability Committee, Unison's social care Service Conditions Convenor quoted the EIJB Chair as 'having no knowledge of the change to the public consultation' which has changed from a consultation on the future of care homes to a consultation narrowing the scope to solely focus on decommissioning care homes?

**Answer** (1) N/A

**Question** (2) Did officers discuss the decision to narrow the consultation with the chair prior to the publication?

**Answer** (2) A conversation was had between officers and the Chair and Vice-Chair regarding focusing the consultation on the future of the four care homes.

**Question** (3) Did you, as chair, inform the unions you had no knowledge of the change prior to the consultation's publication?

**Answer** (3) The chair always welcomes engagement with all stakeholders and always seeks to be entirely honest and transparent.

**QUESTION NO 32**

**By Councillor Booth for answer by  
the Convener of the Planning  
Committee at a meeting of the  
Council on 1 June 2023**

- Question**           **(1)** Please will the convener provide the following statistics, in each quarter from 1 April 2018 to date, and including a column of running totals for each of these items to that date:
- a) the number of planning enforcement cases;
  - b) the number of planning enforcement cases involving an STL;
  - c) the number of planning enforcement cases where an enforcement notice has been served;
  - d) the number of planning enforcement cases involving an STL where an enforcement notice has been served;
  - e) the number of STL enforcement cases where an enforcement notice has been appealed;
  - f) the number of STL enforcement appeals where the appeal has been dismissed;
  - g) the number of STL enforcement appeals where the appeal has been upheld.

**Answer**           **(1)** A table with this information is included on page 3 below. It has not been possible to provide monthly totals, but yearly totals are included

- Question**           **(2)** Please will the convener identify the approximate number of staff hours spent in
- a) enforcement;
  - b) enforcement of a case involving an STL over each of the last 5 years.

**Answer**

- (2) a) The Planning service does not hold information on staff hours spent on particular tasks. In the past 5 years there has, at different times, been between 6 and 7 full time members of staff engaged in enforcement work , with administrative support and support from the Planning Appeals team.
- b) The time spent on the enforcement of an STL case will depend on the particular circumstances of the case. No two cases are the same. The time required to resolve a case depends on a number of variables including: the level and accuracy of information provided by the enquirer; the willingness of the owners to engage with the case officer and provide information relevant to the case; the scale of representations; the level of correspondence required with neighbours, Councillors and others; whether repeat site visits are needed to establish the planning position; whether a breach is identified and a notice is needed; whether the notice is appealed and the complexity of the defence of the appeal; and whether the notice is complied with and any further action is needed to secure compliance.

## Answer to Question 1

	Enforcement cases		Enforcement cases involving an STL		Enforcement cases where an enforcement notice has been served		Enforcement cases involving an STL where an enforcement notice has been served	
	Total	Running	Total	Running	Total	Running	Total	Running
	P e r Y e a r	t o t a l	P e r Y e a r	t o t a l	P e r Y e a r	t o t a l	P e r Y e a r	t o t a l
2018/	698	698	114	114	73	73	16	16
2019/	914	1,612	228	342	76	149	38	54
2020/	711	2,323	83	425	3	152	3	57
2021/	786	3,109	107	532	64	216	40	97
2022/	807	3,916	190	722	87	303	45	142
2023/	165	4,081	41	763	11	314	7	149

	Enforcement cases where an STL enforcement notice has been appealed		STL enforcement appeals where the appeal has been dismissed		STL enforcement appeals where the appeal has been upheld	
	Total	Running	Total	Running	Total	Running
	P e r Y e a r	t o t a l	P e r Y e a r	t o t a l	P e r Y e a r	t o t a l

	a r		a r		a r	
2018/	11	11	8	8	1	1
2019/	17	28	14	22	1	2
2020/	13	41	12	34	1	3
2021/	12	53	10	44	0	3
2022/	16	69	8	52	3	6
2023/	4	73	3	55	0	6



# Leader's Report

## Cllr Cammy Day



June 2023

### Taking trams to Newhaven

This month it was my pleasure to cut the ribbon and [launch the passenger services](#) on the brand new tramline to Newhaven. For the first time in almost 70 years people were able to travel by tram through Leith, and there was a real sense of excitement on board and along the route, where community groups turned out to help us celebrate the occasion.

I'm delighted that, thanks to the hard work of all those involved, we've been able to deliver the project on time and on budget. I'd like to thank all those who live on or own businesses along the route – they've shown such perseverance throughout this major, complex project and I hope that they'll now be able to enjoy the many benefits the new service will bring.

There's no doubt the success of this scheme owes much to the lessons learned from the original tram project. As we await the findings of Lord Hardie's inquiry, I'm confident that we already have the processes in place to deliver major infrastructure schemes effectively.

Passenger figures have more than doubled since the new line opened on 7 June, which demonstrates the project is already making a positive difference, and I look forward to seeing the network continuing to flourish in the years ahead.

### Ensuring best value for our residents

Edinburgh is the fastest growing city in Scotland, with more than 50,000 new residents expected over the next 20 years. While this is undoubtedly a sign of the city's success, it puts real pressure on our communities, on housing, schools, care services, and on the infrastructure we all rely on.

Despite receiving the lowest financial settlement of any local authority in Scotland, we're continuing to provide outstanding schools for our young people to thrive in, new affordable and green housing for our tenants to live in, and better waste services and transport links for everyone.

We're also making big changes and commitments to make our city greener and fairer, and we're innovating and thinking differently about how we deliver services. We need to work ever harder to manage and accommodate our city's growth, reduce our carbon emissions and get the basics right for the people of Edinburgh, all with less money available and higher costs.

In a [report going to next week's Finance and Resources Committee](#), we set out proposals for how we're going to achieve this – not just for the next 12 months, but for the next two to three years – helping us make our future Council more efficient and our services more sustainable, while providing the standard of support our residents expect and deserve.

This was very much the focus of the [ambitious new improvement plan](#) agreed by the Integrated Joint Board this week. It has been, and continues to be, a challenging time for care in Edinburgh but this plan is a positive step forward – as is the appointment of Mike Massaro-Mallinson as interim Chief Officer. I wish Mike all the very best in the role.

### Striking the right balance

We're very proud that Edinburgh is (rightly) one of the world's most popular visitor destinations, but we're equally aware that this success comes at a cost. It's crucial for us to strike the right balance between promoting our visitor economy while looking after the people that live here all year round.

One way we can do this is by securing the powers to introduce a visitor levy and, having spent years building our case, it was great to finally see the [Bill brought before Holyrood last month](#). I'll continue to argue strongly that the millions raised by the levy should be re-invested back into the city, helping us manage the impact of tourism while benefiting our residents and businesses. It has to be a progressive tax that's fit for the future and one that we have control over.

Another step we can take is to better manage the impact of the growing number of short term lets in our city. It's no secret that we face unique housing pressures here in Edinburgh, with a small but densely populated city centre and fast-growing population, and I make absolutely no apology for seeking to protect our residents.

For all I was disappointed with elements of the judicial review on our approach to this, we successfully defended large parts of our policy. The Court acknowledged our intention to find a solution and agreed that it was legitimate to combine both planning and licensing policy.

We remain committed to ensuring the whole city benefits from our thriving visitor economy but it has to be managed and it has to be sustainable – and I continue to believe that fair and effective short term let controls would be an important step in the right direction. I'd like to continue the conversation and will be inviting industry representatives in to meet with me as soon as possible.

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## Cleaning up our air

The need to improve air quality was brought into sharp focus this week on [Clean Air Day](#), which reminded us of the potentially devastating effects pollution can have on our health. To mark this, I joined Transport Convener Scott Arthur, Spokes, Living Streets, Sustrans and others to host the first Bike Breakfast since 2019.

This week we also helped welcome the 300<sup>th</sup> member to Edinburgh's ECOStars scheme, which helps fleet operators to reduce fuel consumption and emissions. And we're cleaning up our own vehicles too, having just [unveiled five brand new fully-electric waste lorries](#) to add to our increasingly efficient fleet.

Tackling air pollution goes hand in hand with reducing congestion, creating safer streets and reaching our Net Zero 2030 target and our [City Mobility Plan \(CMP\)](#) has been designed to achieve these goals. Right now, we're consulting on a suite of action plans developed to support the CMP and [we'd like to know what you think](#).

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## Staying true to our Vision for 2050

Earlier this month, I joined Lord Provost Robert Aldridge in welcoming over 100 pupils from local schools as well as representatives from the third sector and other organisations to Edinburgh College in Granton to [share their visions of the future](#).

The event was filled with entertainment, enthusiasm and insightful ideas about our vision and what we can all do to help make that happen. I was particularly encouraged by the energy of our young people, who didn't shy away from talking about the big issues that need to be tackled – from ensuring inclusivity for all, regardless of colour, sexual orientation or wealth, to the need for more trees, parks, and outdoor spaces.

Since our conversations began in 2016, tens of thousands of residents have played their part in creating our shared Vision. They told us that, by 2050, they want Edinburgh to be [Thriving, Welcoming, Fair and Pioneering](#). If this event is anything to go by, we've got much to look forward to.

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## Mission accomplished for Project SEARCH

Sticking with the inspirational, I was honoured to speak at the Edinburgh [Project SEARCH](#) graduation event this week in the fantastically refurbished Greyfriars Hall on the Cowgate.

The event saw 15 young people graduate from the programme and, as one of Edinburgh's biggest employers, we know how important our workforce represents our city and know the true value young people with disabilities can bring to the organisation. Eight of those graduates have already found employment, three with us.

Since beginning our support for this wonderful project back in 2014, we've provided placements for hundreds of young people preparing and supporting them in getting full time employment. Figures show that 70% of people who complete their supported internships achieve this and successfully remain employed.

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## A lifetime of service

This month we pay tribute to Matt Acton, Area Commander at Scotland Fire and Rescue Service, who has announced that he is to retire at the end of this month.

Matt served his final year as the City of Edinburgh Local Senior Officer, which was particularly fitting given he began his distinguished career here back in 1994.

I'm sure you'll join me in thanking Matt for his dedication to keeping the city safe over so many years and wishing him a long and happy retirement.

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## PRIDE in our diversity

On Saturday 24 June, our city centre will experience an explosion of colour, love and togetherness in the form of the annual [Pride Edinburgh](#) march.

First established in 1994, Scotland's longest running celebration of diversity returns to our streets in its full form for the first time since the pandemic. I hope everyone taking part this year has a great time and ensures the rainbow shines over our city.

Pride month is a significant date in the city's calendar each year and a celebration of the diversity, history and dignity of the LGBTIQ+ community and I'm proud that we will support our LGBTIQ+ colleagues and citizens by flying the rainbow flag above the City Chambers once again.

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## Honouring our new King and Queen

The eyes of the world will be on us once again as we mark the Coronation of His Majesty King Charles III and Her Majesty Queen Camilla on 5 July.

The King will be presented with the Honours of Scotland at a National Service of Thanksgiving at St Giles' Cathedral, following processions on the Royal Mile. The Honours will be collected from Edinburgh Castle by a People's Procession, involving approximately 100 people representing many different aspects of Scottish life.

Council colleagues and partners have been working hard in preparation for the events and, with the world's media covering proceedings, we can expect another great advert for our beautiful city.

You'll be able to enjoy the Royal and People's Processions as they travel through the heart of the city. It will be extremely busy so please plan ahead and keep an eye on our website and social media channels for the latest advice and guidance.

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## Delivering award-winning services

I want to end on a high by congratulating colleagues from across the council for picking up a range of awards and accolades in recent weeks – clear evidence of the high quality services we provide each and every day.

First of all, well done to both Hope Cottage Nursery and James Gillespie's High School who [triumphed at the Scottish Education Awards](#) last week. Both settings won their categories in 'Making a Difference' for Early Years/Childcare and the Gaelic Education Award, respectively. With Firrhill High School up for the UK's secondary school of the year award at the TES awards next week, let's hope for a hat-trick of wins!

To the Communications team who won the [PRCA](#) Scottish In-house Team of the Year Award, with judges praising 'the huge amount the team do for the city' and, in particular, their work to support Edinburgh's Ukrainian refugees.

To our Facilities Management (FM) colleagues on their recent wins at the [Assist FM Awards](#), scooping both the Outstanding Contribution in FM Services, and Chef of the Year accolades. FM were recognised for their significant role in Operation Unicorn following the passing of Her Majesty The Queen.

And, last but certainly not least, to Paddy Maloney from our waste team at Seafield, who has been chosen to represent Scotland at the [Homeless World Cup](#) taking place in Sacramento next month. Good luck Paddy and come on Scotland!

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## Get involved

Keep up to date with all [Council news online](#). You can [watch live Council and committee meetings](#) on our webcast service and join the debate on Twitter using #edinwebcast. If you wish to unsubscribe, please [email](#) us.

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## City of Edinburgh Council

10:00am, Thursday, 22 June 2023

### Bed Base Review

**Executive/routine**

**Wards** Ward 3 -

Drumbrae/Gyle

**Council Commitments** 37, 38.

#### 1. Recommendations

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1.1 That the Council:

- 1.1.1 Acknowledges that Edinburgh Integration Joint Board considered a recommendation from officers to undertake a strategic commissioning review. This would inform plans for community infrastructure and bed-based service provision in the medium to long term.
- 1.1.2 Awaits the outcome of this work before a decision is made on the future use of Drumbrae care home.
- 1.1.3 Notes the decision from the Finance and Resources Committee held on 20 June 2023.

**Andrew Kerr**

Chief Executive

## Bed Base Review

### 2. Executive Summary

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- 2.1 This report outlines the current situation relating to the Bed Base Review including consideration of the use of Drumbrae Care Home and presents options for the future use of the facility for consideration for Health and Social Care purposes. A similar report was debated by the Finance and Resources Committee on 20 June 2023. A note of the decisions made by the EIJB on 13 June 2023 and Finance and Resources Committee will be sent to the City of Edinburgh Council on 22 June.
- 2.2 The recommendation from officers is to delay any decision on the future use of the former Drumbrae Care Home until the outcome of a whole system strategic commissioning review. This was considered and agreed by the Edinburgh Integration Joint Board at its meeting on 13 June 2023.
- 2.3 Should elected members not wish to await the outcome of the strategic commissioning review, options for the use of the facility include:
- 2.3.1 Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision.
  - 2.3.2 Reopen the facility as a care home and consider the consolidation of two of the older care homes into it.
  - 2.3.3 Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC.
  - 2.3.4 Sell the property for redevelopment.
  - 2.3.5 Alternative use for the property to support wider challenges faced by CEC.

### 3. Background

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- 3.1 On 22 June 2021, the Edinburgh Integration Joint Board (EIJB) approved proposals for Phase 1 of its future Bed-Based Care Strategy.
- 3.2 Phase 1 of the strategy involved a number of interconnected property moves and adaptations involving assets owned by the City of Edinburgh Council and NHS Lothian. These resulted in the decommissioning residential care services at Drumbrae Care Home to facilitate providing HBCCC services from the property.

- 3.3 There have been significant challenges in implementing the agreed bed base redesign identified in the strategy. In summer 2022, due diligence identified that Drumbrae was not compliant for the delivery of clinical services, in part due to updated fire safety regulations particularly in relation to evacuation procedures. The adaptations required to transition Drumbrae to the provision of healthcare services have significantly increased and are estimated to cost £10m with a 24-month schedule for work to be completed. Discussions have continued with all partners to try to get a resolution to the issues faced with the transition throughout 2022 to present but no agreed way forward has been identified at this stage.

## 4. Main report

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- 4.1 Since the strategy was approved by the IJB in 2021, several issues have emerged that need considered when planning bed-based services for the future. The IJB are already experiencing a change in demographics with many people presenting to bed-based services older, frailer and with more co-morbidity. There is also an increase in the number of people with dementia adding to the complexity of need. The impact of the pandemic is also emerging. People have increased vulnerability to frailty through deconditioning and isolation. More people are presenting later resulting in them being more acutely unwell with more complex conditions. The perception of hospitals and care homes has also shifted, with people perceiving care homes to be unsafe and hospitals to be much safer environments to receive care and support.
- 4.2 The whole system has remained under severe sustained pressure. There is a lack of community care capacity to meet demand, Primary Care services are under enormous pressure, the unscheduled care system is extremely stressed, there are increasingly long waiting lists for scheduled care, people are in hospital who do not need to be there and there are extensive delayed discharges across acute and community hospital sites. These issues need to be considered when designing a sustainable bed base for Edinburgh.
- 4.3 Considerable time has passed since the IJB set the Direction to transition Drumbrae to HBCCC provision and in light of the additional cost and time to complete the work plus the issues outlined above it was recommended that the IJB considered a proposal to undertake a strategic commissioning exercise. This would be undertaken on the bed base in Edinburgh with a focus on older people's services. The strategic commissioning exercise will identify all types of beds required to meet the needs of the population both now and in the future across all older people's bed-based services.
- 4.4 The IJB were asked to approve the strategic commissioning exercise at their meeting on the 13 June and this was agreed by members.
- 4.5 The strategic commissioning exercise will provide assurance that the projected bed numbers required to meet future demand are based on current data including any emerging themes as a result of the pandemic and increased system pressures. This

approach is supported by both corporate leadership and management teams in CEC and NHS Lothian and the service areas prioritised in the bed-based review, with clinical and care teams requesting this exercise is completed before any reconfiguration of existing beds is undertaken.

- 4.6 The strategic commissioning exercise is in the early stages of development. An external commissioner would be appointed for an initial period of six months. An implementation plan will be developed based on the findings of the exercise and associated timescales agreed at that point.
- 4.7 As there are limited facilities in Edinburgh to accommodate bed-based services, it is recommended that Drumbrae Care Home remains unoccupied until the strategic commissioning exercise has concluded. This would ensure the facility could be utilised for the most appropriate service provision based on the findings of the exercise. If Drumbrae were to be utilised by the Council for an alternative purpose, this would greatly reduce the available capacity to accommodate bed-based services and could be detrimental to the conclusion of the strategic commissioning exercise.
- 4.8 It is acknowledged that Drumbrae remaining unoccupied poses an ongoing business and reputational risk, particularly when the system is under sustained pressure. If it is decided by the Council that it needs to make the best use of existing resources, Drumbrae could be used for a variety of different options some of which are outlined for consideration below:
  - 4.8.1 Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision.
  - 4.8.2 Reopen the facility as a care home and consider the consolidation of two of the older care homes into it.
  - 4.8.3 Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC.
  - 4.8.4 Sell the property for redevelopment.
  - 4.8.5 Alternative use for the property to support wider challenges faced by CEC.
- 4.9 These options are explored in greater detail below with a high-level assessment of each included as appendix 1.

## **5. Conclusions**

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- 5.1 The IJB has agreed to undertake a strategic commissioning exercise before any changes are made to the current bed base in Edinburgh. This would ensure that we have an accurate understanding of the current and future bed numbers and type, needed for our growing older population following the pandemic.
- 5.2 If it is decided by the Council to make best use of existing resources, then the Council should consider the options presented in the absence of any strategic assessment of the impact on the Bed-Based Care Strategy without the use of



Drumbrae. The proposed strategic commissioning exercise would be used to inform plans for community infrastructure and bed-based service provision in the medium to long term and therefore is highly recommended.

## **6. Next Steps**

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- 6.1 These options have been presented to the Finance and Resources committee on 20 June and they have identified their preferred option. A note of the decision will be circulated to Council members.
- 6.2 The Partnership would recommend that Drumbrae remains unoccupied until the outcome of the strategic commissioning exercise is known to ensure there is available accommodation to support any redesign identified.
- 6.3 The Council are asked to agree their preferred option in relation to Drumbrae at the meeting on 22 June.

## **7. Financial impact**

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- 7.1 Where known, the financial implications have been indicated in each of the options above.

## **8. Stakeholder/Community Impact**

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- 8.1 Various impact assessments have been completed on the proposals to date. A full integrated impact assessment will be completed on the outcome of the strategic commissioning exercise and any preferred option.

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

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- 9.1 Bed Based Care Strategy – Phase 1, presented to the Edinburgh Integration Joint Board on 22<sup>nd</sup> June 2021, Item 7.1 can be accessed [here](#).
- 9.2 Report to Edinburgh Integration Joint Board on 28<sup>th</sup> September 2021, Item 4.1 can be accessed [here](#).
- 9.3 The report to the Finance and Resources Committee agreeing the lease arrangements for Drumbrae on 16<sup>th</sup> June 2022, Item 8.1 can be accessed [here](#)
- 9.4 A progress report presented to the Council on 9<sup>th</sup> February 2023, item 7.8 can be accessed [here](#), this was also presented to the EIJB as an additional item at their meeting on 28<sup>th</sup> February 2023.
- 9.5 A progress report presented to the Governance, Risk and Best Value committee on 14<sup>th</sup> March 2023, item 8.15 can be accessed [here](#)
- 9.6 A status report presented to the Council on 16<sup>th</sup> March 2023 can be accessed [here](#)

## 10. Appendices

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[Appendix 1](#) Options and high-level assessment for the future use of Drumbrae.

**Option 1: Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision:**

- 10.1 The initial proposal to transition Drumbrae care home to the provision of HBCCC was developed to enable other bed-based redesign to take place within the existing estate.
- 10.2 By accommodating the majority of the HBCCC service within Drumbrae, space would be created within the vacated HBCCC facilities to enable the Intermediate Care service (mostly accommodated within Liberton Hospital) to be relocated.
- 10.3 The proposal saw a small increase in the Intermediate Care bed numbers and a decrease of HBCCC bed numbers aligned to the modelling and projections of the Bed Based Care Strategy.
- 10.4 The proposal enabled bed-based services to be withdrawn from the Liberton Hospital site in anticipation of the site being purchased and redeveloped by the Council and enabled NHS Lothian to withdraw from the lease on the PFI facility, Ferryfield House at the break point in the lease agreement.
- 10.5 To proceed as initially intended, £10m of investment is required to get Drumbrae compliant with clinical standards. The lease on Ferryfield House would also need to continue to the intended end point in 2027 to ensure enough community capacity is created to reduce the HBCCC bed numbers as projected.
- 10.6 From discussions with all partners (EHSCP, CEC and NHS Lothian), it was proposed that NHS Lothian would fund £3m of the adaptations to Drumbrae and continue to lease Ferryfield House. The Council has been asked to invest £7m to cover the cost of most of the adaptations.
- 10.7 The terms and conditions of a lease to NHS Lothian, as approved by Committee on 7 June 2022, would need to be reconsidered and reported back to Committee for approval, e.g., a longer term than 5-years would be required.
- 10.8 The adaptations are estimated to take one calendar year to complete, however, factoring in time for statutory consents, tendering of contracts etc, would mean that the facility would not be operational until Summer 2025 at the earliest.
- 10.9 In order to fund the adaptations required, both the Council and NHS Lothian would have to source the investment from existing budgets. For the Council this would mean redirecting funds from existing capital investment programmes, which are currently fully committed and under significant budgetary pressure.
- 10.10 This option does enable services to come off the Liberton Hospital site but could potentially breach the agreed timeframe set by the Council in the occupancy agreement (two calendar years from the point of sale, completed in April 2023).

**Option 2: Reopen the facility as a care home, and consider the consolidation of two of the older care homes into it:**

- 10.11 When residential care services were decommissioned at Drumbrae in December 2021, most of the equipment was removed from the property to allow for the adaptations to begin.
- 10.12 All kitchen equipment was removed and most of the communal and bedroom furniture was redistributed and recycled. The building has also suffered water damage due to a burst pipe during the winter months.
- 10.13 The facility could not be reopened until repairs are completed and until it has been re-equipped to function as a care home. The cost of repair and refurbishment has been assessed and is estimated at £1.7m which is inclusive of a full refit, new kitchen, furniture and fittings. Provided no statutory consents are required, this could be completed within one calendar year.
- 10.14 The facility could not be reopened as a care home to provide additional capacity as there is no revenue available to operate an additional 60-bed care home.
- 10.15 Furthermore, the Partnership do not have the ability to staff an additional 60-bed care home without consolidating one or more of the older care homes within Drumbrae.
- 10.16 The challenges with recruitment into the care sector is well documented and retention of staff is also a known concern.
- 10.17 The only way the Partnership could safely reopen Drumbrae as a care home would be to consolidate one or more of the older homes into it, reallocating the budget and relocating the equipment and staff (and residents should they choose to move to Drumbrae) into Drumbrae.
- 10.18 Existing budgets would need to transition from the older care homes to Drumbrae as there is no available revenue to operate Drumbrae in addition to the existing care homes. It costs approximately £4m per annum to operate a 60-bed care home based on the budget set for the existing 60-bed care homes in the estate.
- 10.19 This option supports the wider strategic aim of decommissioning the older care homes within the estate that have surpassed their design life expectancy and cannot continue to provide care provision safely and sustainably in the coming years.
- 10.20 Property assessments completed more than 10 years ago highlighted the risks of continuing to provide care in these buildings indefinitely, with a further assessment completed in 2019 validating the need to decommission these buildings.
- 10.21 Work is underway to plan and develop the public consultation activity with a range of stakeholders and it was intended to go live in Q3 of this financial year however, as outlined previously, it may be more appropriate to await the findings of the strategic commissioning review and consult on the totality of the redesign of older people's bed-based services.

- 10.22 If this option is preferred, consideration is needed with regards to the timing. It has been well documented that no decision would be reached regarding the four older homes in the estate until the public consultation has concluded. Currently, timescales for concluding the consultation are by Q4 2023/24. Therefore, this option would still see Drumbrae remaining unoccupied for 6-9 months.
- 10.23 As the timescales for the consultation activity and the planned strategic commissioning exercise run into Q4 2023/34, it seems practical to undertake the consultation on the findings of the strategic commissioning exercise including future care home provision in Edinburgh.
- 10.24 To align to the model of care being introduced to the larger care homes in the estate, the Partnership would replicate this within Drumbrae post consolidation and introduce registered nurses into the staffing establishment over time.
- 10.25 This option supports the Partnership's strategic aim to transition from residential care provision to provide affordable nursing and complex dementia care for the most vulnerable of our citizens. This model of care cannot be introduced to the older care homes in the estate as the physical environments cannot accommodate it.
- 10.26 Alongside the two care homes previously operated by Four Seasons Healthcare coming back in house, consolidating two older care homes into Drumbrae would, over time, increase the capacity of nursing and dementia beds in the city which is much needed to meet existing demand.
- 10.27 This option offers an improved working environment for the staff who are currently employed within the older care homes and potentially offers better outcomes to our existing residents should they choose to move into Drumbrae.
- 10.28 This option does not provide any alternative accommodation for the services located within Liberton Hospital and could impact on the timescales outlined in the occupancy agreement if alternative accommodation could not be found for the intermediate care service.

**Option 3: Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC:**

- 10.29 In January 2023, during discussions on how best to progress with Drumbrae considering the increased costs and time for the adaptations required, NHS Lothian proposed an alternative solution for Drumbrae.
- 10.30 This option would see the facility leased to NHS Lothian as planned with the lower floor adapted to provide HBCCC, equating to 30 beds.
- 10.31 The adaptations required to transition the lower floor to healthcare provision would cost approximately £3m and are estimated to take 4-6 months to complete.
- 10.32 NHS Lothian would fund the adaptations entirely for the lower floor of the property.

- 10.33 Due to the fire safety compliance and the increased cost to adapt the full building, NHS Lothian would only occupy the lower floor of the property leaving the upper floor vacant for alternative use.
- 10.34 There is potential to operate the upper floor of the property as a 30-bed care home provided registration is granted by the Care Inspectorate for a dual function facility providing both health and care services.
- 10.35 The initial proposal by NHS Lothian saw services withdrawn from Ferryfield House at the break clause in the lease agreement. This meant that the HBCCC beds would significantly reduce beyond the projections outlined in the Bed Based Care Strategy.
- 10.36 A targeted feasibility study was undertaken with the relevant clinical teams to ascertain whether this option could be delivered without any negative impact on performance, capacity and flow.
- 10.37 It was assessed that this option would leave the Partnership with a significant gap in its bed base and posed an unacceptable level of risk to performance.
- 10.38 However, by maintaining the lease at Ferryfield House until its intended end date of 2027 and operating the 30 beds for HBCCC at Drumbrae, the remaining bed base redesign could be achieved, enabling intermediate care to be relocated off the Liberton Hospital site, the most time critical element of the redesign proposals.
- 10.39 Similar to the previous option, to safely establish a care home on the upper floor of Drumbrae, one of the older care homes would need consolidated into it.
- 10.40 Regulators would need assurance that a hybrid model was safe to operate, and each floor would need to comply with the relevant standards set by the regulatory bodies for each service provision.
- 10.41 This option does deliver in part, the bed-based redesign proposed within the Bed Based Care Strategy and allows time for a strategic commissioning review to inform plans for community infrastructure and bed-based service provision in the medium to long term.

**Option 4: Sell the site for redevelopment:**

- 10.42 Drumbrae care home was purpose built in 2013 as part of the City of Edinburgh Council's Strategy for providing a high-quality care environment for older people.
- 10.43 The care home was the fifth new build of six planned for the city and is the second newest in the estate, with Royston Court being the most recent.
- 10.44 Drumbrae was chosen to transition to the provision of HBCCC because it was modern and offered improved accommodation for the HBCCC service in comparison to the facilities in which it currently operates from.
- 10.45 A high-level estimated value of the site is £4m.

**Option 5: Alternative use for the property to support wider challenges faced by CEC:**

10.46 Another option would be to use the facility to support the wider challenges faced by the Council, this option has yet to be scoped and discussions continue with other CEC officers regarding further options.

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Advantages</b>	Fully compliant environment for the provision of healthcare services	No major adaptations required to return the facility to care home provision	Provides 30 HBCCC beds in accommodation that is fully compliant with healthcare standards, an improvement on existing accommodation	Located in prime area attractive to developers	Potential to use the facility to support wider challenges faced by CEC (yet to be scoped)
	Improved accommodation for the HBCCC service to that which the service is currently provided from	Provides an opportunity to consolidate one or more of the older care homes into Drumbrae, transferring budgets, equipment, and staff	Provides an opportunity to consolidate one older care home into Drumbrae, transferring the budget, equipment, and staff	Potential capital receipt in the region of £4m	This could include the use for Childrens Social Care or for other occupation by vulnerable groups
	Delivers BBC P1 strategy as intended	Replaces older stock within the estate and provides the opportunity to transition to the new nursing model over time	Replaces older stock within the estate and provides the opportunity to transition to the new nursing model over time	Reduction of overall estate, reducing ongoing costs	
	Enables the redesign of intermediate care allowing services to move off of the Liberton Hospital site	Timescales for completion are within one calendar year	Timescales for completion are within one calendar year	Opportunity to reinvest any profit into alternative care facilities	
			Enables the redesign of intermediate care allowing services to move off of the Liberton Hospital site		



	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Disadvantages</b>	£7m capital investment deficit required to complete the adaptations - CEC required to fund this	Limited options to reaccommodate intermediate care services from Liberton Hospital without a significant impact on capacity in HBCCC	Would require the continuation of the lease at Ferryfield House to the intended end date of 2027 (potentially beyond)	Reduction of overall estate before a strategic review removes it as an option in that assessment	Loss of bed-based capacity during sustained system pressures
	Extended timescales for completion would mean the facility would not be operational until 2025	No ability to withdraw from the lease at Ferryfield House before the intended end date of 2027 (and potentially beyond)	Decision to consolidate one or more of the older care homes taken outwith the planned public consultation	Could impact the ability to deliver on the Direction set by the IJB following the review	
	Extended timescales for completion impact on the ability to withdraw services from Liberton hospital within the agreed timeframe set out in the occupancy agreement	Significant loss of HBCCC capacity due to environmental challenges in existing accommodation	Reputational damage of reopening part of the facility as a care home following the building remaining empty for a significant time	Limited options for withdrawing services from Liberton Hospital and Ferryfield House	
	Lease agreement at Ferryfield House would need to continue until a full strategic commissioning review is completed	Decision to consolidate one or more of the older care homes taken outwith the planned public consultation	Doesn't deliver the Direction set by the IJB	No opportunity to consolidate one or more of the older care homes into Drumbrae	
	Benefits would not be realised until 2025 at the earliest	Reputational damage of reopening the facility as a care home following the building remaining empty for a significant time			

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Risks</b>	Financial risk to CEC, £7m required to complete adaptations would need redirected from existing capital investment projects	Reputational risk of reopening facility as a care home following a prolonged period where the facility has remained empty during extreme system pressures	Risk that regulatory authorities do not approve a dual function facility with the building only able to operate as either healthcare provision or care home	Reputational risk of selling assets during sustained system pressures	It should be noted that this option will have costs associated and will depend on the use agreed
	Reputational risk of facility remaining empty until adaptations are completed (estimated summer 2025)	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	Reputational risk of reopening part of the facility as a care home following a prolonged period where the facility has remained empty during extreme system pressures	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	
	Reputational risk due to extended timescales and increased cost of adaptations required	Reputational risk of reopening as a care home when residents were moved out of their home on decommissioning and staff were dispersed across the remaining care home estate	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	Risk to withdrawing services from Liberton Hospital / Ferryfield House as limited alternative accommodation to move services into	
	Risk that supply chain challenges will further extend timescales for completion (Lack of available contractors or materials)	Risk to withdrawing services from Liberton Hospital as limited alternative accommodation to move services into	Reputational risk of reopening part of the facility as a care home when residents were moved out of their home on decommissioning and staff were dispersed across the remaining care home estate	Risk of limited ability to consolidate older care homes into newer fit for purpose facilities due to lack of available capacity in remaining estate	
	Financial risk to NHS Lothian of continuing with the lease on Ferryfield House beyond the intended break point	Financial risk, inability to reopen as additional capacity as there is no available budget without consolidating one or more of the older homes within it	Financial risk, inability to reopen as additional care home capacity as there is no available budget without consolidating one of the older homes within it		

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Assumptions</b>	Adaptations are fully completed in one calendar year (not including tendering of contracts and statutory consents)	Drumbrae can be re-registered as a care home with the Care Inspectorate	Registration is granted for dual function facility	Site is valued at approximately £4m on a redevelopment basis	
	The lease can be extended to 20 years with break points at each 5-year interval	Drumbrae is compliant with all standards to provide residential care	Each floor of Drumbrae is compliant with required standards for operational purpose		
	Walkers Healthcare are open to negotiating the break point in the lease on Ferryfield House	Staff would be willing to transfer to Drumbrae from the older care homes	Staff would be willing to transfer to Drumbrae from an older care home	Any return could be reinvested in alternative care facilities	
	Capital investment can be found from existing budgets, redirecting investment from existing capital investment projects	The facility can be fully equipped utilising existing equipment from other care homes in the estate	The facility can be fully equipped utilising existing equipment from other facilities in the estate		
	CEC consent to the scale of the adaptations required as landlord of the facility	NHS Lothian agree to continue with the lease at Ferryfield House until the intended end date of 2027 (potentially beyond)	NHS Lothian agree to continue with the lease at Ferryfield House until the intended end date of 2027 (potentially beyond)		
	A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years	HBCCC could be consolidated within the existing estate (configuration to be agreed)	A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years		
		A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years			

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# The City of Edinburgh Council

10.00am, Thursday 22 June 2023

## Bed Base Review – Drumbrae Care Home – referral from the Finance and Resources Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Finance and Resources Committee has referred a report on the Bed Base Review – Drumbrae Care Home to the City of Edinburgh Council for consideration of its recommendation.

**Dr Deborah Smart**  
Executive Director of Corporate Services

Contact: Rachel Gentleman, Committee Officer  
Legal and Assurance Division, Corporate Services Directorate  
Email: [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk)

# Referral Report

## Bed Base Review – Drumbrae Care Home

### 2. Terms of Referral

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- 2.1 On 20 June 2023, the Finance and Resources Committee considered a report on the Bed Base Review – Drumbrae Care Home. The report presented options for the future use of the Drumbrae Care Home for consideration. Council is asked to consider the recommendation of the Finance and Resources Committee as set out in the decision below.

#### Motion

- 1) To agree that officers would, as matter of urgency, bring forward proposals for alternative uses of the Drumbrae Care Home to support wider challenges faced by CEC. These proposals would be for a meanwhile use over three to five years and would not preclude Drumbrae reverting to being used as a care home in the future.
- 2) To recommend this approach to the City of Edinburgh Council meeting to be held on 22 June 2023.
  - moved by Councillor Watt, seconded by Councillor Dalglish

#### Amendment

- 1) To acknowledge that Edinburgh Integration Joint Board (EIJB) considered a recommendation from officers to undertake a strategic commissioning review. This would inform plans for community infrastructure and bed-based service provision in the medium to long term.
- 2) For the purposes of transparency and following a period of uncertainty, requests the Strategic Commissioning Team deliver update reports to each EIJB and Policy and Sustainability Committee during the projected 6 months required for the exercise including offering briefings as requested by the EIJB and to all councillors.
- 3) To request that the Strategic Commissioning Team be led by a councillor and councillors and lay members of EIJB, including or as well as Trade Union representatives, make up the numbers within the group, along with council officers.
- 4) To acknowledge the inadequacy of the Bed Based Review and to agree to make public the financial cost of the initiative to date.

- 5) To recommend this approach to the City of Edinburgh Council meeting to be held on 22 June 2023.

- moved by Councillor Nicolson, seconded by Councillor Hyslop

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

### **Voting**

For the motion (as adjusted) - 4 votes

For the amendment (as adjusted) - 7 votes

(For the motion – Councillors Dalgleish, Ross, Watt and Younie.

For the amendment – Councillors Bruce, Hyslop, McVey, Mowat, Mumford, Nicolson and Staniforth.)

### **Decision**

To approve the following adjusted motion by Councillor Nicolson:

- 1) To acknowledge that Edinburgh Integration Joint Board (EIJB) considered a recommendation from officers to undertake a strategic commissioning review. This would inform plans for community infrastructure and bed-based service provision in the medium to long term.
- 2) For the purposes of transparency and following a period of uncertainty, requests the Strategic Commissioning Team deliver update reports to each EIJB and Policy and Sustainability Committee, and referred to the Governance, Risk and Best Value Committee, during the projected 6 months required for the exercise including offering briefings as requested by the EIJB and to all councillors.
- 3) To request that the Strategic Commissioning Team involving councillors and lay members of EIJB, including or as well as Trade Union representatives, make up the numbers within the group, along with council officers.
- 4) To acknowledge the inadequacy of the Bed Based Review and to agree to make public the financial cost of the initiative to date.
- 5) To recommend this approach to the City of Edinburgh Council meeting to be held on 22 June 2023.

## **3. Background Reading**

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3.1 Finance and Resources Committee – 20 June 2023 - Webcast

3.2 Minute of the Finance and Resources Committee – 20 June 2023

## **4. Appendices**

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4.1 Appendix 1 – report by the Chief Executive

# Finance and Resources Committee

10am, Tuesday 20 June 2023

## Bed Base Review – Drumbrae Care Home

**Executive/routine**

**Wards** Ward 3 -

Drumbrae/Gyle

**Council Commitments** 37, 38.

### 1. Recommendations

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1.1 That the Finance and Resources Committee:

1.1.1 Acknowledges that Edinburgh Integration Joint Board considered a recommendation from officers to undertake a strategic commissioning review. This would inform plans for community infrastructure and bed-based service provision in the medium to long term.

1.1.2 Awaits the outcome of this work before a decision is made on the future use of Drumbrae care home.

1.1.3 Recommends this approach to the City of Edinburgh Council meeting to be held on 22 June 2023.

**Andrew Kerr**

Chief Executive



## Bed Base Review – Drumbrae Care Home

### 2. Executive Summary

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- 2.1 This report outlines the current situation relating to the Bed Base Review including Drumbrae Care Home and presents options for the future use of the facility for consideration.
- 2.2 The recommendation from officers is to delay any decision on the future use of the former Drumbrae Care Home until the outcome of the strategic commissioning review. This was considered by the Edinburgh Integration Joint Board at its meeting on 13 June 2023 and a note of the decision has been sent to Committee members.
- 2.3 Should elected members not wish to await the outcome of the strategic commissioning review, options for the use of the facility include:
  - 2.3.1 Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision.
  - 2.3.2 Reopen the facility as a care home and consider the consolidation of two of the older care homes into it.
  - 2.3.3 Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC.
  - 2.3.4 Sell the property for redevelopment.
  - 2.3.5 Alternative use for the property to support wider challenges faced by CEC.

### 3. Background

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- 3.1 On 22 June 2021, the Edinburgh Integration Joint Board (EIJB) approved proposals for Phase 1 of its future Bed-Based Care Strategy.
- 3.2 Phase 1 of the strategy involved a number of interconnected property moves and adaptations involving assets owned by the City of Edinburgh Council and NHS Lothian as follows:
  - 3.2.1 For NHS Lothian to decommission intermediate care currently provided from the remaining wards at Liberton Hospital and to re-provide these from a reconfigured number of beds within the Privately Financed Initiative (PFI)

buildings currently accommodating Hospital Based Complex Clinical Care (HBCCC).

3.2.2 For NHS Lothian to decommission the HBCCC beds provided at Ferryfield House and withdraw from the lease at the intended break point.

3.2.3 For the Council to decommission the residential care model provided at Drumbrae Care Home to enable NHS Lothian to re-provide HBCCC within that facility.

3.3 The above decision required the Council to decommission residential care services at Drumbrae Care Home to facilitate providing HBCCC services from the property.

## 4. Main report

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4.1 Throughout 2021, assessments were completed on Drumbrae to assess its suitability for the transition to provision of HBCCC.

4.2 Based on the findings of the assessments and following approval by the EIJB, residential care services were decommissioned at Drumbrae in December 2021 to enable the transition to the provision of HBCCC. The property has remained vacant since that time.

4.3 On 7 June 2022, the Finance and Resources Committee approved the lease arrangements for Drumbrae care home to NHS Lothian, including the annual lease charge and the length of lease term.

4.4 On 24 June 2022, subsequent further due diligence identified that Drumbrae was not compliant for the delivery of clinical services. In summary, there are additional requirements to comply with the Fire (Scotland) Act 2005 and the Fire Safety (Scotland) regulations 2006. Furthermore, the [NHS Scotland Firecode SHTM 81 part 1](#) was updated in 2022, which applies to all buildings that accommodate NHS services, and this is supported by [Scottish Government guidance on fire safety](#) which was also updated in 2022. The Act requires evidence to assure Fire Authorities that the building can be satisfactorily evacuated. With NHS patients that may be bed bound there is a need to demonstrate progressive lateral evacuation to comply with the Act. For Drumbrae to be compliant with the Act and associated standards, significant additional adaptations are required.

4.5 In July 2022, the adaptations had increased significantly and were estimated to cost £3m to complete the ground floor only. NHS Lothian and the Edinburgh Health and Social Care Partnership (EHSCP) continued to work between July and October 2022 to find alternative, less costly solutions to transition the property to the provision of HBCCC with the current position reported to Council on 16 March 2023.

4.6 The impact of the pandemic on the construction industry saw building costs increase exponentially. These issues along with the updated Fire Safety regulations meant that in order to provide any healthcare services from Drumbrae care home, in its entirety, adaptations were required, estimated to cost £10m with a 24-month schedule for work to be completed.

- 4.7 In October 2022, NHS Lothian advised they were unable to deliver the Direction set by the EIJB due to the increased cost and time required for the adaptations.
- 4.8 Discussions continued between all partners from November 2022 to date, to agree how best to progress in light of the challenges faced in transitioning the facility to provide healthcare services. To proceed as originally proposed will require an investment of an estimated £10m. A timeline of activity can be found in appendix 1.
- 4.9 Since the strategy was approved by the IJB in 2021, several issues have emerged that need considered when planning bed-based services for the future. The Partnership are already experiencing a change in demographics with many people presenting to bed-based services older, frailer and with more co-morbidity. There is also an increase in the number of people with dementia adding to the complexity of need.
- 4.10 The impact of the pandemic is also emerging. People have increased vulnerability to frailty through deconditioning and isolation. More people are presenting later resulting in them being more acutely unwell with more complex conditions. The perception of hospitals and care homes has also shifted, with people perceiving care homes to be unsafe and hospitals to be much safer environments to receive care and support.
- 4.11 The whole system has remained under severe sustained pressure. There is a lack of community care capacity to meet demand, Primary Care services are under enormous pressure, the unscheduled care system is extremely stressed, there are increasingly long waiting lists for scheduled care, people are in hospital who do not need to be there and there are extensive delayed discharges across acute and community hospital sites. These issues need to be considered when designing a sustainable bed base for Edinburgh.
- 4.12 As considerable time has passed since the IJB set the Direction to transition Drumbrae to HBCCC provision and in light of the additional cost and time to complete the work required plus the issues outlined above, it is recommended that a strategic commissioning exercise is undertaken by external commissioning consultants on the bed base in Edinburgh with a focus on older people's services. The strategic commissioning exercise would identify all types of beds needed to meet the needs of the population both now and in the future across all older people's bed-based services.
- 4.13 The IJB were asked to approve the strategic commissioning exercise at their meeting on 13 June 2023, which was approved.
- 4.14 The strategic intent of the bed-based review was to rebalance the bed base in Edinburgh although it only focused on three bed types which supported flow from hospital into community. The scope of the whole system strategic commissioning exercise would be to review the work already completed and to expand the scope to all bed-based services, incorporating assumptions based on the emerging issues outlined previously.

- 4.15 The strategic commissioning exercise will provide assurance that the projected bed numbers required to meet future demand are based on current data including any emerging themes as a result of the pandemic and increased system pressures. This approach is supported by both corporate leadership and management teams in CEC and NHS Lothian and the service areas prioritised in the bed-based review, with clinical and care teams requesting this exercise is completed before any reconfiguration of existing beds is undertaken.
- 4.16 The strategic commissioning exercise is in the early stages of development with appointment of a commissioner underway. The appointment will be for an initial period of six months. An implementation plan will be developed based on the findings of the review and associated timescales agreed at that point.
- 4.17 As there are limited facilities in Edinburgh to accommodate bed-based services, it is recommended that Drumbrae care home remains unoccupied until the strategic commissioning exercise has concluded. This would ensure the facility could be utilised for the most appropriate service provision based on the findings of the exercise. If Drumbrae were to be utilised by CEC for an alternative purpose, this would greatly reduce the available capacity to accommodate bed-based services and could be detrimental to the conclusion of the strategic commissioning exercise.
- 4.18 There is a planned public consultation on care home provision in Edinburgh which has been focused on the future of four older people's care homes in Edinburgh.
- 4.19 The public consultation was planned to run in parallel with the strategic commissioning exercise however, it is proposed to allow the strategic commissioning exercise to conclude and publicly consult, if necessary, on proposals responding to its findings.
- 4.20 It is acknowledged that Drumbrae remaining unoccupied poses an ongoing business and reputational risk, particularly when the system is under sustained pressure. If it is decided by the Council that we need to make the best use of existing resources, Drumbrae could be used for a variety of different options some of which are outlined and being considered below:
- 4.20.1 Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision.
  - 4.20.2 Reopen the facility as a care home and consider the consolidation of two of the older care homes into it.
  - 4.20.3 Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC.
  - 4.20.4 Sell the property for redevelopment.
  - 4.20.5 Alternative use for the property to support wider challenges faced by CEC.
- 4.21 These options are explored in greater detail below with a high-level assessment of each included as appendix 2.

## 5. Conclusions

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- 5.1 The IJB agreed at the meeting on 13 June 2023, to undertake a strategic commissioning exercise before any changes are made to the current bed base in Edinburgh. This would ensure that we have an accurate understanding of the current and future bed numbers and type, needed for our growing older population following the pandemic.
- 5.2 If it is decided by the Council that we make best use of existing resources, then the Council should consider the options presented in the absence of any strategic assessment of the impact on the Bed-Based Care Strategy without the use of Drumbrae. The proposed strategic commissioning exercise would be used to inform plans for community infrastructure and bed-based service provision in the medium to long term and therefore is highly recommended.

## 6. Next Steps

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- 6.1 These options will be presented to the Council at their meeting on 22 June for decision.

## 7. Financial impact

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- 7.1 Where known, the financial implications have been indicated in each of the options above.

## 8. Stakeholder/Community Impact

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- 8.1 Various impact assessments have been completed on the proposals to date. A full integrated impact assessment will be completed on the outcome of the strategic commissioning exercise and any preferred option.

## 9. Background reading/external references

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- 9.1 Bed Based Care Strategy – Phase 1, presented to the Edinburgh Integration Joint Board on 22<sup>nd</sup> June 2021, Item 7.1 can be accessed [here](#).
- 9.2 Report to Edinburgh Integration Joint Board on 28<sup>th</sup> September 2021, Item 4.1 can be accessed [here](#).
- 9.3 The report to the Finance and Resources Committee agreeing the lease arrangements for Drumbrae on 16<sup>th</sup> June 2022, Item 8.1 can be accessed [here](#)
- 9.4 A progress report presented to the Council on 9<sup>th</sup> February 2023, item 7.8 can be accessed [here](#), this was also presented to the EIJB as an additional item at their meeting on 28<sup>th</sup> February 2023.

- 9.5 A progress report presented to the Governance, Risk and Best Value committee on 14<sup>th</sup> March 2023, item 8.15 can be accessed [here](#)
- 9.6 A status report presented to the Council on 16<sup>th</sup> March 2023 can be accessed [here](#)

## 10. Appendices

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- [Appendix 1](#) Timeline of activity relating to the transition of Drumbrae care home to date.
- [Appendix 2](#) Options and high-level assessment for the future use of Drumbrae.



# Bed Base Review – Timeline of events

## Project Timeline

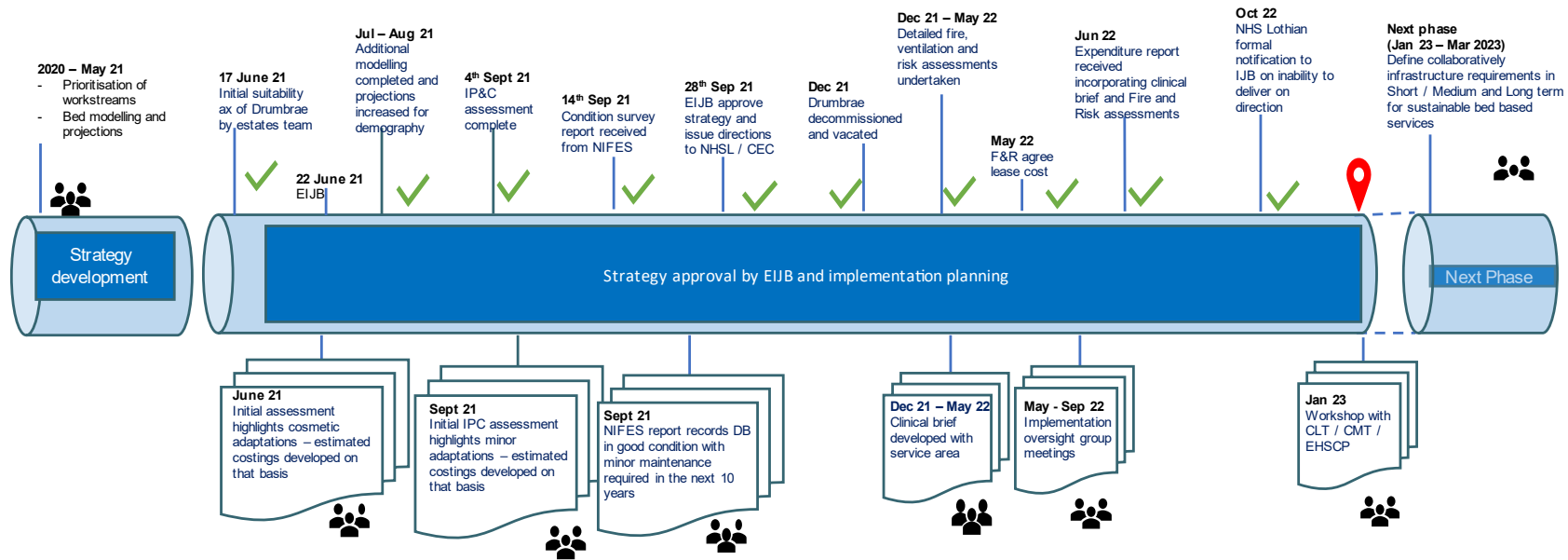
### Key



Our current position



These represent activities that multiple stakeholders were involved in



### **Option 1: Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision:**

- 11.1 The initial proposal to transition Drumbrae care home to the provision of HBCCC was developed to enable other bed-based redesign to take place within the existing estate.
- 11.2 By accommodating the majority of the HBCCC service within Drumbrae, space would be created within the vacated HBCCC facilities to enable the Intermediate Care service (mostly accommodated within Liberton Hospital) to be relocated.
- 11.3 The proposal saw a small increase in the Intermediate Care bed numbers and a decrease of HBCCC bed numbers aligned to the modelling and projections of the Bed Based Care Strategy.
- 11.4 The proposal enabled bed-based services to be withdrawn from the Liberton Hospital site in anticipation of the site being purchased and redeveloped by the Council and enabled NHS Lothian to withdraw from the lease on the PFI facility, Ferryfield House at the break point in the lease agreement.
- 11.5 To proceed as initially intended, £10m of investment is required to get Drumbrae compliant with clinical standards. The lease on Ferryfield House would also need to continue to the intended end point in 2027 to ensure enough community capacity is created to reduce the HBCCC bed numbers as projected.
- 11.6 From discussions with all partners (EHSCP, CEC and NHS Lothian), it was proposed that NHS Lothian would fund £3m of the adaptations to Drumbrae and continue to lease Ferryfield House. The Council has been asked to invest £7m to cover the cost of most of the adaptations.
- 11.7 The terms and conditions of a lease to NHS Lothian, as approved by Committee on 7 June 2022, would need to be reconsidered and reported back to Committee for approval, e.g., a longer term than 5-years would be required.
- 11.8 The adaptations are estimated to take one calendar year to complete, however, factoring in time for statutory consents, tendering of contracts etc, would mean that the facility would not be operational until Summer 2025 at the earliest.
- 11.9 In order to fund the adaptations required, both the Council and NHS Lothian would have to source the investment from existing budgets. For the Council this would mean redirecting funds from existing capital investment programmes, which are currently fully committed and under significant budgetary pressure.
- 11.10 This option does enable services to come off the Liberton Hospital site but could potentially breach the agreed timeframe set by the Council in the occupancy agreement (two calendar years from the point of sale, completed in April 2023).



**Option 2: Reopen the facility as a care home, and consider the consolidation of two of the older care homes into it:**

- 11.11 When residential care services were decommissioned at Drumbrae in December 2021, most of the equipment was removed from the property to allow for the adaptations to begin.
- 11.12 All kitchen equipment was removed and most of the communal and bedroom furniture was redistributed and recycled. The building has also suffered water damage due to a burst pipe during the winter months.
- 11.13 The facility could not be reopened until repairs are completed and until it has been re-equipped to function as a care home. The cost of repair and refurbishment has been assessed and is estimated at £1.7m which is inclusive of a full refit, new kitchen, furniture and fittings. Provided no statutory consents are required, this could be completed within one calendar year.
- 11.14 The facility could not be reopened as a care home to provide additional capacity as there is no revenue available to operate an additional 60-bed care home.
- 11.15 Furthermore, the Partnership do not have the ability to staff an additional 60-bed care home without consolidating one or more of the older care homes within Drumbrae.
- 11.16 The challenges with recruitment into the care sector is well documented and retention of staff is also a known concern.
- 11.17 The only way the Partnership could safely reopen Drumbrae as a care home would be to consolidate one or more of the older homes into it, reallocating the budget and relocating the equipment and staff (and residents should they choose to move to Drumbrae) into Drumbrae.
- 11.18 Existing budgets would need to transition from the older care homes to Drumbrae as there is no available revenue to operate Drumbrae in addition to the existing care homes. It costs approximately £4m per annum to operate a 60-bed care home based on the budget set for the existing 60-bed care homes in the estate.
- 11.19 This option supports the wider strategic aim of decommissioning the older care homes within the estate that have surpassed their design life expectancy and cannot continue to provide care provision safely and sustainably in the coming years.
- 11.20 Property assessments completed more than 10 years ago highlighted the risks of continuing to provide care in these buildings indefinitely, with a further assessment completed in 2019 validating the need to decommission these buildings.
- 11.21 Work is underway to plan and develop the public consultation activity with a range of stakeholders and it was intended to go live in Q3 of this financial year however, as outlined previously, it may be more appropriate to await the findings of the strategic commissioning review and consult on the totality of the redesign of older people's bed-based services.

- 11.22 If this option is preferred, consideration is needed with regards to the timing. It has been well documented that no decision would be reached regarding the four older homes in the estate until the public consultation has concluded. Currently, timescales for concluding the consultation are by Q4 2023/24. Therefore, this option would still see Drumbrae remaining unoccupied for 6-9 months.
- 11.23 As the timescales for the consultation activity and the planned strategic commissioning exercise run into Q4 2023/34, it seems practical to undertake the consultation on the findings of the strategic commissioning exercise including future care home provision in Edinburgh.
- 11.24 To align to the model of care being introduced to the larger care homes in the estate, the Partnership would replicate this within Drumbrae post consolidation and introduce registered nurses into the staffing establishment over time.
- 11.25 This option supports the Partnership's strategic aim to transition from residential care provision to provide affordable nursing and complex dementia care for the most vulnerable of our citizens. This model of care cannot be introduced to the older care homes in the estate as the physical environments cannot accommodate it.
- 11.26 Alongside the two care homes previously operated by Four Seasons Healthcare coming back in house, consolidating two older care homes into Drumbrae would, over time, increase the capacity of nursing and dementia beds in the city which is much needed to meet existing demand.
- 11.27 This option offers an improved working environment for the staff who are currently employed within the older care homes and potentially offers better outcomes to our existing residents should they choose to move into Drumbrae.
- 11.28 This option does not provide any alternative accommodation for the services located within Liberton Hospital and could impact on the timescales outlined in the occupancy agreement if alternative accommodation could not be found for the intermediate care service.

**Option 3: Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC:**

- 11.29 In January 2023, during discussions on how best to progress with Drumbrae considering the increased costs and time for the adaptations required, NHS Lothian proposed an alternative solution for Drumbrae.
- 11.30 This option would see the facility leased to NHS Lothian as planned with the lower floor adapted to provide HBCCC, equating to 30 beds.
- 11.31 The adaptations required to transition the lower floor to healthcare provision would cost approximately £3m and are estimated to take 4-6 months to complete.
- 11.32 NHS Lothian would fund the adaptations entirely for the lower floor of the property.

- 11.33 Due to the fire safety compliance and the increased cost to adapt the full building, NHS Lothian would only occupy the lower floor of the property leaving the upper floor vacant for alternative use.
- 11.34 There is potential to operate the upper floor of the property as a 30-bed care home provided registration is granted by the Care Inspectorate for a dual function facility providing both health and care services.
- 11.35 The initial proposal by NHS Lothian saw services withdrawn from Ferryfield House at the break clause in the lease agreement. This meant that the HBCCC beds would significantly reduce beyond the projections outlined in the Bed Based Care Strategy.
- 11.36 A targeted feasibility study was undertaken with the relevant clinical teams to ascertain whether this option could be delivered without any negative impact on performance, capacity and flow.
- 11.37 It was assessed that this option would leave the Partnership with a significant gap in its bed base and posed an unacceptable level of risk to performance.
- 11.38 However, by maintaining the lease at Ferryfield House until its intended end date of 2027 and operating the 30 beds for HBCCC at Drumbrae, the remaining bed base redesign could be achieved, enabling intermediate care to be relocated off the Liberton Hospital site, the most time critical element of the redesign proposals.
- 11.39 Similar to the previous option, to safely establish a care home on the upper floor of Drumbrae, one of the older care homes would need consolidated into it.
- 11.40 Regulators would need assurance that a hybrid model was safe to operate, and each floor would need to comply with the relevant standards set by the regulatory bodies for each service provision.
- 11.41 This option does deliver in part, the bed-based redesign proposed within the Bed Based Care Strategy and allows time for a strategic commissioning review to inform plans for community infrastructure and bed-based service provision in the medium to long term.

**Option 4: Sell the site for redevelopment:**

- 11.42 Drumbrae care home was purpose built in 2013 as part of the City of Edinburgh Council's Strategy for providing a high-quality care environment for older people.
- 11.43 The care home was the fifth new build of six planned for the city and is the second newest in the estate, with Royston Court being the most recent.
- 11.44 Drumbrae was chosen to transition to the provision of HBCCC because it was modern and offered improved accommodation for the HBCCC service in comparison to the facilities in which it currently operates from.
- 11.45 A high-level estimated value of the site is £4m.

**Option 5: Alternative use for the property to support wider challenges faced by CEC:**

11.46 Another option would be to use the facility to support the wider challenges faced by the Council, this option has yet to be scoped and discussions continue with other CEC officers regarding further options.

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Advantages</b>	Fully compliant environment for the provision of healthcare services	No major adaptations required to return the facility to care home provision	Provides 30 HBCCC beds in accommodation that is fully compliant with healthcare standards, an improvement on existing accommodation	Located in prime area attractive to developers	Potential to use the facility to support wider challenges faced by CEC (yet to be scoped)
	Improved accommodation for the HBCCC service to that which the service is currently provided from	Provides an opportunity to consolidate one or more of the older care homes into Drumbrae, transferring budgets, equipment, and staff	Provides an opportunity to consolidate one older care home into Drumbrae, transferring the budget, equipment, and staff	Potential capital receipt in the region of £4m	This could include the use for Children’s Social Care or for other occupation by vulnerable groups
	Delivers BBC P1 strategy as intended	Replaces older stock within the estate and provides the opportunity to transition to the new nursing model over time	Replaces older stock within the estate and provides the opportunity to transition to the new nursing model over time	Reduction of overall estate, reducing ongoing costs	
	Enables the redesign of intermediate care allowing services to move off of the Liberton Hospital site	Timescales for completion are within one calendar year	Timescales for completion are within one calendar year	Opportunity to reinvest any profit into alternative care facilities	
			Enables the redesign of intermediate care allowing services to move off of the Liberton Hospital site		

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Disadvantages</b>	£7m capital investment deficit required to complete the adaptations - CEC required to fund this	Limited options to reaccommodate intermediate care services from Liberton Hospital without a significant impact on capacity in HBCCC	Would require the continuation of the lease at Ferryfield House to the intended end date of 2027 (potentially beyond)	Reduction of overall estate before a strategic review removes it as an option in that assessment	Loss of bed-based capacity during sustained system pressures
	Extended timescales for completion would mean the facility would not be operational until 2025	No ability to withdraw from the lease at Ferryfield House before the intended end date of 2027 (and potentially beyond)	Decision to consolidate one or more of the older care homes taken outwith the planned public consultation	Could impact the ability to deliver on the Direction set by the IJB following the review	
	Extended timescales for completion impact on the ability to withdraw services from Liberton hospital within the agreed timeframe set out in the occupancy agreement	Significant loss of HBCCC capacity due to environmental challenges in existing accommodation	Reputational damage of reopening part of the facility as a care home following the building remaining empty for a significant time	Limited options for withdrawing services from Liberton Hospital and Ferryfield House	
	Lease agreement at Ferryfield House would need to continue until a full strategic commissioning review is completed	Decision to consolidate one or more of the older care homes taken outwith the planned public consultation	Doesn't deliver the Direction set by the IJB	No opportunity to consolidate one or more of the older care homes into Drumbrae	
	Benefits would not be realised until 2025 at the earliest	Reputational damage of reopening the facility as a care home following the building remaining empty for a significant time			

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Risks</b>	Financial risk to CEC, £7m required to complete adaptations would need redirected from existing capital investment projects	Reputational risk of reopening facility as a care home following a prolonged period where the facility has remained empty during extreme system pressures	Risk that regulatory authorities do not approve a dual function facility with the building only able to operate as either healthcare provision or care home	Reputational risk of selling assets during sustained system pressures	It should be noted that this option will have costs associated and will depend on the use agreed
	Reputational risk of facility remaining empty until adaptations are completed (estimated summer 2025)	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	Reputational risk of reopening part of the facility as a care home following a prolonged period where the facility has remained empty during extreme system pressures	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	
	Reputational risk due to extended timescales and increased cost of adaptations required	Reputational risk of reopening as a care home when residents were moved out of their home on decommissioning and staff were dispersed across the remaining care home estate	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	Risk to withdrawing services from Liberton Hospital / Ferryfield House as limited alternative accommodation to move services into	
	Risk that supply chain challenges will further extend timescales for completion (Lack of available contractors or materials)	Risk to withdrawing services from Liberton Hospital as limited alternative accommodation to move services into	Reputational risk of reopening part of the facility as a care home when residents were moved out of their home on decommissioning and staff were dispersed across the remaining care home estate	Risk of limited ability to consolidate older care homes into newer fit for purpose facilities due to lack of available capacity in remaining estate	
	Financial risk to NHS Lothian of continuing with the lease on Ferryfield House beyond the intended break point	Financial risk, inability to reopen as additional capacity as there is no available budget without consolidating one or more of the older homes within it	Financial risk, inability to reopen as additional care home capacity as there is no available budget without consolidating one of the older homes within it		

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Assumptions</b>	Adaptations are fully completed in one calendar year (not including tendering of contracts and statutory consents)	Drumbrae can be re-registered as a care home with the Care Inspectorate	Registration is granted for dual function facility	Site is valued at approximately £4m on a redevelopment basis	
	The lease can be extended to 20 years with break points at each 5-year interval	Drumbrae is compliant with all standards to provide residential care	Each floor of Drumbrae is compliant with required standards for operational purpose		
	Walkers Healthcare are open to negotiating the break point in the lease on Ferryfield House	Staff would be willing to transfer to Drumbrae from the older care homes	Staff would be willing to transfer to Drumbrae from an older care home	Any return could be reinvested in alternative care facilities	
	Capital investment can be found from existing budgets, redirecting investment from existing capital investment projects	The facility can be fully equipped utilising existing equipment from other care homes in the estate	The facility can be fully equipped utilising existing equipment from other facilities in the estate		
	CEC consent to the scale of the adaptations required as landlord of the facility	NHS Lothian agree to continue with the lease at Ferryfield House until the intended end date of 2027 (potentially beyond)	NHS Lothian agree to continue with the lease at Ferryfield House until the intended end date of 2027 (potentially beyond)		
	A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years	HBCCC could be consolidated within the existing estate (configuration to be agreed)	A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years		
		A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years			



# City of Edinburgh Council

10:00am, Thursday, 22 June 2023

## Adult Support and Protection and Social Work & Social Care Inspection Improvement Plans

Item number  
Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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It is recommended that the Council:

- 1.1 Note the Adult Support and Protection Improvement Plan submitted to the Care Inspectorate on 29 March 2023.
- 1.2 Note the progress underway to implement necessary improvements.
- 1.3 Note the plan attached in appendix 1 to implement further improvements, in response to the Adult Social Work and Social Care Inspection.
- 1.4 Agree that implementation of the Improvement Plan will be overseen and scrutinised through the Policy and Sustainability Committee.
- 1.5 Note that additional scrutiny will be undertaken through the EIJB by the Policy and Development Committee, with reports relating to governance referred to the Clinical and Care Governance Committee.
- 1.6 Agree that an annual review of the Improvement Plan is undertaken that actively engages stakeholders including people using services and carers.

**Andrew Kerr**

Chief Executive

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## Adult Support and Protection and Social Work & Social Care Inspection Improvement Plans

### 2. Executive Summary

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- 2.1 This report informs the Council of the actions taken in response to the Joint Inspection of Adult Support and Protection and the Inspection of Social Work and Social Care. It details the priorities identified for year 1 and the resources required, at this stage, to implement the improvement actions.

### 3. Background

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- 3.1 Adult Support and Protection across Scotland is subject to a Joint Inspection process, and Edinburgh was inspected in relation to its multi-agency Adult Support and Protection work in the last quarter of 2022. A [report](#) on this inspection was published on 14 February 2023.
- 3.2 Areas of weakness with key areas for improvement were found to be in:
- Requests for capacity assessments
  - Case related chronologies
  - Quality of case conferences
  - Quality assurance activity
  - Social work workforce capacity
  - Consistency of support and protection for all people when required.
- 3.3 While the Adult Support and Protection Inspection was underway, a further inspection of adult social work and social care in Edinburgh was announced and undertaken. The [report](#) on this inspection was published on 21 March 2023 with key areas for improvement focusing on:
- The design, structure, implementation and oversight of key processes, including the assessment of people's needs and in their case management
  - Approaches to early intervention and prevention, which were uncoordinated and inconsistent
  - Self-directed support, which had not been implemented effectively
  - Insufficient support for unpaid carers

- Staff being under considerable pressure and sometimes overwhelmed
- Strategic leadership and management oversight of key processes, meeting legislative requirements, policies, procedures and guidance and to ensure sufficient capacity and capability to deliver safe and effective services for vulnerable people
- Embedding approaches to self-evaluation for improvement and quality assurance were not well-embedded
- Social Work governance with strategic decisions being well informed by a social work perspective.

3.4 The report also acknowledged that

- Steps had recently been taken to address issues and practice in relation to adults with incapacity
- Long standing significant delays in discharging people from hospital, people waiting for assessment of their care needs, and meeting vulnerable peoples' unmet needs had recently begun to improve
- Most staff experienced and valued positive, responsive and person-centred support from their immediate line manager.

3.5 The Edinburgh Integration Joint Board and Health and Social Care Partnership have taken very seriously, and accepted, the findings from both inspections and has developed improvement plans to prioritise key actions to deliver good quality social work and social care services to keep people safe from harm.

## 4. Main report

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4.1 An improvement plan in response to the Joint Adult Support and Protection Inspection was submitted to the Care Inspectorate (See appendix 2) on 29 March 2023. Recognising the interdependencies with the Social Work and Social Care Inspection, officers have cross referenced areas for improvement across both reports and also mapped against the findings of the Scottish Government's Edinburgh Assistance Programme in September 2022. This is to ensure that there is a clear plan for improvement that encompasses all recent feedback and scrutiny.

### Development of the Plan

4.2 In developing the plan, we are listening to feedback which has also shaped our priorities. This included feedback that the Improvement Plan needed to take stronger cognisance of early intervention and prevention, be linked to improved performance and be aligned with the EIJB's Medium-Term Financial Strategy.

4.3 Officers from the Partnership and Council have met with the Care Inspectorate and Scottish Government's Chief Social Work Adviser office to discuss the plans. The key message taken from the meeting was to focus on the priority areas for improvement identified in the Adult Support and Protection Inspection report. Our approach, including actions undertaken, was well received and movement at pace was encouraged.

- 4.4 On 4 May 2023, a motion from Councillor Miller was agreed that unpaid carers/parents and service users are involved in the development of all improvement plans. A meeting was held on 29 May 2023 between the Service Director – Operations and the Carers Strategic Planning Group. The group welcomed further engagement regarding the plan and recognised the tight deadline of completion for the EIJB and Full Council meetings. It was requested that review periods are built in so that there can be ongoing engagement to help influence further development of the plan. This is a welcome suggestion that officers agree with, providing opportunity to engage with a wider range of stakeholders, especially those in receipt of services.

### **Current Status of the Improvement Plans**

- 4.5 As stated above, the Adult Support & Protection Inspection Improvement Plan has been submitted to the Care Inspectorate. Now that we have greater clarity of the interface with the Social Work and Social Care Inspection actions, timescales and leads have been allocated to each action. The plan has started being implemented. This will gather momentum now that the new Adult Protection Lead Officer has been appointed and furthermore with the start of the Partnership's Principal Social Work Officer at the end of July. Improvement actions already underway are outlined in the improvement plan against each of the areas for action.
- 4.6 Priorities for year 1 have been identified and are predominantly focused on adult support and protection, so to ensure that the people of Edinburgh are safe. Priorities and high-level actions are outlined in appendix 3.
- 4.7 Years 2 and 3 will build on the momentum of activity in year 1 and expand into broader social work and social care practice. For example, once good adult support and protection practice is established at Social Care Direct, other opportunities for training, service development, links with wider 3rd sector and community groups will be introduced. Similarly, while priority is to have a prevention strategy, this will be followed by other strategies for specific priority groups including older people, people with a learning disability, also a market position statement that will underpin our strategic commissioning.
- 4.8 Key Performance indicators will be developed for each priority area so to understand the impact of the improvement actions.

### **Resources**

- 4.9 This plan is highly ambitious and being undertaken at a time when resources are tight and savings are needing to be made. The priority is to maximise existing resources and allocate to the priorities outlined in this plan. Work is underway to identify any activity that can be deprioritised but minimises impact on people – people needing services and our staff. This will be reviewed ongoing.

- 4.10 This plan cannot be delivered with resources only from the Partnership. Resource is required from colleagues in Corporate Services, including HR and Learning & Development in addition to the Chief Social Work Office. There is also work ongoing across the country led by the Scottish Government's Social Work Adviser and Social Work Scotland. We will actively work with support agencies to learn from best practice and implement locally.
- 4.11 Additional resource is required to increase front-line Social Work teams to improve performance and improve access to assessment and care management. Strategic commissioning expertise and capacity has also been identified as a gap in the Partnership and will be required to move forward the strategic commissioning work on bed base and mental health at pace.
- 4.12 Resource capacity will continue to be reviewed; however, it should be acknowledged that once we get into the details of the implementation, further resource may be required. This will be managed within existing delegation of resource and reported to EIJB as appropriate

### **Reporting and Governance**

- 4.13 With Social Work Services delegated to the Edinburgh Health and Social Care Partnership, the EIJB are requested to agree the plan at the EIJB meeting on 13 June 2023. A progress report will be submitted to the EIJB Performance and Delivery Committee three times per year, with a formal annual review built in, so to ensure effective monitoring of the Improvement Plan's implementation from an investment and service improvement perspective. Progress reports will also be referred to Clinical and Care Governance Committee for information.
- 4.14 It is proposed to Full Council on 22 June 2023 that the Council Policy and Sustainability Committee receive a progress report three times per year so to monitor the implementation of the statutory and service improvement aspects of the plan and also consider the formal annual review report. To minimise the burden on reporting, the same report where possible, should be submitted to Council Policy and Sustainability and EIJB Performance and Delivery Committees.
- 4.15 An oversight group has been in place developing the improvement plan. It is proposed that a new Social Work and Social Care Improvement Plan Group is established. If agreed, a terms of reference will be established and group formed. This group will report to the Council Leadership Team, the Partnership's Executive Management Team and then report into the Chief Officers Group for senior oversight.

## 5. Next Steps

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- 5.1 On approval of this improvement plan by the EIJB on 13 June 2023, continuation of activity to make improvements are continuing with priority actions, as outlined in appendix 3, implemented.
- 5.2 A Social Work and Social Care Improvement Plan Group will be established and key performance indicators will be developed and submitted for approval at the Chief Officers Group.

## 6. Financial impact

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- 6.1 There are evident strong links between the improvement plan and the EIJB's Medium-Term Financial Strategy (MTFS). Many of the workstreams will deliver across our 3 change objectives:

- improving lives in Edinburgh
- improving services
- improving costs

As such, the financial impact of those workstreams in the improvement plan which will deliver improved services at less cost have been reflected in the Medium-Term Financial Strategy. Those workstreams which have been prioritised and which are projected to lead to in year financial benefits have been presented for approval in the separate paper to this meeting.

- 6.2 As outlined above, it is also acknowledged that many of the individual proposals in the improvement plan will require resourcing to support successful delivery. As the implementation plans are being developed the exact requirements will become clearer, however, emerging themes range from learning and development support for improving staff practice to resourcing service gaps, e.g. specific bed capacity and supported living. Details will be presented to the board for approval in due course.
- 6.3 Where there is a degree of clarity on the level of investment required to deliver savings, these costs have been reflected in the proposals in the separate Medium-Term Financial Strategy paper. Specifically, this includes reworking our approach to review and assessment and consequently reducing waiting lists and improving performance and bolstering our commissioning teams to ensure we have appropriate system wide capacity and that it is delivered in the way which best represents best value for money. We expect there will be some offsetting of these additional requirements over the life of the MTFS as existing resources are refocused on these priorities.

## 7. Stakeholder/Community Impact

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- 7.1 No Integrated Impact Assessment has been completed for the purpose of this report. As elements of the improvement plan are inter-related with the Medium-Term Financial Strategy, some priorities have been impact assessed through that process, i.e. undertaking assessments and reviews and strategic commissioning.
- 7.2 Considering that engagement with stakeholders has been limited, this first year will scope how people that use services and carers can be involved in the plan's further development and a broader set of views will be incorporated into the review process.
- 7.3 As the focus of this report is on improvement, community impact will be positive. Outcomes associated with improvement actions are included within the improvement plan (appendix 1)
- 7.4 Impact of non-delivery of the improvements are that the Council's statutory duties are not met. Through implementing this plan while working across the Council, with strengthened professional Social Work leadership and governance and active engagement with the Care Inspectorate and Scottish Government and regular reporting as set out within sections 4.13 - 4.15 above, this risk is mitigated.
- 7.5 The other main risk relates to Operational and Strategic Commissioning capacity to drive forward improvements. Resource requirements have been estimated and factored into the EIJB's Medium-Term Financial Strategy.
- 7.6 There remain high levels of vacancies which are impacting on staff's ability, physically and mentally, to engage fully in improvement activity. Resource capacity management to deliver improvement will be a standing agenda item on the Oversight Group.
- 7.7 It is important to note that this is very hard work, and many staff are already exhausted. Other areas will not be able to get full attention while this journey is in place. Prioritisation of activity and resource while balancing risk to people requiring/in receipt of service will be an ongoing tension and balance.
- 7.8 There are no direct environmental or sustainability impacts arising from the content of this report.



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

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- 8.1 [Joint Inspection of Adult Support and Protection, City of Edinburgh.](#)
- 8.2 [Inspection of Adult Social Work and Social Care Services in Edinburgh](#)

## **9. Appendices**

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Appendix 1: Adult Social Work and Social Care Inspection Improvement Plan

Appendix 2: Adult Support and Protection Inspection Improvement Plan

Appendix 3: Priority Actions for Year 1

**Appendix 1: Social Work and Social Care Improvement Plan**

**Improvement Plan summary outlining priorities for year 1 and key themes for improvement**

Categories		Supply			Demand			Engine Room	
Workstreams	Priorities for delivery in year 1	Workforce and Resources	Commissioning and Market	Operational Effectiveness	Early intervention and prevention	Front Door	Care Delivery & ASP response	Governance, QA and Policy	Digital
<b>Summary</b>	<ul style="list-style-type: none"> <li>• Early intervention, prevention &amp; demand management</li> <li>• Improving access to services</li> <li>• Best use of resources via commissioning</li> <li>• Improved structure</li> <li>• Basic and key processes</li> <li>• Workforce – recruitment, retention</li> <li>• Governance/ Quality Assurance</li> </ul>	A programme addressing vacancies, retention, our practice and morale in social care and throughout the Partnership.	Bringing good commissioning skills and lifecycle to fruition, managing the market back into control through, negotiation, frameworks, reverse auctions, market engagement, new entrants to the market, block contracts and price agreements.	Ensuring we are maximising the use of resources, being efficient with our monies and ensuring we have a future proof structure to deliver good quality services that meet people’s needs.	Getting further upstream to get people care earlier and stop people tipping into crisis. Bring Thrive, social prescribing and embedding of 3Cs / asset-based working. Base on community mobilisation programme.	Changing our front door to identify people at risk, improve review and assessment, reduce waiting lists, and improve access to care. Prevent hospital admission and reduce delayed discharges.	Modernising the offer of care in various services and ensuring our services are safe in line with the CI Inspection. Bed based review, housing support, LD review, MHO, interim beds.	Getting in place stronger, leaner governance and decision making underpinned with clear policy to enable staff to offer the right care.	Moving to a more digital care offer including Swift replacement, telecare and telehealth, Social Care Direct improvements.

**Improvement Plan summary outlining resource requirements currently identified**

Where there is a degree of clarity on the level of investment required to deliver savings, these costs have been reflected in the proposals in the EIJB’s Medium-Term Financial Strategy. Specifically, this includes reworking our approach to review and assessment and consequently reducing waiting lists and improving performance and bolstering our commissioning teams to ensure we have appropriate system wide capacity and that it is delivered in the way which best represents best value for money.

Categories		Supply			Demand			Engine Room	
Workstreams	Priorities for delivery in year 1	Workforce and Resources	Commissioning and Market	Operational Effectiveness	Early intervention and prevention	Front Door	Care Delivery & ASP response	Governance, QA and Policy	Digital
Resource Gaps and support required	Front line backfill Project & Programme Managers (PM) Digital PM Comms 2 x Commissioners High impact team (Social Work Team for Reviews and Assessment) Quality Improvement capacity	CEC HR Support CEC Recruitment Support Programme Management Planning Modelling	Contracting Backfill Commissioning Support	Finance Support CEC HR Support	EIP Commissioner	Front line back-fill PM Quality Improvement capacity	Front line back-fill PM	Council Democratic service support Business Support PM	Business case expertise Digital Strategy Digital PM CGI

**Detailed Improvement Plan in response to the inspection of Social Work and Social Care in Edinburgh**

Action	Lead	Outcome	Evidence	Progress made	
<b>Workforce – workforce morale</b>					
1	Service Director - Operations  Council HR  Council Corporate Services  Council HR/L&D and PSWO	Social work effectiveness and staff morale are good.  Vacancies are kept low, and staff wellbeing is supported across the service.  Improved efficiency through use of an effective system that is fit for purpose.  Staff feel invested in and have development needs met.	Clear structure in place.	Principal Social Work Officer starting in July 2023.	
2			Undertake review and benchmarking of recruitment including T&Cs to support improved attractiveness, length of onboarding, pay, and reward.	Workforce strategy – including benchmarking – in place and supporting low vacancy rates, high retention rates, and offering Edinburgh as a highly attractive and sought after employer.	Initial structure drafted that would strengthen social work management and governance. Oversight Group established.
3			Build a business case for swift replacement and delivery plan.	New social work operating model.	Business case well underway for replacement of Swift – being submitted to F&R Committee on 20 June 2023.
4			Review training and development offer for workforce incl. managers via:	Clearer processes – with less paperwork.	HR approached re TNA and in discussion regarding what is required.
4a			Training Needs Assessment (TNA) to be undertaken with all Assessment and Care Management Staff, to ensure strategic priorities addressed.	One clear model used across social work and social care.	Working with CSWO – prioritising supervision training with Children’s Services.
4b			TNA to be developed.	Clear workforce development and professional development opportunities and offer.	
4c			TNA to be undertaken.		
4d			Analysis of need.		
4e			Develop Learning and Development Strategy based on outcome of TNA		Looking back conversations evidencing meeting of training needs.

Action	Lead	Outcome	Evidence	Progress made
4f				incapacity, this informed development of the 'Working Across the Acts' training module. Module under ongoing development.  Human Rights focused training delivered by 3rd sector partners CAPS and Carer's Council in place and accessible.
4g				
5				
<b>Workforce – Recruitment of social workers and social care workers</b>				
6				Council HR undertaking benchmarking exercise.  2 Student Hub Practitioners appointed in (insert date) and will be increasing student placements from (insert date).  2 Business Support Officers appointed to streamline the recruitment processes.  1st open day held on 3 May 2023 in collaboration with Children's Services, second planned for June 2023.
7				
8				
9	Council HR Cluster Manager/ PSWO			
9a	CSWO/ Locality Manager PSWO/CSWO			
		Vacancies are low and staff are retained.	Workforce strategy – including benchmarking – in place and supporting low vacancy rates, high retention rates, and offering Edinburgh as a highly attractive and sought after employer.	
		Improved recruitment process that reduces length of time from advert to starting date.	Increased and sustained levels of student placements leading to high rates of onboarding from placement opportunities.	
		Recruitment delays and vacancies do not impact upon social work staff experiencing higher workloads.	Recruitment and onboarding timescales at or better than benchmarked organisations.	
		Increased interest in working in Edinburgh HSCP.	Establishment and	

Action		Lead	Outcome	Evidence	Progress made
9b	Recruitment specific microsite.			implemented workload management tool.	
9c	Open days with director input and an opportunity to meet potential colleagues and see the offices.				
10	Develop and operationalise a workload management tool.				
<b>Workforce – pressure upon workforce</b>					
11	Restructure management and governance (as 1 above).	Service Director	Improved management, accountability and responsibility.	Clear structure in place.	Principal Social Work Officer starting in July.
12	Review workforce skills, mix and size to ensure that we have the workforce capable of meeting the demand, now and in the future.	Locality Manager/ PSWO	Colleagues have the right balance between work demand and pressure and their own development and wellbeing.	Workforce development strategy and skills map in place.	Initial structure drafted that would strengthen social work management and governance. Oversight Group established.
13	Develop and operationalise a workload management tool (work with SWS – to identify how possible).	CSWO/ PSWO	We have the right level of suitably skilled and qualified workforce. Where vacancies occur, we have a speedy response to covering these.	Establishment and implemented workload management tool.	2 Business Support Officers appointed to streamline the recruitment processes.
14	Streamline recruitment process (as 8 above).	Council HR		Recruitment and onboarding timescales at or better than benchmarked organisations .	
<b>Workforce – hybrid working</b>					
15	Consult on, review, and develop consistent social work and social care working practices to enhance colleagues supports, learning development, and team morale.	Locality Manager/ CSWO	Colleagues working arrangements support the opportunity for informal peer support and discussion.	Established policy in place reflecting hybrid working and clearly outlining formal and informal support access.	Staff in office minimum of 2 days per week from March 2023.
16	Set clear expectations in relation to activities to be undertaken face to	Service Director/ CSWO			
		PSWO	Teams experience increased cohesion and new staff have	Guidance written explaining hybrid approach to meetings	From March 2023, staff teams encouraged to

Action	Lead	Outcome	Evidence	Progress made	
	face versus use of technology and virtual attendance.	Hub and Cluster Managers	as much support as is required to understand processes and building relationships with colleagues.	and contact with people.	discuss how hybrid working can be most effective.
17	Review existing formal and informal support for social workers and social care workforce and develop workforce ideas on how these can be improved.			Workforce clarity on the informal and formal supports offered to assist undertake roles and responsibilities.	
18	Develop clear Team Plans on support, professional development, and quality standards of service.			Team plans.	
<b>Workforce – Workforce Strategy and Plan</b>					
19	Develop and implement Recruitment and Workforce Plan (Note: Recruitment and Workforce Plan to incl. succession planning, training and development; skill enhancement, T&Cs and strengthening the attractiveness of EHSCP as an employer of SW/SC workforce) Note interface with actions 6-10.	CSWO/ PSWO  Locality Manager/ PSWO	A detailed plan that is owned by the Social Work workforce.  Staff that are retained, well developed, effective and proud to work in Edinburgh.  The workforce strategy takes account of existing and future staffing, succession, and absence planning and career structures.	Workforce strategy – including benchmarking – in place and supporting low vacancy rates, high retention rates, and offering Edinburgh as a highly attractive and sought-after employer.  Annual reporting in line with the EHSCP Workforce Plan.  Workforce development strategy and skills map in place.  Workforce data is available and has a level of	Working Together joint workforce strategy 2022-2025 approved by EIJB.  Workforce plan being updated.
20	Review workforce skills, mix and size to ensure that we have the workforce capable of meeting the demand, now and in the future – benchmark with other HSCPs (see action 12).	CSWO/PSWO			

Action	Lead	Outcome	Evidence	Progress made
21	Develop data to inform improved future workforce planning.		segmentation that allows in-depth analysis and projection.  Staffing levels are monitored as well as being reviewed in line with changing needs over time.	
<b>SP17. Workforce – workload volume, complexity and resource availability</b>				
22	Undertake strategic commissioning to address resource gaps with bed base (including respite) and mental health as priority in year 1.	Service Director – Strategic Planning	People receive services at the right time.  Staff are not holding onto people because services are unavailable to access.	Clear planning and commissioning plan in place to address service gaps.  Better outcomes for people as good services in place.
23	Develop a caseload/work analysis tool or mechanism - work with SWS to identify how possible (see action 13).	CSWO/ PSWO		Establishment and implemented workload management tool.  One Edinburgh programme for care at home has been agreed at EMT and will be presented to EIJB in first draft in June 2023 Development Session.  Work underway for mental health commissioning plan.
<b>SP6. Demand – care package waiting times</b>				
24	Review trajectory for number of people waiting on a package of care.	Locality Manager	Care packages are provided timeously.  People live independently at home.	Reporting in line with trajectory.  Review of delivery gaps, and plans in place to address these resource issues.
25	Improve process for matching into packages of care.			Clear planning and  Number of people waiting for a package of care has reduced steadily throughout 2022/23.  One Edinburgh Command Centre meets daily to review progress.



Action	Lead	Outcome	Evidence	Progress made
26				
Develop new contract for care at home in tandem with inhouse model of reablement.			commissioning plan in place to address service gaps.	Future plans for One Edinburgh agreed at EMT in April 2023, including commissioning being presented to EIJB on 20 June 2023.
<b>Demand – Number of Mental Health Officers and Mental Health Officer waiting times</b>				
27				
Revise MHO working model – training, backfilled cover for training workload, supply and demand.	PSWO/ MHO Service Manager	The partnership delivers the Scottish average for mental health officers' work.	Revised MHO working model exists.	
28		Develop plan that supports MHO workforce to meet the demand for service, and establishes a workable caseload for MHOs.	There is sufficient staff capacity to meet increasing demand.  MHOs are supported, trained and equipped to manage basic statutory roles and responsibilities.	Dedicated MHO workforce plan in place, with clearly defined expectations regarding workforce size, training, succession planning and workload.
<b>SP9. Demand – ineffective management of demand</b>				
29				
Extend strategic leadership and commitment to areas beyond delayed discharge and ASP.	Service Director – Strategic Planning  CSWO/ Locality Manager	Effective management of demand that is understood by staff and the public.	Demand and capacity modelling.	Refer to actions 43-50 for progress made to date.
30	Review Social Care Direct function, capacity and processes to support management of demand at front door (refer to detail in actions 43-50).		Locality Manager/ PSWO  CSWO/PSWO	Reduced waiting lists.  Reduced purchasing levels.

Action		Lead	Outcome	Evidence	Progress made
31	Establish and report on the data regarding service support for matters in addition to delayed discharge and ASP.				performance report developed.
32	Develop a caseload/work analysis tool or mechanism - work with SWS to identify how possible (see action 13).				
<b>Demand – workload pressures</b>					
33	Conclude work on Organisational Structure (see Action 1).	Service Director – Operations	First line managers have the support and resources available to them that assist them manage their workload and demands of them.	Clear structure in place. Clarity of supervision roles, responsibilities and expectations.	Principal Social Work Officer starting in July.  Council L&D approached to support Training Needs Analysis.
34	Review the support and supervision arrangements of first line managers.				
35	Review workload demands on SSWs.	Locality Manager/ PSWO	Senior social workers are supported in balancing demand, service capacity, risk and overseeing staff, including newly qualified social workers.	Clear workload management statement/guidance for SSW.	
36	Review SSW post, experience, skills T&Cs, training needs, etc. (link to TNA in Action 4).	PSWO	Clarity on the role, responsibilities, training, development, pay and reward for SSW role.		
<b>Demand – hospital discharge</b>					
37	Continue roll out of Discharge Without Delay in RIE and WGH.	Locality Manager Service Director – Strategic Planning	People prevented from being admitted to hospital.  People being supported home on their planned day of discharge.	Number of occupied bed days.  Number of people delayed in hospital.	Well established delivery plan for Dwd.  One Edinburgh programme for care at home has been agreed at EMT and will be presented to EIJB in first
38	Dedicate capacity to Hospital Social Work.	Service Director – Strategic Planning/		Feedback from service users.	

Action		Lead	Outcome	Evidence	Progress made
39	Undertake strategic commissioning exercise to address resource gaps with bed base (inc respite and Care at Home as priority in year 1) (see Action 23).	Strategic Programme Manager	People living independently at home.		draft in June 2023 Development Session.  People in REH rehab wards currently being assessed with a view to a commissioning plan being completed by September 2023.
40	Undertake strategic commissioning exercise for people in Royal Edinburgh Hospital (Rehabilitation , Old Age and Psychiatry).				
<b>Demand – Disproportionate time on screening</b>					
41	Improve decision making at Social Care Direct, allowing all work coming through to be allocated (see action 32).	CSWO/ Locality Manager	Improved communication between teams.  Stronger understanding of people’s needs.  Effective management of demand that is understood by staff and the public.	Case note audit.  Waiting list data and trends.	Project Initiation Document currently being drafted for a collaboration with children services, developing an integrated front door.  Council Corporate Services identifying resource to support development of self assessment and single tool to support access to the front door.
42	Review and update Eligibility Policy and procedure to support staff’s accurate implementation.		Released capacity for other meaningful activities.		
<b>Early Intervention and Prevention - Social Care Direct – personal strengths and assets</b>					
43	Review Social Care Direct function, capacity and processes.	CSWO/Locality Manager	Increased focus on prevention, early intervention and asset-based community development working at front-door.  Reduction in the number of people needing social work	Review of SCD complete.	Initial meeting held with Glasgow HSCP – follow up meeting being arranged on back of data/reports being shared with EHSCP.
44	Options appraisal report to move to an integrated front door.			Options report completed.  Change programme in place.	
45	Change Programme with multi-agency operation and governance meeting.			Learning disseminated.	Project Initiation Document currently being drafted for

Action		Lead	Outcome	Evidence	Progress made
46	Learn from other HSCP (including Glasgow) front door and multi-agency safeguarding models.	CSWO/ Locality Manager	support.	Review of one system completed.	a collaboration with children services, developing an integrated front door – detailed dates will follow on it's completion.
47	Review opportunities for one system that can support SCD to tap into voluntary sector and other resources (Thrive) that facilitate self-management.		Increased access to local resources and non-statutory services.	Asset based team created.	
48	Develop initial response team, using asset-based approach.		Online platform for self-assessment and signposting in place.		
49	Develop on-line platform where people can self-assess and be redirected to voluntary sector and other resources that facilitate self-management.		Efficient and effective linkage with voluntary sector in place for support and self-assessment.		Council Corporate Services identifying resource to support development of self assessment and single tool to support access to the front door.
50	Enable improved interface with voluntary sector support – self assessment and access to support.				
<b>Early Intervention and Prevention – inconsistent approach</b>					
51	Commit to full implementation of strength based practice using 3 Conversations model – develop communications based on way forward.	Locality Manager/ Communications Manager	Staff have a strong understanding of strength-based practice.  A consistent understand of what a good service looks like.	3Cs fully implemented and the only recognised approach being used.  Good service training suite in place.	
52	Develop and deliver leadership training and development focussing on delivering a good service from start to finish.	Locality Manager	Approaches to early intervention and prevention are coordinated and consistent.	Rolling programme of quality assurance of early intervention and prevention in place.	

Action	Lead	Outcome	Evidence	Progress made
53	Quality Assure early intervention and prevention work.		Staff Surveys. Audit of case notes.	
<b>Early Intervention and Prevention – policy and procedure</b>				
54	Develop an early intervention and prevention strategy and procedure.		Prevention strategy exists – or included explicitly in strategic plan.	
55	Review commissioning plans for service gaps or need for transformation e.g. respite, bed base, carers support etc.	A strong understanding of prevention and early intervention.	Approval of policies. Audit of implementation.	Build on the work of Community Mobilisation, community grants and the Edinburgh Pact which has a direct correlation with early intervention.
56	Improve and implement a joining up/reading across of existing preventative supports/frameworks.	Procedures that staff can use to support practice.	Reporting to Governance Group. Clear early intervention planning and commissioning plan in place to address service gaps.	The EIJB Strategic Plan is built on principles of early intervention.
57	Include early and prevention in training needs analysis to identify learning needs for workforce and commission resources appropriately.	An understanding of staff's training needs.	Training and workforce development and change programme in place.	Above can be used as basis of procedures.
<b>Early Intervention and Prevention – investment in Telecare</b>				
58	Develop a telecare/ digital strategy and commission in response to need.	Chief AHP	We invest in preventative services such as telecare. The City of Edinburgh is delivering	Increased use of telecare package and investment in place. Initial work undertaken to link to Medium Term Financial Strategy. More

Action	Lead	Outcome	Evidence	Progress made	
59	Review of existing budgetary use to determine how 'preventative spend' can be measured, tracked and evaluated.	HHS Manager/ Strategic Programme Manager	Scottish average levels of telecare across all age groups.	Measurement for preventative spend in place with data linked to spend available and produced for governance.	work required to evidence preventative spend.
<b>Key Processes – Average waiting times against Scottish average and communication on waiting times</b>					
60	Train and develop colleagues on managing waiting lists – take learning from NHS Lothian waiting list management.	Service Director – Operations	Our activities on the following areas are at or better than the Scottish average: period between first contact and having a completed assessment; average waiting times for an assessment; hours of unmet need.	Waiting list management training in place.	See 43-50 for progress relating to front door.
61	Review whether existing waiting lists are fit for purpose and if waiting lists can be merged, with view to making easier to manage waiting list.	Locality Manager/ PSWO PSWO/ CSWO		Establishment and implemented workload management tool.	
62	Develop a caseload management tool (see action 13) – work with SWS to see feasibility of this action.	Service Director – Strategic Planning	Our service responds to demand in a timely and prioritised manner.	Data reports available for managers to understand demand and supply data affecting service areas.	Performance report for assessment has been developed but needs further refinement.
63	Creation of improved data/management reports.	CSWO/PSWO		Social work and care standards in place.	
64	Establish social work and care standards.	CSWO Office	People on the waiting list are informed of their position, when they can expect to be seen.	Quality assurance framework in place with monthly audits.	Adult Support Protection practice standards in development with social work practice leads.
65	Develop a quality assurance framework with monthly learning from practice audits.	CSWO/ Locality Manager Locality Manager/ PSWO		Workforce development strategy and skills map in place.	
66	Manage demand at the front door - move away from contact - waiting list and move towards supports.	Service Director – Strategic Planning	We have a clear process and practice in place that keeps people informed as to what happens next and when for them, no matter the stage of	Clear planning and	Quality assurance practice framework and audit program to start July.

Action	Lead	Outcome	Evidence	Progress made
	needs being actioned as soon as additional needs identified (see actions 43-50).	Locality Manager	their assessment for care, support and protection.	commissioning plan in place to address service gaps.
67	Review workforce skills, mix and size to ensure that we have the workforce capable of meeting the demand, now and in the future (see action 12).			Process in place that ensures those people who are awaiting a service or review, are advised and receive clear and regular communication regarding their wait.
68	Review of process for communication to people whose needs cannot be met immediately and require to be placed onto a waiting list.			Case not audits.
<b>Social Work Practice – Quality of risk assessments</b>				
69	Review and refresh procedure on risk assessment and management.			New procedure on risk assessment and management in place.
70	Establish social work and care standards (see action 66).	CSWO Office/ASP Lead	A robust approach to risk, supported by clear procedures and training is in place.	Social work and care standards in place.
71	Develop Leadership training and development to focus on risk assessment and management (link to action 4).	CSWO Council HR/ L&D and PSWO	Defensible decision making clearly documented regarding actions and mitigation.	Leadership training suite in place.
72	Develop a quality assurance framework with monthly learning from practice audits (see action 67).	CSWO		Rolling programme of quality assurance case file audits in place.
<b>Social Work Practice – quality of assessments</b>				
73	Establish social work and care standards (see action 66).	CSWO	We produce assessments of people's needs which are of a	Social work and care standards in place.
				Full Training Needs Analysis undertaken with staff

Action	Lead	Outcome	Evidence	Progress made	
74	Ensure consistent assessment of need and risk across the whole service, focusing on peoples' strengths and community assets and focussing on - how can I help and what needs to change to make a person safe and regain personal independence.	CSWO Office and PSWO  Council HR/ L&D and PSWO  CSWO Office	high standard. We have management oversight arrangements, as well as Quality Assurance Frameworks that support consistent practice in this area.	3Cs fully implemented and the only recognised approach being used.  Social work key processes and skill straining suite in place.	involved in hospital discharge re adults with incapacity, this informed development of the 'Working Across the Acts' training module. Module under ongoing development.
75	Review training and development offer for workforce incl. on the need to improve key social work functions (see action 4).			Rolling programme of quality assurance of management and supervision in place.	Human Rights focused training delivered by 3rd sector partners CAPS and Carer's Council in place and accessible.
76	Implement Quality Assurance audit for effective manager oversight and supervision recording.			Rolling programme of quality assurance case file audits in place.	See actions in response to 67 above as further evidence.
77	Develop a quality assurance framework with monthly learning from practice audits (see action 67)				
<b>Key Processes – number of outstanding and overdue reviews and inconsistent approach to reviews</b>					
78	Establish social work and care standards (see action 66).	CSWO  Locality Manager  Service Director/ Locality Manager/ CSWO	Overdue reviews are rare, and where they do occur, a clear mechanism of escalation exists. Reviews of support are a clear priority for social care and social work colleagues.	Social work and care standards in place.  Review policy in place.	2 x agencies approached and identifying resource to support high impact team. Business case being drafted, linked to MTFP.
79	Prioritise outstanding reviews Review what services need to gain from a review, review policy and procedure and implement a streamlined approach to reviews of care and reassessment of need.	Locality Manager/ CSWO Office	We have a consistent and standard approach to reviews. We have clear procedure on undertaking, conducting and	Backlog of reviews has been addressed.  Use of AIS/SWIFT has been reviewed and recording guidance updated.	HR L&D been approached to support TNA.  Two new templates, embedded onto AIS



Action	Lead	Outcome	Evidence	Progress made	
80	Council HR/ L&D and PSWO	recording the outcomes of reviews. This has included streamlining the recording process for reviews.	Social work key processes and skill straining suite in place.  Rolling programme of quality assurance case file audits in place.	improving recording and consistency for Adult Support and Protection risk assessment.	
81					Streamline AIS/SWIFT recording.
82					Review training and development offer for workforce incl. on the need to improve key social work functions (see action 4).
<b>Key Processes – welfare guardianship reviews</b>					
83	PSWO/CSWO	We have clear standards, processes and reviews in place for welfare guardianships. We have a system in place that ensures that lapses in applications do not occur.	Data on welfare guardianship reviews available and reported to governance group.  Welfare guardianship review guidance created and issued.	Data reporting in place but needs to be revised to meet current needs.	
84					Review and implement improved review and standards for welfare guardianship reviews.
<b>Key Processes – out of date policy and procedure</b>					
85	CSWO Office Corporate Services	Our policies and procedures are up to date and regularly reviewed.	All policies covering social work and social care are up to date and annually reviewed.	Adult Support and Protection Policy and procedure drafted and will come to Policy and Sustainability Committee for approval by October 2023.	
<b>G3. Governance – oversight of key processes, legislation and service delivery</b>					

Action		Lead	Outcome	Evidence	Progress made
86	Undertake legislative mapping of tasks required and systems in place to complete social work and social care duties.	Council HR/ L&D and PSWO	We have sufficient strategic leadership and management oversight of key processes, meeting legislative requirements, policies, procedures and guidance and ensure sufficient capacity and capability to deliver safe and effective services for vulnerable people.	Assurance and evidence that all legislative duties are mapped and have key processes in place.  Training suite on key legislation and duties in place.  Identifiable and secured capacity to undertake preparation and readiness for new legislation.	6 briefing sessions recently delivered for staff undertaking Adult Support and Protection work in advance of new process being introduced from 12 June 2023.  Working Across the Acts' training module under ongoing development (focusing on Adults with Incapacity).
87	Ensure key legislation and statutory duties are linked to continuing professional development through workforce training (cross reference with action 4).				
88	Establish capacity to support effective change management for future legislative changes and requirements.				
<b>G4. Governance – establishment of Social Work Governance arrangements</b>					
89	Appoint a Principal Social Work Officer.	Locality Manager	The partnership has effective social work governance arrangements in place. Strategic decisions are always well informed by a social work perspective.	PSWO in post.	Post appointed and successful candidate starting on 31 July 2023.
90	Establishment of a social work and social care governance framework – including mapping of what falls into the framework, and what sits elsewhere.	CSWO Office		Social Work and Social Care governance framework in place.	
91	Improve links between strategic planning and commissioning and operational pressures and priorities.	Service Director – Operations and Service Director - Strategy		Strategic developments are borne from data and business intelligence informed by operational demands.	
<b>G5. Governance – Social Work Governance Group and partnership/CSWO linkages</b>					

Action	Lead	Outcome	Evidence	Progress made	
92	CSWO/ PSWO	The partnership has fully effective social work governance arrangements in place. SWGG - The interface between this group and the partnership's wider clinical and care governance arrangements is effective and well-functioning.	There are effective and visible connections between SWGG and CCGG.  ToR for SWGG exists detailing its activity for social work governance and reporting to the CCGG/CSWO and EMT.		
93					Review relationship of Social Work Governance Group and Clinical and Care Governance Group.  Set out revised ToR for Social Work Governance Group to reflect the development of social care governance framework.
<b>G6. Performance and Improvement – self-evaluation and strategic priorities</b>					
94	CSWO Office	We have a clearly linked our self-evaluation activity directly to the strategic plan's priorities to support beneficial performance delivery.	Self-evaluation framework with linkages to strategic planning cycles is in place.		
<b>G7. Social Work Practice - 3Cs – Implementation</b>					
95	Locality Manager  Corporate Services	There are clear 3Cs procedures and guidance in place, as well as supporting tools. Colleague feedback helps support, improve and develop our 3Cs approach. 3Cs is used as the primary framework for supportive help by all teams.	3Cs implementation and uniformity of framework in place.	Business case for SWIFT replacement submitted to F&R for 20 June 2023.	
96			Develop capacity to develop policies and procedure not reliant on seconding and not replacing front line staff.		Capacity exists that supports developments in social work and social care developments that does not remove colleagues from main roles.
97			Develop a new social work operating model (i.e. SWIFT replacement).		SWIFT has been replaced.
<b>G8. Social Work Practice - 3Cs – Forms and associated documentation</b>					

Action		Lead	Outcome	Evidence	Progress made
98	Develop capacity to support wider engagement of external sector in 3Cs work.	Strategic Programme Manager  HR/L&D	Service providers are knowledgeable of the 3Cs. 3C paperwork provides sufficient information to service providers to support the person.	Service providers are confident of the model of 3Cs.	
99	Development of training and development of staff and leaders to support effective change management.			A training suite for internal and external workforce in place.	
<b>G9. Social Work Practice – SDS – roll out and implementation of SDS</b>					
100	Develop capacity and expertise to support training and development of staff and managers.	Locality Manager  HR L&D	Self-directed support has been fully implemented as an approach. Our approach builds on people's strengths and finding creative solutions.	Capacity exists that supports implementation of SDS and the choices that this provides people with.	
101	Explore opportunity to re-introduce Funding Independence Team.			All colleagues see themselves have a role in promoting SDS as an option.	
<b>G10. Social Work Practice – supervision policy and procedure</b>					
102	Review supervision policy, procedure and tools.	CSWO Office	The supervision policy and procedure have been refreshed. All staff are aware of the supervision procedure and policy and there is consistent use of the templates. Recording of supervision is also consistent.	Refreshed supervision policy, procedure and tools in place.	Policy review under way and will be complete by summer 2023.
103	Develop training and development of workforce and managers.			Training on supervision in place.	
104	Develop Quality Assurance framework in place that looks at quality and frequency of supervision.			Quality Assurance in place providing assurance regarding workforce supervision.	

## ADULT SUPPORT AND PROTECTION INSPECTION

### IMPROVEMENT PLAN

#### EDINBURGH 2023

#### Version 7

<b>ASP Practice</b>	<b>13 improvement areas</b>
<b>IRD</b>	<b>4 improvement areas</b>
<b>Investigations</b>	<b>2 Improvement areas</b>
<b>Chronologies</b>	<b>1 improvement area</b>
<b>Case conferences</b>	<b>4 improvement areas</b>
<b>Assurance</b>	<b>2 improvement areas</b>
<b>Training</b>	<b>1 improvement area</b>
<b>Capacity</b>	<b>1 improvement area</b>
<b>APC</b>	<b>2 improvement areas</b>

#### ASP Practice

<b>1. ASP Practice (key processes)</b>
The partnership's strategic leaders should ensure there is consistent, competent, effective adult support and protection practice that keeps adults at risk of harm safe and delivers improvements to their health and wellbeing.
<b>Improvement activity</b>
Review existing practice standards.
Ensure that practice standards outline and make explicit issues of consistency, competence, and effectiveness for risk of harm and improving health and wellbeing.
Audit for assurance against the practice standards
<b>2. ASP Practice (consistency)</b>

Social work did not routinely carry out adult protection investigations when it should have.
<b>Improvement activity</b>
Review existing procedures and expectations.
Offer consultation and training for all Social Workers and senior Social Workers regarding adult protection.
Audit for assurance

<b>3. ASP practice (Management oversight)</b>
Management oversight of screening was an acknowledged area for improvement. This also applied to initial inquiries.
<b>Improvement activity</b>
The SCD Response Team will be managing most of the incoming work and ASP DTI cases, ensuring a city-wide consistent approach to screening and management oversight. The team will receive bespoke training to support this.
This training will also be delivered to all locality team managers and Seniors.
Audit for assurance against this screening standard.

<b>4. ASP practice (3 point criteria)</b>
Almost all initial inquiries did not record application of the three-point criteria. Most showed no sign of management oversight. This called for improvement. Specific fields in the partnership's initial inquiry template would help.
<b>Improvement activity</b>
There are new ASP DTI and ASP Investigation templates in development which will be added to AIS in the Assessment tab as questionnaires. These make a clear distinction between an ASP DTI and an ASP Investigation. The new ASP DTI also has specific fields in the template to record the three-point criteria.
Ensure that the process for management oversight of the DTI and ASP Investigation are in place.
Audit for assurance

<b>5. ASP practice (Risk assessment)</b>
Most of the time a risk assessment was included in the report of the interagency referral discussion. Most adults at risk of harm had a risk assessment. Significantly, some did not have one. This needed improvement. A standard risk assessment template for adults at risk of harm would support improvement.

<b>Improvement activity</b>
There are new ASP DTI and ASP Investigation templates in development which will be added to AIS in the Assessment tab as questionnaires. These have specific risk assessment fields in the template. These ASP needs to be authorised by a Senior on completion, which will ensure the risk assessments are present and of a required standard.
Audit for assurance

<b>6. ASP Practice (capacity assessments)</b>
Social work did not request a capacity assessment from health for some adults at risk of harm who required one. This called for improvement.
<b>Improvement activity</b>
Review existing process to access capacity assessments.
Ensure practitioners know how, who, and when to ask for a capacity assessment.
'Working Across the Acts' training to be finalised and become a mandatory training module.
Ensure that there is a clear process in place and that this is well understood across the workforce. GP – can make onward referrals, mental health – mental health clinician, psychiatry of old age.
Audit for assurance.

<b>7. ASP Practice (Police)</b>
The divisional concern hub and inquiry officers focused on criminality when a holistic approach to needs and expectations may have supported early and effective prevention and intervention.
<b>Improvement activity</b>
Recognised that in some cases the frontline Police officers who initially attend an incident submit the interim vulnerable person's database report in a style that can resemble a crime report. Concern Hub staff have the ability to edit and redact the report prior to it being shared and this editing could temper the language and focus more on an individual's needs.
There has been an improved procedure brought into place whereby Concern Hub staff interact and share information with Social Care Direct counterparts. This newly introduced procedure has allowed for increased channels of communication.
Audit for assurance.

<b>8. ASP Practice (Police)</b>
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Where the criteria for the application of the escalation protocol was met (repeated police involvement), there was an inconsistent approach. In some cases an escalation review was not carried out when it should have been. There were missed opportunities to develop existing local practice, by involving local area command in response or protection planning.

**Improvement activity**

The Interim Vulnerable Persons Database has had a software update to address this issue. This update will mean that the escalation protocol is automatically applied and removes the inconsistent professional judgement.

Work continues to discuss the involvement of local area commanders. Part of the escalation protocol will be to alert the local area in which an individual or problem exists.

**9. ASP Practice (feedback to referrer)**

Just under half of staff surveyed said social work gave them prompt feedback about adult support and protection concerns they raised. Just under half said they got no feedback. This merited improvement.

**Improvement activity**

Review existing practice.

Standardise feedback to referrer.

Remind all colleagues to provide feedback.

Audit for assurance.

**10. ASP Practice (Social Work records)**

For just under half of adults at risk of harm the recording, mainly in their social work record, was not in keeping with their needs. There was no record of supervision decisions in some of social work records – this merited improvement.

**Improvement activity**

Review existing practice.

Develop a standardised approach to supervision recording.

Create and roll out training for managers recording supervision into case files.

Audit for assurance.

**11. ASP Practice (Outcomes)**



Most adults at risk of harm were supported throughout their adult protection journey. Just over half of support was good or better, which indicated there was room for improvement. Adults at risk of harm had improvements to their safety, health, and wellbeing because of the partnership's joint efforts to support them. For others, critical actions were not executed, or vital support services were not delivered quickly enough.
<b>Improvement activity</b>
Review practice standards for adult protection.
Review what support for adults looks like in Adult Protection.
Develop clear guidance for supporting people through Adult protection.
Review and clarify escalation process for unmet need, complex circumstances and unforeseen delays.
Audit for assurance.

<b>12. ASP Practice (Advocacy)</b>
The partnership did not offer an independent advocate to just under half of adults at risk of harm who would potentially have benefited from one. This called for improvement.
<b>Improvement activity</b>
Review advocacy arrangements including referral.
Ensure referral for advocacy discussions part of ASP process.
Capture unmet need.
Audit for assurance.

<b>13. ASP Practice (action against harm)</b>
For all known alleged perpetrators of harm, the partnership took some action against most of them. The quality and effectiveness of the partnership's actions against known alleged perpetrators had room for improvement, with some weak or unsatisfactory.
<b>Improvement activity</b>
Review existing practice with perpetrators of harm through audit.
Review existing tools and approaches to working with perpetrators of harm.
Review training on working with perpetrators of harm.
Audit for assurance

## IRD

### **14. IRD (Recording)**

The interagency referral discussion report was often not an account of a person-to-person discussion among core partners. Rather, it was a rolling record of partners' views, often copied and pasted from other documents such as interim vulnerable persons database reports.

#### **Improvement activity**

The practice of copy and paste is recognised. Refresh training and briefing to curb this practice and to ensure that the discussion of fact and statement forms the record and not the rolling record of views.

Review and update the IRD Guidance for Adult IRDs.

Use IRD workshop to revisit expectations around discussion led IRDs.

Audit for assurance.

### **15. IRD (Health involvement)**

The partnership needed to take prompt decisive action to ensure city-wide direct health inclusion in interagency referral discussions.

#### **Improvement activity**

Reiterate to partners that in absence of known, involved specialist clinicians or and services, contact GP.

Roll out of current plan to include health participants in IRDs in all localities in Edinburgh.

Provision of peer support and supervision by adult support and protection advisors and peers, to support staff as health participants in IRDs.

Robust feedback from IRD Review group to support staff and share good practice.

When health practitioners are participants in IRDs in all areas – add functionality on eIRD for health to sign off.

### **16. IRD (information sharing)**

Health professionals almost always shared information appropriately. But there were some instances where the quality of information shared could be improved.

**Improvement activity**

Distribution of newly revised NHS Lothian ASP procedure highlighting information sharing.

Incorporate detailed information sharing component into training.

Robust IRD review feedback mechanism for health staff undertaking IRDs.

**17. IRD (Case conference)**

For a significant few there was no case conference when there should have been.

**Improvement activity**

Better understanding of ASP and what constitutes the threshold for holding a case conference. The updates to the Revised Code of Practice allow for a consistent approach.

Audit for assurance.

## Investigations

**18. Investigations (Responsiveness)**

The partnership should carry out a prompt adult protection investigation for all adults at risk of harm who require one.

**Improvement activity**

The new SCD Response Team will support localities by managing work at the front door and ASP DTI referrals. This will give more capacity to localities to carry out a prompt ASP Investigations and meet agreed standards.

Review and reissue guidance on the standard for ASP investigations.

Review and renew training regarding ASP investigations.

Audit for assurance.

<b>19. Investigation (Quality of and the direct involvement of people)</b>
Social work did not consistently interview adults at risk of harm about the adult protection concerns raised about them. Other parties, such as paid and unpaid carers and alleged perpetrators were often not interviewed. When the partnership did conduct an investigation, quality was uneven, with some weak.
<b>Improvement activity</b>
There is a new ASP Investigation template in development which will be added to AIS in the Assessment tab as a questionnaire. This has specific fields for who has been interviewed. The ASP Investigation needs to be authorised by a Senior on completion, which will ensure relevant people are interviewed and of a required standard.
Specific training for Council Officers will be developed to cover the revised ASP Policy and Procedure, and Codes of Practice, with specific emphasis on good, evidenced based recording, which will include conducting investigations, which will consider interviewing.
The ASP standards will be reviewed to consider whether standards need to be added about who is to be interviewed as part of an ASP Investigation.
Audit for assurance.

### Chronologies

<b>20. Chronologies</b>
The partnership should improve the quality of chronologies and risk assessments for adults at risk of harm. And all adults at risk of harm who require a chronology and a risk assessment should have one.
<b>Improvement activity</b>
There is a new ASP Investigation template in development which will be added to AIS in the Assessment tab as a questionnaire. This has specific chronologies and risk assessment fields. The ASP Investigation needs to be authorised by a Senior on completion, which will ensure the chronology and risk assessment are present and of a required standard.
Specific training for Council Officers will be developed to cover the revised ASP Policy and Procedure, and Codes of Practice, with specific emphasis on good, evidenced based recording, which will include chronologies and risk assessment.
Audit for assurance.

## Case conference

### 21. Case conference (Health attendance)

Attendance at adult protection case conferences was variable. Health attended just over half they were invited to.

#### Improvement activity

Review of recent case conference health attendance to better understand practice.

Ensure accurate recording of attendance at case conferences is in place.

Health to explore barriers for non-attendance at case conferences – what is in place? – who is not attending? timescales, invites, reports/analysis, templates? communication within health to agree standard and expectations of responsibilities.

Senior management support in implementation of actions

Social Work to be supported to understand line management structures and how to agree appropriate representation and to notify line manager of non-attendance.

GPs –exploration and agreement with GPs through Clinical Director regarding role and responsibilities in case conferences.

### 22. Case conference (Police invitation)

Social work did not invite police to some case conferences when they should have.

#### Improvement activity

At the signing off and agreement to close the IRD Police and Social Work to clearly agree and document whether Police attendance is required.

Audit for assurance – check to be put in place to ensure that when this has been agreed Police have been invited.

### 23. Case conference (quality of minutes and distribution)

Often, there were no business support staff available to take minutes. In these situations, social workers had to take the minutes. This could lead to substantial delays in circulating minutes to attendees and others. Case conference minutes could be sparse and not a full, accurate record of the participants' discussion and decisions made.

#### Improvement activity

Review number of case conferences and those minuted.

Review existing number of minute takers in Business Support.
--

Report to ASPC on quarterly basis the number of APCs minuted and by whom.
---

Audit the quality of minutes.
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<b>24. Case conference (Safety planning)</b>
--

“safety plans” - Quality issues included not stating clear timescales for actions and who was responsible for carrying them out, and not addressing significant risks.... some review case conferences did not determine the necessary actions to keep the adult at risk of harm safe.
--

<b>Improvement activity</b>
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Review plan templates to ensure that the format enables easy recording of action timescales and who holds responsibility for their action.
--

Ensure that plans have clear timescales, actions and persons responsible noted.
---

Review and renew training on safety planning for case conferences.
--

Audit for quality of plans that respond to the risks assessed.
--

### Assurance

<b>25. Assurance (Activity recommencement)</b>
--

The partnership should prioritise recommencement of multi-agency audits of adult support and protection records, quality assurance, and self-evaluation activities for adult support and protection.
--

<b>Improvement activity</b>
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Re-establish multi-agency audit programmes.
---

Establish self-evaluation programme for ASP work – single and multi-agency.
---

<b>26. Assurance (Outcomes)</b>
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The partnership did not carry out any activity with adults at risk of harm or their unpaid carers to ascertain their perception of the outcomes adult support and protection activity realised for them. This merited improvement.

**Improvement activity**

Establish a mechanism for discussing outcomes of adult protection with those people involved.

Report outcomes from these discussions into APC.

Report outcomes for these discussions into Clinical and Care Governance Group.

Link outcomes to broader self-evaluation activities (above).

## Capacity

**27. Capacity**

Inadequate capacity within social work services impacted adversely on the competent, effective, and efficient execution of key processes for adult support and protection. There was recent improvement action, with the creation of senior adult practitioner posts. It was too early to tell the impact of this.

**Improvement activity**

A longer-term recruitment and retention plan will be developed across all social work areas – Adult Service, Children’s Services and Justice Services led by the CSWO, in conjunction with other relevant managers from those services.

The new PSWO will support efficient execution of key processes for adult support and protection.

The interim CSWO and EHSCP Service Director – Operations are developing a workforce plan focussed on short-term recruitment and retention.

## Training

**28. Training**

But only just over half of staff considered they participated in regular, local multi agency adult protection training – some said they had not had this training.

<b>Improvement activity</b>
Review L&D strategy and suite of training.
Explore whether dedicated Council Officer training and refresher training required.
Promote L&D strategy and review multi-agency strategy.
Establish what barriers to accessing training exist within partner agencies. Line management responsibility for staff to be able to attend training pertinent to roles and responsibilities.
Review how ASP multi-agency training is promoted and whether improvements can be made.
Audit for impact.

### APC

<b>29. APC (Governance and insight)</b>
governance for social work adult support and protection practice, in particular, needed improvement. The adult protection committee did not have effective mechanisms to inform it about the existing critical adult protection key processes deficits.
<b>Improvement activity</b>
Commit to audit activity to understand the current working practices and identify methods of improvement this will better inform the APC and in turn allow to keep the chief officers informed of progress.
Better lines of communication with frontline workforce from the APC will be created and maintained.
PSWO to attend the APC and report on any escalation requirements.

<b>30. APC (Lived experience representation)</b>
The adult protection committee did not have a delegate who was an adult at risk of harm. It did not have an unpaid carer who cared for an adult at risk of harm as a delegate.
<b>Improvement activity</b>
Review previous work undertaken on this.
Establish purpose, meaning, and supports required for involvement to be of value and not tokenistic.



### Appendix 3: Priority Actions for year 1.

	<b>Priority</b>	<b>Related High Level Actions</b>
1	Early intervention, prevention and demand management	<ul style="list-style-type: none"> <li>• Draft and consult on a prevention strategy</li> <li>• Improve access for people at the point of contact through a focus on Social Care Direct. Ensure people at risk of harm are identified with the right action taken quickly.</li> </ul>
2	Reducing waiting lists and improving access to services	<ul style="list-style-type: none"> <li>• Increase capacity through an agency Social Work team to undertake reviews of people in receipt of services to ensure needs are being met.</li> <li>• Develop trajectory to demonstrate tangible and quantifiable improvement for waiting lists to be brought in line with national averages as priority.</li> </ul>
3	Best use of resources to meet demand and improved structure.	<ul style="list-style-type: none"> <li>• Undertake strategic commissioning exercise to ensure that the IJB has a clear understanding of bed based services (including dementia, nursing, intermediate care) to meet people's needs</li> <li>• Undertake strategic commissioning exercise to ensure that the IJB has a clear understanding of service need for people with mental health problems</li> <li>• Continue with One Edinburgh programme, increasing capacity for people requiring a package of care to live at home independently.</li> <li>• Implement a revised, strengthened professional line management structure that achieves more benefit from integration and ensures resources are directed at the priorities being identified in response to the inspection findings.</li> </ul>
4	Basic and key processes	<ul style="list-style-type: none"> <li>• Introduce new ASP Investigation processes with specific chronologies and risk assessment</li> <li>• Roll out one assessment tool that ensures consistent approach across the city.</li> <li>• Replace SWIFT with a system that improves processes and creates service capacity, efficiency and safety.</li> </ul>
5	Workforce – recruitment, retention and governance	<ul style="list-style-type: none"> <li>• Increase work on advert and recruitment through more innovative routes</li> <li>• Progress incentives and recruitment on a higher salary scale with HR for experienced Social Workers</li> </ul>
6	Governance, including professional supervision, manager oversight and quality assurance.	<ul style="list-style-type: none"> <li>• Induction of Principal Social Work Officer</li> <li>• Implement Quality Assurance audit for effective manager oversight and supervision recording</li> <li>• launch of Quality Assurance Practice framework with monthly learning from practice audits</li> </ul>

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# The City of Edinburgh Council

10.00am, Thursday 22 June 2023

## Senior Councillor Remuneration

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

---

- 1.1 To authorise the senior councillor allowances for Councillor Mumford and Parker from 23 June 2023.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Gavin King, Head of Democracy, Governance and Resilience

E-mail: [gavin.king@edinburgh.gov.uk](mailto:gavin.king@edinburgh.gov.uk) | Tel: 07870364751

## Senior Councillor Remuneration

### 2. Executive Summary

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- 2.1 Approval is sought to pay a senior councillor remuneration for the two co-conveners of the Green Group.

### 3. Background

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- 3.1 On 22 September 2022 it was agreed to pay Councillor Mumford the Co-Convener's Senior Councillor Allowance until 5 February 2023 and then Councillor Parker until 22 June 2023. This was at the rate of 62.5% of the Council Leader's allowance.

### 4. Main report

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- 4.1 The Green Group is allocated one senior councillor allowance but their practice is to have two co-conveners of their group. Previous practice has been to allocate the senior councillor allowance to one co-convener for six months and then the payment to revert to the other co-convener for the remaining six months. It is now proposed to pay both co-conveners at a rate of £29,795 per annum for a full year. This will result in the same expenditure but will provide a consistent allowance for the full year.
- 4.2 There is a limit of 24 senior councillor allowances, and this will result in 22 of those positions being used.

### 5. Next Steps

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- 5.1 Not applicable.

### 6. Financial impact

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- 6.1 This allowance is contained within the Council's budget for councillor remuneration.

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

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7.1 None

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

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8.1 [The City of Edinburgh Council 22 September 2022 Minute](#)

8.2 [The City of Edinburgh Council 19 May 2022 Minute](#)

## **9. Appendices**

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9.1 None.

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# The City of Edinburgh Council

10.00am, Thursday 22<sup>nd</sup> June 2023

## Appointment to Chief Officer post

Item number	
Executive/routine	Executive
Wards	All
Council Commitments	

### 1. Recommendations

---

- 1.1 This report asks Council to approve the recommendation of the Recruitment Committee and appoint to the following roles:
- Service Director, Finance and Procurement

**Andrew Kerr**

Chief Executive

Contact: Dr Deborah Smart, Executive Director – Corporate Services

E-mail: [Deborah.Smart@edinburgh.gov.uk](mailto:Deborah.Smart@edinburgh.gov.uk) | Tel: 07720 167825

## Appointment to Chief Officer posts

### 2. Executive Summary

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- 2.1 Following Recruitment Committee on 16<sup>th</sup> June 2023, Council are asked to approve the following permanent appointment:
- Service Director, Finance and Procurement

### 3. Main report

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- 1.1 The composition of the Recruitment Committee for Service Director, Finance and Procurement on Friday 16<sup>th</sup> June 2023 was Councillors Day, MacInnes, Parker, Ross, Watt and Whyte
- 1.2 The Recruitment Committee approved the short list, the presentation topic, and the interview questions.

Following this process, the Recruitment Committee agreed to recommend the following candidate as Service Director, Finance and Procurement:

**Richard Lloyd-Bithell**

### 4. Next Steps

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- 4.1 If approved, officers will progress with a formal offer for the successful candidate, subject to satisfactory required pre-employment checks.

### 5. Financial impact

---

- 5.1 This post is contained within agreed budgets.

### 6. Stakeholder/Community Impact

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- 6.1 Not applicable.



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

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7.1 Not applicable.

## **8. Appendices**

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8.1 Not applicable.

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## City of Edinburgh Council

10.00am, Thursday, 22 June 2023

### Elected Member Champions

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

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- 1.1 To note the review of the elected member champion role from the previous administration.
- 1.2 To agree the recommended streamlined champion roles, as set out in Appendix 2 of the report.

**Dr Deborah Smart**  
Executive Director of Corporate Services

Contact: Sarah Stirling, Governance Officer  
Legal and Assurance Division, Corporate Services Directorate  
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## Elected Member Champions

### 2. Executive Summary

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- 2.1 This report reviews the position of the elected member champions from the previous administration and recommends a streamlined number of champion positions in Appendix 2.

### 3. Background

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- 3.1 From June 2012, the Council appointed individual elected members to serve as lead member and champion for a subject matter. There were nine previous Champions for the following areas: Canal; Carers; Equalities and Third Sector; Festival and Events; Play; Sustainability; Veterans; Volunteering Ambassador; and Digital Economy.
- 3.2 In [August 2017](#), the number of champions was increased from nine to 13, with six additional champion positions created (para 4.1).
- 3.3 The 2017 report detailed the roles and responsibilities of champions as follows:
- 3.3.1 Act as an ambassador for their specified area, which includes taking responsibility for maintaining and raising the profile of their area;
  - 3.3.2 Support the work of the committee conveners through working in a collaborative role and feeding into the decision-making role of the relevant conveners;
  - 3.3.3 Contribute to the development of policy in Edinburgh of their area and providing leadership and guidance when required;
  - 3.3.4 Act as a local expert and advocate working with and engaging with communities across the city; and
  - 3.3.5 Ensure focus is maintained on achieving the desired objectives and outcomes of their area.
- 3.4 In [August 2018](#) the Cycling Champion role gained an expanded remit and was amended to that of Active Travel Champion.
- 3.5 In [August 2021](#) an additional champions role was created – that of the Older People's Champion.

- 3.6 It was agreed in [December 2020](#) that elected member champions would report to their corresponding executive committee on an annual basis via the business bulletin.
- 3.7 At a meeting of the Council on [27 October 2022](#) a motion by Councillor Fullerton was amended and approved which agreed that elected members who served as champions in the last Council term should provide a report of their activities and achievements from their role as champion. A report would then be submitted back to Council setting out recommendations on which champion roles should be retained, created or removed.

## 4. Main report

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- 4.1 There are currently 14 champions positions. Each position and their remit is detailed below:

	Champion Area	Remit
1	Active Travel Champion	Act as the Council's champion for the cycling network and active travel across the region.
2	Built Environment and Sustainability Champion	Work with the sustainability partnership to champion Edinburgh as a leading city on sustainability in terms of economic, environmental and social issues.
3	Canal Champion	Champion the development, maintenance and repair of canals throughout the city and the region.
4	Carers Champion	Act as the champion for Carers and their families throughout the city.
5	Child Poverty Champion	Champion the Council and our partners' response to child poverty and improving the support provided to families.
6	Equalities Champion	Champion the outcomes of the Equalities Act and protected characteristics.
7	Festivals Champion	Support the work of the Culture and communities committee and in relation to the city's festivals. Specifically work with the literature institutions and festivals to maximise the City's literary status and presence in all our communities.
8	Gaelic Language Champion	Champion the Gaelic language improve access for residents and communities.
9	Homelessness Champions	Champion the Council's response and report for people who are homeless across the city.

10	Older People	ensuring older people's perspectives are understood in every policy area, feeding back on older people's concerns to the council, leading on council campaigns around older people's issues and helping to communicate council policy to older people and the wider community
11	Small Business Champion	Act as the champion for small businesses and start-ups in the region and lead the support for future enterprises.
12	Veterans' Champion	Act as the city's champion for veterans' support.
13	Volunteering Ambassador	Champion volunteering across the city to support people to make a real difference in their communities
14	Young People Champion	Engage with Young Edinburgh Action, youth forums across the city and Scottish Youth Parliament to champion issues raised by young people.

- 4.2 In order to establish whether or not elected members and the Council as a whole benefitted from their appointment to additional roles such as champion positions, feedback was sought directly from those who had participated. A list of the champions and corresponding executive committees is attached at Appendix 1.
- 4.3 On 4 November 2022 a link to a survey was circulated to all of the returning elected members who had served as champions in the previous term which asked them to reflect on the time spent in their role, the organisations they had liaised with, the benefits and achievements gained, and whether they felt that it had been a worthwhile experience.
- 4.4 Only six responses to the survey were received and therefore it is difficult to gauge the full extent of the benefits that the champions roles create, whether there is any significant overlap with existing convener positions, and whether these roles are still fulfilling the aims they set out to do when first established.

#### Survey Feedback

- 4.5 In terms of survey feedback, elected members raised a number of benefits to the Council that the role of champion offered, including:
- They allowed for the building of relationships with a significant number of external organisations including public sector, voluntary, business, higher education and community groups.
  - They raised awareness amongst elected members of needs for policy focus and were able to influence policy change to support vulnerable people in the city.

- They reflected the needs and expectations of a specific section of Edinburgh's population and gave these groups a voice within the Council.
  - Without a champion to raise awareness across the Council, specific issues could get lost.
- 4.6 Five out of six respondents to the survey felt that serving as an elected member champion had been a worthwhile experience and that it was a separate and distinct role from that of a convener.
- 4.7 A key objective identified in the existing remit of a champion was to act as an ambassador, raising the profile of the area, and working and engaging with the community. The range of initiatives utilised to do this included events, tv and press coverage and promotion on social media.
- 4.8 The elected member champions all acknowledged the links they had established with a significant number of external organisations including public sector, voluntary, business, higher education and community groups. These networks provided a forum for councillors and external groups to work together to collectively influence change and share best practice.
- 4.9 Some champion roles have a clear focus on strategic or policy change such as the Homelessness and Gaelic Language roles. These are aided by a strong link with a Council group or committee. Other roles concentrated more on awareness building and discussions within the community. What is the appropriate focus for each champion should be driven by the champion themselves and how they feel the role should be taken forward.
- 4.10 Following on from this, in terms of how the role could be improved it was suggested that if there were outcomes and goals set it could then be determined if specific targets were being achieved. It was felt that clarity of purpose was required going forward to ensure effectiveness. This could be set by the appropriate executive committee and ensure there are strong links between the role of the committee and the relevant champion.

### Champion Roles

- 4.11 The feedback from previous champions has indicated that champion roles have provided some value for the Council, but in order to do so effectively going forward, it needs to be a focused, supported role with clear objectives and links within the Council. These roles can bring additional capacity and flexibility in approach and to highlight key policy areas of importance, but it is important that these roles are specific and distinct from the existing roles of elected members.
- 4.12 Moreover, consideration should also be given to the resource implications of the champion role, both on officer and elected member time. If the work of the champion could be undertaken by the relevant committee or is a role that all elected members promote as part of their duties then there may be no requirement for a champion in this area. As a result, each champion role as outlined under paragraph 4.1 has been considered to determine whether it is the most appropriate way to meet the Council's objectives in that area.

- 4.13 A list is provided in Appendix 2 of the officer recommendations for which roles should be continued into this Council term, based on the survey feedback and consideration of the existing remits of committee conveners. Six distinctive champion roles have been identified, streamlining the number down from the previous 14, and the Council are now invited to consider these champion roles.
- 4.14 Where there has been no feedback received on a champion role, either because the previous champion has not returned as an elected member, or because there has not been engagement with the survey, it has been considered whether the scope of the role is significant in relation to the remit of the correlating committee convener.
- 4.15 The Council are recommended to consider these champions roles, their remits, and how these should be taken forward into the new administration.

## **5. Next Steps**

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- 5.1 Elected members to make appointments to the champion roles following decision of the report. Consideration to be taken in how these roles should be taken forward with champions driving the objectives and outcomes.

## **6. Financial impact**

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- 6.1 There are no direct financial impacts as a result of this report.

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

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- 7.1 Stakeholder and community engagement is a key part of this role.

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

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- 8.1 [Appointments of members to Committees, Boards and Joint Boards – City of Edinburgh Council May 2017](#)
- 8.2 [Elected Member Champions – The City of Edinburgh Council – 28 September 2018](#)
- 8.3 [Elected Member Champion – Older People – The City of Edinburgh Council – 26 August 2021](#)
- 8.4 [City of Edinburgh Council – Minute of 10 December 2020](#)
- 8.5 [City of Edinburgh Council – Minute of 27 October 2022](#)

## **9. Appendices**

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- 9.1 Appendix 1 – List of Champions and Corresponding Committees
- 9.2 Appendix 2 – Recommendations of Continuing Champion Roles



**THE CITY OF EDINBURGH COUNCIL****CHAMPIONS**

Active Travel Champion	Councillor Child	Transport and Environment Committee
Built Environment and Sustainability Champion	Councillor Gordon	Policy and Sustainability Committee
Canal Champion	Councillor Key	Transport and Environment Committee
Carers Champion	Councillor Griffiths	Policy and Sustainability Committee
Child Poverty Champion	Councillor Day	Education, Children and Families Committee
Equalities Champion	Councillor Gordon	Policy and Sustainability Committee
Festivals Champions	Councillors Wilson and McNeese-Mechan	Culture and Communities Committee
Gaelic Champion	Councillor Macinnes	Education, Children and Families Committee
Homelessness Champion	Councillor Kate Campbell	Housing, Homelessness and Fair Work Committee
Older People	Councillor Fullerton	Policy and Sustainability Committee
Small Business Champion	Councillor Cameron	Housing, Homelessness and Fair Work Committee
Veterans Champion	Councillor Frank Ross	Policy and Sustainability Committee
Volunteering Ambassador	Councillor Frank Ross	Housing, Homelessness and Fair Work Committee
Young People's Champion	Councillor Bird	Education, Children and Families Committee

	<b>Champion Recommendation</b>	<b>Reasons</b>
	<b>Active Travel Champion</b> Recommendation: not continued	It is proposed that this role could be carried out by the Convener of the Transport and Environment Committee as the cycling network and active travel across the region is a fundamental part of their role.
	<b>Built Environment and Sustainability Champion</b> Recommendation: not continued	This post was held by a non-returning councillor. This role can be covered by having a Sustainability Champion position and is also part of the Planning Convener's role.
	<b>Canal Champion</b> Recommendation: not continued	Feedback indicated that this role could be carried out by the Convener of the Transport and Environment Committee and was not distinctive enough to be a separate role. It is also predominantly the responsibility of Scottish Canals.
1	<b>Carers Champion</b> Recommendation: continued	Achievements have been made in the previous administration such as helping to secure £250k funding for Carers Recovery following Covid, working with VOCAL to develop a process for carers to apply for small grant, promotion of activities and events.  Feedback indicated this role was important in raising awareness across the Council of carers' issues.
	<b>Child Poverty Champion</b> Recommendation: not continued	Feedback indicated that this role could be carried out by the Convener of the Education, Children and Families Committee.
	<b>Equalities Champion</b> Recommendation: not continued	It is proposed that this role could be carried out by the Convener of the Policy and Sustainability Committee to promote the outcomes of the Equalities Act and protected characteristics.

	<b>Festivals Champion</b> Recommendation: not continued	It is proposed that this role could be carried out by the Convener of the Culture and Communities Committee as a fundamental part of their role is to promote the Council's activities in relation to culture and the arts.
2	<b>Gaelic Language Champion</b> Recommendation: continued	Feedback indicated that it is important that Gaelic language is represented within the Council and that the Council reflects the needs and expectations of a specific section of Edinburgh's population.
	<b>Homelessness Champion</b> Recommendation: not continued	It is recommended that this is no longer required as the functions can be fulfilled by the Convener of Housing, Homelessness and Fair Work who also chairs the Homelessness Task Force.
3	<b>Older People Champion</b> Recommendation: continued	<p>The Champion role has been involved in discussions with Customer to ensure active progress on digital exclusion, promoted development of non-digital routes to awareness of social security awareness, facilitated discussions between Age Scotland and the Council.</p> <p>Feedback indicated this role was important in sharing Older People's issues with the Council and in leading networks and working towards solutions.</p>
4	<b>Small Business Champion</b> Recommendation: continued	The pandemic has had a significant impact on the city's small business and therefore it is recommended that there remains a champion to give voice to Edinburgh's small businesses and start-ups.
	<b>Sustainability Champion</b> Recommendation: not continued	It is proposed that this role could be carried out by the Convener of the Policy and Sustainability Committee as their role already entails working with the Sustainability Partnership to champion Edinburgh as a leading city on sustainability in terms of economic, environmental and social issues, in commitment with Edinburgh's 2030 Net Zero target.

	<p><b>Veterans' Champion</b></p> <p>Recommendation: not continued</p>	<p>It is proposed that this role could be carried out by the Lord Provost to act as the city's champion for veterans' support.</p>
5	<p><b>Volunteering Ambassador</b></p> <p>Recommendation: continued</p>	<p>This role would champion volunteering across the city to support people to make a real difference in their communities.</p>
6	<p><b>Young People Champion</b></p> <p>Recommendation: replace</p>	<p>This post was held by a non-returning councillor. Given the overlap with the convener, this work could be carried out by the Convener of the Education, Children and Families Committee and is not distinctive enough to be a separate role.</p> <p>It is proposed that this role is replaced by a <b>Corporate Parenting Champion</b> – they would be the champion for our children across the organisation not just within Education and Children's services and help the Council deliver the Promise and the relevant statutory duties in this area</p>

# The City of Edinburgh Council

10.00am, Thursday 22 June 2023

## Office of Lord Provost: Year 1 Annual Report 2022/23

Item number	
Executive/routine	Executive
Wards	All wards
Council Commitments	2, 6, 7, 9, 15, 18, 31, 46, 47, 51, 52

### 1. Recommendations

It is recommended that the Council:

- 1.1 welcomes this first annual report under the current administration;
- 1.2 notes the level of activity undertaken in 2022/23 and endorses the way forward as set out in paragraphs 5.1 to 5.9 of this report;
- 1.3 thanks the Depute Lord Provost, Bailies and Lord Provost Consort for their support and assistance to the Lord Provost; and
- 1.4 notes the Scheme of Delegated Authority for the Council’s Civic Hospitality Policy and agrees that the celebration of major anniversaries should normally be restricted to multiples of 25 years (but that exceptions can be made).

**Dr Deborah Smart**  
Executive Director of Corporate Services

Contact: Norma Cuthbertson, Executive Assistant to the Lord Provost/ Clerk to the Lieutenancy, Email: [norma.cuthbertson@edinburgh.gov.uk](mailto:norma.cuthbertson@edinburgh.gov.uk) | Tel: 0131 469 3816

Graeme McKechnie, Senior Corporate Policy and Strategy Officer, E-mail: [graeme.mckechnie@edinburgh.gov.uk](mailto:graeme.mckechnie@edinburgh.gov.uk) Tel: 0131 553 3861

## Office of Lord Provost: Year 1 Annual Report 2022/23

### 2. Executive Summary

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- 2.1 This annual report profiles the work and commitments of the Civic Leadership over the first year of the current administration.
- 2.2 The range of activity undertaken is both quantified and described in terms of thematic areas of operation.
- 2.3 Going forward, the report sets out priorities for future action in alignment with the Council's business plan.
- 2.4 Finally, the Council's Civic Hospitality Policy is revisited with one minor amendment concerning the celebration of major anniversaries.

### 3. Background

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- 3.1 An annual report from the Office of Lord Provost has been submitted to the Council each year since 2017. The purpose is to advise members on the product and undertakings of the civic office and to set out priorities for the future.
- 3.2 The current Lord Provost was elected unanimously as Convener of the Council on 19 May 2022 and this report marks the end of the first year in office.
- 3.3 The civic team of representatives which supports this body of work extends to the Depute Lord Provost, also appointed on 19 May 2022 as Depute Convener, and Bailies nominated subsequently by each of the political groups.
- 3.4 The ex officio role of Lord Lieutenant is supported by Deputy Lieutenants (DLs) who are appointed outwith the body of the Council membership, at the discretion of successive Lord Provosts.
- 3.5 This work is outlined in the main report below which covers the roles of both the Lord Provostship and the Lieutenancy, although these positions overlap to some extent and much of the interface with the Royal Household is civic in nature.

## 4. Main report

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- 4.1 A summary of civic activity in 2022/23 is set out in appendix one. The key statistic is that 632 engagements have taken place comprising 334 civic events and 298 routine business meetings. Highlights are reported under key themes for 2022/23.
- 4.2 Core work, such as Church Services, Citizenship Ceremonies and engagement with the Armed Forces, has continued at the same time.

### **Key Themes in 2022/23**

#### Support for Ukraine

- 4.3 The Lord Provost has promoted the Ukrainian cause and supported the city's actions in providing shelter and sustenance for refugees. A 'Scotland for Ukraine' charity evening on 17 June 2022, hosted by the Lord Provost, was the first of several special events to take place. A significant amount of funding was raised.
- 4.4 On 6 August 2022 the Ukrainian Freedom Orchestra delivered an historic performance at the 75th Edinburgh International Festival (EIF). Beforehand, the Lord Provost spoke of the city's twinning links with Kiev and the 'Freedom of the City' awards to the Mayor and President. The Ukraine Ministry of Culture was also thanked for allowing musicians to participate at this time.
- 4.5 The Lieutenancy was successful with a bid for trees from the 'Queen's Green Canopy' (to tackle climate change) one of which was dedicated to the Ukrainian community in Edinburgh. A rowan tree was planted at the Holodomor Stone on Calton Hill on 20 December 2022. This was in recognition of the immense help given to refugees as well as to those remaining in and defending their country.
- 4.6 The newly appointed Duke and Duchess of Edinburgh held their first engagement, a reception with Ukrainian refugees and support staff from the Ukrainian Project Oversight Group, at the City Chambers on 10 March 2023. This event marked the first anniversary of the war in Ukraine. Council officers engaged with the crisis accompanied the Royal visitors as they heard directly from the people affected.
- 4.7 In a further show of solidarity with Ukraine, Eurovision 2023 was screened live at the City Chambers on Saturday 13 May. Hosted by the Council Leader, guests were invited for the evening through the Association of Ukrainians in Great Britain and Volunteer Edinburgh. This was a celebration of unity in the face of adversity.

#### Royal Milestones

- 4.8 In an exceptional year, celebrations for the Platinum Jubilee took place in June 2022. These events involved the Lord Provost in the lighting of the Jubilee Beacon from Edinburgh Castle and hosting the Big Jubilee Lunch and Concert at the Ross Bandstand. Grants up to £500 for street parties were made available from a reserve in the Council's Civic Hospitality budget. Total spend amounted to £5,900.
- 4.9 The Queen's final "Royal Week" was marked by the 'Ceremony of the Keys' at Holyrood Palace on 27 June and the Garden Party on 29 June. The city was then notified of Her Majesty's sad passing on 8 September, triggering Operation Unicorn.

- 4.10 The Lord Provost/Lord Lieutenant's role included the civic marking of the cortege on the Royal Mile, the welcoming of The King and Queen Consort to Edinburgh and attending as the coffin departed for London. An intense media presence enabled the Lord Provost to speak in several settings and worldwide on behalf of the city.
- 4.11 On 9 March 2023 the Lord Provost led a delegation to deliver a Loyal Address to The King. This comprised representatives from the Edinburgh Interfaith Association, the Association of Ukrainians in Great Britain, Volunteer Edinburgh, the Edinburgh Voluntary Organisations Council and the Rector of Edinburgh University.
- 4.12 In the culmination of these unique and historic events, the Lord Lieutenant was invited to attend the Coronation at Westminster Abbey on 6 May 2023.

#### Colonialism and Slavery Review

- 4.13 The Edinburgh Slavery and Colonialism Legacy Review Group has been vital to the response on the issues raised. At Council on 27 October 2022 the Lord Provost made a public apology for the city's past role in sustaining slavery and colonialism.
- 4.14 It was explained that Edinburgh was aiming to fill the gap in knowledge and understanding about the city's past. The statement concluded "So as Civic Leader of the city and Convener of the Council, I apologise to Edinburgh's sons and daughters of those who suffered profound physical and mental abuse from colonialism and slavery".
- 4.15 Sir Geoff Palmer OBE, Professor Emeritus in the School of Life Sciences at Heriot-Watt University, and his team were thanked sincerely for producing a world leading piece of work that would help shape future policy and engagement in the city.
- 4.16 On 14 November 2022, the Lord Provost presented Sir Geoff with the Edinburgh Award 2022. This was in honour of his outstanding contributions to academia, and his indefatigable defence of human rights in Edinburgh and beyond. Sir Geoff's handprints have been embedded in the pavement outside the City Chambers along with those of other great contributors to the civic life of the city.

#### Tackling Poverty and Inequality: The OneCity Trust

- 4.17 The OneCity Trust was established in 2003 following the Lord Provost's Commission on Social Exclusion. A key recommendation was to form an "inclusion trust" that would generate funds to tackle poverty and inequality across the city.
- 4.18 The Lord Provost's stewardship of the One City Trust over the past year has been instrumental in achieving these aims. Measures to address evident need have been taken through investment in community projects, via established grant programmes:
- Lord Provost's Rapid Action Fund – small grants of up to £2,000
  - Main Grant Funding Programme – grants of £5,000 to £10,000
- 4.19 In 2022/23 the Trust has awarded grants totalling £101,413 to 24 organisations. Further information is contained in appendix two to this report.



## 5. Next Steps

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### Future Priorities

- 5.1 In the next phase of this Lord Provostship, certain priorities have been identified in a clear linkage with the Council's business plan. The ongoing investment in communities by the **OneCity Trust** is a clear contribution to the strategic goal of ending poverty in Edinburgh.
- 5.2 The Trust will also host a 20<sup>th</sup> anniversary celebration in the City Chambers on 25 August 2023 to showcase the work done and results achieved since 2003.
- 5.3 The **2050 Edinburgh City Vision** is already incorporated into the [Business Plan Our Future Council, Our Future City](#) 2023 to 2027. Agreed in 2019, the vision is that of a pioneering, welcoming, thriving and fair city. Major organisations across the Capital have signed the Charter, with a commitment to keeping the principles at the heart of all their activity and future planning.
- 5.4 In taking the work forward, an event is being hosted on 5 June 2023 at Edinburgh College, Granton Campus when some 300 stakeholders and local school children will help to determine the next steps. Some 50% of the audience will be from schools in Edinburgh College's Campus catchment area. Pupils from Granton and St David's Primary Schools have also contributed to the production of a video to be screened at the event.
- 5.5 Young people are very much the beating heart of the strategy, helping to deliver a future and a city where they choose to live. Further events to engage with citizens and young people will be planned for other areas of the city. Another recommendation from the original consultation is to form a Young People's Assembly, chaired by the Lord Provost. Arrangements for this will be put in place with dates for these events to be determined by the Steering Group.
- 5.6 On creating good places to live and work, there is also to be a clearer emphasis on the "**volunteering cause**" in Edinburgh. This includes is a commitment to promoting the King's Awards for Voluntary Service together with Volunteer Edinburgh and the Edinburgh Voluntary Organisations Council.
- 5.7 This effort should pay dividend in 2024 when it is anticipated that the volume of submissions from Edinburgh will be much higher and result in far greater recognition and success for this sizeable and significant sector of the city. A group of Deputy Lieutenants (DLs) is taking this work forward under the banner of the Lieutenancy.
- 5.8 A fourth priority concerns the reactivation of '**Edinburgh 900**' which will also contribute to the creation of good places to live and work by marking and commemorating the 900<sup>th</sup> anniversary of the creation of the city under Royal Charter.
- 5.9 A cross party working group, chaired by the Lord Provost and including other contributors, will take this initiative forward. There is to be a strong emphasis on community engagement and involvement through a series of initiatives and events planned initially for 2024. A first meeting is to take place before summer 2023.

## Civic Hospitality Policy

- 5.10 Looking ahead, the continued provision of civic hospitality will be in accordance with the Council's Civic Hospitality Policy, contained at appendix three to this report. Key points to note are that the policy operates under a delegated scheme of authority and that the budget is held within the Lord Provost's Office budget.
- 5.11 There is no requirement to revise the policy at this stage other than to clarify at paragraph 4.6 that major anniversaries should normally be restricted to multiples of 25 years but that exceptions can be made.

## **6. Financial impact**

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- 6.1 The Office of the Lord Provost operates within the budget allocated, amounting to £518,142 in 2022/23 (with nearly 70% of spend relating solely to staffing costs).

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

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- 7.1 The Office of Lord Provost routinely undertakes engagement and co-production with a broad range of stakeholders, leading community representatives and business organisations.
- 7.2 Speeches and other inputs for events are developed in consultation with event owners as appropriate.
- 7.3 The Office of Lord Provost assists both the Council and city partners to deliver key equality and rights outcomes, and to meet the Equality Act 2010 public sector equality duties to (i) eliminate unlawful discrimination, harassment, and victimisation, (ii) advance equality of opportunity, and (iii) foster good relations.
- 7.4 The Office of Lord Provost contributes to the 2030 Climate Strategy and the related target of becoming a Net-Zero City by 2030, endeavouring to mitigate carbon impacts by utilising public transport where and when appropriate, and when any long-distance travelling is required.

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

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- 8.1 See [www.edinburghlordprovost.com](http://www.edinburghlordprovost.com)

## **9. Appendices**

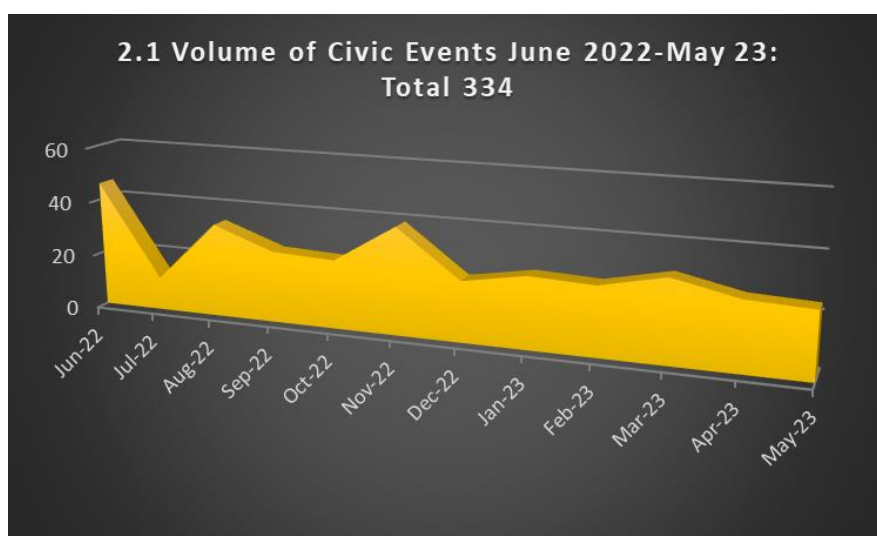
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- 9.1 Appendix One: Summary of Civic Activity June 2022 to May 2023
- 9.2 Appendix Two: OneCity Trust
- 9.3 Appendix Three: Civic Hospitality Policy

## Summary of Civic Activity June 2022 to May 2023

## Civic Activity

- 1 Across the year, a total of 632 engagements have taken place comprising 334 civic events and 298 routine business meetings.
- 2 The chart below at 2.1 demonstrates the volume of civic events taking place throughout the year and reflects the full return of the many cultural and community festivals that take place throughout the year.



- 3 Over the year, 281 civic events (excluding Lieutenancy duties) were conducted by the Lord Provost, Depute Lord Provost or a Bailie. Associated briefings and support material was provided by the team of staff in the Lord Provost's Office. Assistance from other staff groupings across the Council was obtained as necessary.
- 4 This collective effort enabled the delivery of some 201 speeches at a diverse range of functions such as conferences, cultural celebrations, the opening of new community facilities and veterans' events.
- 5 Civic speeches are largely bespoke to each event, requiring detailed and timeous engagement with event organisers and other external partners.

## Lieutenancy Activity 2022/23

- 6 The Lord Provost is ex officio Lord Lieutenant with specific roles to represent the Monarch in the city, support Members of the Royal Family when on official business in Edinburgh and to welcome other Heads of State when visiting the Capital.

- 7 In the period June 2022 to May 2023 there have been 53 Lieutenancy events at which the Lord Lieutenant or a Deputy Lieutenant has assisted Royal visitors.
- 8 Currently HRH The Princess Royal is the most regular visitor to Edinburgh. This is largely due to her Chancellorship of the University of Edinburgh, a broad range of Patronages with some Edinburgh-based charities and close associations with community organisations.
- 9 During the period of this report HRH The Princess Royal visited the city on 24 occasions, including:
- 5 visits in June 2022 to the University of Edinburgh, MND Scotland, Edinburgh Zoo, the Celtic Society, and HMS Albion;
  - 1 visit in August 2022 to Redford Barracks Bagpipe School;
  - 3 visits in September 2022 to the Celtic Society 200<sup>th</sup> Anniversary, the Northern Lighthouse Board, and to formally open the new St James Quarter;
  - 1 visit in November 2022, as Patron of the Scottish Rugby Union for the Scotland v Fiji match;
  - 6 visits in January 2023 for the Royal Caledonian Hunt, tree planting in Holyrood Park, the University of Edinburgh, the Royal Zoological Society of Scotland, the Chancellor's Awards, and the Poppy Factory;
  - 1 visit in February 2023 as Patron of the Scottish Rugby Union for the Scotland v Wales match; and
  - 7 visits in March 2023 for Scotland v Ireland and Scotland v Italy matches and for the University of Edinburgh, the Scotland Malawi Partnership, Merchants Hall and events at Holyrood Palace.
- 10 As part of wider Lieutenancy duties, during the period June-May 2022/23, the Lord Lieutenant and Deputy Lieutenants also:
- welcomed 27 senior diplomatic representatives and presented civic gifts from the citizens of Edinburgh;
  - presented a number of Honours from Her Late Majesty The Queen to individuals in receipt of the British Empire Medal; and
  - presented the Queen's Award for Enterprise to:
    - Edinburgh Remakery
    - Leonardo
    - Nairn's Oatcakes, and to
    - Bethany Christian Trust's volunteer-led Care Van, run in partnership with Edinburgh City Mission.

- 1 In 2022/23 the Trust has awarded grants totalling £101,413 to 24 organisations. This was against a background of 42 applications to the main grants programme for a total of more than £410,000, indicating a high level of demand that could not be met in full.
- 2 In 2022, 38% of the Trust's income was generated through Community Benefit partnership funding. This reflects the Council's contractual relationship with various organisations and the provision of a route for Community Legacy Funding through OneCity.
- 3 Travis Perkins is the main provider of community benefit financing, contributing £254,189 for 40 charitable organisations across the city since 2016.
- 4 In addition to the disbursement of grants, the Trust also gave a donation of £8,800 to the Disasters Emergency Committee's Ukraine Humanitarian Appeal.
- 5 Since 2018 the Trust has also formed Community Legacy Funding Projects attracting one off donations from City Fibre, Engie Regeneration, CCG (Scotland) Ltd, and pro bono IT support from CGI UK Ltd. In 2023, the Trust is working with other organisations to raise an additional £100,000 for grant distribution.
- 6 The Trust published the fourth anthology 'The People's City' in January 2022 and promoted the Edinburgh Poverty Commission 2020 report 'A Just Capital: Actions to end poverty'. This was referenced in the foreword of the new book.
- 7 The Lord Provost has since 2017 hosted an annual fundraising Burns Supper which raises an average of around £20,000. At this year's event on 27 January 2023 the sum of £27,500 was raised, increasing grant giving capacity to nearly £160,000.
- 8 2022 saw the Trust achieve recognition of its work across Edinburgh since 2016, winning the following awards:
  - SME UK ENTERPRISE Awards for Best Social Inclusion charity 2022
  - Corporate LiveWire Global Awards 2022/23 for social charity of the year.



### Policy statement

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- 1.1 This policy sets out how expenditure on civic hospitality should be managed and agreed.

### Scope

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- 2.1 This policy applies to all civic hospitality provided by the Council, whether on its own initiative or in response to an application. It does not apply to general hospitality which for example would include tea and coffee for meetings or training events.

### Definitions

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- 3.1 Civic Hospitality can be provided for a variety of reasons and is provided on behalf of the Council, a particular Council committee or the Lord Provost. Civic Hospitality should not be provided for political purposes. When deciding whether to approve civic hospitality, consideration should be given as to whether it is in line with the Council's strategic priorities. Additionally, civic hospitality should only take place for one or more of the following reasons:
- 3.1.1 To welcome distinguished visitors to the City;
  - 3.1.2 To mark special achievements and/or present awards;
  - 3.1.3 To celebrate the major anniversaries of organisations which have contributed to the general wellbeing of the City;
  - 3.1.4 Hospitality in connection with the civic services at St Giles Cathedral;
  - 3.1.5 Hospitality associated with Edinburgh's festivals;
  - 3.1.6 Hospitality in connection with prestigious conferences, events or festivals taking place within the City; or
  - 3.1.7 To promote the Council's strategic priorities or a committee's objectives or policies.

## Policy content

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- 4.1 Civic hospitality should, wherever practical, be held on Council premises. If accommodation on Council premises is not available or is insufficient then alternative locations may be agreed by the Chief Executive.
- 4.2 The Lord Provost, Deputy Convener or nominated Baillie will host the majority of civic receptions. The appropriate committee convener or his/her nominee will host civic receptions when the hospitality is being provided on behalf of a particular committee.
- 4.3 Where an applicant specifically requests use of a venue outwith Council premises for the convenience of their event, a civic hospitality grant may be awarded. The grant should be limited to the equivalent cost of holding the reception in Council premises.
- 4.4 Funding for civic hospitality will be met by the Lord Provost's civic hospitality budget unless it is for receptions on behalf of a particular committee which will be met by the relevant service area.
- 4.5 The Council will provide the venue for receptions associated with externally hosted conferences if appropriate and will negotiate with the applicant a suitable financial arrangement to meet the cost of food and drink provided.
- 4.6 The celebration of major anniversaries should normally be restricted to multiples of 25 years but exceptions can be made. It is also hoped that increasingly more lasting confirmation, such as scholarships, can be proposed which will replace receptions in some cases.
- 4.7 General hospitality providing for example tea and coffee for meetings and training events are not covered by this policy.

## Implementation

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- 5.1 If approved this policy will be published on the Council's website and made available to the appropriate officers to ensure any reporting is undertaken appropriately.

## **Roles and responsibilities**

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- 6.1 The Chief Executive has delegated authority to approve expenditure on civic hospitality up to £10,000, in consultation with the Lord Provost and/or the Depute Lord Provost or the appropriate convener if the hospitality is provided on behalf of a Council committee. Approval should be sought from the Finance and Resources Committee on individual items of expenditure which costs £10,000 and above. This approval should be brought in the form of a report to the Finance and Resources Committee.
- 6.2 Any amount spent on hospitality that is outwith the relevant allocated budget requires approval by the appropriate committee, which is the Finance and Resources Committee for the civic hospitality budget within the Lord Provost's area.
- 6.3 The Office of the Lord Provost will co-ordinate the organisation and administrative arrangements for all civic hospitality unless it is mutually agreed that another service area will do so.
- 6.4 Executive Directors and the Chief Executive are responsible for ensuring expenditure on civic hospitality is contained in their respective budgets.

## **Related documents**

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- 7.1 Scheme of Delegation to Officers.

## **Equalities impact**

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- 8.1 There are no equalities issues arising from this policy.

## **Sustainability impact**

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- 9.1 There are no sustainability issues arising from this policy.

## **Risk assessment**

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- 10.1 This policy was refreshed in October 2015 and was amended with job title changes in August 2019.



## Review

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11.1 In line with the Council's policy framework, this policy will be reviewed annually or more frequently if appropriate and submitted to the relevant Council committee.

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# The City of Edinburgh Council

10.00am, Thursday, 22 June 2023

## Impact of charging for visitor access to St Giles' Cathedral

Executive/routine	
Wards	All
Council Commitments	

### 1. Recommendations

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- 1.1 The City of Edinburgh Council is asked to note this update on the possible impacts of charging for non-worshippers to enter St Giles' Cathedral.

#### Paul Lawrence

Executive Director of Place

Contact: Karl Chapman, Head of Heritage and Cultural Venues

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Contact: Evelyn Kilmurry, Head of Libraries, Sport and Wellbeing

E-mail: [evelyn.kilmurry@edinburgh.gov.uk](mailto:evelyn.kilmurry@edinburgh.gov.uk)

Contact: Andy Williams, Head of Neighbourhood Environmental Services

E-mail: [andy.williams@edinburgh.gov.uk](mailto:andy.williams@edinburgh.gov.uk)

## Impact of charging for visitor access to St Giles' Cathedral

### 2. Executive Summary

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- 2.1 As requested by the Council on 16 March 2023, this report sets out the possible impacts of charges for non-worshipping visitors to St Giles' Cathedral.

### 3. Background

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- 3.1 On [16 March 2023](#), the Council considered a report on charging for visitor access to St Giles' Cathedral and agreed the following actions:
- 3.1.1 To authorise the Kirk Session, through The Church of Scotland General Trustees, to vary the title deed provisions to allow charging for non-worshipping entry to the St Giles' Cathedral;
  - 3.1.2 To agree to a Members Briefing on the potential charges for visitors; the implications for entry for worshippers and for Edinburgh residents who had the right to gain access under the Edinburgh Burgh Church's Scheme and how the definition of worshippers would be determined;
  - 3.1.3 To request that the Kirk of Session maintain free access for accompanying paid and unpaid carers to St Giles when varying the title deed provisions to allow charging for non-worshipping entry to the building;
  - 3.1.4 To request that this facility be fully advertised to the public ahead of their visit and understood by staff ahead of introducing the charge;
  - 3.1.5 To recognise that St Giles was a major city centre asset for the City of Edinburgh, and that the Council was a body "having or claiming to have rights or duties in connection with the said Cathedral Church of St Giles";
  - 3.1.6 To therefore, request a report by the next Full Council detailing the possible impact on charging for non-worshipping access on:
    - 3.1.6.1 Free and low-cost access to activities;
    - 3.1.6.2 Public access to warm and welcoming spaces; and
    - 3.1.6.3 Public access to toilet facilities; and

- 3.1.7 To ask officers to engage with the relevant body of the Kirk Session to discuss alternative models including selective charging and footfall monitoring.
- 3.2 Edinburgh High Kirk (St Giles' Cathedral), built in the 14th Century, is a key asset in the Old Town of Edinburgh. The Kirk Session has relied heavily on voluntary donations, mainly from visitors and tourists, to assist with the upkeep and maintenance of the building. However, the Covid-19 pandemic caused the reduction in voluntary donations in 2020 and 2021. Additionally, there has been a rise in listed ecclesiastical buildings insurance. The effect of this is that, in the absence of having the ability to levy a charge for entry into the building, the Kirk Session is increasingly unable to adequately maintain the fabric of the building.
- 3.3 The Kirk Session has sought the authorisation of the Council, as agreed on 16 March 202, to vary the title deed provisions to allow charging for non worshipping entry to the St Giles' Cathedral. The Kirk Session have sought to secure the necessary permissions in advance of beginning any detailed planning on the how this would be implemented. The Kirk Session have noted the requests of the Council from 16 March 2023 and have provided an update, which has been circulated as a Members Briefing (as requested).
- 3.4 The Briefing Note requested at paragraph 3.1.2 has recently been circulated to Elected Members.

## 4. Main report

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- 4.1 The remainder of this report relates to the actions agreed, as set out in paragraph 3.1.6 above, on the impact of charging for non-worshipping access.
- Free and low-cost access to activities**
- 4.2 There are a number of free and low-cost activities available to residents of and visitors to the city.
- 4.3 These activities include access to all parks and openspaces (including but not limited to the Royal Mile, Princes Street Gardens, Calton Hill, Holyrood Park, and the Royal Botanic Gardens).
- 4.4 On the Royal Mile free access is also provided to the Museum of Childhood, the Museum of Edinburgh, the Writers' Museum and People's Story. Within a short distance there is also free access to the City Art Centre, the National Museum of Scotland, the National Galleries on the Mound and its other locations, as well as Central Library and the National Library of Scotland. The majority of these have accessible toilets.
- 4.5 The Kirk Session of St Giles' Cathedral have intimated that, although they have not yet completed detailed planning on the likely charges, they have initially planned for a charge of around £6.00 per visitor. This is significantly less than the cost of many of the major city centre attractions and the charges levied by English Cathedrals.

### **Public access to warm and welcoming spaces**

- 4.6 The Council and partners have worked closely together to develop information for the public on warm and welcoming spaces across the city.
- 4.7 As well as highlighting the spaces available, this [website](#) also provides an interactive map of places and details of the activities which are taking place across the city each week.
- 4.8 While St Giles' Cathedral may provide a warm and welcoming place for residents and visitors in the city centre, it is not one of the [places of worship](#) which is actively participating in the warm and welcoming spaces activities around the city.

### **Public access to toilet facilities**

- 4.9 There are a number of public toilets open across the city, which are free to access for residents and visitors. Details of the facilities owned and maintained by the Council can be found on the Council [website](#).
- 4.10 This includes a number of toilets within a short distance of St Giles' Cathedral, including on Castle Hill, Castle Terrace and in Princes Street Gardens.
- 4.11 On [22 April 2021](#), the Council approved a strategy for the future provision of public conveniences in the city. The approved approach, which initially focuses on premier parks, hopes to improve access to public conveniences in premier parks and higher footfall locations and in town centres.
- 4.12 In addition, the Council approved investment in parks and greenspaces for financial year 2023/24. A report to Culture and Communities Committee on 11 May 2023 outlined plans to utilise some of this investment to improve accessibility, particularly for public toilets in the Meadows, Inverleith Park and Leith Links.

## **5. Next Steps**

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- 5.1 The Kirk Session of St Giles' Cathedral have committed to keeping the Chief Executive updated on progress on the implementation of plans to introduce charging for non-worshipping visitors to the Cathedral.
- 5.2 The Council will continue to support the warm and welcoming spaces initiative across the city and to invest in public conveniences (in line with the approved strategy for future provision of public conveniences).

## **6. Financial impact**

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- 6.1 There are no additional financial impacts arising from this report.

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

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- 7.1 In developing proposals for warm and welcoming spaces and for the provision of public conveniences, the Council has engaged with key stakeholders, local residents and partners.

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

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- 8.1 None.

## **9. Appendices**

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- 9.1 None.

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## The City of Edinburgh Council

10.00am, Thursday, 22 June 2023

### Visitor Levy (Scotland) Bill

Executive/routine	
Wards	All
Council Commitments	

#### 1. Recommendations

- 1.1 It is recommended that the Council:
  - 1.1.1 Notes that the Visitor Levy (Scotland) Bill was laid in the Scottish Parliament on 24 May 2023;
  - 1.1.2 Notes the Council's previously agreed position on a Visitor Levy (VL) for Edinburgh;
  - 1.1.3 Notes that the Bill sets out the current requirements for the Council to undertake in order to introduce a VL and that the earliest time a VL could be introduced could be from 2026; and
  - 1.1.4 Notes that a report will be submitted to Policy and Sustainability Committee in August 2023 setting out the proposed parameters of the Scheme and making recommendations on the Council's response to the Bill.

**Paul Lawrence**

Executive Director of Place

Gareth Dixon, Senior Policy and Insight Officer

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## Visitor Levy (Scotland) Bill

### 2. Executive Summary

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- 2.1 This report provides an update on the proposed Visitor Levy (Scotland) Bill and an outline of the Council's current policy position. The proposed parameters of the scheme will be developed further and reported to Policy and Sustainability Committee in August 2023.

### 3. Background

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- 3.1 The City of Edinburgh Council has been leading and pressing the Scottish Government for the power to introduce a Visitor Levy (VL) for many years. A VL represents a new measure enabling local fiscal empowerment to strengthen local democracy.
- 3.2 The concept of a VL has been discussed in Council on several occasions and its position to introduce such a levy, once legislation permits, was last reaffirmed by Policy and Sustainability Committee on [1 November 2022](#).
- 3.3 In June 2022 the Council agreed [Shared priorities](#) to "Support the introduction of Transient Visitor Levy (Tourist Tax)." This commitment was further reflected in the [Council Business Plan 2023 to 2027](#) to introduce as quickly as legislation will allow.
- 3.4 The underlying rationale for the VL was that tourists who temporarily pay to stay in the city and use the public space and services should contribute to the city's investment in, and management of, the consequences of a successful tourism economy. In this context the purpose of a VL would be to:
- 3.4.1 Ensure that Edinburgh's status as one of the world's great cities in terms of culture and heritage is sustainable;
  - 3.4.2 Enable future investment in culture, heritage, arts and sport activities which benefit the city and enhance tourism;
  - 3.4.3 Ensure sustainable investment in promotion of Edinburgh as one of the world's best cities to visit all year round;
  - 3.4.4 Ensure that tourists and residents equitably invest in public services that ensure visiting this city is an enjoyable and safe experience; and

- 3.4.5 Support the Council to manage the impact of a successful tourism industry.
- 3.5 On [4 May 2023](#), the Council agreed the following adjusted motion by Councillor Day:
- 3.5.1 To note that Manchester had become the first city in the UK to introduce a tourist tax, with visitors having to pay an extra £1 a night.
- 3.5.2 To recognise that the Manchester Visitor Levy was implemented through an Accommodation Business Improvement District Model.
- 3.5.3 To recognise that Manchester’s tourist tax would be levied by 73 accommodation providers who had formed an Accommodation Business Improvement District (BID) and did not require devolution of power to Manchester City Council or the Greater Manchester Combined Authority.
- 3.5.4 To regret that the Scottish Government had yet to fully devolve the power to Edinburgh in order for it to raise essential revenue to fund council services.
- 3.5.5 To note the strength of Edinburgh’s campaign for tourist levy powers had relied on the consistency and professional approach of Edinburgh’s plan.
- 3.5.6 To believe that such an approach would not be in line with the Council’s agreed position in relation to a Transient Visitor Levy, which was reaffirmed in the Council Leader’s letter to the Deputy First Minister of October 2022, which requested that “proposed legislation would give Council’s discretion over how the revenue is spent”.
- 3.5.7 Therefore to request a report in 2 cycles to Full Council to confirm the Council’s prospectus, which would then be used in further approaches to the Scottish Government.
- 3.5.8 To note that in the 2022-2023 Programme for Government, the Scottish Government committed to introduce legislation to give local authorities the power to apply a Local Visitor Levy.

## 4. Main report

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- 4.1 A prospectus on a VL is dependent on the content of the Visitor Levy (Scotland) Bill, which was only published at the end of May 2023. It is not possible to adequately outline and prepare the Council prospectus without engagement and taking due regard of the parameters mentioned in the Bill.

### **Visitor Levy (Scotland) Bill**

- 4.2 The [Visitor Levy \(Scotland\) Bill](#) was laid in the Scottish Parliament on the 24 May 2023. While the Bill is subject to change during its passage through the Scottish Parliament, it indicates the parameters within which the Council can plan, create and deliver a VL.

- 4.3 The VL will apply to paid accommodation types, which is defined broadly as: hotels, self-catering apartments, short term lets, guesthouses, B&Bs, Hostels, campsites, and inns with rooms for paid overnight stays.
- 4.4 There is no levy on wild camping (including campervan) in non-designated areas, or on accommodation in a vehicle or on board a vessel that is undertaking a journey involving one or more overnight stops.

#### **Charge type and use of net proceeds**

- 4.5 The Bill only allows one type of charge to apply, namely a Percentage (%) of the Chargeable Transaction (defined as the room or area provided to the visitor for the overnight accommodation).
- 4.6 The % must be the same for all types of accommodation but can be different for different local areas, or for certain purposes (e.g., conferences or Festival) or Seasons. There is no cap to the amount the Council could set in terms of % of room cost.
- 4.7 Only the accommodation part of the room cost is chargeable, meaning reasonably attributable charges for meals, drinks, parking, entertainment etc. as well as costs attributable to booking services are deducted prior to levy calculations.
- 4.8 In the Bill, it is defined that the use of the net proceeds must relate to developing, supporting or sustaining facilities and services which are substantially for, or used by, persons visiting the local authority's area for leisure purposes. As explained by way of example, the objectives of a particular scheme may include the building of a visitor centre and improvement of transport links to an area popular with visitors to the area.
- 4.9 The Bill includes provisions that, in using the net proceeds, the Council needs to consult on how this is spent and give regard to any local Tourism Strategy, if any.

#### **Reporting and Review obligations**

- 4.10 Councils need to produce annual reports on the proceeds collected, how they have been used and the extent to which the objectives of the VL have been met. There is also an ask on Councils to publicly review the VL every three years.

#### **Collection of Levy**

- 4.11 The duty to pay the levy falls on the accommodation provider, but they may in turn collect it from the visitor.
- 4.12 The collection period from accommodation providers will be quarterly by default or by a period set by the local authority.
- 4.13 Collection of the levy charge can only start after a period of 18 months from the local authority announcing a decision to introduce a VL scheme.
- 4.14 To aid enforcement, the Bill allows the Council to ask for additional information to help with assessment. This could include number of rooms used per period, and nights stayed etc.

## **Exemptions**

- 4.15 Although not featured in the Bill and will instead be mentioned in future regulations prepared by Scottish Ministers after the Bill is agreed, there could be national exemptions, where a charge cannot be levied. The Explanatory Notes of the Bill suggest that this could include where a person purchases overnight accommodation for the purpose of accessing hospital treatment in the area in which the scheme operates.
- 4.16 Councils will be able to set further local exemptions as part of the Scheme.

## **Policy Position on the Visitor Levy**

- 4.17 In 2019, the Council agreed a policy position that a VL in Edinburgh would charge £2 per room per night, and that this would apply to all hotels, self-catering apartments, short-term lets, B&Bs / Guesthouses and hostels located in the City of Edinburgh Council boundary. Such a scheme would raise £14.6 million per year.
- 4.18 The Council also stated to the Government, during the National Conversation on a Transient Visitor Levy in 2019, that the revenue raised by any new levy would be re-invested into managing, supporting and increasing tourism in the city, as well as targeted at infrastructure and public service improvements that improve the visitor experience of Edinburgh and increase its attractiveness as a destination.

## **5. Next Steps**

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- 5.1 Officers will consider how the Bill impacts this position in more detail and will outline the proposal parameters of the scheme at Policy and Sustainability Committee on 22 August 2023. This will be guided by the current content of the Bill, the strategic priorities from the Edinburgh Tourism 2030 strategy and the objectives of the VL.

## **6. Financial impact**

---

- 6.1 All recommendations included in this report can be carried out within existing agreed workplans and budgets.
- 6.2 The revenue raised from a VL would create additional investment and deliver projects that support the city.

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

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- 7.1 The expected stakeholder and community impacts will be informed by further consideration and updates on new sector data including previous results from engagement and consultation activity.

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

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- 8.1 Edinburgh Transient Visitor Levy Consultation 2018, The City of Edinburgh Council, [7 February 2019](#)
- 8.2 Edinburgh Transient Visitor Levy – Reports, The City of Edinburgh Council, [31 May 2018](#)

## **9. Appendices**

---

- 9.1 None.

# The City of Edinburgh Council

10am, Thursday, 22 June 2023

## Family Swim Sessions in Braidburn Pool

Item number  
Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

---

- 1.1 Council are asked to note the update on special needs swimming lessons at Braidburn Pool, following the emergency motion by the Administration on the 4 May at full council asking;

*To agree for a report in one cycle to identify suitable funding sources to allow these sessions to continue beyond September 2023 and requests officers investigate actions, including additional funding, to secure the immediate resumption of Additional Support Needs swimming sessions at Braidburn.*

**Amanda Hatton**

Executive Director of Children, Education and Justice Services

E-mail: [amanda.hatton@edinburgh.gov.uk](mailto:amanda.hatton@edinburgh.gov.uk)

## Family Swim Sessions in Braidburn Pool

### 2. Executive Summary

---

- 2.1 This report sets out the current position with extra-curricular swimming lessons for learners with Additional Support Needs, and their families, in response to the Emergency motion by the Administration at full council on the 4 May 2023.

### 3. Background

---

- 3.1 Learners with Additional Support needs have hydrotherapy or swimming lessons in their hydrotherapy pools in school during the school day. This is reliant on qualified staff, including physiotherapists, being in post. At Braidburn School the pool, which was not timetabled on Fridays, was made available some years ago for families to join in. Uptake was low due to the time of day.

Family Swim sessions then took place on a Saturday morning. Disability services funded the Braidburn Family Swim Sessions using the Holiday Hub budget, however as the provision is term-time, it does not qualify for further funding from this budget.

### 4. Main report

---

- 4.1 The arrangement to fund this has been extended by the Council until September 2023. Edinburgh Leisure (EL) advised that they would look at how else this could be continued after September e.g. alternative funding sources, the introduction of charges for the sessions.
- 4.2 The sessions stopped at Braidburn in November 2022 due to health and safety concerns and re-located (initially on a temporary basis) to Gracemount Leisure Centre. The decision was made to retain the sessions at Gracemount in response to the health and safety issues. The change in venue, whilst disruptive, was actioned in response to the staffing challenges EL were experiencing and the availability of funds (from the Council) for the sessions and to safeguard the provision of the ASN family swim sessions. Information on the rationale for the decision is detailed below:



- 4.2.1 Securing the appropriately qualified and experienced staff to deliver the sessions has been challenging (like many other organisations and business sectors) EL are experiencing staffing challenges and the hours at Braidburn were proving particularly challenge to staff and it was especially problematic securing the staff to carry out the required training with these staff members.
- 4.2.2 EL have identified the need for further staffing and supervisory support for these sessions to operate safely. There is no additional funding available to cover this. EL did not explore the option of introducing charges to cover these additional costs as the over-riding issue relates to staffing / resourcing.
- 4.2.3 Delivering the ASN family swim session within an Edinburgh Leisure venue ensures the appropriate staffing and supervisory support is in place. The sessions at Gracemount offer exclusive use of the pool for the sessions with the staffing arrangements in place to service the venue's standard opening hours. The lifeguards supporting the ASN sessions at Gracemount receive the required regular and ongoing training as part of their working week.
- 4.3 EL were also mindful that the current funding from the City of Edinburgh Council is coming to an end in September 2023 with no future funding identified and wanted to make sure that the swim sessions are sustainable long term and take away uncertainty over whether they will run. EL felt that offering them at Gracemount was the best way to do that, notwithstanding the need to introduce a charge for the sessions.
- 4.4 EL is aware of the concerns that have been raised about the change of venue:
  - 4.4.1 The pool at Gracemount is not a hydrotherapy pool and whilst the pool temperature is raised to 30 degrees for the sessions acknowledge that this will not be sufficient for all the children to enjoy their swim session.
  - 4.4.2 EL have considered the importance of a 'quiet' environment for the children - families attending the session have sole use of the pool area and it is at a time when the venue is much quieter compared to other 'out of school' hours.
- 4.5 The Council are looking at a number of external funding streams, however even if funding is secured still might not be possible to continue at Braidburn due to the health and safety issues EL have identified.

## **5. Next Steps**

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- 5.1 Council Officers will continue to work with Edinburgh Leisure together on how to support access to specialist family swim sessions.

## **6. Financial impact**

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6.1 The cost of funding this for a year is in the region of £17,000, which is inclusive of the estimated £5000 to comply with H&S requirements; The Council to date have not received any request for an uplift due to H&S issues.

The funding was for a pilot and currently no continuation of funding. If we identify funding the availability of suitably qualified staff could still be a problem.

6.2 There should be no financial impact if a third sector funder is sourced.

6.3 If the above is not possible we would need to disinvest in another service to provide this.

6.4 We could scope the move to charging for this service.

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

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7.1 Engagement with Edinburgh Leisure.

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

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8.1 n/a

## **9. Appendices**

---

9.1 n/a

# The City of Edinburgh Council

10am, Thursday, 22 June 2023

## Children's Houses

Item number  
Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

---

- 1.1 Council are asked to note details of our Children's Houses that provide care to young people within Edinburgh and to arrange Members' visits to them within this calendar year, 2023, following the approved motion by Councillor Key on Heathervale Care Home Service on 4 May 2023.

#### Amanda Hatton

Executive Director of Children, Education and Justice Services

Contact: Steve Harte, Head of Corporate Parenting

E-mail: [steve.harte@edinburgh.gov.uk](mailto:steve.harte@edinburgh.gov.uk)

## Children's Houses

### 2. Executive Summary

---

2.1 This report sets out details of our Children's Houses that provide care to our young people within Edinburgh following the motion approved at full Council on 4 May 2023 by Councillor Key on Heathervale Care Home Service:

"Council:

- 1) Notes the most recent inspection report by the Care Inspectorate of Heathervale Care Home Service.
- 2) Is very concerned with the quality grading of "Adequate"; this equates to an evaluation assessment of 3 on a scale of 1 to 6 and means that "strengths only just outweigh weaknesses".
- 3) Is further concerned that this Service is not showing signs of improvement and is not achieving the high-quality grades that were evident 5 years ago.
- 4) Calls for a report to Council in one cycle that details the improvement plan called for by the Care Inspectorate and that assures council that all actions called for in the report have been completed satisfactorily.
- 5) Is very disappointed that Councillors, in their role as Corporate Parents, only became aware of the details of this report through press media coverage rather than through a Member's Brief or other appropriate channel.
- 6) Calls for a comprehensive report within 2 cycles on all accommodation services that provide care to our young people within Edinburgh and to arrange Members' visits to them within this calendar year, 2023.

2.2 It is acknowledged and regrettable that Councillors were not informed timeously of the Heathervale Inspection Report. The Care Inspectorate inspect all registered services which include our Children's Houses, previously known as care homes/children's homes. All reports are published on their website and going forward when an inspection has been undertaken in one of our Children's Houses, a summary report will be provided to the Education, Children and Families Committee.

### 3. Background

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- 3.1 The Council has eight Children's Houses across the city that provide care and accommodation to young people. There are also further provisions within the service which provide accommodation and Through Care and Aftercare support. We are not listing the location of the eight because they are children's houses and therefore, we will not put their addresses in a public report.
- 3.2 Members of the Education, Children and Families Committee visited Braid House (part of the Howdenhall complex) in March 2023.
- 3.3 When arranging any future visits, it is important that we are mindful of the young people's privacy as these are their homes, therefore visits need to be planned to suit the needs of the young people and their activities.
- 3.4 For member visits it is not appropriate for large numbers of people to visit children's houses together and nor should members approach houses individually to visit because we need to respect that these houses are where our children live, and they have a right to privacy and to a family life. A suggestion we have is that members can be linked to the nearest house to their ward and therefore we can develop local links. We would wish to work with young people to ensure that they are happy with this.

### 4. Main report

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- 4.1 There are eight Children's Houses located across the city which provide accommodation to young people who are looked after by the Council in our role as corporate parents. There are also through care and aftercare accommodation within our ESS estate, which includes self-contained flats for some of our over sixteens.
- 4.2 Each of the eight houses are different in terms of size and age of the property. Some older properties can provide accommodation for seven or eight young people, although most are for six. The Care Inspectorate recommends in their [Design Guide](#) that premises should resemble a family home and young people have indicated that they prefer a maximum of four beds. This also aligns to the values of The Promise and the service are looking at whether this is achievable within the current structure. One factor that impacts Children's Houses significantly is emergency receptions into care, where children are placed on an emergency basis into a Children's House which has availability. This is not helpful to the children living in the house and does not always meet the needs of the children placed in an emergency. We have identified this as an area we require to address, and are reconfiguring our secure service, Braid House, to become a multi-functional reception centre. This will allow children to be admitted in an emergency and where key services will support children and their families to be returned home with a package of ongoing support or to an alternative suitable placement with appropriate transitioning if this is required.

- 4.3 Staff within the Children’s Houses provide ongoing support to all the young people living there, using a trauma informed practice approach which focuses on developing the skills for young people to move on to either living back with family or independently when the time is right. They will also support the young people when they have moved on, with the level of support being individually assessed for each young person. Houses also engage young people in activities which look to build on their self-esteem and support a pro social approach with the young people. Holidays, outings, and short breaks are arranged, and staff accompany the young people on these trips. Staff also focus on support for young people to access education, whether this is in school, college or an alternative curriculum in partnership with schools, colleges, and Skills Development Scotland
- 4.4 In addition to providing group living, we also provide step-down/supported living accommodation, where young people have their own accommodation with staff support onsite. Through Care After Care services work with care leavers aged 16-25 inclusive to transition into early adulthood, providing support and assistance including help with applying for accommodation, education/training and employment, finance, and relationships.
- 4.5 Young people in our Children’s Houses are also supported by [whocares?Scotland](#) who have been prioritising one-to-one advocacy for young people and provide reports on their involvement and activities. They visit both ESS and our residential houses regularly to meet with young people and have commented on the positive change in culture they have observed. They have stated that our young people are being listened to and taken seriously and their advocacy workers are warmly welcomed into each establishment.
- 4.5.1 *A quote from a Who Cares? March 2023 Report noted “we continue to receive a large proportion of referrals through residential staff in the houses. Regular attendance at residents meetings and general visits have meant that strong links have been built between the residential houses and our APW who works closely with them. Promise implementation meetings have also been co-facilitated with residential staff so as to promote advocacy and the views of the young people”*
- 4.5 There is ongoing work across the estate to improve the physical environment, including outdoor space and garden areas and our young people are involved in decisions around decoration within communal areas and their bedrooms.
- 4.6 To minimise the disruption to young people’s privacy, whilst accommodating members visiting, it is proposed that councillors visit premises within or close to their wards, as noted previously, our Children’s Houses are situated across the city.

## **5. Next Steps**

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- 5.1 A proposed timetable of visits will be created and shared with members. It should be noted that these are subject to change as the priority is the young people and their plans.

## **6. Financial impact**

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- 6.1 Any financial impact is contained within existing budgets.

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

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- 7.1 Our staff speak to the young people about any planned upgrades or changes to their houses and how they would like to be involved in design decisions. The Care Inspectorate engage with young people during inspections and visits and also send questionnaires.
- 7.2 House meetings are held regularly, and they include discussions about activities, planned trips and holidays, young people would like to suggest/ take part in and also issues within the building they want to bring to the attention of staff. Some houses involve the young people in minor decoration projects if they want to contribute and take part. Our young people are also encouraged to comment on proposed colour schemes and changes to soft furnishings in the common areas within the houses.

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

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- 8.1 All Care Inspectorate Reports are published on their website and can be viewed here: <https://www.careinspectorate.com/index.php/inspection-reports>

## **9. Appendices**

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- 9.1 n/a

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# The City of Edinburgh Council

10.00am, Thursday, 22 June 2023

## Unaudited Annual Accounts 2022/23

<b>Executive/routine Wards Council Commitments</b>	<b>Executive All Not applicable</b>
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### 1. Recommendations

1.1 Members of Council are asked:

- 1.1.1 to note that the unaudited annual accounts for 2022/23 will be submitted to the external auditor by the statutory date;
- 1.1.2 to note that the provisional outturn position shows an overall underspend of £13.748m and that this sum has been set aside in reserves at this time given wider pressures and risks, including those within the Edinburgh Integration Joint Board, and pending the outcome of the audit process;
- 1.1.3 to note that a more detailed revenue and capital outturn analysis will be reported to the Finance and Resources Committee in September 2023; and
- 1.1.4 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 September 2023, for approval.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Hugh Dunn, Service Director: Finance and Procurement  
Finance and Procurement Division, Corporate Services Directorate  
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## Unaudited Annual Accounts 2022/23

### 2. Executive Summary

---

- 2.1 The report presents to members the Council's 2022/23 Unaudited Annual Accounts prior to their submission to the external auditor. These statements detail the financial position and performance of the Council, together with that of the wider Council Group, for the year ending 31 March 2023. The report includes a summary of the draft outturn position and notes that more detailed reports will be brought to the Finance and Resources Committee at the conclusion of the audit process in September 2023.

### 3. Background

---

- 3.1 The report presents the unaudited annual accounts for the 2022/23 financial year for Council's consideration.
- 3.2 The Council's unaudited annual accounts, included in Appendix 1, have been completed in accordance with proper accounting practice and will be submitted to the external auditor, as required by the Local Authority Accounts (Scotland) Regulations 2014, following this meeting and thereby meet the 30 June deadline.
- 3.3 In contrast to the previous two financial years, no extension to the statutory timescales for completion of the audit process has been approved for 2022/23. The audited accounts will therefore be considered initially by the Governance, Risk and Best Value Committee and subsequently presented to the Finance and Resources Committee for approval in September 2023.
- 3.4 Members should note that the unaudited annual accounts must be published on the Council's website no later than 30 June 2023 and thereafter made available for public inspection for a period of 15 working days. This inspection period will run from Monday 3 July to Friday 21 July 2023 inclusive.

### 4. Main report

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- 4.1 The financial position of the Council and its wider Group is presented in the following statements:

- Movement in Reserves Statement (pages 20 and 21);
- Comprehensive Income and Expenditure Statement (CIES) for the Group (pages 22) and the Council (page 23); and,
- Balance Sheet (page 24)

4.2 The consolidated Group accounts include the results for the following subsidiaries, associates and joint ventures:

**Subsidiaries** – CEC Holdings Ltd (including EDI Group Ltd, Edinburgh International Conference Centre Ltd and Edinburgh International Conference Centre Hotels Ltd), Transport for Edinburgh Ltd, Edinburgh Living Mid-Market Rent LLP and The City of Edinburgh Council Charitable Trusts.

**Associates and Joint Ventures** – Edinburgh Leisure, Capital Theatres, Common Good, Lothian Valuation Joint Board and Edinburgh Integration Joint Board.

4.3 A number of smaller entities, listed on page 43 of the Unaudited Annual Accounts, have not been consolidated on the grounds of low materiality.

4.4 The annual remuneration report is included in the Unaudited Annual Accounts on pages 131 to 140. This covers the Council's Leader, Civic Head, Senior Councillors, Conveners of Joint Boards and senior employees within both the Council and its wider group.

#### **In-year COVID impacts**

4.5 While the financial effects of the pandemic continued the reducing trend apparent in 2021/22, these impacts remained significant in 2022/23. The net cost to the Council during the year, including exposure through its Arm's-Length External Organisations (ALEOs), was some £19m. The largest single contributors were the loss of the Lothian Buses dividend of £6m, a reduction in parking income, net of enforcement costs, of £3.9m, additional homelessness expenditure of £3.0m and further support for Edinburgh Leisure of £3.0m. The budget framework assumes a reducing drawdown of COVID-related reserves funding for each of the next four years, the adequacy of which will be kept under review.

#### **Provisional overall outturn position**

4.6 Taken as a whole, an in-year Council-wide underspend of £13.748m was achieved. Service areas overspent by some £7.9m (although when Homelessness Services pressures of £11.2m were excluded, the three main service areas all recorded slight underspends), alongside in-year energy cost pressures of £5.7m. These were offset by £9.8m of additional Council Tax income (representing a combination of the in-year collection rate and a reduction in required bad debt provision for previous years), £8.2m of other corporate savings, including application of the budget framework risk contingency, £5m of unbudgeted income from the Millerhill Recycling and Energy Recovery Centre off-take agreement and £4.3m of net savings in loans charges, interest and investment income.

- 4.7 This net underspend has been set aside in reserves. When account is taken of the small IFRS9-related element of the overall underspend that, while required for accounting purposes, cannot be used to support additional expenditure, £13.711m of the overall underspend therefore remains unallocated at this time. A reconciliation between the CIES for the Council and the General Fund outturn is also included as Appendix 2.
- 4.8 Additional detail of both the revenue and capital outturns will be presented to the Finance and Resources Committee in September 2023. As members will be aware, the Edinburgh Integration Joint Board (EIJB) is currently projecting a significant in-year deficit of at least £14m and, in this context, the September meeting will also consider the first in-year revenue monitoring report across the Council including detailing progress in addressing this funding shortfall. Recommendations on the allocation of any underspend will therefore be made at this time once the outcome of the audit process is also known.
- 4.9 Members should note that due to the timing of receipt of the IAS19 actuals-based year-end pension valuation report for both the Council and Transport for Edinburgh, these details will be incorporated in the audited financial statements. This will not affect the overall outturn.

### **Reserves**

- 4.10 As of 31 March 2023, the General Fund reserves had increased to £266.379m, an increase of £9.174m from the preceding year. This increase reflects a complex series of movements, the most material of which were the application of £48.9m of service-specific and general COVID-related funding, offset by the receipt of £33.4m of upfront Ukraine-related funding earmarked to meet future liabilities and the £13.7m in-year underspend noted above. Remaining net increases totalling £11m accounted for the remaining movement.
- 4.11 The unallocated General Fund stands at £25.831m as of 31 March 2023, a decrease of £3.150m relative to the balance the previous year, reflecting the effect of planned in-year drawdowns. The remaining balance of £240.548m is earmarked for specific purposes, these being:
- **Balances set aside for specific financial risks which are likely to arise in the medium-term future** totalling £202.954m. Examples include monies earmarked for staff release costs, dilapidations and other related contractual commitments and the insurance fund;
  - **Balances set aside from income received in advance, primarily from grant income** due to timing differences between the receipt of the grant income and the planned expenditure thereof, totalling £29.069m;
  - **Balances set aside to enable the Council to undertake investment in specific projects which will deliver savings in future years**, such as Spend to Save, totalling £4.502m; and

- **Balances held under the Devolved School Management scheme (DSM) and Pupil Equity Fund (PEF), totalling £4.023m.**

4.12 Further details of these earmarked balances are shown in Appendix 3.

## **5. Next Steps**

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5.1 The Unaudited Annual Accounts will be submitted to the external auditor by 30 June 2023, as required by the Local Authority Accounts (Scotland) Regulations 2014.

## **6. Financial impact**

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6.1 The report identifies a provisional underspend of £13.748m in the year to 31 March 2023. This sum has been set aside in reserves in view of wider service pressures and pending the outcome of the audit process.

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

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7.1 There are no impacts arising directly from this report.

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

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8.1 [Medium Term Financial Strategy and 2023/24 Financial Plan Update](#), Edinburgh Integration Joint Board, 13 June 2023

## **9. Appendices**

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9.1 Appendix 1 - Unaudited Annual Accounts 2022/23

9.2 Appendix 2 - Reconciliation of the Comprehensive Income and Expenditure Statement

9.3 Appendix 3 - Reserve balances, 31 March 2023

**2022/23**

# **UNAUDITED ANNUAL ACCOUNTS**



# The City of Edinburgh Council

## Annual Accounts

Year to 31 March 2023

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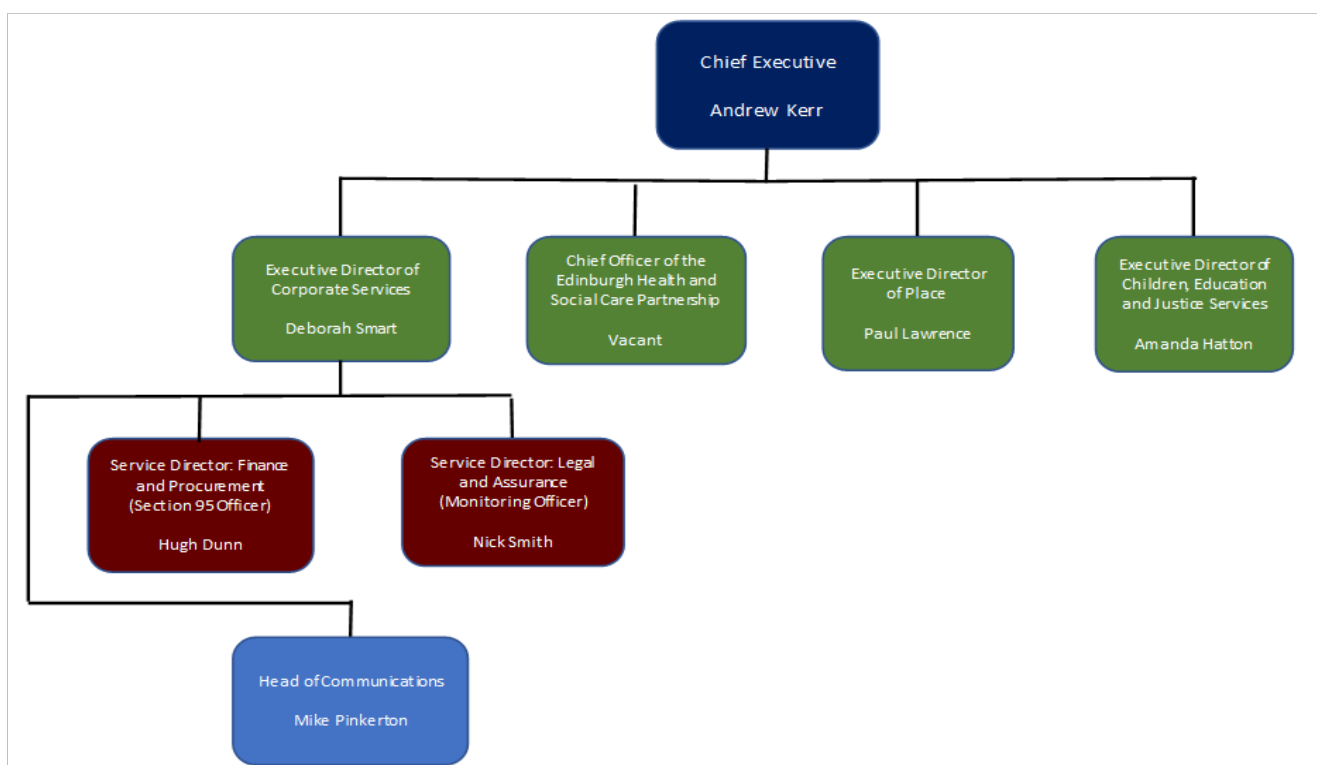
# MANAGEMENT COMMENTARY

## Introduction

The Unaudited Annual Accounts present the financial position and performance of the Council, together with the wider Council Group, for the year to 31 March 2023. They have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 using the Council's management structure as a reporting basis, the same as in the previous year.

The City of Edinburgh Council was constituted under the Local Government, etc. (Scotland) Act 1994 and became the unitary local authority to Scotland's capital city in April 1996. The Council brought together most of the services delivered by the previous regional and district councils, with its primary current frontline functions being the provision of education to school-age children within the city, social care services, economic development, a range of community-based services such as roads maintenance, street lighting and refuse collection and quality of life functions such as libraries, culture, recreation and parks. Services are delivered to some 534,000 citizens across the 102 square mile Council area. As of March 2023, the Council employed 15,109 FTE staff, compared to 15,085 FTE as of March 2022.

The structure of the Council continues to evolve but the Corporate Leadership Team (CLT) organisational chart and tables below indicate the position at the date the accounts were approved.



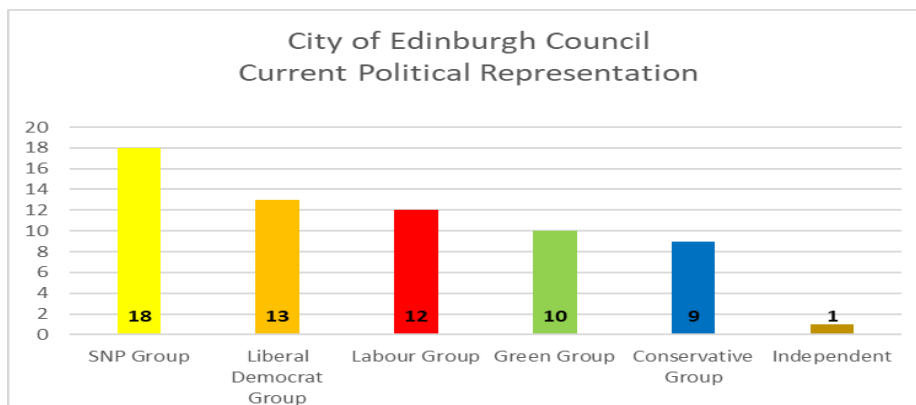
Corporate Services	Health and Social Care	Place
Customer and Digital Services	Edinburgh Integration Joint Board	Environment (inc. waste and parks)
Finance and Procurement	Older people's services	Transport (inc. parking)
Legal and Assurance	Learning and Physical disabilities	Roads, bridges and flood prevention
Human Resources	Mental Health	Housing and Regulatory Services
Strategy and Communications	Substance Misuse	Planning and building standards
	<b>Children, Education and Justice Services</b>	Culture, Museums and Galleries
	Schools and Lifelong Learning	Property and Facilities Management
	Children's social work	Libraries and Sports
	Community education	Homelessness services
	Early Years	
	Community Justice	

Further comprehensive detail of the services provided by the Council is included on its [website](#) and within the annual **Key Facts and Figures** publication.

## MANAGEMENT COMMENTARY

There was a Local Government Election on 5 May 2022 which resulted in a change in political representation for the Council, with a new minority Labour administration formed. Following a subsequent resignation, a local by-election was held on 9 March 2023.

The Council currently has **63 Councillors** representing 17 wards within the city.



The Full Council meets once a month and also delegates decisions to **committees** which meet regularly throughout the year.

Details of the senior councillors' remuneration and committee roles, for those in office during the financial year, are disclosed in the Remuneration Report from page 131 of these financial statements.

### The Council in 2022/23

The Council led Scotland in its humanitarian response to the crisis caused by the war in Ukraine, welcoming almost 10,000 people to safety and refuge through our Welcome Hub. Against a backdrop of rates of inflation not seen for over forty years, we have also supported people through the cost-of-living crisis with an £8m investment in additional support to help those families most in need.

We have done this at the same time as continuing our city's recovery from the COVID pandemic, making sure our ongoing public health measures are focused on keeping people safe and protected, and responding with outstanding professionalism to the sad passing of Her Majesty The Queen. Throughout the COVID-19 crisis, we proved too that by working together as a collective with our partners across the third sector, we can create a strong and positive culture in which we and our communities are empowered to shape the city we live and work in.

### Demographic Trends

Edinburgh continues to see significant population growth, with a 10.2% increase in the ten years to 2021, compared to a national rise of 3.4% over the same period, and further projected growth of 11.6% by 2043. The main driver of this growth continues to be net overseas migration. The number of residents aged 65 and over continues to increase and it is projected that by 2032 the number of pupils in our schools will increase by 3%. This growth will place further demands on a range of frontline services and as a result, the Council's budget framework continues to provide additional annual sums in respect of growing numbers of school pupils, at-risk children, older people and those with physical and/or learning disabilities.

### City of Edinburgh Council's Corporate Strategy and Vision

In 2023, a new **Business Plan** was approved, which sets out the Council's priorities from 2023 to 2027 and the actions that will be taken to achieve these priorities. The Business Plan sets out three main priorities that the Council will focus on in the coming years:

1. Create good places to live and work in Edinburgh;
2. Take all the local actions needed to end poverty in Edinburgh; and
3. Work to deliver a net zero city by 2030

These priorities connect the major strategies and Council policies agreed in recent years, through the shared goals and commitments of the Edinburgh Partnership as set out in the **Edinburgh Partnership Community Plan 2022-28**.

This plan stands as one part of a golden thread linking and guiding operations through to the shared goals and commitments of the Edinburgh Partnership and towards the long-term ambitions for Edinburgh to be a thriving, connected, inspired and fair city, as outlined in the **2050 Edinburgh City Vision**.

A new Medium-Term Financial Plan is being developed alongside the Business Plan to ensure that the actions committed to are affordable and deliverable.

The Business Plan also meets the Accounts Commission's Best Value Report recommendations on aligning the Council's strategic direction.

## MANAGEMENT COMMENTARY

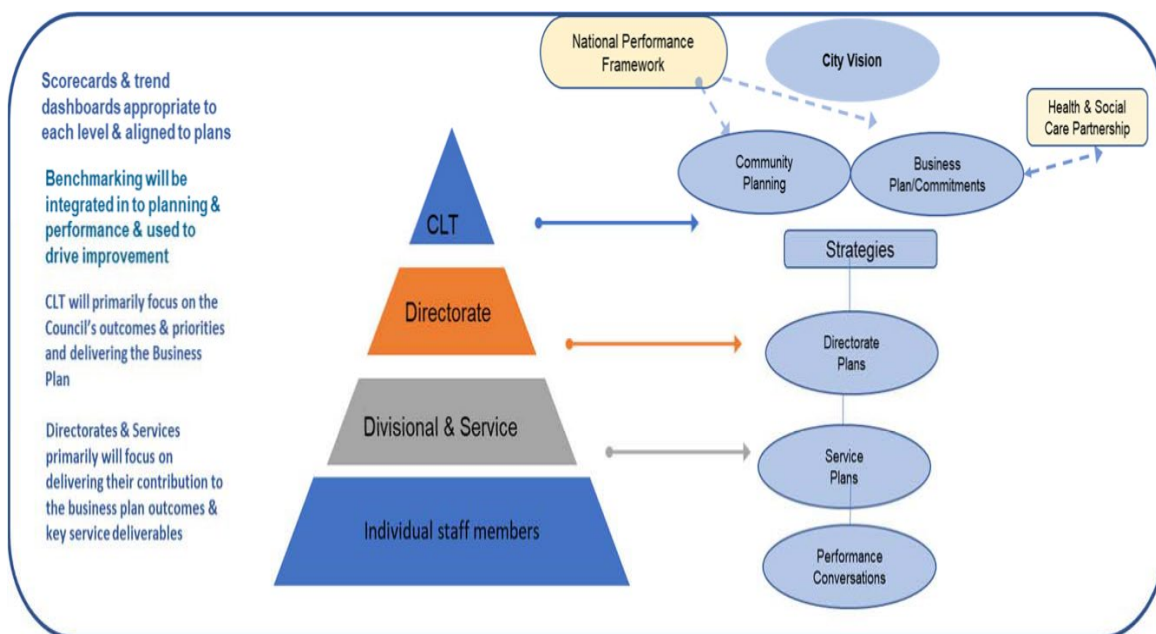
The actions identified in the Business Plan will ensure that:

- 1 Core services for people in need of care and support are improved;
- 2 People can access fair work and the support they need to prevent and stay out of poverty and homelessness;
- 3 Edinburgh is a cleaner, better maintained city that we can all be proud of;
- 4 People can access public services locally and digitally in ways that meet their needs and expectations and contribute to a greener net zero city;
- 5 People have decent, energy efficient, climate-proofed homes they can afford to live in;
- 6 Attainment, achievement and positive destinations are improved for all, with a particular focus on those in poverty;
- 7 People use decarbonised public transport and active travel as the first choice way to get round the city;
- 8 Edinburgh is a climate adapted city, with biodiverse green spaces, and cheaper, cleaner networks for energy use;
- 9 Edinburgh has a stronger, greener, fairer economy and remains a world leading cultural capital, and
- 10 We have the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost

The Business Plan forms the central part of the strategic Planning and Performance Framework and sits within the wider ecosystem of strategic planning for the Council as shown in the diagram below.

The framework has been designed to ensure that our priorities and outcomes are translated into clear actions and performance measures which are appropriately monitored, actioned and delivered. It is underpinned by the “Plan, Do, Check, Act/Review” continuous improvement model and delivered through a robust annual cycle.

The approach embeds a “golden thread” between the Business Plan, strategies, annual Directorate/ Divisional plans and colleague annual performance conversations, ensuring a clear understanding of our key deliverables across all our services.



### Risks and Uncertainty

The main enterprise risks facing the Council are as follows:

R1	Strategic Delivery	R8	Governance and Decision Making
R2	Financial and Budget Management	R9	Service Delivery
R3	Programme and Project Delivery	R10	Workforce
R4	Health and Safety (including Public Safety)	R11	Regulatory and Legislative Compliance
R5	Resilience	R12	Reputational Risk
R6	Supplier, Contractor and Partnership Management	R13	Fraud and Serious Organised Crime
R7	Technology and Information		

The Corporate Leadership Team’s (CLT) highest-prioritised risks as reported to the Governance, Risk and Best Value Committee (GRBV) on 2 May 2023 are outlined below, along with the key controls in place to mitigate them.

# MANAGEMENT COMMENTARY

## Risks and Uncertainty - continued

### Current Assessment of Enterprise Risks compared to Risk Appetite

		Quarter 4 2022	Risk Appetite			Quarter 4 2022	Risk Appetite
R1	Strategic Delivery			R8	Governance and Decision Making		
R2	Financial and Budget Management			R9	Service Delivery		
R3	Programme and Project Delivery			R10	Workforce		
R4	Health and Safety (including Public Safety)			R11	Regulatory and Legislative Compliance		
R5	Resilience			R12	Reputational Risk		
R6	Supplier, Contractor and Partnership Management			R13	Fraud and Serious Organised Crime		
R7	Technology and Information						

Critical	High	Moderate	Low
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Details of the mitigating actions that are in progress in respect of each of these risks, are included in **Appendix 3** of the risk report.

Several risks currently exceed the Council's agreed Risk Appetite levels. The most significant risks are currently Financial and Budget Management; Technology and Information; Service Delivery; and Workforce, as described below:

R2	Financial and Budget Management	Inability to perform financial planning; deliver an annual balanced budget; manage cash flows; and confirm ongoing adequacy of reserves
R7	Technology and Information	Potential failure of cyber defences; network security; application security; and physical security and operational arrangements
R9	Service Delivery	Inability to deliver quality services that meet citizen needs effectively and in line with statutory requirements
R10	Workforce	Insufficient resources to support delivery of quality services that meet citizen needs effectively and in line with statutory requirements

The Council's **Enterprise Risk Management Policy** is reviewed and approved annually by the Policy and Sustainability Committee.

Once approved by the Committee, the Policy is shared and communicated across the Council, with the refreshed version published on the policy register maintained on the Council's website. The most recent Risk Management Policy was approved on 21 March 2023.

The Council's **Risk Appetite Statement**, covering its attitude to service delivery, infrastructure, compliance and financial risks, was approved at the meeting of the Policy and Sustainability Committee on 30 November 2021.

#### Other Risks, Challenges and Uncertainties

On 17 May 2023, the Accounts Commission published its annual **Local Government in Scotland Overview** with the following key messages:

- Budget constraints and increasing cost pressures are putting councils' finances under severe strain. An increasing proportion of funding is ringfenced or directed for national policy initiatives. Increasingly difficult choices about spending priorities and service provision are having to be made.
- The pandemic has affected performance across all service areas. There are signs of growing backlogs and declining performance in some service areas.
- The scale of the challenges ahead means that radical change is needed. It is only by working more collaboratively that councils and their local partners, communities and the third sector will be able to provide sustainable local services and deliver a significant programme of national reform to tackle issues such as climate change, child poverty and inequalities.
- Leaders must think radically and make fundamental changes to how councils operate in future, building on the collaborative and innovative ways of working many demonstrated during the pandemic.
- Increasing workforce challenges, including a competitive labour market and high sickness absence levels, are putting councils under continued pressure.

A report considering any specific local implication of the national report will be considered by Members in August 2023.

## MANAGEMENT COMMENTARY

### Other Risks, Challenges and Uncertainties - continued

On 1 December 2020, in response to the Poverty Commission's final report, the City of Edinburgh Council became the first UK local authority to set a target date for ending poverty by agreeing the proposals set out in the **End Poverty in Edinburgh Delivery Plan 2020-30**.

The Edinburgh Partnership has also published a **paper** setting out how partners will collectively work towards the aim of ending poverty in the city by 2030.

The second **annual update report** on how Edinburgh is progressing in its aim details the actions taken by the Council and partners, in response to calls to action made by the Edinburgh Poverty Commission. The report covers the period from October 2021 to the end of September 2022 and includes the ongoing response to the Covid-19 pandemic and to the emerging cost of living crisis, both of which have been significant in informing current and future actions.

Ending poverty in Edinburgh is one of the Council's key priorities for 2023 to 2027 and this is firmly embedded in the new Business Plan.

### Performance Overview

The latest in-year performance update report was considered by the Policy and Sustainability Committee on 17 November 2022. This provides information to enable Elected Members to scrutinise performance in a structured way, following the approach set out in the Planning and Performance Framework (PPF) which was approved on 10 June 2021.

Edinburgh specific performance data has also been provided through a range of other channels, including the **Capital Residents Survey** which took place between 12 October and 2 December 2020. The survey was jointly funded with NHS Lothian and focused on resident experience of services during Covid-19 and areas of mutual interest to both organisations, such as alternative service delivery mechanisms. Since March 2020, when the UK first went into lockdown, 80% of Edinburgh residents said they were satisfied with the services provided by the Council.

### Council Performance and Best Value

The Council's 2022/23 Annual Performance Report will be considered by members in August 2023.

The Council's **2021/22 Annual Audit Report** concluded that the Council had appropriate arrangements in place for managing its financial position, with a surplus outturn position reported in 2021/22.

It was noted that "the Council continues to face significant financial pressures resulting from increased demand for services, inflation, legislative reform and increased citizen expectations, as well as the continuing financial impacts of the pandemic." It was also noted that "the impact of increasing costs to the Housing Revenue Account (HRA) as well as a reduction in income as a result of rent freezes means that the HRA business plan goes into considerable deficits over the next few years unless mitigating measures are implemented. The Council will need to make difficult decisions over the medium-term to ensure the financial sustainability of the HRA is maintained."

It was acknowledged that Covid-19 continued to present unprecedented challenges to the operation, financial management and governance of organisations, including public sector bodies.

The Council's **Best Value Assurance Report** (BVAR) was considered by the Accounts Commission on 12 November 2020. The Accounts Commission accepted the Controller of Audit's report and endorsed his recommendations. The final report was published by the Accounts Commission on 26 November 2020.

The BVAR for the City of Edinburgh Council focused on five key areas: the Council's vision and strategic direction; performance and outcomes including public performance reporting; effective use of resources; partnership working and community engagement; and continuous improvement.

Actions were agreed at the Edinburgh Partnership Board on 23 March 2021, in response to the partnership working and empowerment findings of the Council Best Value Assurance Audit.

An **update on progress** made to date, in response to the Best Value Assurance Audit Report recommendations was reported to Policy and Sustainability Committee on 21 March 2023. The update report was referred to Governance Risk and Best Value Committee for consideration on 2 May 2023.

## MANAGEMENT COMMENTARY

### Performance Overview - continued

#### Comparative Performance

Under Section (1) (1) (a) of the Local Government Act 1992, the Accounts Commission has a statutory power to define the performance and outcome information that councils must publish locally in the following financial year with a view to facilitating comparison over time within, and across, authorities, including their effectiveness in working with partners and communities. Councils also require to assess how they are performing against the duty of best value, including actions taken in response to audit recommendations for improvement.

#### Financial Performance

##### Revenue - General Fund

The Council's financial performance is presented in the Comprehensive Income and Expenditure Statement, which can be seen on page 22. This statement has been prepared as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23. To show the net position of the Council, it is necessary to adjust the Comprehensive Income and Expenditure Statement for statutory items that require to be taken into account in determining the position on the General Fund and Housing Revenue Account for the year. These are summarised in the Movement in Reserves Statement (page 20).

An Expenditure and Funding Analysis has been provided to reconcile adjustments between the Council's financial performance under the funding position and the surplus on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Expenditure and Funding Analysis can be found in Note 5 and the Expenditure and Income Analysed by Nature in Note 6.

The outturn position for the General Fund, excluding accounting practice adjustments, compared to budget is summarised below. This basis of presentation is the main one adopted for reporting purposes as it is consistent with both budget-setting and in-year monitoring and also best aligned to the Council's statutory responsibilities.

	<b>Revised Budget 2022/23 £000</b>	<b>Actual 2022/23 £000</b>	<b>(Under) / Over Spend £000</b>
<b>General Fund services</b>	<b>1,098,324</b>	<b>1,106,207</b>	<b>7,883</b>
<b>Non-service specific areas</b>			
Loans charges / interest on revenue balances	82,526	85,066	2,540
Other non-service specific costs	29,807	18,027	(11,780)
Council Tax Reduction Scheme*	28,800	25,993	(2,807)
Net Cost of Benefits	(127)	(117)	10
Dividend and other interest received	(1,341)	(8,211)	(6,870)
<b>Non-service specific areas total</b>	<b>139,665</b>	<b>120,758</b>	<b>(18,907)</b>
<b>Movements in Reserves</b>			
Net contribution to / (from) earmarked funds	(27,832)	(20,715)	7,117
Contribution to / (from) Capital Fund	(8,759)	(8,759)	0
<b>Movements in Reserves total</b>	<b>(36,591)</b>	<b>(29,474)</b>	<b>7,117</b>
<b>Sources of funding</b>			
General Revenue Grant	(627,905)	(627,905)	0
Distribution from Non-Domestic Rate pool	(249,861)	(249,861)	0
Council Tax **	(323,632)	(333,473)	(9,841)
<b>Sources of funding total</b>	<b>(1,201,398)</b>	<b>(1,211,239)</b>	<b>(9,841)</b>
<b>Transfer (to) / from earmarked reserves</b>	<b>0</b>	<b>(13,748)</b>	<b>(13,748)</b>

Fees and charges levied by the Council have been offset against the cost of providing services and are included within the actual cost of General Fund Services shown above.

\*uncommitted funds linked to the in-year underspend in respect of the Council Tax Reduction Scheme of £2.807m were transferred to an earmarked reserve.

\*\* gross Council Tax (excluding Council Tax Reduction Scheme)

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Revenue - General Fund - continued

On 24 February 2022, the Council set a **balanced budget for 2022/23** but with the delivery of approved savings and the prompt identification and management of underlying or emerging pressures key to maintaining financial stability in the year. In total, the approved budget was predicated on the delivery of some £18.3m of directorate-specific and corporate savings.

### Covid-19 Financial Impact and overall outcome

While the financial effects of the pandemic continued the reducing trend apparent in 2021/22, these impacts remained significant in 2022/23. The net cost to the Council during the year, including exposure through its Arm's-Length External Organisations (ALEOs), was some £19m. The largest single contributors were the loss of the Lothian Buses dividend of £6m, a reduction in parking income, net of enforcement costs, of £3.9m, additional homelessness expenditure of £3.0m and further support for Edinburgh Leisure of £3.0m. The budget framework assumes a reducing drawdown of COVID-related reserves funding for each of the next four years, the adequacy of which will be kept under review.

Taken as a whole, an in-year Council-wide underspend of £13.7m was achieved. Service areas overspent by some £7.9m (although when Homelessness services pressures of £11.2m were excluded, the three main service areas all recorded slight underspends) alongside in-year energy cost pressures of £5.7m. These were offset by £9.8m of additional Council Tax income (representing a combination of high in-year collection rates and a reduction in required bad debt provision for previous years), £8.2m of other corporate savings, including application of the budget framework risk contingency, £5m of unbudgeted income from the Millerhill Recycling and Energy Recovery Centre off-take agreement and £4.3m of net savings in loans charges, interest and investment income.

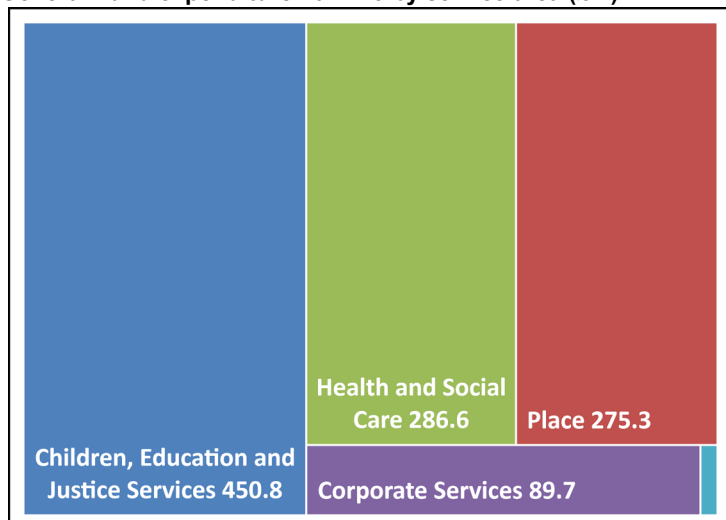
In overall terms, 98% of approved savings were delivered during the year. This marked a continuing improvement on the equivalent figures for 2021/22 (89%), 2020/21 (82%), 2019/20 (77%) and 2018/19 (60%).

### Principal Sources of Funding - General Fund

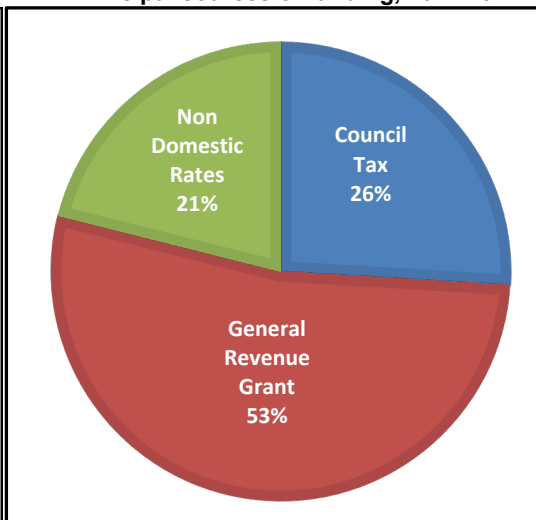
The principal sources of funding used by the Council during the year were:

	£000
Council Tax, net of Council Tax Reduction Scheme (CTRS) <i>(property-related tax from households)</i>	307,480
General Revenue Grant <i>(Government revenue grant funding based on city's relative needs assessment)</i>	627,905
Distribution from Non-Domestic Rates pool <i>(property-related tax primarily from businesses)</i>	249,861
Total	1,185,246

General Fund expenditure 2022/23 by service area (£m)\*



Principal sources of funding, 2022/23



\* - The turquoise-shaded box on the expenditure diagram represents the Council's requisition for the Lothian Valuation Joint Board of £3.8m.

## MANAGEMENT COMMENTARY

### Financial Performance - continued

#### Reserves

##### General Fund

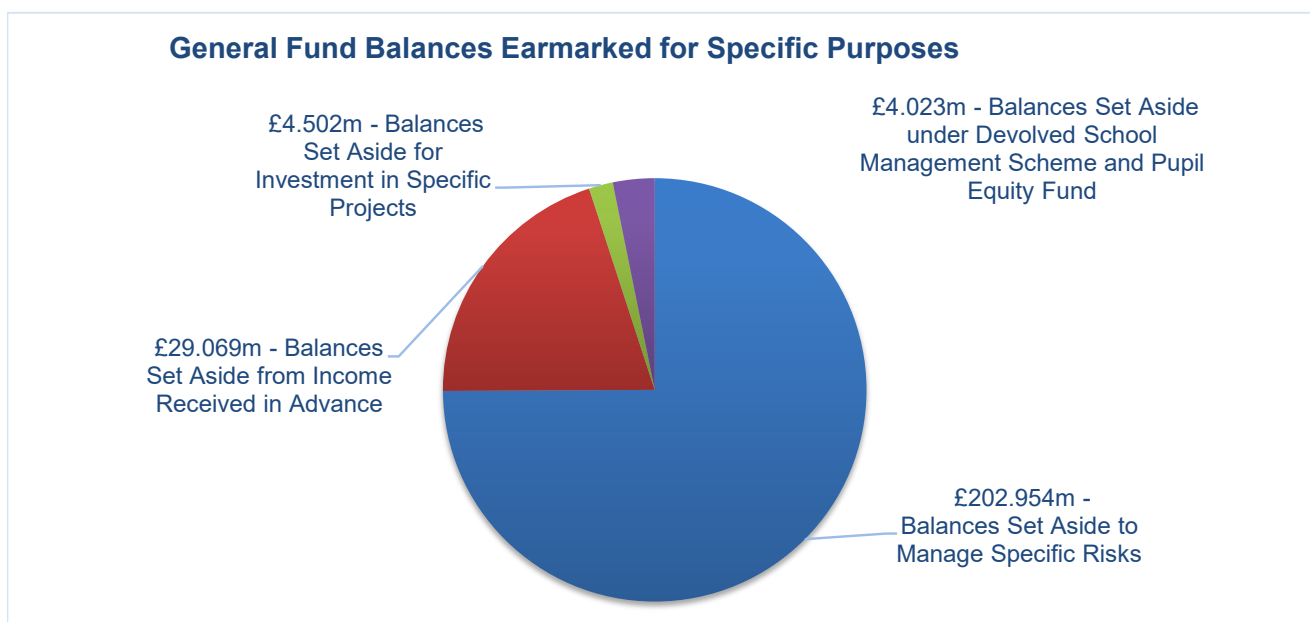
The Council's General Fund reserves comprise two elements:

- The unallocated General Fund; and
- Balances earmarked for specific purposes.

The unallocated General Fund is held against the risk of unanticipated expenditure and/or reduced income arising in any particular year. The level of this reserve is reviewed annually by the Council as part of the revenue budget-setting process. This review considers the level of balances held, the financial risks which could be realised and the arrangements in place to manage these.

**The latest review** was in February 2023, as part of the 2023/24 budget-setting process. The unallocated General Fund balance at 31 March 2023 was £25.831m, which equates to 2.15% of annual budgeted net expenditure.

In addition, the Council has a further £240.548m (2021/22 £228.224m) of balances earmarked for specific purposes. Details can be seen in note 12 to the Financial Statements. The chart below highlights the split of these balances.



- Balances set aside for specific financial risks which are likely to arise in the medium-term future. Examples include monies earmarked for staff release costs, dilapidations and other related contractual commitments and the insurance fund. The sums shown above include £33.317m of non-service specific COVID-related funding to be applied against expenditure and income losses in future years;
- Balances set aside from income received in advance are primarily from grant income, due to timing differences between the receipt of the grant income and the planned expenditure thereof. The sums above include £4.381m of service-specific COVID-related funding carried forward to be offset against expenditure in 2023/24, primarily in respect of the Discretionary Business Fund;
- Balances set aside to enable the Council to undertake investment in specific projects which will deliver savings in future years, such as Spend to Save. These savings are used, initially, to replenish the earmarked balances; and
- Balances held under the Devolved School Management scheme (DSM) and Pupil Equity Fund (PEF), which permits balances on individual school budgets to be carried forward to the following financial year and academic years.

While the overall balance of reserves held for specific purposes increased slightly during the year, this reflected the in-year underspend of £13.748m, the majority of which has been transferred to the Council Priorities Fund.

#### Other Reserves

The Council holds other usable reserves; these are the Capital Grants Unapplied Account with a balance of £31.189m, the Capital Fund with a balance of £42.194m and the Renewal and Repairs Fund with a balance of £37.430m, including £3.885m of monies for schools prepaid under PPP arrangements. These sums are used to support capital investment across the Council's property estate.



## MANAGEMENT COMMENTARY

### Financial Performance - continued

#### Financial Ratios

Financial ratios relating to Council Tax, debt and borrowing are shown below.

Council Tax	2022/23	2021/22	Notes on interpretation of ratios
In-year collection rate	97.13%	96.77%	This shows the % of Council Tax collected during the financial year that relates to bills issued for that year. It does not include collection of sums billed relating to previous financial years. The collection rate is stated on a line-by-line basis, adjusted for the impact of water-only debt in the joint collection of Council Tax and water charges. The indicator shows that the in-year collection levels have increased from levels achieved in prior years.
Council Tax income as a percentage of overall funding	25.94%	25.45%	This shows the proportion of total funding that is derived from Council Tax, net of Council Tax Reduction Scheme (CTRS) support. While Council Tax rates increased in 2022/23, the proportional increase was similar to prior years.
Debt and Borrowing - Prudence			Notes on interpretation of ratios
Capital Financing Requirement	£2,025.9m	£1,902.9m	The capital financing requirement represents the underlying need to borrow to fund expenditure on assets and shows an increase of around 6% during the year. Financing costs are provided for within the Council's Long-Term Financial Plan. Further details of the capital financing requirement can be seen in note 37 to the Financial Statements.
External debt levels	£1,680.9m	£1,736.1m	External debt levels include long-term commitments in respect of finance leases (mainly schools provided through PPP schemes) together with borrowing undertaken to finance capital expenditure. (Excludes Right of Use Assets)  External debt levels are lower than the capital financing requirement as the Council has adopted a position of under borrowing, as set out in the Treasury Strategy.
Debt and Borrowing - Affordability			Notes on interpretation of ratios
Financing costs to net revenue stream - General Fund	7.18%	6.80%	These ratios show the proportion of total revenue funding that is used to meet financing costs.
Financing costs to net revenue stream - HRA	33.79%	32.04%	
Impact of capital investment on Council Tax	2.49%	-0.73%	These ratios show incremental impact of financing costs, the increase or (decrease) in financing costs from the previous financial year, as a percentage of Council Tax, in respect of costs payable through the General Fund and house rents for the HRA. The ratios for 2022/23 reflect the effect of increased capital expenditure and rates.
Impact of capital investment on house rents	2.38%	-0.32%	

#### Treasury Management Strategy

The **Annual Treasury Management Strategy 2023/24** was approved on 16 March 2023. The key points are:

- the Council's total capital expenditure is forecast to be £2.473 billion between 2022/23 and 2027/28;
- the Council's underlying need to borrow at 31 March 2028 is forecast to be £2.321 billion;
- the Council will continue to fund its Capital Financing Requirement from temporary investment balances over the next year.

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Capital Strategy

The **Sustainable Capital Strategy 2023-33 - Annual Report** was approved at Full Council on 16 March 2023. The report provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services and is linked to a number of other key plans and policies such as the Annual Treasury Strategy, the Capital Investment Programme and HRA Budget Strategy.

The Capital Budget Strategy has been reviewed in light of COVID-19, the war in Ukraine, cost of living crisis and the Council's priorities and Council Business Plan.

Capital expenditure is controlled through the Prudential Code that provides the framework for investing in infrastructure. In Scotland, local authorities are required by regulation to comply with the Prudential Code under Part 7 of the Local Government (Scotland) Act 2003. The key objectives of the Prudential Code are to ensure that capital plans are affordable, prudent and sustainable and that treasury decisions are taken in accordance with professional guidance and best practice.

The 2022/23 outturn position for capital expenditure is summarised below:

	<b>Budget 2022/23 £000</b>	<b>Actual 2022/23 £000</b>	<b>(Slippage) / Acceleration £000</b>
Capital expenditure			
General Fund services	284,097	287,795	3,698
Housing Revenue Account	<u>118,755</u>	<u>121,335</u>	<u>2,580</u>
Total capital expenditure	<u>402,852</u>	<u>409,130</u>	<u>6,278</u>
Capital receipts and other contributions			
- General Fund services	(17,565)	(23,078)	(5,513)
- Housing Revenue Account	(27,288)	(36,878)	(9,590)
Government and other grants			
- General Fund services	(149,151)	(149,935)	(784)
- Housing Revenue Account	<u>(9,137)</u>	<u>(37,679)</u>	<u>(28,542)</u>
Total capital income	<u>(203,141)</u>	<u>(247,570)</u>	<u>(44,429)</u>
Balance to be funded through capital advances			
- General Fund services	117,381	114,782	(2,599)
- Housing Revenue Account	<u>82,330</u>	<u>46,778</u>	<u>(35,552)</u>
Total advances from loans fund	<u>199,711</u>	<u>161,560</u>	<u>(38,151)</u>

At budget setting, the gross General Fund capital budget was reduced by £21.694m to reflect anticipated slippage in the capital programme, however actual slippage was £17.996m therefore, as delivery of the programme has exceeded expectations, this has resulted in budget acceleration of £3.698m. Of the actual slippage, Asset Management Works was the biggest contributor (£8.105m), followed by the Fleet (£4.672m) and Depot Rationalisation (£4.206m) programmes. Increased costs of the North Bridge Refurbishment have led to an overspend in 2022/23 of £3.540m, however this has been addressed in the 2023-33 Sustainable Capital Strategy. This and other acceleration of spend in Roads and Transport infrastructure has been offset by slippages elsewhere in the capital programme.

Delivery of the 2022/23 HRA Capital Programme is largely in line with the budget revised at Month 3 which took into account latest forecasts. Some small slippages in the housebuilding programme were offset by the purchase of a number of homes at Dreghorn for £5.792m which has led to budget acceleration of £2.580m. The much anticipated purchase of land at Liberton Hospital completed within the year at a cost of £15.605m including fees. Again, the capital advances were less than budget due to increased receipts.

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Capital Expenditure

The Council received £52.471m of general capital grant during 2022/23, £9.7m of which has, as with other local authorities, been transferred to the Capital Fund and subsequently allocated to the Pay Award. The support provided through general capital grant enables the Council to direct resources to its own priorities.

Capital expenditure for the year totalled £409.130m. Major capital projects undertaken during the year included:

- Creation and expansion of educational properties - £46.465m;
- Trams to Newhaven project - £53.419m;
- Investing in new council homes and enhancing existing assets through the Housing Revenue Account programme - £121.335m;
- Roads, carriageways and other transport infrastructure - £65.466m;
- Social housing through the housing development fund - £55.182m;
- Asset Management Works at operational properties - £10.497m;
- The Council's Environmental capital programmes including Waste, Parks and Greenspace, Depot Rationalisation and Fleet - £10.327m; and
- Providing funding for homes for mid-market rent through the Edinburgh Living LLP - £27.400m.

### Housing Revenue Account

The Council has a statutory obligation to maintain a housing revenue account (HRA) which records all income and expenditure for the management of, and investment in, Council homes. The HRA is entirely self-financing and receives no funding from the general Council budget. All expenditure is funded through the tenants' rent, related service charges and interests gained through HRA assets.

The Council approved the Housing Revenue Account Budget Strategy 2022-2032 on 24 February 2022 and the outline 10-year HRA capital programme with a second rent freeze in a row in 2022/23. It set out an ambitious strategy to deliver a £2.9bn investment over ten years to deliver Council commitments, including the delivery of new homes and net zero carbon emissions. It also agreed an accelerated contribution of £5m to support a programme of fabric upgrades to minimum Energy Efficiency Standard for Social Housing 2 (ESSH2) standard and to a further acceleration of £0.25m to facilitate stock condition survey work, prioritising surveys on the buildings known to have issues with damp.

The HRA revenue account secured income of £108.3m in 2022/23. This represents an over recovery of income against budget of £1.448m. However, when looking solely at income from dwelling rent, this element under-recovered by £2.816m. A significant element was due lost rent on void properties (£1.355m). Despite normal working practices broadly having been resumed in 2022/23, there are a number of challenges still impacting on recovery of the position on void properties (for example in-house and contractor capacity). The remaining under-recovery (£1.460m) was primarily attributable to time taken for property acquisitions to offset disposals in the year, and time to complete and let newly built properties.

The 2022/23 capital programme budget was first revised up from £121.819m to £126.819m to take account of the Council's decision to accelerate investment of £5m on fabric upgrades, but was later revised down to £118.755m at Month 3 forecast following a review to incorporate the most up to date cash flow projection for individual projects and programmes in the new build programme. The year end capital programme outturn for 2022/23 was £121.335m; £2.580m above the Month 3 revised budget and the largest capital spend delivered to date.

The Council Housebuilding Programme delivered just over 300 new homes in 2022/23 at Pennywell and North Sighthill. This included 54 social rented homes, 148 mid-market rented homes that were purchased by Edinburgh Living LLP and 99 homes for market sale. The delivery pipeline for new homes remains strong. There were 613 affordable homes under construction (as of the end of March 2023), and a further 1,054 in the design or pre-construction stage.

Throughout 2022/23 work has been progressing to transition the capital investment programme for existing homes towards a focus on area-based investment, combining wider building improvements and Whole House Retrofit (WHR). The first area-based low rise investment programme was selected for detailed design and development focussing on the Magdalene, Bingham and Christians area. Phase 1a will launch later in 2023/24 in Magdalene.

The WHR Design Principles study was completed in 2022/23 and helped to detail the costs and level of intervention required across the Council's most common housing archetypes to implement a WHR approach and deliver ESSH2. In addition, WHR pilot projects had been planned for a range of deep whole-house retrofit approaches across 10 blocks (52 homes), with the first three archetypes due for site start in spring 2023.

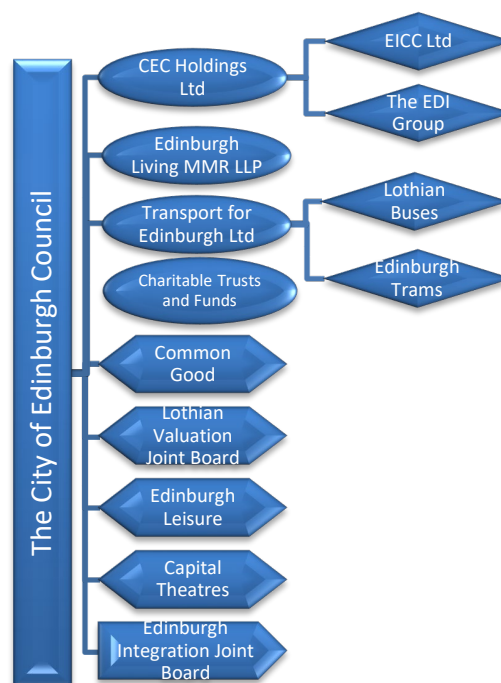
The Mixed Tenure Improvement Service (MTIS) pilot in Murrayburn/Dumbryden consists of 10 phases over three years. To date a total of 911 homes including 233 private and 678 Council homes in phases 1 to 8 are either complete or currently undergoing works to retrofit and improve the blocks. The MTIS Programme will move into its final year of works in 2023/24, with phases 9 to 11 to be progressed across Murrayburn, Dumbryden and Hailesland targeting a further 380 homes.

# MANAGEMENT COMMENTARY

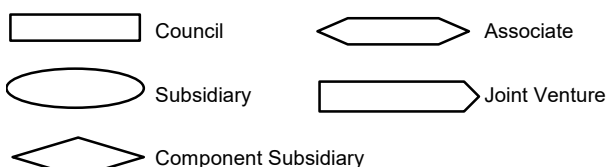
## Financial Performance - continued

### Group Accounts

In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, Group Accounts have been prepared, which consolidate the financial interests the Council has in subsidiaries, associates and joint ventures, where the interest is considered material. Note 9 details the interests the Council holds and further financial details about the entities. The adjacent chart shows the components in the structure of the Group. Information on the Common Good can be found on page 117.



Key:



### CEC Holdings Ltd

#### EDI Group Ltd (subsidiary of CEC Holdings Ltd)

The EDI Group was established in 1988 by The City of Edinburgh Council to carry out the development of Edinburgh Park, now regarded as one of the principal business parks in Europe. In early 2017, the Council conducted a review of its approach to the use of surplus land and its interactions with the property market and concluded that the default position will be that the land or buildings are used to deliver affordable housing, meaning that EDI has no future pipeline of projects. As a result, in the longer term the Council decided it should not have an arm's length development company. The Council therefore instructed the directors to begin a process of closure, with the majority of land transferring to the Council and all staff leaving by October 2018, with the company's activities now overseen by Council officers under the governance of a scheme of delegation and service level agreement. The company will continue to trade into 2023 and beyond until such time as all projects currently being undertaken by EDI have either concluded or have been transferred to the Council.

#### Edinburgh International Conference Centre (EICC) Ltd (subsidiary of CEC Holdings Ltd)

EICC Ltd operates a prime conference venue in the centre of Edinburgh. The Centre was built in 1995 and since that time has welcomed 1.5 million delegates from more than 120 countries, generating £720m of economic impact for the city region.

At the outset of 2022 the company anticipated a challenging and uncertain financial year given the continued presence of Covid-19, budgeting for an operating surplus of £0.2m for 2022 based on, amongst other things: the level of contracted bookings that had been secured for the year including the NHS in the first quarter; the expected bookings that could be secured in the year for the year; the uncertainty with regards expenditure specifically the level of forecasted inflation and impact on utilities cost and the extension of Non-Domestic rates relief until March 2022.

The year to December 2022 saw the Company produce operating profits significantly ahead of budget due to the sales team securing the required business for the year. This was achieved despite the depressed economic outlook, increased levels of competition within the UK and from across the world and aggressive price competition. The Conference Centre held 175 events in 2022, these events varied enormously in their size, duration, diversity and profitability. As well as holding conferences, meetings and exhibitions, the Conference Centre hosted, amongst other things: NHS vaccination centres; celebrity evenings; a variety of award ceremonies; dance competitions; ballet performances; comedy shows; comic book and horror movie exhibitions; theatre-circus performances; food and drink fairs; and university examinations.

The Company made significant progress towards its aim of operating a hotel, in close proximity to the Conference Centre, during the year. It is believed that this is essential in order to provide the necessary funding for the Conference Centre's long-term capital expenditure programme. An agreement for lease with the developer and a franchise agreement with the hotel brand were completed and signed off in April 2022. Construction commenced in August with the hotel due to open in late 2025. A new fully owned subsidiary, Edinburgh International Conference Centre Hotels Ltd, was incorporated in February prior to the formal sign off of the various agreements.

## MANAGEMENT COMMENTARY

### Financial Performance - Group Accounts - continued

#### Edinburgh Living MMR LLP

Edinburgh Living MMR LLP was established as a housing delivery partnership to address housing needs in Edinburgh. The initiative is a partnership between The Council and Scottish Futures Trust. The partnership delivers homes for mid-market rent to let to households in housing need.

Edinburgh Living bought its first homes in January 2019 and owned 502 homes across nine sites in the city by the end of December 2022.

#### Transport for Edinburgh Ltd

The core purpose of Transport for Edinburgh Ltd (TfE) is to deliver a high-quality and integrated transport service for the city. It also delivers profit through a strong commercial focus and drive for efficiency across all of its activities. TfE's long-term vision is to be an integral part of the future success of the city and the Lothians, by providing world-class, environmentally-friendly and socially-inclusive public transport.

The Group retained a substantial share of the local public transport market in Edinburgh and the Lothians in 2022. Revenue has increased by 15.4% from the previous year to £181.5m which was in line with expectations following the Covid-19 pandemic. This was primarily due to the fact that patronage has not returned to pre-Covid levels and patterns of public transport use are different to those seen pre-Covid. Throughout 2022, Transport for Edinburgh continued to receive some funding support from Scottish Government via Transport Scotland.

During 2020, it was agreed that a reform of the Council's Transport ALEOs should be initiated, the purpose of the reform was to identify an organisational structure that will deliver optimal integration of the Council's public transport companies to ensure delivery against Council policies and objectives. A Short Life Working Group (SLWG) was convened to develop a preferred course of action in respect of reform. The group proposed that Lothian Buses be reconstituted to be responsible for the management of all Council-owned public transport models in the city whilst retaining the brands and services of each of the transport companies. The proposal was agreed and formal project management support has been employed to develop a detailed Project Execution Plan to implement these reforms, with the hope that they will be completed by early 2024.

#### Lothian Valuation Joint Board (LVJB)

The Board reported expenditure of £6.384m for 2022/23. This required a net drawdown of £0.155m from the Board's Reserves. Additional employee expenditure of £0.132m was incurred due to the cost of the COSLA pay award for 2022/23. A reduced level of employee turnover was partially offset by reduced National Insurance costs. The Board retains a General reserve of £1.294m. £0.180m is retained to meet the Board's commitment to a minimum level of Reserve of 3%. A balance of £0.311m relates to NDR Reform, with the remainder of the Board's Reserve retained to support costs of the Continual Improvement Programme in future years.

#### Edinburgh Leisure

Edinburgh Leisure is a charity dedicated to making a positive difference by creating opportunities for everyone to get active, stay active and achieve more. During the year, Edinburgh Leisure had over five million customer visits across fifty venues, offering hundreds of activities and opportunities for people who live, work and visit Edinburgh, to get active and protect their own health and wellbeing.

For Edinburgh Leisure, the key focus for 2022/23 was the opening of Meadowbank Sports Centre and delivering on the potential that this new state of art venue offers. The charity reported an underlying surplus on unrestricted funds of £1.481m.

Edinburgh Leisure continued to work with the Council and other stakeholders on a range of projects during the year, including the Active Communities Programme which supports around 10,000 people a year to get active to improve their health and wellbeing. The programme includes initiatives including Open all Hours which offers teenagers the chance to get active, make friends and have fun on Friday evenings for free and YouCan which focuses on care experienced young people primarily aged between 14-26 and helping them improve their physical, mental and emotional health.

#### Capital Theatres

2022/23 was the first period since Covid-19 where Capital Theatres did not suffer an enforced closure, however, the aftershocks of the pandemic could still be felt, particularly at the beginning of the year, with the rescheduling of shows, rebuilding of audience confidence and last-minute show cancellations due to infections in show casts. However, by the end of 2022/23 the programme, audience figures and income were recovering and feeling more robust.

During 2022/23 the artistic reputation of Capital Theatres grew by staging six co-productions in both their own theatres and other venues across Scotland. At the end of the financial year, the organisation attained one of its biggest achievements, by securing the Scottish Premier of 'Hamilton', one of the biggest shows in the world.

The Capital Theatres creative engagement also expanded with the introduction of the new talent development programme called Open@The Studio aimed at local theatre makers and producers forging their own way in the industry. In addition to the award-winning dementia-friendly events, further focus was placed on audience development and inclusion with the establishment of a Youth Advisory Board.

Another significant event during the financial year was the fundraising campaign for the redevelopment of the King's Theatre that was held across a variety of stakeholders. The campaign secured the funds required to allow the redevelopment project to proceed as planned.

# MANAGEMENT COMMENTARY

## Financial Performance - Group Accounts - continued

### Edinburgh Integration Joint Board

The Edinburgh Integration Joint Board (EIJB) was formally delegated the functions and resources of the Council's Health and Social Care Service and NHS Lothian's Community Health Partnership, with effect from 1 April 2016. At that time an assessment was undertaken on the relationship of the Council with the Edinburgh Integration Joint Board and on the basis of level of control, being fifty percent Board representation, and wider materiality levels, this Joint Venture has been consolidated into the Group accounts for the year to 31 March 2023, see note 9.4.

The Edinburgh Integration Joint Board agreed its strategic plan for 2019-22 in August 2019. A comprehensive programme of redesign and transformation was designed to deliver the vision set out in the strategic plan, working in tandem with other core strategies such as Carers, Thrive Edinburgh (mental health) and the Primary Care Improvement Plan (PCIP). This programme has been a key delivery mechanism for the ambitions set out in the strategic plan. It is a wide-ranging and ambitious programme of whole system change, which is transforming ways of working and delivering high quality and sustainable health and social care services for our citizens. Over the next stage of the strategic planning cycle, priorities and planned actions will be refined and adjusted where necessary and any identified gaps will be closed. The next EIJB strategy is under review. Publication of the refreshed plan is being delayed to ensure sufficient time to take account of the emerging financial context and approach to change and transformation going forward.

For the year to 31 March 2023, the EIJB reported an in-year deficit of £58m in the annual accounts, reflecting timing differences, with income received in 2021/22 to offset expenditure incurred during the year, resulting in an overall balanced position.

### The City of Edinburgh Charitable Trusts and City of Edinburgh Charitable Funds

Due to the City of Edinburgh Council acting as sole trustee for the City of Edinburgh Charitable Trusts and Funds, it has been consolidated into the Group accounts as a subsidiary for the year to 31 March 2023.

The City of Edinburgh Council administers six charitable trusts, as listed below, which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR).

The funds are:

<b>Scottish Registered Charities</b>	<b>Scottish Charity Registration Number</b>
Lauriston Castle	SC020737
Jean F. Watson	SC018971
Edinburgh Education Trust	SC042754
Nelson Halls	SC018946
The Royal Scots Trust	SC018945
Boyd Anderson	SC025067

Approval has been granted to wind up the Boyd Anderson Trust once all of the trust's funds are fully distributed, therefore, the Boyd Anderson Trusts is not considered as a going concern.

### Group Summary

Net assets for 2022/23 include a combined group pension liability of £181.623m (2021/22 £118.792m), as shown in note 41.9. This reflects the inclusion of pension liabilities relating to the Council, other employees (including subsidiary companies) and the incorporation of Lothian and Borders Valuation Joint Board as an associate within the group. It should be noted that this is a snapshot of the position at 31 March 2023. The actuarial valuation, which takes a longer term view, will consider the appropriate employers' contribution rates and these, together with employee contributions and revenues generated from fund investments, will be utilised to meet the financing of these liabilities. It is therefore appropriate to adopt a going concern basis for the preparation of the group financial statements.

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### COVID-19 Impact and Benchmarking

The Council continued to provide vital pandemic-related support to communities and businesses during 2022/23.

An overview of the 2021/22 benchmarking data provided by the **Scottish Local Government Benchmarking Framework (LGBF)** was reported to the Policy and Sustainability Committee on 23 May 2023. The report reflects the impact of the second year of Covid-19, providing an overview of Edinburgh's recovery as Covid-19 restrictions eased, and how this is reflected in the data during 2021/22, as well as a longer-term comparison with pre-Covid performance. The data analysis will be used to inform Senior Management Team discussions and the Council Planning and Performance Framework.

A report to the Finance and Resources Committee on 7 February 2023 provided a summary of the main issues and themes identified within the **Accounts Commission's Financial Bulletin 2021/22** published on 12 January 2023, and how these relate to the local context within Edinburgh. These included the following:

- an increasing proportion of external grant funding is either formally ring-fenced or provided with the expectation it will be spent on specific services;
- in-year collection rates for Council Tax have broadly returned to pre-pandemic levels; and
- the Council continues to face significant financial pressures resulting from increased demand for services, inflation, legislative reform and the on-going financial impacts of the pandemic, with these factors being set against a backdrop of core grant funding that is not increasing.

In the **Accounts Commission's Overview of Local Government** published in May 2023, it was reported that "Councils have never faced such a challenging situation, with demand and workforce pressures deepening after the Covid-19 pandemic and funding forecast to reduce in real terms. Radical change, achieved through greater collaboration, is urgently needed if councils are to maintain services."

### Climate Change and Sustainability

The Council published its **2030 Climate Strategy** in December 2021 with an ambitious target for Edinburgh to become a net zero city by 2030. This means that by 2030, we want to remove the same amount of greenhouse gases that we, as a city, put into the air. The 2030 target recognises the need for Edinburgh to play its part in helping to deliver on national goals to reduce emissions, with cities having to make faster progress on reducing greenhouse gas emissions if Scotland is to meet its national 2045 net zero target. Our longer-term vision for a greener, cleaner, fairer Edinburgh will only be possible through working with others, with people from across the city, across the Council and across our partners. There is a lot that needs to be done to deliver a net zero, climate ready capital but our focus will always be on making Edinburgh a better place to live, work and visit.

The **2030 Climate Strategy Environmental Assessment and Annual Review** provided the Policy and Sustainability Committee with an update report in November 2022. This included findings from the consultation process, proposed actions in response to the findings and an overview of key work undertaken to date.

The most significant climate impacts identified for Edinburgh are rising sea level and coastal erosion, heavy rainfall and storms, river flooding, surface-water flooding, drought, temperature change and heatwaves, wildfires, landslides and subsidence and multi-hazards affecting people, species and habitats. These impacts will result in risks to coastal communities, housing, cultural heritage assets, infrastructure assets, coastal habitats, transport infrastructure, business activity and communication services, other buildings (including schools and hospitals) within floodplains, water availability, local river water quality, wetland or loch environments, flora and fauna, food production, public health and wellbeing (heat stress, air and water quality), water and energy demand due to higher temperatures and biodiversity.

The **Sustainable Capital Budget Strategy 2023-2033** sets out priorities for £1.47bn of Council capital investment, in alignment with the Council Business Plan and our wider net-zero goals and responsibilities over the medium to long-term. A climate assessment has been carried out for capital spending proposals with 25% assessed as very favourable, 34% favourable under conditions, 33% neutral, 4% unfavourable and 4% undefined. Investments made for the construction of new buildings are evaluated using three criteria:

- (i) energy-carbon performance of the construction in relation to the standard in force;
- (ii) land use change or soil artificialisation (the construction should not waterproof the soil or change the use of agricultural, forest or natural land); and
- (iii) access to essential services

Updated RICS Valuation Standards effective from January 2022 have been incorporated in the Council's asset valuation procedures. Environmental and sustainability information obtained from the Energy Team (including building-specific emissions data and Energy Performance Certificates) is used to inform assessments of remaining useful lives (RULs) for all buildings revalued in a given year. These assessments take into account planned programmes of property retrofitting with net-zero measures. As a result, both Environmental, Social and Governance definitions and sustainability have been taken into account in the calculation of asset valuations and RULs.

## MANAGEMENT COMMENTARY

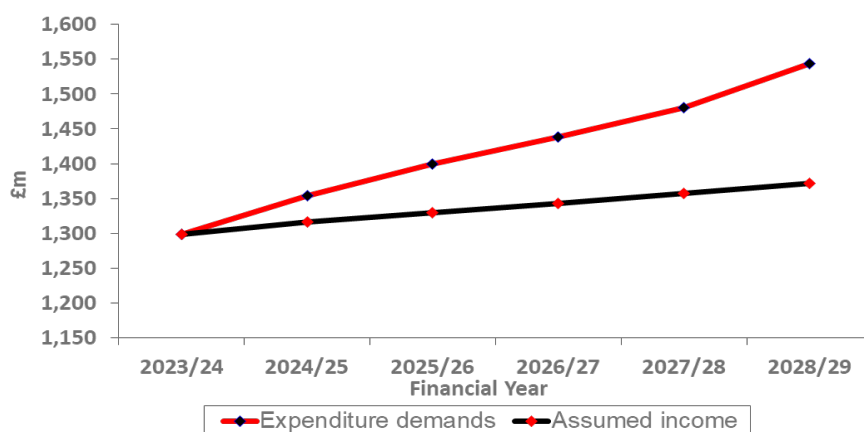
The latest **Performance Update Report** to the Policy and Sustainability Committee on 17 November 2022 provides an update on the Key Performance Indicators and Milestones associated with the Council's three main priorities: Wellbeing and Equalities; Ending Poverty by 2030; and Becoming a sustainable and net zero city.

### Medium-term financial planning

The Council continues to face significant financial challenges resulting from increased demand for services, inflation and legislative reform, as well as the continuing financial impacts of the pandemic. These factors are set against a backdrop of core grant funding (accounting for around three quarters of the Council's overall income) that is not keeping pace.

A series of assessments of the financial position has been reported to elected members. The most recent of these was considered by the Finance and Resources Committee on 20 June 2023.

While the Council has approved a balanced budget for 2023/24, we face significant financial challenges going forward. Current projections indicate a need to deliver at least £37.6m of recurring savings in 2024/25, increasing to £172.7m over the five-year period to 2028/29 as shown in the chart below:



The urgent need to initiate a structured medium to longer-term savings programme was highlighted in both the Council's Best Value Assurance Report and the external auditor's report for 2020/21. Development of the Council's Medium-Term Financial Plan (MTFP) will therefore place a greater emphasis on strategic and cross-cutting proposals, informed by the priorities included within the Business Plan, as a means of improving outcomes and ensuring continuing financial sustainability. The plan also emphasises the importance of the Council's services becoming more technologically enabled and digitally delivered, with a reorientation of work to focus, where appropriate, on more preventative practices. An update on development of the Plan was reported to the Finance and Resources Committee on 20 June 2023.

### CIPFA Financial Management Code (FM Code)

CIPFA's Financial Management Code (FM Code) was published in October 2019 and is designed to support good practice, and assist councils in demonstrating their financial sustainability and resilience by setting out expected standards of financial management. 2020/21 was a "shadow" year for adoption of the Code with full implementation in 2021/22.

Focus has been maintained to embed improvements introduced through the 2021/22 and 2022/23 budget processes including:

- (i) Maintaining an increased level of unallocated general reserve;
- (ii) Incorporating explicit revenue budget provision for exceptional inflationary pressures and underlying service pressures including temporary accommodation for homeless households;
- (iii) Continuing to reflect the ongoing impacts of the pandemic, particularly for losses of income; and
- (iv) Earlier publication of the schedule of proposed fees and charges for 2023/24.

Improvements then introduced for the 2023/24 process include the following:

- (i) Progress in the identification of service revenue budget savings with £13.4m of new service savings options approved in setting a balanced revenue budget for 2023/24;
- (ii) Improved financial performance in service revenue budgets with the provisional outturn for 2022/23 showing services delivered within the approved revenue budgets across the Place; Children, Education and Justice; and Corporate Services Directorates;
- (iii) The establishment of a formal change programme is underway to support the development of the Council's Medium-Term Financial Plan (MTFP). The Year 1 focus will include the Social Care Operating Model, Inclusion Services and the HR / Pay Core System. The MTFP remains in the formative stage and the Council's Leadership Team supported by service managers will need to develop realistic and robust savings options to address projected medium-term funding gaps; and
- (iv) Assessing the congruence of the capital investment programme to our wider net-zero goals and responsibilities.



## MANAGEMENT COMMENTARY

### Medium-term financial planning - continued

Further initiatives are completed or underway to support the Council's Section 95 Officer's assessment and further strengthen financial management arrangements including:

- (i) Positive outcomes from Internal Audit reviews of financial management arrangements for both the Council's Capital Investment Programme and Housing Revenue Account;
- (ii) A Financial Management customer survey has recently been completed based on CIPFA FM Code and will be used to agree and implement improvement actions. Areas for development are likely to include: greater use of benchmarking and other techniques to assess the value for money of services and to identify opportunities for improvement; and development of training necessary to support budget management including training in the use of core financial management systems;
- (iii) Updated Financial Management guidance is being finalised and will incorporate additional guidance on the Capital Investment Programme and Housing Revenue Account; and
- (iv) Business cases to recruit additional professional accounting staff have been approved to recognise additional workload, risk and complexity relating to the Council's Capital Investment Programme and areas of the revenue budget including Housing, Refugee Support and Homelessness.

The **Sustainable Capital Budget Strategy 2023 - 2033** details the priorities for Council capital investment, in alignment with the Business Plan, over the medium to long-term, and sets out a plan on how this could be funded. The Capital Budget Strategy is experiencing significant financial pressure due to current market conditions. The impact from factors such as COVID-19 and Brexit has been compounded by the Ukraine war and the cost-of-living crisis, resulting in very significant increases in costs across all capital projects. Funding assumptions have been reviewed, but there are limited opportunities to increase the level of funding to address inflationary pressures. It is therefore proposed that, where possible, budgets are cash limited, uncommitted learning estate projects are delayed pending the development of fully funded business plans and Balerno High School undergoes a retrofit, rather than a full replacement. Delivery of funded capital expenditure priorities is dependent on the achievement of a balanced medium-term revenue budget, to comply with the terms of the Prudential Code.

### Financial flexibilities - service concession arrangements

In June 2022, the Cabinet Secretary for Finance and the Economy agreed to the main elements of COSLA's request on changes to accounting for service concession arrangements as part of making available a wider suite of financial flexibilities, thus allowing councils to spread the principal element of capital repayments over the (longer) asset life as opposed to the existing contract term. It is important to emphasise, however, that this mechanism is a timing-related one that merely spreads an unchanged overall level of liability over a longer period. Council approval of this change as part of setting the 2023/24 budget will result in the transferring to a usable reserve (in 2023/24) of an estimated retrospective benefit up to 31 March 2023 of some £94.7m, with this benefit then applied equally over a five-year period. Timing-related savings generated going forward will be ringfenced both to provide for additional repairs and maintenance liabilities when the assets revert to Council ownership, consistent with the assumed extended asset lives, and to mitigate future principal repayment liabilities.

### Change Strategy and Business Plan

A Best Value Assurance Audit was carried out by a team from Audit Scotland and the Council's (then) external auditor, Azets. The resulting **Best Value Assurance Report (BVAR)** was published by the Accounts Commission on 26 November 2020.

As recommended in the report, the Council amalgamated its Change Strategy into its Business Plan which was approved in 2021. The Business Plan also addressed the other recommended improvement actions included in the BVAR.

In 2023, a new **Business Plan** was approved for 2023 - 2027, and this continues to meet the BVAR recommendations on aligning the Council's strategic direction.

In order to achieve the outcomes and objectives that the Council's services aim to deliver in 2023 - 2027, the Business Plan sets out the following key strategies:

- **2030 Climate Strategy**
- **Edinburgh Economy Strategy**
- **20 Minute Neighbourhoods Strategy**
- **Edinburgh Learns for Life**
- **Our People Strategy**
- **Digital and Smart City Strategy**
- **Sustainable Procurement Strategy**
- **Equality and Diversity Framework**

# STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

## The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs, including group interests, and to secure that the proper officer of the authority has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Authority, that officer is the Service Director: Finance and Procurement.
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- to approve the Annual Accounts for signature.

## The Section 95 Officer's responsibilities

The Section 95 Officer is responsible for the preparation of the Authority's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Section 95 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Local Authority Accounting Code (insofar as it is compatible with legislation), except where stated in the Policies and Notes to the Accounts.

The Section 95 Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

## Annual Accounts

I certify that the financial statements give a true and fair view of the financial position of the Council and its Group at the reporting date and the transactions of the Council and its Group for the year ended 31 March 2023.

HUGH DUNN, CPFA  
Service Director: Finance and Procurement  
Section 95 Officer

Date:

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Movement in Reserves Statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to Council Tax or rents for the year. The net increase/decrease line shows the statutory General Fund balance and Housing Revenue Account balance movements in the year following those adjustments.

<b>Council 2022/23</b>	<b>General Fund Balance</b>	<b>Housing Revenue Account Balance</b>	<b>Renewal and Repairs Fund</b>	<b>Capital Grants Unapplied Account</b>	<b>Capital Fund</b>	<b>Total Usable Reserves</b>	<b>Total Unusable Reserves</b>	<b>Total Reserves</b>
<b>2022/23</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 31 March 2022	257,205	0	50,407	46,994	42,550	397,156	3,067,842	3,464,998
<b>Movement during 2022/23</b>								
Total Comprehensive Income and Expenditure	(112,861)	12,079	0	0	0	(100,782)	1,354,125	1,253,343
Adjustments to Usable Reserves permitted by accounting standards	68,364	5,420	0	0	0	73,784	(73,784)	0
Adjustments between accounting basis and funding basis under regulations (Note 11)	69,165	(36,270)	0	(15,805)	(10,056)	7,034	(7,034)	0
<b>Net increase / (decrease) before transfers to statutory reserves</b>	<b>24,668</b>	<b>(18,771)</b>	<b>0</b>	<b>(15,805)</b>	<b>(10,056)</b>	<b>(19,964)</b>	<b>1,273,307</b>	<b>1,253,343</b>
Transfer (to) / from other statutory reserves (Note 12.3)	(15,494)	18,771	(12,977)	0	9,700	0	0	0
Increase / (decrease) in year	9,174	0	(12,977)	(15,805)	(356)	(19,964)	1,273,307	1,253,343
<b>Balance at 31 March 2023</b>	<b>266,379</b>	<b>0</b>	<b>37,430</b>	<b>31,189</b>	<b>42,194</b>	<b>377,192</b>	<b>4,341,149</b>	<b>4,718,341</b>

<b>Group - 2022/23</b>	<b>Total Usable Reserves</b>	<b>Total Unusable Reserves</b>	<b>Council Total Reserves</b>	<b>Group Reserves</b>	<b>Minority Interest</b>	<b>Total Reserves</b>
<b>2022/23</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 31 March 2022	397,156	3,067,842	3,464,998	223,955	15,562	3,704,515
Charitable Trusts Opening Reserves				16,127		16,127
	397,156	3,067,842	3,464,998	240,082	15,562	3,720,642
<b>Movement during 2022/23</b>						
Total Comprehensive Income and Expenditure	(100,782)	1,354,125	1,253,343	(53,057)	0	1,200,286
Adjustments to Usable Reserves permitted by accounting standards	73,784	(73,784)	0	0	0	0
Adjustments between accounting basis and funding basis under regulations	7,034	(7,034)	0	0	0	0
<b>Net increase / (decrease) before transfers to statutory reserves</b>	<b>(19,964)</b>	<b>1,273,307</b>	<b>1,253,343</b>	<b>(53,057)</b>	<b>0</b>	<b>1,200,286</b>
Transfer (to) / from other statutory reserves	0	0	0	0	0	0
Minority interest and other consolidation adjustments	0	0	0	(3,456)	(3,740)	(7,196)
Increase / (decrease) in year	(19,964)	1,273,307	1,253,343	(56,513)	(3,740)	1,193,090
<b>Balance at 31 March 2023</b>	<b>377,192</b>	<b>4,341,149</b>	<b>4,718,341</b>	<b>183,569</b>	<b>11,822</b>	<b>4,913,732</b>

## MOVEMENT IN RESERVES STATEMENT

Re-stated Council	General Fund Balance £000	Housing Revenue Account Balance £000	Renewal and Repairs Fund £000	Capital Grants Unapplied Account £000	Capital Fund £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
<b>2021/22 Comparative Data</b>								
Balance at 31 March 2021	221,033	0	41,162	47,949	49,731	359,875	2,310,236	2,670,111
<b>Movement during 2021/22</b>								
Total Comprehensive Income and Expenditure	(265,059)	24,337	0	0	0	(240,722)	1,035,608	794,886
Adjustments to Usable Reserves permitted by accounting standards	38,372	291	0	0	0	38,663	(38,663)	0
Adjustments between accounting basis and funding basis under regulations (Note 11)	263,449	(15,975)	0	(955)	(7,181)	239,338	(239,338)	0
<b>Net increase / (decrease) before transfers to statutory reserves</b>	36,762	8,653	0	(955)	(7,181)	37,279	757,607	794,886
Transfer (to) / from other statutory reserves (Note 12.3)	(590)	(8,653)	9,245	0	0	2	(2)	0
Increase / (decrease) in year	36,172	0	9,245	(955)	(7,181)	37,281	757,605	794,886
<b>Balance at 31 March 2022</b>	<b>257,205</b>	<b>0</b>	<b>50,407</b>	<b>46,994</b>	<b>42,550</b>	<b>397,156</b>	<b>3,067,842</b>	<b>3,464,998</b>

Group - 2021/22	Total Usable Reserves £000	Total Unusable Reserves £000	Council Total Reserves £000	Group Reserves £000	Minority Interest £000	Total Reserves £000
Balance at 31 March 2021	359,875	2,310,236	2,670,111	156,121	11,187	2,837,419
<b>Movement during 2021/22</b>						
Total Comprehensive Income and Expenditure	(240,722)	1,035,608	794,886	99,843	0	894,729
Adjustments to Usable Reserves permitted by accounting standards	38,663	(38,663)	0	0	0	0
Adjustments between accounting basis and funding basis under regulations	239,338	(239,338)	0	0	0	0
<b>Net increase / (decrease) before transfers to statutory reserves</b>	37,279	757,607	794,886	99,843	0	894,729
Transfer (to) / from other statutory reserves	2	(2)	0	0	0	0
Minority interest and other consolidation adjustments	0	0	0	(32,009)	4,375	(27,634)
Increase / (decrease) in year	37,281	757,605	794,886	67,834	4,375	867,095
<b>Balance at 31 March 2022</b>	<b>397,156</b>	<b>3,067,842</b>	<b>3,464,998</b>	<b>223,955</b>	<b>15,562</b>	<b>3,704,515</b>

## GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services for the Group in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover its expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

for the year ended 31 March 2023

Re-stated 2021/22 £000		Notes	Gross Expend. £000	Income £000	Net Expend. £000
	<b>SERVICES</b>				
462,825	Children, Education and Justice Services		571,539	(124,213)	447,326
540,434	Place *		759,290	(290,301)	468,989
(16,935)	Housing Revenue Account		119,832	(107,958)	11,874
266,334	Health and Social Care		707,702	(408,248)	299,454
97,566	Corporate Services		123,175	(18,635)	104,540
3,833	Lothian Valuation Joint Board		3,817	0	3,817
(349)	Net cost of benefits		160,688	(160,805)	(117)
11,940	Other non-service specific costs		8,630	1,839	10,469
6,703	Subsidiary Companies		193,954	(198,417)	(4,463)
1,372,351	<b>COST OF SERVICES</b>		<u>2,648,627</u>	<u>(1,306,738)</u>	1,341,889
(3,255)	Gains on disposal of non-current assets				(335)
83,749	Financing and Investment Income and Exp.	13.			49,295
(1,206,662)	Taxation and Non-Specific Grant Income	14.			(1,302,254)
246,183	<b>(SURPLUS) / DEFICIT ON PROVISION OF SERVICES</b>				88,595
(29,297)	Associates and Joint Ventures Accounted for on an Equity Basis				29,107
3,670	Taxation of Group entities	14.			(671)
<u>220,556</u>	<b>GROUP (SURPLUS) / DEFICIT</b>				<u>117,031</u>
(471,108)	Surplus on Revaluation of Non-Current Assets			(474,726)	
(287,525)	Return on assets excluding amounts incl. in Financing and Investment Inc / Exp			(6,513)	
(276,974)	Changes in Financial and Demographic Assumptions / Other Experience			(872,886)	
(79,678)	Other Unrealised (Gains) / Losses			36,808	
(1,115,285)	Other Comprehensive Income				(1,317,317)
<u>(894,729)</u>	<b>TOTAL COMPREHENSIVE INCOME</b>				<u>(1,200,286)</u>

\* Homelessness was reported separately last year, now in Place

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing Council services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover its expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

		for the year ended 31 March 2023		
Re-stated 2021/22		Gross Expend.	Income	Net Expend.
£000	SERVICES	£000	£000	£000
	Notes			
462,825	Children, Education and Justice Services	571,539	(124,213)	447,326
540,434	Place *	759,290	(290,301)	468,989
(16,935)	Housing Revenue Account	119,832	(107,958)	11,874
266,334	Health and Social Care	707,702	(408,248)	299,454
97,566	Corporate Services	123,175	(18,635)	104,540
3,833	Lothian Valuation Joint Board	3,817	0	3,817
(349)	Net cost of benefits	160,688	(160,805)	(117)
9,017	Other non-service specific costs	8,630	5,839	14,469
1,362,725	<b>COST OF SERVICES</b>	<b>2,454,673</b>	<b>(1,104,321)</b>	<b>1,350,352</b>
(2,405)	Gains on disposal of non-current assets			(143)
87,064	Financing and Investment Income and Exp. 13.			52,827
(1,206,662)	Taxation and Non-Specific Grant Income 14.			(1,302,254)
240,722	<b>(SURPLUS) / DEFICIT ON PROVISION OF SERVICES</b>			100,782
(471,109)	Surplus on Revaluation of Non-Current Assets		(474,726)	
(287,525)	Return on assets excluding amounts incl. in Financing and Investment Inc / Exp		(6,513)	
(276,974)	Changes in Financial and Demographic Assumptions / Other Experience		(872,886)	
(1,035,608)	Other Comprehensive Income			(1,354,125)
(794,886)	<b>TOTAL COMPREHENSIVE INCOME</b>			<b>(1,253,343)</b>
<b>RECONCILIATION OF THE COUNCIL'S POSITION TO THE GROUP POSITION</b>				
<b>£000</b>				<b>£000</b>
(794,886)	Total Comprehensive Income on the Council's Comprehensive Income and Expenditure Statement (CIES)			(1,253,343)
2,082	Subsidiary and associate transactions included in the Council's CIES			(5,983)
(63,249)	(Surplus) / deficit arising from other entities included in the Group Accounts Subsidiaries			33,037
(38,676)	Associates and Joint Ventures			26,003
(894,729)	Group total Comprehensive Income for the year			(1,200,286)

\* Homelessness was reported separately last year, now in Place

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council and Group. The net assets (assets less liabilities) are matched by the reserves held by the Council and Group. Reserves are reported in two categories. The first is usable reserves, i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category are those that are not able to be used to provide services. This includes reserves that hold unrealised gains and losses (for example, the revaluation reserve) where amounts would only become available if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

Re-stated					
31 March 2022				31 March 2023	
Group	Council		Notes	Group	Council
£000	£000			£000	£000
182	182	Intangible Assets	17.	68	68
5,207,583	5,074,222	Property, Plant and Equipment	15.	5,836,880	5,658,779
87,650	19,996	Investment Properties	16.	125,900	21,532
31,426	31,426	Heritage Assets	18.	44,504	31,426
59	59	Assets Held for Sale	23.	120	120
88,072	0	Other Long-Term Assets (Pension)	27.5	623,547	597,500
1,854	21,455	Long-Term Investments	22.	619	20,219
75,674	0	Investments in Associates and Joint Ventures		49,670	0
81,944	152,986	Long-Term Debtors	20.	66,887	162,661
<b>5,574,444</b>	<b>5,300,326</b>	<b>Long-Term Assets</b>		<b>6,748,195</b>	<b>6,492,305</b>
77,105	77,105	Short-Term Investments	22.	15,549	9,995
81	81	Assets Held for Sale	23.	3,813	3,813
39,633	39,633	Financial Assets	42.	36,147	36,147
9,888	3,677	Inventories	19.	9,240	3,981
235,855	220,105	Short-Term Debtors	20.	215,032	198,317
183,225	144,579	Cash and Cash Equivalents	21.	184,587	139,637
<b>545,787</b>	<b>485,180</b>	<b>Current Assets</b>		<b>464,368</b>	<b>391,890</b>
(70,453)	(70,453)	Short-Term Borrowing	42.	(59,744)	(59,744)
(274,723)	(223,102)	Short-Term Creditors	24.	(318,214)	(266,179)
(10,237)	(8,342)	Provisions	25.	(14,424)	(12,909)
<b>(355,413)</b>	<b>(301,897)</b>	<b>Current Liabilities</b>		<b>(392,382)</b>	<b>(338,832)</b>
(1,453,032)	(1,453,032)	Long-Term Borrowing	42.	(1,419,176)	(1,419,176)
(295,706)	(276,529)	Other Long-Term Liabilities	39.1	(362,324)	(298,930)
(23,081)	(23,081)	Long-Term Provisions	25.	(24,477)	(24,477)
(22,515)	0	Deferred Tax		(16,033)	0
(62,144)	(62,144)	Deferred Liability	42.	(84,438)	(84,438)
(203,825)	(203,825)	Other Long-Term Liabilities (Pensions)	27.5	0	0
<b>(2,060,303)</b>	<b>(2,018,611)</b>	<b>Long-Term Liabilities</b>		<b>(1,906,448)</b>	<b>(1,827,021)</b>
<b>3,704,515</b>	<b>3,464,998</b>	<b>Net Assets</b>		<b>4,913,732</b>	<b>4,718,341</b>
3,189,912	3,067,842	<b>Unusable Reserves</b>	27.	4,492,697	4,341,149
514,603	397,156	<b>Usable Reserves</b>	12.	421,035	377,192
<b>3,704,515</b>	<b>3,464,998</b>	<b>Total Reserves</b>		<b>4,913,732</b>	<b>4,718,341</b>

The unaudited financial statements were issued on 16 June 2023 .

HUGH DUNN, CPFA  
Service Director: Finance and Procurement  
Date:

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council and Group during the reporting period. The statement shows how the Council and Group generate and use cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council and Group are funded by way of taxation and grant income or from the recipients of services provided by the Council and Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council and Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council and Group.

Re-stated			Year to 31 March 2023	
Year to 31 March 2022			Group	Council
Group	Council	Notes	£000	£000
£000	£000			
		<b>Operating Activities</b>		
246,183	240,722	(Surplus) / Deficit on the Provision of Services	88,595	100,782
3,670	0	Adjustment to (Surplus) / Deficit for Taxation of Group entities	(671)	0
(509,519)	(478,315)	Adjustments to (Surplus) / Deficit on the Provision of Services for non-cash	(358,863)	(332,957)
81,007	77,693	Adjustments for items included in the (Surplus) / Deficit on the Provision of Services that are investing or Financing	120,778	117,246
<u>(178,659)</u>	<u>(159,900)</u>	Net cash flows from operating activities	<u>(150,161)</u>	<u>(114,929)</u>
		<b>Investing Activities</b>		
310,245	275,652	Net cash flows from investing activities	157,348	123,309
<u>(118,834)</u>	<u>(94,773)</u>	Net cash flows from financing activities	<u>(8,144)</u>	<u>(3,438)</u>
<u>12,752</u>	<u>20,979</u>	<b>Net decrease / (increase) in cash and cash equivalents</b>	<u>(957)</u>	<u>4,942</u>
<u>(195,977)</u>	<u>(165,558)</u>	Cash and cash equivalents at 1 April	(183,225)	(144,579)
		CEC Trusts Cash and cash equivalent at 1 April	(405)	
		Total Cash and cash equivalents at 1 April	<u>(183,630)</u>	<u>(144,579)</u>
<u>(183,225)</u>	<u>(144,579)</u>	Cash and cash equivalents at 31 March	<u>(184,587)</u>	<u>(139,637)</u>
<u>12,752</u>	<u>20,979</u>	<b>Net decrease / (increase) in cash and cash equivalents</b>	<u>(957)</u>	<u>4,942</u>



# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies

The Annual Accounts summarise the authority's and the authority's group transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. The authority is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that these accounts be prepared in accordance with proper accounting practices. The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code) and supported by International Financial Reporting Standards (IFRS).

### 1.1 Material Items

Items of income and expenditure are material if individually or collectively they could influence the decisions or assessments of users of the financial statements, by omission, misstatement or obscuring of information. Materiality is an expression of the relative significance of a matter in the context of the annual accounts as a whole.

The principle of materiality does not, however, override the need for relevant statutory disclosures (such as those included within the remuneration report), even if the amounts concerned would otherwise fall below the materiality threshold. Similarly, the assessment of materiality also considers the nature of transactions, irrespective of amount, insofar as these might influence a user of the financial statements.

### 1.2 Recognition of Income and Expenditure

- The revenue and capital accounts have been prepared on an accruals basis in accordance with the Code. Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

Income from service recipients is recognised when the goods or services are transferred to the service recipient.

Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date the supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded on the Balance Sheet.
- Provision has been made in the relevant accounts for bad and doubtful debts.
- Revenue from Council Tax and Non Domestic Rates is recognised when it is probable that the economic benefits will flow and the amount of revenue can be measured reliably. Revenue is measured at the full amount receivable (net of any bad debt provision) as they are non-contractual, non-exchange transactions.

### 1.3 Value Added Tax

Value added tax (VAT) is excluded from the financial statements unless it is non-recoverable from HM Revenue and Customs.

### 1.4 Overheads

The costs of support services are reported in accordance with the current management structure. Certain support service costs are recovered through direct charges during the year.

### 1.5 Going Concern

The Council's Statement of Accounts for 2022/23 has been prepared on a going concern basis. The concept of a going concern assumes that the Council's functions and services will continue in operational existence for the foreseeable future. The provisions in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. In accordance with the CIPFA Code of Local Government Accounting (2022/23), the Council is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity. The accounts are prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies - continued

### 1.6 Events after the balance sheet date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Annual Accounts are adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period - the Annual Accounts are not adjusted to reflect such events, but where the effect would have been material, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

### 1.7 Prior period adjustments, changes in accounting policies and estimates

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting policy are only made when required by proper accounting practice or to provide more reliable or relevant information on the Council's financial position. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied. Changes in accounting estimation techniques are applied in the current and future years and do not give rise to a prior period adjustment.

### 1.8 Public Private Partnership - School Buildings, Maintenance and Other Facilities

Public Private Partnership (PPP) contracts are agreements to receive services, where the responsibility for making available the non-current assets required to provide the services passes to the PPP contractor. As the Council is deemed to control the services that are provided under this scheme and as ownership of the schools and other facilities will pass to the Council at the end of the contracts for no additional charge, the Council carries the non-current assets used under the contracts on its Balance Sheet.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as other assets owned by the Council.

The amounts payable to the PPP operators each year are analysed into five elements:

- fair value of the services received during the year - debited to services in the Comprehensive Income and Expenditure Statement.
- finance cost - an interest charge of 8.968% (PPP1 scheme), 5.895% (PPP2 scheme), 8.197% (James Gillespie's High School), 4.36% (Queensferry High School) and 6.84% (Millerhill Residual Waste Facility) on the outstanding balance sheet liability - debited to 'financing and investment income and expenditure' in the Comprehensive Income and Expenditure Statement.
- contingent rent - increases in the amount to be paid for the property arising during the contract - debited to 'financing and investment income and expenditure' in the Comprehensive Income and Expenditure Statement.
- payment towards liability - applied to write down the value of the finance lease on the Balance Sheet.
- lifecycle replacement costs - recognised as non-current assets on the Balance Sheet.

Service Concession Agreements are accounted for in accordance with IFRIC 12 'Service Concession Arrangements'. The Standard recognises that the Council is in control of services provided under the PPP scheme. As ownership of the long-term assets will pass to the Council at the end of the contract for no additional charge, the Council carries the assets on the Balance Sheet.

### 1.9 Right of Use Assets

The Council has adopted IFRS16 (Leases) with effect from 1 April 2022. The adoption of the new standard resulted in the balance sheet recognition of a right-of-use asset and related lease liability in relation to all former operating leases. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases i.e. existing leases that expire on or before 31 March 2024, and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2022 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies - continued

### 1.10 Fair Value measurement - surplus assets and investment properties

Surplus assets, investment properties and relevant financial instruments are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In measuring the fair value, the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use is taken into account.

Appropriate valuation techniques have been applied, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - unobservable inputs for the asset or liability.

### 1.11 Property, Plant and Equipment

#### • Categories of Assets

Property, plant and equipment is categorised into the following classes:

Council dwellings	Other land and buildings
Surplus assets (assets that are surplus to requirements, but there are no clear plans to sell these at the current time)	Infrastructure assets, e.g. roads and footways
Assets under construction	Community assets, e.g. parks
Vehicles, plant, furniture and equipment	

#### • Recognition

Expenditure on the acquisition, creation or enhancement of non-current assets has been capitalised on an accruals basis. Expenditure lower than £10,000 on individual assets is charged to revenue.

Interest costs associated with qualifying assets are capitalised to better match costs to income streams, with an approved de minimis limit of £2m.

#### • Measurement

Infrastructure, community assets and assets under construction are initially measured at historic cost, comprising their purchase price and any costs attributable to bringing the assets into use for their intended purpose.

All other classes of property, plant and equipment are measured at fair value.

- Other land and buildings - fair value is the amount that would be paid for the assets in their existing use.
- Council dwellings - fair value is measured at existing use value - social housing.
- Vehicles, plant, furniture and equipment - fair value is the amount equivalent to depreciated historical cost for short life and/or low value assets. For assets with longer lives and/or high values, fair value is the amount that would be paid for the asset in its existing use or depreciated replacement cost for specialised /rarely sold assets where insufficient market-based evidence exists.
- Surplus assets - fair value is the price that would be paid for an asset in its highest and best

#### • Components

Component accounting is applied to all assets that comprise land and buildings. Land and buildings are treated as separate components of an asset and accounted for separately.

The building component of an asset is separated into further components primarily to those with a carrying value of over £5 million. This policy is also applied to buildings with a carrying value of less than £5 million where enhancement expenditure is considered significant in relation to the overall carrying value of the building component.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies - continued

### 1.11 Property, Plant and Equipment - continued

- **Depreciation**

Depreciation is provided on all property, plant and equipment, other than freehold land, community assets and assets under construction.

The Council depreciates its non-current assets in the year of acquisition. The Council operates a five-year rolling revaluation programme for assets and provides for depreciation on a straight line basis on the opening book value plus the cost of acquisitions and enhancements during the year over the remaining useful life of the asset. Thus the charge to the Comprehensive Income and Expenditure Statement for the year is impacted by changes in asset value during the year arising from enhancements but not revaluation.

Component accounting is applied as part of the revaluation process. As a result, where a building asset is split down into further components for the first time in year, the depreciation charge is based on the opening book value over the opening remaining useful life of the asset rather than subsequent component values and associated lives. The difference is not considered material.

- **Charges to Revenue for use of Non-Current Assets**

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- impairment losses attributable to the clear consumption of economic benefits on property, plant and equipment used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.

The Council is not required to raise Council Tax to cover depreciation or impairment losses.

Depreciation and impairment losses are therefore a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account by way of an adjusting transaction with the capital adjustment account.

- **Revaluations**

Where assets are included in the Balance Sheet at fair value, revaluations are carried out at intervals of no more than five years. The Council operates a rolling programme for revaluations. The determination of fair value of land and buildings is undertaken by the Council's Operational Estate Manager. Changes in the market are monitored throughout the year and any property which has a material change during the year that impacts its value is revalued at the time of the change. This includes extensions, improvements, demolitions, new construction and property damage.

The Council has reviewed the potential for indexation of the Other Land and Buildings within our asset base and it was deemed by our senior surveyors and external advisors that in their professional judgement, an indexation of 8.9% should be applied to build cost components of Other Land and Buildings that are not revalued in the year, to reflect the conditions in the external market.

- **De-recognition**

An asset is de-recognised either on its disposal, or where no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition of an asset is included in 'surplus or deficit on the provision of services' within the Comprehensive Income and Expenditure Statement when the asset is de-recognised.

The gain or loss on de-recognition of property, plant and equipment assets is a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account.

The Scottish Government issued a Statutory Override under section 12(2)(b) of the Local Government in Scotland Act 2003 to manage historic issues surrounding the derecognition of Infrastructure asset components, which had the potential for the gross cost of assets to be overstated, albeit that the Net Book Value was still materially correct. The Council has adopted the Statutory Overrides in full, but particularly relevant to derecognition is Override 2, which is detailed overleaf:-

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies - continued

### 1.11 Property, Plant and Equipment - continued

#### • De-recognition - continued

##### **Statutory Override 2**

For accounting periods commencing from 1 April 2010 until 31 March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken to be and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

Where it is necessary to break a building down into further components, the following categories are applied:

- Structural - includes external and internal walls, traditional roofing, doors, etc.
- Non-traditional roofing - includes flat roof, non-traditional roof coverings and industrial type roofs.
- Finishes - includes doors, windows and room finishes.
- Mechanical and electrical services - includes water, heat, ventilation, electrical, lifts, fire and communications.
- Fittings and furnishings - includes fittings, furnishings and sanitary appliances.

### 1.12 Revenue Expenditure Funded from Capital Under Statute

Expenditure that may be capitalised under statutory provisions that does not result in the creation of assets for the Council has been charged to the 'cost of services' in the Comprehensive Income and Expenditure Statement.

These costs are a reconciling item in the Movement in Reserves Statement for the General Fund by way of an adjusting transaction with the capital adjustment account.

### 1.13 Group Account Consolidation

The group has reviewed its investments in other entities and has determined to consolidate the City of Edinburgh Council Charitable Trusts and Funds into the Group accounts with effect from 1 April 2022.

Group accounts have been prepared on the following basis:

- Accounting policies for group members have been aligned unless highlighted below.
- The following methods of consolidation have been used:
  - Subsidiaries - line-by-line basis;
  - Associates and Joint Ventures - equity method.
- Transport for Edinburgh Limited's, CEC Holdings Limited's and Edinburgh Living MMR LLP's reporting periods are to 31 December. As this is within three months of the Council's reporting period (to 31 March) a review was undertaken to establish the potential impact of the different reporting periods on the financial position of the companies. An adjustment has been made for the B Shares issue of Transport for Edinburgh, as a result of this review, but no other consolidation adjustments have been assessed as being required.
- Transport for Edinburgh Limited and CEC Holdings Limited have adopted Accounting Standard IFRS 16 Finance Leases for the years to 31 December 2021 and 2022. The Council has adopted this standard from 1 April 2022 and therefore no consolidation adjustments have been made in the current financial year.
- Edinburgh Living MMR LLP accounts for government grants for acquisition of properties on a deferred income basis, which is not aligned to the Council's income recognition policy requirements. Adjustments have been made for this on consolidation.
- Inter-company transactions have been eliminated on consolidation.
- Group members' financial statements have been prepared on an accruals basis.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Accounting Standards that have been issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2023/24 Code:

The Code requires implementation from 1 April 2023 and there is therefore no impact on the 2022/23 financial statements.

- IFRS 16 Leases (adoption for PFI/PPP arrangements)
- Updating Reference to the Conceptual Framework (Amendments to IFRS 3)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

### 3. Judgements Made in Applying Accounting Policies

In applying the accounting policies set out in Note 1 and elsewhere in the notes to the Financial Statements, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The most significant judgements made in these Financial Statements are detailed below:

#### 3.1 Provision of School Buildings and Waste Facility

The Council has entered into Public Private Partnership (PPP) and Design, Build, Finance and Maintain (DBFM) agreements for provision of school buildings and waste facilities. For each of these contracts the Council has considered the tests under IFRIC12 and concluded these to be service concessions.

The Council is deemed to control the services provided under the Public Private Partnership agreements (PPP1 and PPP2) and the Design, Build, Finance and Maintain (DBFM) for James Gillespie's High School (JGHS) and Queensferry High School (QHS), for the provision of school buildings, maintenance and other facilities with Edinburgh Schools Partnership (PPP1), Axiom Education Limited (PPP2), Hub South East Scotland (JGHS) and QHS DBFMCO Ltd (QHS).

The Council is deemed to control 80% of the services provided under the DBFM for Millerhill Residual Waste Facility (20% controlled by Midlothian Council).

The accounting policies for public private partnerships have been applied to these arrangements and the schools and waste facility (valued at net book value of £659.759m and £93.561m respectively at 31 March 2023) are recognised as Property, Plant and Equipment on the Council's Balance Sheet.

#### 3.2 Group Membership

The Council has an interest in a number of subsidiary and associate companies and trusts. The most significant of these companies in terms of the size of trading operations, shareholding and board representation and other factors have been assessed and where deemed material to the Council, are included in the Group Accounts. Full details of these interests are shown in note 9 to the Financial Statements.

#### 3.3 Materiality

The assessment of materiality is based on 1% of gross expenditure, at net cost of services level, as this is considered to be the principal consideration for users when assessing the Group and Council's performance. The materiality assessment is set out in the table below.

Specific levels of materiality are considered appropriate for the Housing Revenue Account. The Housing Revenue Account has been assessed on 1% of gross expenditure.

Group	Council	HRA
£m	£m	£m
26.484	24.544	1.198

#### 3.4 Agency Arrangements

The Council is in receipt of funding which it administers on behalf of other bodies. The Council has assessed the nature of these transactions to determine if it is acting as a Principal or Agent in the process. Under the Code an Agent is acting as an intermediary, whereas a Principal is acting on its own behalf. Details of those arrangements which have been assessed as agency are disclosed in Note 33.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The following table details uncertainties on assumptions and estimates, and outlines the potential effect if actual results differ from the assumptions made.

Item	Uncertainty	Effect if Actual Results Differ from Assumptions				
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. A reduction in spending on repairs and maintenance would bring into doubt the useful lives assigned to the assets. The Council have used data available on repairs and maintenance to improve the identification of impairments as part of the valuation process. A formal procedure has been put in place in accordance with that procedure and included within the Checklist for Asset Valuation Process. The valuation process also includes a material changes spreadsheet which includes both impairments from unexpected events, the scrutiny of the repairs and maintenance data and the condition score data, as well as changes from capital expenditure on assets, demolitions, etc. No estimations and assumptions about the estimated cost of dismantling, removing or restoring items of property, plant and equipment have been included in the Capital Expenditure in the Accounts. The Council has reviewed the potential for indexation of the Other, Land and Buildings within our asset base and it was deemed by our senior surveyors and external advisors that in their professional judgement, an indexation of 6% should be applied to build cost components of Other Land and Buildings that are not revalued in the year, to reflect the conditions in the external market. Council dwellings are valued using the Beacon Method under which the values of groups of similar properties are calculated by assessing the capital value of one of them (a beacon) then extrapolating the value across the rest of the group. The beacon discount factor is determined by comparing levels of private rent with social rent for each beacon property and calculating the average to apply across the whole portfolio to take account of the difference between private stock (the source of the comparable sales data) and social rented stock. This methodology takes account of regional variations in capital values, stock condition, rent arrears and voids. The discount factor applied in the 2022-23 revaluations is 38% with a 4% uplift (38% and 2.8% uplift previously).	<p>If the useful life of assets is reduced, depreciation increases and the carrying value of the assets falls.</p> <p>It is estimated that the annual depreciation charge would increase and the carrying value would fall by £18.338m for each year that useful lives were reduced.</p>				
	Per Accounting Policy 1.11, the building component of an asset is separated into further components primarily to those with a carrying value of over £5 million. This policy is also applied to buildings with a carrying value of less than £5 million where enhancement expenditure is considered significant in relation to the overall carrying value of the building component.	<p>If the discount factor is increased by 1%, this would lead to a corresponding reduction in the total value of council dwellings of £29.289m.</p>				
	We have also introduced a new system for calculating the remaining useful lives for each property rather than using an assumed useful life and are part way through the five-year programme to calculate them all. In any given financial year, we also calculate useful lives for each property we revalue. This is used as the basis for the useful life of the building component.	<p>If the assumption of £5m building carrying value increased to £10m then the number of assets included would decrease from 136 to 53.</p>				
	The Council uses the table below as the basis for its standard apportionments of components;					
<b>Standard Apportionments</b>						
Type	B - Structural	D - Finishes	F - Fittings	R - Non-Traditional Roof	S - Services	This table and the relevant splits will be reviewed annually by the valuer.
High School	38%	17%	3%	6%	36%	
Primary School	38%	17%	3%	6%	36%	
Care Home	36%	19%	4%	3%	38%	
Sport Centre	39%	17%	4%	6%	34%	
Waverley Court	43%	16%	2%	3%	36%	
City Chambers	46%	16%	2%	0%	36%	
Offices, Galleries and Other	44%	16%	2%	2%	36%	
Millerhill Residual Waste	38%	16%	4%	5%	37%	
<b>Est. Useful Life</b>	<b>Various</b>	<b>25 Years</b>	<b>15 Years</b>	<b>35 Years</b>	<b>20 Years</b>	

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Assumptions Made About the Future and Other Major Sources of Estimation

#### Uncertainty - continued

Pensions Liability	<p>Estimation of the net asset / liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p> <p>The interim solution to avoid inequalities between men and women's benefits following the introduction of the Single Status Pension in 2016 has resulted in a recalculation of pension liabilities related to the estimated impact of Guaranteed minimum pension (GMP) indexation changes.</p> <p>Accounting Standards impose a limit on the maximum amount of pension surplus recognised on the Balance Sheet Note 41 provides further information</p> <p>A further ruling on GMP has been made, in relation to historic transfers.</p> <p>Legislation requires the Local Government Pension Scheme (LGPS) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. The costs management process has been paused following the Court of Appeal ruling that the transitional arrangements in both the Judges' Pension Scheme (McCloud) and Firefighters' Pension Scheme (Sargeant) were age discriminatory. These cases could have knock on implications for the LGPS (potentially increasing the liabilities).</p> <p>The Goodwin case judgement, in respect of deemed discrimination in spousal transfer on death of a member, may also result in the potential increasing of the pension liabilities.</p> <p>The Walker and O'Brien cases, may impact LGPS benefits in the future, in respect of retrospective discrimination in spousal transfer of benefits for same sex couples.</p>	<p>The effects on the net pensions asset / liability of changes in individual assumptions can be measured.</p> <p>Note 41.6 provides further information on the Council's pension asset / liability.</p> <p>The increased liability has been reflected in the pension liability as a past service cost.</p> <p>The Council's actuary has provided a basis of restriction calculation.</p> <p>The Council's actuary has not included any allowance for this as they deem it unlikely to have a significant impact on the pension obligations of a typical Employer.</p> <p>The Council's actuary has included an estimate within the pension asset / liability as a past service cost.</p> <p>The Council's actuary has not included an estimate of the impact of the Goodwin case in the valuation due to the uncertainty of the final outcome. The estimated impact on the Employer's future obligations may be around 0.1-0.2% higher.</p> <p>The Council's actuary has not included an estimated of the impact of these cases as they are unlikely to result in significant impact on the pension obligations.</p>
Arrears	<p>At 31 March, the Council had a balance of sundry debtors of £32.328m. A review of significant balances suggested that an impairment of doubtful debts of £6.618m (20.5%) was appropriate. In the current economic climate it is not certain that this will be sufficient.</p>	<p>If collection rates were to deteriorate, a 5% increase in the rate of the impairment of doubtful debts would require an additional £1.616m to be set aside as an allowance.</p>
House Rent Arrears	<p>At 31 March, the Council had a balance of housing rent arrears of £13.160m. A review of significant balances suggested that an impairment of doubtful debts of £11.508m (87.45%) was appropriate. In the current economic climate it is not certain that this will be sufficient.</p>	<p>There is a relatively high level of arrears and the impairment set aside should help protect against potential loss of income to the Council arising from welfare reforms such as Universal Credit and the reduction in the benefits cap which will potentially impact on the level of rent arrears.</p>

This list does not include assets and liabilities that are carried at fair value based on recently observed market prices.



## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council

The objective of the Expenditure and Funding Analysis is to demonstrate to Council Tax and rent payers how the funding available to the authority (i.e. government and other grants, rents, fees and charges, Council Tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on Page 23.

2022/23	Net Expend. Chargeable to the General Fund and HRA Balances £000	Adjustments £000	Net Expenditure in the CIES £000
Children, Education and Justice Services Place	450,841	(3,515)	447,326
Housing Revenue Account	275,293	193,696	468,989
Health and Social Care	0	11,874	11,874
Corporate Services	286,571	12,883	299,454
Lothian Valuation Joint Board	89,684	14,856	104,540
	3,817	0	3,817
<b>Cost of Services</b>	<b>1,106,206</b>	<b>229,794</b>	<b>1,336,000</b>
<b>Other income and expenditure</b>			
Net cost of benefits	(117)	0	(117)
Other non-service specific costs	18,027	(3,558)	14,469
Net income and changes in relation to investment properties and changes in their fair value	0	(3,460)	(3,460)
Interest and investment income	(8,210)	(1,813)	(10,023)
Interest payable and similar charges ( <i>loan charges in management reporting</i> )	85,066	(25,087)	59,979
Net pension interest cost	0	6,450	6,450
Gains on disposal of assets	0	(143)	(143)
Gains on derecognition or revaluation of financial assets	0	(120)	(120)
Contribution from Capital Fund	(8,759)	8,759	0
Contribution from General Fund	(20,715)	20,715	0
Income from Council Tax	(307,480)	0	(307,480)
Government Grants	(627,905)	0	(627,905)
Distribution from NDRl pool	(249,861)	0	(249,861)
Movement in donated assets	0	239	239
Capital grants and contributions	0	(117,246)	(117,246)
<b>(Surplus) / Deficit on the provision of services</b>	<b>(13,748)</b>	<b>114,530</b>	<b>100,782</b>
Opening General Fund and HRA Balance	257,205		
Contributions to / (from) reserves, including those within services ( <i>see notes 12.1 and 12.3 for detail</i> )	(4,574)		
Surplus on the provision of services	13,748		
Closing General Fund and HRA Balance at 31 March	266,379		

For a split of the balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 20.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued Re-stated

2021/22 Comparative Data	Net Expend. Chargeable to the General Fund and HRA		Net Expenditure in the CIES
	Balances £000	Adjustments £000	
Children, Education and Justice Services	444,004	18,821	462,825
Place	242,743	297,691	540,434
Housing Revenue Account	0	(16,935)	(16,935)
Health and Social Care	252,662	13,672	266,334
Corporate Services	87,136	10,430	97,566
Lothian Valuation Joint Board	3,833	0	3,833
<b>Cost of Services</b>	<b>1,030,378</b>	<b>323,679</b>	<b>1,354,057</b>
<b>Other income and expenditure</b>			
Net cost of benefits	(349)	0	(349)
Other non-service specific costs	12,664	(3,647)	9,017
Net income and changes in relation to investment properties and changes in their fair value	0	(1,507)	(1,507)
Interest and investment income	81	(224)	(143)
Interest payable and similar charges ( <i>loan charges in management reporting</i> )	76,773	(2,198)	74,575
Net pension interest cost	0	14,232	14,232
Gains on disposal of assets	0	(2,405)	(2,405)
Gains on derecognition or revaluation of financial assets	0	(93)	(93)
Contribution from Capital Fund	(26)	26	0
Contribution from General Fund	6,157	(6,157)	0
Income from Council tax	(287,487)	0	(287,487)
Government Grants	(653,272)	0	(653,272)
Distribution from NDRI pool	(188,796)	0	(188,796)
Movement in donated assets	0	586	586
Capital grants and contributions	0	(77,693)	(77,693)
<b>Surplus on the provision of services</b>	<b>(3,877)</b>	<b>244,599</b>	<b>240,722</b>
Opening General Fund and HRA Balance	221,033		
Contributions to / (from) reserves, including those within services ( <i>see notes 12.1 and 12.3 for detail</i> )	32,295		
Deficit on the provision of services	3,877		
Closing General Fund and HRA Balance at 31 March	257,205		

For a split of the balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 21.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council

#### 5.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure

##### Statement amounts

<b>2022/23</b>	<b>Adjusts. For Capital Purposes £000</b>	<b>Net Change for Pensions Adjusts. £000</b>	<b>Other Differences £000</b>	<b>Total Statutory Adjusts. £000</b>
Children, Education and Justice Services Place	1,390	25,597	1,441	28,428
Housing Revenue Account	165,242	25,832	(139)	190,935
Health and Social Care	(8,080)	2,153	(970)	(6,897)
Corporate Services	150	13,315	(162)	13,303
	906	9,618	(109)	10,415
<b>Cost of Services</b>	<b>159,608</b>	<b>76,515</b>	<b>61</b>	<b>236,184</b>
<b>Other income and expenditure</b>				
Net cost of benefits	0	0	0	0
Other non-service specific costs	17,503	(4,890)	(17,085)	(4,472)
Net income and changes in relation to investment properties and changes in their fair value	0	0	(1,536)	(1,536)
Interest and investment income	(921)	0	0	(921)
Interest payable and similar charges	(28,100)	0	(2,233)	(30,333)
Net pension interest cost	0	6,450	0	6,450
Gains on disposal of assets	(143)	0	0	(143)
Gains on derecognition or revaluation of financial assets	0	0	0	0
Capital grants and contributions	(117,246)	0	0	(117,246)
Income from donated assets	239	0	0	239
<b>Total Adjustments</b>	<b>30,940</b>	<b>78,075</b>	<b>(20,793)</b>	<b>88,222</b>

Notes -

Adjustments for capital purposes include the replacement of depreciation and impairment costs with repayment of borrowing to the Loans Fund.

Net changes for pensions adjustment relate to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.

Other differences include reversal of the value of entitlement to accrued leave, the revaluation of investment properties and the timing differences for premiums and discounts associated with borrowing within the Loans Fund.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued

#### 5.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

2022/23	Total Statutory Adjusts. b/fwd £000	Presentation Adjusts. £000	Use of Reserves £000	Total Adjusts. £000
Children, Education and Justice Services Place	28,428	(63)	(31,880)	(3,515)
Housing Revenue Account	190,935	75	2,686	193,696
Health and Social Care	(6,897)	0	18,771	11,874
Corporate Services	13,303	(420)	0	12,883
	10,415	1,923	2,518	14,856
<b>Cost of Services</b>	<b>236,184</b>	<b>1,515</b>	<b>(7,905)</b>	<b>229,794</b>
<b>Other income and expenditure</b>				
Net cost of benefits	0	0	0	0
Other non-service specific costs	(4,472)	(4,643)	5,557	(3,558)
Net income and changes in relation to investment properties and changes in their fair value	(1,536)	(1,924)	0	(3,460)
Interest and investment income	(921)	(74)	(818)	(1,813)
Interest payable and similar charges	(30,333)	5,246	0	(25,087)
Net pension interest cost	6,450	0	0	6,450
Gains on disposal of assets	(143)	0	0	(143)
Gains on derecognition or revaluation of financial assets	0	(120)	0	(120)
Use of reserves	0	0	29,474	29,474
Capital grants and contributions	(117,246)	0	0	(117,246)
Income from donated assets	239	0	0	239
<b>Total Adjustments</b>	<b>88,222</b>	<b>0</b>	<b>26,308</b>	<b>114,530</b>

Notes -

Presentational adjustments relate primarily to the presentation of interest payments on finance leases (*including PPP schemes*), internal recharges and income and expenditure on investment properties for decision making purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued

#### 5.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

Re-stated

	Adjusts. For Capital Purposes £000	Net Change for Pensions Adjusts. £000	Other Differences £000	Total Statutory Adjusts. £000
<b>2021/22 Comparative Data</b>				
Children, Education and Justice Services Place	(7,939)	28,082	(805)	19,338
Housing Revenue Account	315,570	19,963	(455)	335,078
Health and Social Care	(9,779)	2,428	(930)	(8,281)
Corporate Services	94	14,472	(471)	14,095
	1,044	13,190	(271)	13,963
<b>Cost of Services</b>	<b>298,990</b>	<b>78,135</b>	<b>(2,932)</b>	<b>374,193</b>
<b>Other income and expenditure</b>				
Net cost of benefits	0	0	0	0
Other non-service specific costs	(2,607)	5,454	6	2,853
Net income and changes in relation to investment properties and changes in their fair value	0	0	318	318
Interest and investment income	(209)	0	0	(209)
Interest payable and similar charges	(23,594)	0	(2,174)	(25,768)
Net pension interest cost	0	14,232	0	14,232
Gains on disposal of assets	(2,405)	0	0	(2,405)
Gains on derecognition or revaluation of financial assets	0	0	0	0
Capital grants and contributions	(77,693)	0	0	(77,693)
Income from donated assets	586	0	0	586
<b>Total Adjustments</b>	<b>193,068</b>	<b>97,821</b>	<b>(4,782)</b>	<b>286,107</b>

Notes -

Adjustments for capital purposes include the replacement of depreciation and impairment costs with repayment of borrowing to the Loans Fund.

Net changes for pensions adjustment relates to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.

Other differences include reversal of the value of entitlement to accrued leave, the revaluation of investment properties and the timing differences for premiums and discounts associated with borrowing within the Loans Fund.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued

#### 5.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

Re-stated

2021/22 Comparative Data	Total Statutory Adjusts. b/fwd £000	Presentation Adjusts. £000	Use of Reserves £000	Total Adjusts. £000
Children, Education and Justice Services Place	19,338	(18)	(499)	18,821
Housing Revenue Account	335,078	(19,630)	(17,757)	297,691
Health and Social Care	(8,281)	0	(8,654)	(16,935)
Corporate Services	14,095	(423)	0	13,672
	13,963	1,825	(5,358)	10,430
<b>Cost of Services</b>	<b>374,193</b>	<b>(18,246)</b>	<b>(32,268)</b>	<b>323,679</b>
<b>Other income and expenditure</b>				
Net cost of benefits	0	0	0	0
Other non-service specific costs	2,853	(3,402)	(3,098)	(3,647)
Net income and changes in relation to investment properties and changes in their fair value	318	(1,825)	0	(1,507)
Interest and investment income	(209)	(4)	(11)	(224)
Interest payable and similar charges	(25,768)	23,570	0	(2,198)
Net pension interest cost	14,232	0	0	14,232
Gains on disposal of assets	(2,405)	0	0	(2,405)
Gains on derecognition or revaluation of financial assets	0	(93)	0	(93)
Use of reserves	0	0	(6,131)	(6,131)
Capital grants and contributions	(77,693)	0	0	(77,693)
Income from donated assets	586	0	0	586
<b>Total Adjustments</b>	<b>286,107</b>	<b>0</b>	<b>(41,508)</b>	<b>244,599</b>

Notes -

Presentational adjustments relate primarily to the presentation of interest payments on finance leases (*including PPP schemes*), trading operations, internal recharges and income and expenditure on investment properties for decision making purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council

#### 5.2 Segmental Analysis of Expenditure and Income included in Expenditure and Funding Analysis

2022/23	Children, Education and Justice Services		Housing Revenue Account	Health and Social Care
	£000	Place £000	£000	£000
Employee expenses	395,324	157,681	14,323	91,231
Other service expenses	192,191	456,255	49,326	317,203
Support service recharges	0	2,510	9,392	0
Interest payments	64	0	17,957	0
Debt repayments ( <i>HRA only</i> )	0	0	40,403	0
<b>Total Expenditure</b>	<b>587,579</b>	<b>616,446</b>	<b>131,401</b>	<b>408,434</b>
<b>Income</b>				
Revenues from external customers	(3,661)	(229,870)	(103,908)	(20,579)
Income from recharges for services	0	(8,351)	(526)	0
Government grants and other contribs.	(133,077)	(102,932)	(26,046)	(101,284)
Interest and investment income	0	0	(921)	0
<b>Total Income</b>	<b>(136,738)</b>	<b>(341,153)</b>	<b>(131,401)</b>	<b>(121,863)</b>
<b>Cost of Services</b>	<b>450,841</b>	<b>275,293</b>	<b>0</b>	<b>286,571</b>

Expenditure	Corporate Services	Lothian Valuation Joint Board	Council Total
	£000	£000	£000
Employee expenses	63,530	0	722,089
Other service expenses	61,671	3,817	1,080,463
Support service recharges	(917)	0	10,985
Interest payments	0	0	18,021
Debt repayments ( <i>HRA only</i> )	0	0	40,403
<b>Total Expenditure</b>	<b>124,284</b>	<b>3,817</b>	<b>1,871,961</b>
<b>Income</b>			
Revenues from external customers	(4,669)	0	(362,687)
Income from recharges for services	(12,066)	0	(20,943)
Government grants and other contribs.	(17,865)	0	(381,204)
Interest and investment income	0	0	(921)
<b>Total Income</b>	<b>(34,600)</b>	<b>0</b>	<b>(765,755)</b>
<b>Cost of Services</b>	<b>89,684</b>	<b>3,817</b>	<b>1,106,206</b>

Expenditure	Subsidiaries	Associates and Joint Ventures	Group Total
	£000	£000	£000
Employee expenses	99,908	0	821,997
Other service expenses	115,416	0	1,195,879
Support service recharges	0	0	10,985
Depreciation, amortisation and impairment	(21,370)	0	(21,370)
Interest payments	0	0	18,021
Debt repayments ( <i>HRA only</i> )	0	0	40,403
Net expend from Associates and Joint Ventures	0	29,787	29,787
<b>Total Expenditure</b>	<b>193,954</b>	<b>29,787</b>	<b>2,095,702</b>
<b>Income</b>			
Revenues from external customers	(243,382)	0	(606,069)
Income from recharges for services	0	0	(20,943)
Government grants and other contribs.	44,965	0	(336,239)
Interest and investment income	0	0	(921)
Net income from Associates and Joint Ventures	0	(680)	(680)
<b>Total Income</b>	<b>(198,417)</b>	<b>(680)</b>	<b>(964,852)</b>
<b>Cost of Services</b>	<b>(4,463)</b>	<b>29,107</b>	<b>1,130,850</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued

#### 5.2 Segmental Analysis of Expenditure and Income included in Expenditure and Funding Analysis

##### Re-stated

2021/22 Comparative Data	Children, Education and Justice		Housing Revenue	Health and Social Care
	Services	Place	Account	
Expenditure	£000	£000	£000	£000
Employee expenses	376,747	128,854	13,722	88,517
Other service expenses	172,804	387,952	45,411	295,003
Support service recharges	0	37	7,293	0
Interest payments	13	19,644	16,883	0
Debt repayments ( <i>HRA only</i> )	0	0	17,356	0
<b>Total Expenditure</b>	<b>549,564</b>	<b>536,487</b>	<b>100,665</b>	<b>383,520</b>
<b>Income</b>				
Revenues from external customers	(8,263)	(203,755)	(96,634)	(17,242)
Income from recharges for services	0	(4,163)	(208)	0
Government grants and other contribs.	(97,297)	(85,826)	(3,614)	(113,616)
Interest and investment income	0	0	(209)	0
<b>Total Income</b>	<b>(105,560)</b>	<b>(293,744)</b>	<b>(100,665)</b>	<b>(130,858)</b>
<b>Cost of Services</b>	<b>444,004</b>	<b>242,743</b>	<b>0</b>	<b>252,662</b>

Expenditure	Corporate	Lothian	Council Total
	Services	Valuation Joint Board	
	£000	£000	£000
Employee expenses	59,411	0	667,251
Other service expenses	57,954	3,833	962,957
Support service recharges	-817	0	6,513
Interest payments	0	0	36,540
Debt repayments ( <i>HRA only</i> )	0	0	17,356
<b>Total Expenditure</b>	<b>116,548</b>	<b>3,833</b>	<b>1,690,617</b>
<b>Income</b>			
Revenues from external customers	(5,310)	0	(331,204)
Income from recharges for services	(9,980)	0	(14,351)
Government grants and other contribs.	(14,122)	0	(314,475)
Interest and investment income	0	0	(209)
<b>Total Income</b>	<b>(29,412)</b>	<b>0</b>	<b>(660,239)</b>
<b>Cost of Services</b>	<b>87,136</b>	<b>3,833</b>	<b>1,030,378</b>

Expenditure	Subsidiaries	Associates and Joint Ventures	Group Total
	£000	£000	
Employee expenses	94,644	0	761,895
Other service expenses	108,024	0	1,070,981
Support service recharges	0	0	6,513
Depreciation, amortisation and impairment	(21,887)	0	(21,887)
Interest payments	0	0	36,540
Debt repayments ( <i>HRA only</i> )	0	0	17,356
Net expend from Associates and Joint Ventures	0	963	963
<b>Total Expenditure</b>	<b>180,781</b>	<b>963</b>	<b>1,872,361</b>
<b>Income</b>			
Revenues from external customers	(207,949)	0	(539,153)
Income from recharges for services	0	0	(14,351)
Government grants and other contribs.	33,871	0	(280,604)
Interest and investment income	0	0	(209)
Net income from Associates and Joint Ventures	0	(30,260)	(30,260)
<b>Total Income</b>	<b>(174,078)</b>	<b>(30,260)</b>	<b>(864,577)</b>
<b>Cost of Services</b>	<b>6,703</b>	<b>(29,297)</b>	<b>1,007,784</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 6. Expenditure and Income Analysed by Nature Group

6.1 The authority's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows:

	<b>2022/23</b>	<b>Re-stated 2021/22</b>
	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>		
Employee expenses	895,688	846,111
Other service expenses	1,514,895	1,359,129
Support service recharges	10,985	6,513
Depreciation, amortisation and impairment	226,390	336,721
Interest payments	171,989	166,037
Net Interest in the (profit) / loss of associates and joint ventures	29,106	(29,297)
<b>Total Expenditure</b>	<b><u>2,849,053</u></b>	<b><u>2,685,214</u></b>
<b>Income</b>		
Fees, charges and other service income	(1,007,266)	(913,103)
Gain on the disposal of assets	(335)	(3,255)
Movement on donated assets	239	586
Interest and investment income	(114,095)	(75,124)
Income from Council Tax and Non-Domestic Rates	(557,341)	(476,283)
Government grants and other contributions	(927,498)	(912,716)
Recognised capital income	(125,726)	(84,763)
<b>Total Income</b>	<b><u>(2,732,022)</u></b>	<b><u>(2,464,658)</u></b>
<b>Group (Surplus) / Deficit</b>	<b><u>117,031</u></b>	<b><u>220,556</u></b>

#### Council

6.2 The authority's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows

	<b>2022/23</b>	<b>Re-stated 2021/22</b>
	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>		
Employee expenses	795,780	751,467
Other service expenses	1,400,149	1,247,435
Support service recharges	10,985	6,513
Depreciation, amortisation and impairment	247,760	358,608
Interest payments	158,048	153,743
<b>Total Expenditure</b>	<b><u>2,612,722</u></b>	<b><u>2,517,766</u></b>
<b>Income</b>		
Fees, charges and other service income	(759,884)	(708,077)
(Gain) / Loss on the disposal of assets	(143)	(2,405)
Interest and investment income	(105,102)	(66,586)
Income from Council Tax and Non-Domestic Rates	(557,341)	(476,283)
Government grants and other contributions	(972,462)	(946,586)
Recognised capital income	(117,247)	(77,693)
Donated asset income	239	586
<b>Total Income</b>	<b><u>(2,511,940)</u></b>	<b><u>(2,277,044)</u></b>
<b>(Surplus) / Deficit on the Provision of Services</b>	<b><u>100,782</u></b>	<b><u>240,722</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Material Items of Income and Expense

There has been material income and expense during this financial year related to the continuing impacts of the Covid 19 pandemic, further details of this are contained in the Management

### 8. Events After the Balance Sheet Date

There have been no material events to disclose after the Balance Sheet date.

### 9. Subsidiaries and Associates

The Council holds shares in various trading companies, either as a controlling or minority shareholder.

The Council is also represented on the Boards of various companies that are limited by guarantee and have no share capital. It participates in these companies by means of Board membership and the provision of funding and management support.

The following entities have a significant impact on the Council's operations and have been consolidated into the Group Accounts:

#### Subsidiaries:

	<b>Shareholding</b>
• CEC Holdings Limited	100.00%
• Transport for Edinburgh Limited	100.00%
• Edinburgh Living MMR LLP	99.999%
• City of Edinburgh Charitable Trusts	Sole Trustee

#### Associates:

• Edinburgh Leisure	33.33%	Board representation
• Capital Theatres	16.67%	Board representation
• Lothian Valuation Joint Board	61.36%	Funding percentage
• Common Good	100.00%	

#### Joint Venture

	<b>Interest</b>	
• Edinburgh Integration Joint Board	50.00%	Board representation

The following companies are not consolidated into the Group Accounts. An assessment has been carried out on these companies, their activities and the level of Council control. These companies are not considered to be a material part of the Group and have therefore been excluded from the Group Accounts:

	<b>Shareholding</b>	
• Capital City Partnership Limited	100.00%	
• CEC Recovery Limited (formerly tie Limited)	100.00%	
• Marketing Edinburgh Limited	100.00%	(dissolved 25.04.23)
• Energy for Edinburgh Limited	100.00%	
• Edinburgh Living MR LLP	99.00%	(dormant to 31.12.22)
• Telford NHT LLP	> 75% controlling interest	

In January 2019 the Council bought out the developer's share in Telford NHT LLP and held majority control of this associate during the financial year, in conjunction with the Scottish Futures Trust. The properties held were sold on 4 May 2021, however the controlling interest has been retained.

LFPE Limited and LPFI Limited are consolidated in the annual accounts of Lothian Pension Fund.

The accounts of the subsidiary bodies may be accessed, as they become available, through [the Council's website](#).

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Subsidiaries and Associates - continued

#### 9.1 Analysis of Minority Interest Shares in the Group Comprehensive Income and Expenditure Statement

Attributable shares of income and expenditure 2022/23	Authority £000	Minority Interest £000	Total £000
(Surplus) or Deficit on the Provision of Services	116,558	474	117,032
Other Comprehensive Income and Expenditure	(1,320,585)	3,267	(1,317,318)
	<u>(1,204,027)</u>	<u>3,741</u>	<u>(1,200,286)</u>
Re-stated 2021/22	£000	£000	£000
(Surplus) or Deficit on the Provision of Services	225,912	(5,356)	220,556
Other Comprehensive Income and Expenditure	(1,116,266)	981	(1,115,285)
	<u>(890,354)</u>	<u>(4,375)</u>	<u>(894,729)</u>

#### 9.2 Subsidiary Companies

- **CEC Holdings Limited**

The principal activities of the company are property development and the operation of an international conference centre. The company is wholly owned by the City of Edinburgh Council.

The most recent unaudited results of the company are as follows:	31.12.22 £000	Restated 31.12.21 £000
Net assets	13,537	14,699
Net (profit) / loss before taxation	1,433	(1,032)
Retained profit / (loss) carried forward	(56,777)	(55,073)

The Council inherited its interest in CEC Holdings Limited following the local government reorganisation in 1996. It is considered that this was on an acquisition basis, however, as no consideration was given for these interests, there was no goodwill involved in these transactions.

- **Transport for Edinburgh Limited**

The principal activities of the company are as a holding company for the City of Edinburgh Council's interest in public transport companies; Lothian Buses Limited and Edinburgh Trams Limited. The company is wholly owned by the City of Edinburgh Council.

The Council's major shareholding in Lothian Buses of 5,824,139 (91.01%) £1 ordinary shares (fully paid) was transferred to Transport for Edinburgh Limited in 2014.

The Council inherited its interest in Lothian Buses Limited, following the reorganisation of local government in 1996. It is considered that this was on an acquisition basis, however, as no consideration was given for these interests, there was no goodwill involved in these transactions.

Edinburgh Trams Limited commenced a fare paying revenue service on 31 May 2014.

The most recent unaudited results of the company are as follows:

Transport for Edinburgh Limited (Consolidated Group)	31.12.22 £000	31.12.21 £000
Net assets	123,710	132,032
Net loss before taxation	7,180	15,937
Retained earnings	(12,320)	4,858
Dividend paid in March 2022 and March 2021	0	0

A copy of the latest accounts can be obtained by writing to the Finance Director, Lothian Buses Limited, Annandale Street, Edinburgh, EH7 4AZ.

- **Edinburgh Living MMR LLP**

The limited liability partnership (LLP) members are the City of Edinburgh Council and Scottish Futures Trust (SFT). The principal activities of the partnership are to acquire and manage homes for mid-market rent.

The most recent audited results of the partnership are as follows:	31.12.22 £000	31.12.21 £000
Net assets	87,379	60,104
Net profit before taxation (including revaluation gains)	(9,777)	(8,085)
Retained profit carried forward	(2,454)	(1,157)

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Subsidiaries and Associates - continued

#### 9.2 Subsidiary Companies - continued

- **The City of Edinburgh Council Charitable Trusts**

The City of Edinburgh Council acts as sole Trustee for the charitable trusts. The charities that the Council administers are constituted in a variety of different ways. Details of how each charity was originally established are available from the Council.

The most recent unaudited results of the trusts are as follows:	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Net assets	15,975	16,034
Net (profit) / loss before taxation	60	(227)

#### 9.3 Associates

- **Edinburgh Leisure**

This is a non-profit-distributing company limited by guarantee and registered as a Charity. Each member has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the company being wound up.

The principal activity of the company is the provision of recreation and leisure facilities.

The City of Edinburgh Council is represented on the company's Board of Directors and contributes a substantial sum to the company towards the cost of operating sport and leisure facilities.

The City of Edinburgh Council leases its sport and leisure centres to the company.

The most recent unaudited results of the company are as follows:	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Net assets / (liabilities)	6,616	6,995
Net operating (profit) / loss	379	1,578
Earnings / (Losses) carried forward	6,616	6,995

Although Edinburgh Leisure is included in the Group Accounts, as the nature of its activities is a core part of Council policy, the Council has no legal interest in the assets or liabilities of the company.

- **Capital Theatres**

This is a non-profit-distributing company limited by guarantee and registered as a Charity.

The City of Edinburgh Council is represented on the trust's board of directors and gives substantial financial assistance. The City of Edinburgh Council leases the King's Theatre and the Festival Theatre to the trust.

The most recent unaudited results of the company are as follows:	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Net assets	11,550	8,104
Net operational (profit) / loss	(3,543)	(2,412)
Fund balances carried forward	11,550	8,104

Although Capital Theatres is included in the Group Accounts, due to its activities being a core part of Council policy, the Council has no legal interest in the assets or liabilities of the company.

- **Lothian Valuation Joint Board**

The Lothian Valuation Joint Board provides Valuation Appeals, Lands Valuation, Electoral Registration and Council Tax Valuation Services.

The Board comprises 16 members of whom nine are elected by the City of Edinburgh, three by West Lothian and two each by East and Midlothian Councils. Costs incurred by the Lothian Valuation Joint Board are apportioned in accordance with the non-domestic rateable subjects and dwellings valued for Council Tax within the areas of each constituent authority.

	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Deficit for the year	973	711
Net Assets / (Liabilities)	7,619	3,042
Usable reserves	1,294	1,450
Unusable reserves	6,325	1,592
Total reserves	<u>7,619</u>	<u>3,042</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 9.4 Joint Ventures

### • Edinburgh Integration Joint Board

The Edinburgh Integration Joint Board (EIJB) was established by order of Scottish Ministers on 27 June 2015 under the Public Bodies (Joint Working) (Scotland) Act 2014.

The Board comprises 10 voting members, made up of five elected members appointed by the City of Edinburgh Council and five NHS non-executive directors appointed by NHS Lothian, along with a number of non voting members.

The expenditure incurred by the EIJB is covered in full by income received from the partner bodies, NHS Lothian and the City of Edinburgh Council. EIJB therefore commissions services from the parent bodies based on the approved strategic plan.

The most recent unaudited results of the Board are as follows:	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Gross expenditure	923,269	881,767
(Surplus) / Deficit for the year	58,126	(56,749)
Usable reserves	24,033	82,159

## 9.5 Audit Opinions noted on the Accounts of the Companies

Unless otherwise indicated, the companies' accounts are unaudited.

## 9.6 Shareholder Support to Council Companies

A number of companies within the group are currently dependent on the continued financial support of the Council. The companies are EICC Limited, a subsidiary of CEC Holdings Limited - (the Council owns 100% of the shares in CEC Holdings Limited), Transport for Edinburgh Ltd - (including Lothian Buses and Edinburgh Trams Ltd), Capital Theatres and Edinburgh Leisure.

## 9.7 Financial Impact of Consolidation

The effect of inclusion of subsidiaries and associates on the Group Balance Sheet is to increase both reserves and net assets by £195.391m (2021/22 £239.518m) representing the Council's share of the realisable surpluses or deficits in these companies.

## 10. Contingent Liabilities

Contingent Assets and Liabilities are not recognised in the accounting statements. Where there is probable inflow or outflow of economic benefits or service potential, these are disclosed in the notes to the financial statements.

There may be outstanding liability claims or claims to be submitted against the Council in relation to insured and uninsured losses or incidents. The actual cost and timing of any claims cannot be estimated with reasonable accuracy and consequently no specific provision has been made in the financial statements in respect of any such claims.

The work of the Scottish Child Abuse Inquiry, which began in 2015, is continuing under Lady Smith. Since early 2022, this has focussed on historic foster carer provision and the Council is contributing accordingly. As the Redress scheme for survivors of historical child abuse and the introduction of Qualified One-Way Costs Shifting (QOCS) have now both been introduced, there are increased avenues for survivors to seek compensation for alleged abuse which took place whilst in the care of an organisation. The Council's project team continues to support the inquiry, review historic records and respond to requests from the Inquiry for information. Local authorities across Scotland will be presented with claims, however the extent of the exposure remains unknown in 2022 as there is no time bar on the presentation of claims. The introduction of the Prescription (Scotland) Act 2018 may also have an impact on claims in coming years

The Inquiry has identified a number of Council operated or commissioned facilities which it wishes to review as part of its investigation. Separately, some civil litigation claims have been submitted to the City of Edinburgh Council, as successor authority to Lothian Regional Council. Where claims are ongoing, it is impossible to confirm the likely cost to the Council as reserves change regularly and accurate costs are only known when a claim is settled. The total cost to the Council will include any settlement amount, fees (both first and third party), which may be offset by the insurance coverage in force at the time of the alleged abuse. It is worth noting that discussions are due to take place to ensure an equitable distribution of legacy claims across all Lothian councils which will further impact the exposure to the Council.

The Council has finalised the details of a redress scheme for survivors who suffered physical and sexual abuse at the hands of a former Council employee. The total amounts paid out under this scheme will depend on the number of eligible claimants, nature of the claims being brought and the tariffs for each type of injury.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	Usable Reserves		
	General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000
<b>2022/23</b>			
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	130,865	42,998	0
Movements in the market value of investment properties	(1,536)	0	0
Amortisation and impairment of intangible assets	114	0	0
Capital grants and contributions applied	(69,378)	(38,169)	0
Capital funded from revenue	(2,767)	(21,742)	0
Donated assets	239	0	0
Capital fund used to finance new capital expenditure	0	0	0
Revenue expenditure funded from capital under statute	64,847	0	0
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	(64,744)	(18,661)	0
Capital expenditure charged against General Fund and HRA balances	(64,847)	0	0
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net (gain) / loss on sale of property, plant and equipment and assets held for sale	1,833	(2,061)	23,703
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(23,703)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(2,233)	(941)	0
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	154,643	4,482	0
Employer's pension contributions and direct payments to pensioners payable in the year	(78,904)	(2,147)	0
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	1,033	(29)	0
<b>Total Adjustments</b>	69,165	(36,270)	0

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

2022/23	Usable Reserves		Movement in Unusable Reserves £000
	Capital Grants Unapplied Account £000	Capital Fund £000	
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	0	0	(173,863)
Movements in the market value of investment properties	0	0	1,536
Amortisation of intangible assets	0	0	(114)
Capital grants and contributions applied	803	0	106,744
Capital funded from revenue	0	0	24,509
Donated assets	0	0	(239)
Capital fund used to finance new capital expenditure	0	(1,297)	1,297
Revenue expenditure funded from capital under statute	0	0	(64,847)
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	0	(8,759)	92,164
Capital expenditure charged against General Fund and HRA balances	0	0	64,847
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	(16,608)	0	16,608
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net gain / (loss) on sale of property, plant and equipment and assets held for sale	0	0	(23,475)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	23,703
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	3,174
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	(159,125)
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	81,051
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	0	0	(1,004)
<b>Total Adjustments</b>	<b>(15,805)</b>	<b>(10,056)</b>	<b>(7,034)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

Re-stated 2021/22 Comparative Data	Usable Reserves		
	General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	296,778	23,053	0
Movements in the market value of investment properties	318	0	0
Amortisation of intangible assets	114	0	0
Capital grants and contributions applied	(57,579)	(20,114)	0
Capital funded from revenue	(15,043)	0	0
Donated assets	586	0	0
Capital fund used to finance new capital expenditure	0	0	0
Revenue expenditure funded from capital under statute	58,999	0	0
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	(53,599)	(17,356)	0
Capital expenditure charged against General Fund and HRA balances	(58,999)	0	0
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net loss / (gain) on sale of property, plant and equipment and assets held for sale	1,041	(3,446)	16,442
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(16,442)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(2,174)	(906)	0
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	169,526	4,780	0
Employer's pension contributions and direct payments to pensioners payable in the year	(74,523)	(1,961)	0
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	(1,996)	(25)	0
<b>Total Adjustments</b>	<b>263,449</b>	<b>(15,975)</b>	<b>0</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

Re-stated 2021/22 Comparative Data	Usable Reserves		Movement in Unusable Reserves £000
	Capital Grants Unapplied Account £000	Capital Fund £000	
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	0	0	(319,831)
Movements in the market value of investment properties	0	0	(318)
Amortisation of intangible assets	0	0	(114)
Capital grants and contributions applied	2,506	0	75,187
Capital funded from revenue	0	0	15,043
Donated assets	0	0	(586)
Capital fund used to finance new capital expenditure	0	(7,150)	7,150
Revenue expenditure funded from capital under statute	0	0	(58,999)
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	0	(31)	70,986
Capital expenditure charged against General Fund and HRA balances	0	0	58,999
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	(3,461)	0	3,461
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net (loss) / gain on sale of property, plant and equipment and assets held for sale	0	0	(14,037)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	16,442
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	3,080
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	(174,306)
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	76,484
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	0	0	2,021
<b>Total Adjustments</b>	<b>(955)</b>	<b>(7,181)</b>	<b>(239,338)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves

#### 12.1 Transfers to and from Usable Reserves

This note sets out the amounts set aside in the Group's and the Council's usable reserves and the amounts posted back from these reserves to meet expenditure during the year.

	Balance at 01.04.22 £000	Net Transfers Out 2022/23 £000	Net Transfers In 2022/23 £000	Balance at 31.03.23 £000
<b>Group Reserves</b>				
<b>Subsidiaries</b>				
CEC Holdings Limited				
Revenue reserves	(55,280)	(1,497)	0	(56,777)
Capital grants unapplied account	1,128	(67)	0	1,061
Transport for Edinburgh Limited				
Revenue reserves	98,396	(50,787)	0	47,609
Minority interests	15,560	(3,747)	0	11,813
Edinburgh Living MMR LLP				
Revenue reserves	7,982	0	10,963	18,945
The City of Edinburgh Council Charitable Trusts				
Revenue reserve	1,344	0	145	1,489
<b>Total Usable Reserves - Subsidiaries</b>	<b>69,130</b>	<b>(56,098)</b>	<b>11,108</b>	<b>24,140</b>
<b>Associates and Joint Ventures</b>				
Common Good Fund - Reserves	2,657	0	105	2,762
Edinburgh Leisure - Reserves	2,331	(126)	0	2,205
Capital Theatres - Reserves	2,701	(776)	0	1,925
Lothian Valuation Joint Board - Reserves	892	(98)	0	794
Edinburgh Integration Joint Board - Reserves	41,080	(29,063)	0	12,017
<b>Total Usable Reserves - Associates and Joint Ventures</b>	<b>49,661</b>	<b>(30,063)</b>	<b>105</b>	<b>19,703</b>
<b>Total Usable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<b>118,791</b>	<b>(86,161)</b>	<b>11,213</b>	<b>43,843</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.21 £000	Net Transfers Out 2021/22 £000	Net Transfers In 2021/22 £000	Balance at 31.03.22 £000
<b>Re-stated</b>				
<b>Group Reserves</b>				
<b>Subsidiaries</b>				
CEC Holdings Limited				
Revenue reserves	(56,030)	0	750	(55,280)
Capital grants unapplied account	1,213	(85)	0	1,128
Transport for Edinburgh				
Revenue reserves	82,539	0	15,857	98,396
Minority interests	11,187	0	4,373	15,560
Edinburgh Living MMR LLP				
Revenue reserves	5,375	0	2,607	7,982
	<u>44,284</u>	<u>(85)</u>	<u>23,587</u>	<u>67,786</u>
<b>Total Usable Reserves - Subsidiaries</b>				
<b>Associates and Joint Ventures</b>				
Common Good Fund - Reserves	2,669	(12)	0	2,657
Edinburgh Leisure - Reserves	297	0	2,034	2,331
Capital Theatres - Reserves	1,875	0	826	2,701
Lothian Valuation Joint Board - Reserves	755	0	137	892
Edinburgh Integration Joint Board - Reserves	12,705	0	28,375	41,080
	<u>18,301</u>	<u>(12)</u>	<u>31,372</u>	<u>49,661</u>
<b>Total Usable Reserves - Associates and Joint Ventures</b>				
<b>Total Usable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<u><u>62,585</u></u>	<u><u>(97)</u></u>	<u><u>54,959</u></u>	<u><u>117,447</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.22 £000	Transfers Out 2022/23 £000	Transfers In 2022/23 £000	Balance at 31.03.23 £000
<b>Council's Usable Reserves</b>				
<b>General Fund</b>				
<b>Balances Set Aside to Manage Financial Risks and for Specific Investment</b>				
Balances set aside for specific inv.	59,685	(13,866)	69,528	115,347
Council Priorities Fund	2,628	(2,629)	13,711	13,710
Contingency funding, Workforce Transformation	11,274	0	2,323	13,597
Dilapidations Fund	3,957	0	300	4,257
Insurance Funds*	22,258	(4,862)	5,330	22,726
Covid Funds	71,178	(38,165)	304	33,317
	<u>170,980</u>	<u>(59,522)</u>	<u>91,496</u>	<u>202,954</u>
<b>Balances Set Aside from Income Received in Advance</b>				
Licensing Income*	5,712	(523)	314	5,503
Revenue grants and contributions received in advance of planned expenditure	12,385	(5,645)	5,934	12,674
Council Tax Discount Fund*	11,305	(9,674)	3,619	5,250
Other earmarked balances	175	0	4	179
City Strategic Investment Fund	1,055	(118)	145	1,082
Covid service-specific advance funding	15,159	(10,778)	0	4,381
	<u>45,791</u>	<u>(26,738)</u>	<u>10,016</u>	<u>29,069</u>
<b>Balances Set Aside for Investment in Specific Projects which will Generate Future Savings</b>				
Energy Efficiency Fund	334	(72)	7	269
Spend to Save Fund and similar projects	3,873	(280)	640	4,233
	<u>4,207</u>	<u>(352)</u>	<u>647</u>	<u>4,502</u>
<b>Balances Set Aside under Devolved School Management Scheme and Pupil Equity Fund</b>				
Balances held by schools under Devolved School Management (DSM) and Pupil Equity Fund (PEF)*	7,246	(7,246)	4,023	4,023
<b>Unallocated General Fund</b>	28,981	(3,150)	0	25,831
<b>Total General Fund</b>	<u>257,205</u>	<u>(97,008)</u>	<u>106,182</u>	<u>266,379</u>
<b>Housing Revenue Account Balance</b>	0	0	0	0
<b>Renewal and Repairs Fund</b>	50,407	(22,003)	9,026	37,430
<b>Capital Fund</b>	42,550	(1,297)	941	42,194
<b>Capital Receipts Reserve</b>	0	(23,703)	23,703	0
<b>Capital Grants Unapplied Account</b>	46,994	(16,608)	803	31,189
<b>Total Usable Reserves - Council</b>	<u>397,156</u>	<u>(160,619)</u>	<u>140,655</u>	<u>377,192</u>
<b>Total Usable Reserves - Group</b>	<u>515,947</u>	<u>(246,780)</u>	<u>151,868</u>	<u>421,035</u>

\* - mandatory earmarked General Fund balances

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.21 £000	Transfers Out 2021/22 £000	Transfers In 2021/22 £000	Balance at 31.03.22 £000
<b>General Fund</b>				
<b>Balances Set Aside to Manage Financial Risks and for Specific Investment</b>				
Balances set aside for specific inv.	28,005	(1,289)	32,969	59,685
Council Priorities Fund	0	0	2,628	2,628
Contingency funding, Workforce Transformation	11,237	0	37	11,274
Dilapidations Fund	4,000	(43)	0	3,957
Insurance Funds*	19,580	(3,012)	5,690	22,258
Covid Funds	78,473	(11,867)	4,572	71,178
	<u>141,295</u>	<u>(16,211)</u>	<u>45,896</u>	<u>170,980</u>
<b>Balances Set Aside from Income Received in Advance</b>				
Licensing Income*	3,973	(66)	1,805	5,712
Revenue grants and contributions received in advance of planned expenditure	11,678	(5,206)	5,913	12,385
Council Tax Discount Fund*	6,063	0	5,242	11,305
Other earmarked balances	175	0	0	175
City Strategic Investment Fund	2,034	(1,124)	145	1,055
Covid service-specific advance funding	22,382	(14,284)	7,061	15,159
	<u>46,305</u>	<u>(20,680)</u>	<u>20,166</u>	<u>45,791</u>
<b>Balances Set Aside for Investment in Specific Projects which will Generate Future Savings</b>				
Energy Efficiency Fund	311	0	23	334
Spend to Save Fund and similar projects	3,409	(102)	566	3,873
	<u>3,720</u>	<u>(102)</u>	<u>589</u>	<u>4,207</u>
<b>Balances Set Aside under Devolved School Management Scheme</b>				
Balances held by schools under Devolved School Management (DSM) and Pupil Equity Fund (PEF)*	4,688	(4,688)	7,246	7,246
<b>Unallocated General Fund</b>	<u>25,025</u>	<u>0</u>	<u>3,956</u>	<u>28,981</u>
<b>Total General Fund</b>	<u>221,033</u>	<u>(41,681)</u>	<u>77,853</u>	<u>257,205</u>
<b>Housing Revenue Account Balance</b>	0	0	0	0
<b>Renewal and Repairs Fund</b>	41,162	(3,701)	12,946	50,407
<b>Capital Fund</b>	49,731	(7,226)	45	42,550
<b>Capital Receipts Reserve</b>	0	0	0	0
<b>Capital Grants Unapplied Account</b>	47,949	(3,461)	2,506	46,994
<b>Total Usable Reserves - Council</b>	<u>359,875</u>	<u>(56,069)</u>	<u>93,350</u>	<u>397,156</u>
<b>Total Usable Reserves - Group</b>	<u>422,460</u>	<u>(56,166)</u>	<u>148,309</u>	<u>514,603</u>

\* - mandatory earmarked General Fund balances

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.2 Devolved School Management and Pupil Equity Funding

A net credit balance of £4.023m (2021/22 £7.246m) is held within the General Fund in accordance with the Devolved School Management scheme and permitted carry forward of the Pupil Equity Fund.

#### 12.3 Reconciliation of transfers to and from earmarked reserves in Movement of Reserves Statement to Transfers to and from Usable Reserves

2022/23

	General Fund £000	HRA Balance £000	Renewal / Repairs Fund £000	Capital Receipts Reserve £000
Transfers out	(97,008)	0	(22,003)	(23,703)
Transfers in	106,182	0	9,026	23,703
Total movements in fund	<u>9,174</u>	<u>0</u>	<u>(12,977)</u>	<u>0</u>

Recognised in Comprehensive Income and Expenditure Statement

	24,668	(18,771)	0	0
Transfers to other earmarked reserves	<u>(15,494)</u>	<u>18,771</u>	<u>(12,977)</u>	<u>0</u>
Total movements in fund	<u>9,174</u>	<u>0</u>	<u>(12,977)</u>	<u>0</u>

	Capital Grants Unapplied £000	Capital Fund £000	Group Usable Reserves £000	Total £000
Transfers out	(16,608)	(1,297)	(86,161)	<b>(246,780)</b>
Transfers in	803	941	11,213	<b>151,868</b>
Total movements in fund	<u>(15,805)</u>	<u>(356)</u>	<u>(74,948)</u>	<u><b>(94,912)</b></u>

Recognised in Comprehensive Income and Expenditure Statement

	(15,805)	(10,056)	(75,719)	<b>(95,683)</b>
Transfers to other earmarked reserves	0	9,700	0	<b>0</b>
Group account adjustments unusable reserves	<u>0</u>	<u>0</u>	<u>771</u>	<u><b>771</b></u>
Total movements in fund	<u>(15,805)</u>	<u>(356)</u>	<u>(74,948)</u>	<u><b>(94,912)</b></u>

Re-stated

2021/22 Comparative Data

	General Fund £000	HRA Balance £000	Renewal / Repairs Fund £000	Capital Receipts Reserve £000
Transfers out	(41,681)	0	(3,701)	0
Transfers in	77,853	0	12,946	0
Total movements in fund	<u>36,172</u>	<u>0</u>	<u>9,245</u>	<u>0</u>

Recognised in Comprehensive Income and Expenditure Statement

	36,762	8,653	0	0
Transfers to other earmarked reserves	<u>(590)</u>	<u>(8,653)</u>	<u>9,245</u>	<u>0</u>
Total movements in fund	<u>36,172</u>	<u>0</u>	<u>9,245</u>	<u>0</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.3 Reconciliation of transfers to and from earmarked reserves in Movement of Reserves Statement to Transfers to and from Usable Reserves - continued

2021/22 Comparative Data	Capital Grants Unapplied	Capital Fund	Group Usable Reserves	Total
	£000	£000	£000	£000
Transfers out	(3,461)	(7,226)	(97)	(56,166)
Transfers in	2,506	45	54,959	148,309
Total movements in fund	<u>(955)</u>	<u>(7,181)</u>	<u>54,862</u>	<u>92,143</u>
Recognised in Comprehensive Income and Expenditure Statement	(955)	(7,181)	72,911	110,190
Transfers to other earmarked reserves	0	0	(18,049)	(18,047)
Total movements in fund	<u>(955)</u>	<u>(7,181)</u>	<u>54,862</u>	<u>92,143</u>

### 13. Financing and Investment Income and Expenditure

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Interest payable and similar charges	65,692	59,979	78,295	74,575
Interest cost on defined benefit obligation	106,296	98,069	87,741	79,168
Interest receivable and similar income	(10,034)	(10,023)	(156)	(143)
Interest income on plan assets	(100,601)	(91,619)	(73,460)	(64,936)
Net income in relation to investment properties and changes in their fair value	(11,938)	(3,459)	(8,578)	(1,507)
Net income in relation to financial assets derecognised or revalued	(120)	(120)	(93)	(93)
	<u>49,295</u>	<u>52,827</u>	<u>83,749</u>	<u>87,064</u>

### 14. Taxation and Non-Specific Grant Income

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Council Tax income	(307,480)	(307,480)	(287,487)	(287,487)
Non-domestic rates	(249,861)	(249,861)	(188,796)	(188,796)
Non-ring fenced government grants	(627,905)	(627,905)	(653,272)	(653,272)
Capital grants and contributions	(117,247)	(117,247)	(77,693)	(77,693)
Movement on donated assets	239	239	586	586
Taxation expenses / (refund)	(671)	0	3,670	0
	<u>(1,302,925)</u>	<u>(1,302,254)</u>	<u>(1,202,992)</u>	<u>(1,206,662)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment

#### 15.1 Depreciation

Depreciation is provided in the year of an asset's purchase. Assets in the course of construction are not depreciated until they are brought into use. Where depreciation is provided for, assets are depreciated using the straight line method over the following periods:

Council dwellings	50 years
Buildings	Up to 120 years as advised by the valuer (assets not subject to component accounting)
Buildings - structural	50 years
Buildings - non-traditional roofing	35 years
Buildings - finishes	25 years
Buildings - mechanical and electrical	20 years
Buildings - fittings and furnishings	15 years
PPP - Millerhill Residual Waste Facility	30 years
PPP - Schools	40 years (PPP1 schools) and 35 years (PPP2 schools) 50 years (JGHS and QHS)
Infrastructure assets	20 years (up to 30 years for Tram assets, 5 years for Spaces for People)
Vehicles, plant, furniture and equipment	5 years to 30 years, to reflect estimated useful life 3 years to 15 years, Group Companies

#### 15.2 Capital Commitments

At 31 March 2023, the Council had entered into a number of contracts for the construction or enhancement of property, plant and equipment. These are budgeted to cost £336.604m. A number of these amounts relate to contract retentions, as projects are now complete. Similar commitments at 31 March 2022 were £204.614m.

	£000	Expected Completion Date
Trams to Newhaven	9,662	Jun-23
Maybury Primary School	19,753	Aug-23
General Fund - Asset Management Works Programme	10,263	23/24
Tram Lifecycle	3,418	23/24
St James GAM	525	23/24
Place General Fund Other	3,553	23/24
City Centre West Edinburgh Link	4,952	23/24
Carriageway and Footways	14,684	23/24
Smart City Operation Centre	1,428	23/24
Council House Building - Macmillan Hub Homes	1,072	23/24
Council House Building - Western Villages	127,794	23/24
HRA New Build Homes Other	4,083	23/24
HRA - Other	39,276	23/24
Bankhead Depot	2,395	Jul-24
Currie High School	51,018	Feb-25
Impact - Dunard Centre	5,000	24/25
North Bridge Refurbishment	7,207	24/25
Gas Holder Park	17,191	24/25
Council House Building - GRANTON D1 (EHD)	10,518	24/25
Council House Building - Greendykes - K&L	1,536	24/25
George Street and First New Town	1,276	27/28
	<b><u>336,604</u></b>	



## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.3 Movements on Balances - Group Movements in 2022/23

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Community Assets £000
<b>Cost or Valuation</b>				
At 1 April 2022	1,070,167	2,963,143	301,132	7,754
Recognition of Right of Use Assets	0	86,142	0	0
Additions	60,042	38,994	13,705	956
Revaluation increases / (decreases) recognised in the Revaluation Reserve	2,753	336,742	0	62
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(21,329)	22,140	(2,979)	(1,883)
Derecognition - disposals	(2,454)	(1,402)	(711)	(1)
Derecognition - other	0	0	0	0
Assets reclassified (to) / from held for sale	0	3,334	0	0
Other increases / (decreases) in cost or valuation	8,313	96,537	(8,012)	83
At 31 March 2023	<u>1,117,492</u>	<u>3,545,630</u>	<u>303,135</u>	<u>6,971</u>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2022	105	(90,285)	(133,111)	0
Recognition of Right of Use Assets	0	(23,420)	0	0
Depreciation charge	(23,539)	(117,403)	(25,729)	0
Depreciation charge written out to Revaluation Reserve	23,492	114,443	0	0
Depreciation written out to the Surplus on the Provision of Services	0	0	0	0
Derecognition - disposals	59	70	572	0
Derecognition - other	0	0	0	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	2,979	0
Depreciation on assets transferred to Held for Sale	(213)	351	7,563	0
At 31 March 2023	<u>(96)</u>	<u>(116,244)</u>	<u>(147,726)</u>	<u>0</u>
<b>Net book value</b>				
At 31 March 2023	<u>1,117,396</u>	<u>3,429,386</u>	<u>155,409</u>	<u>6,971</u>
At 31 March 2022	<u>1,070,272</u>	<u>2,872,858</u>	<u>168,021</u>	<u>7,754</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.3 Movements on Balances - Group Movements in 2022/23

	Surplus Assets £000	Assets Under Construction £000	Right of Use Asset £000	Total Property Plant and Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2022	15,501	203,261	0	<b>4,560,958</b>
Recognition of Right of Use Assets	0	0	1,189	<b>87,331</b>
Additions	0	80,449	2	<b>194,148</b>
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(450)	0	0	<b>339,107</b>
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	473	0	0	<b>(3,578)</b>
Derecognition - disposals	(980)	(10,221)	0	<b>(15,769)</b>
Derecognition - other	0	0	0	<b>0</b>
Assets reclassified (to) / from held for sale	(14,457)	0	0	<b>(11,123)</b>
Other increases / (decreases) in cost or valuation	0	(104,842)	69,434	<b>61,513</b>
At 31 March 2023	<b>87</b>	<b>168,647</b>	<b>70,625</b>	<b>5,212,587</b>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2022	0	0	0	<b>(223,291)</b>
Recognition of Right of Use Assets	0	0	(358)	<b>(23,778)</b>
Depreciation charge	0	0	(18,664)	<b>(185,335)</b>
Depreciation charge written out to Revaluation Reserve	0	0	0	<b>137,935</b>
Depreciation written out to the Surplus on the Provision of Services	0	0	0	<b>0</b>
Derecognition - disposals	0	0	0	<b>701</b>
Derecognition - other	0	0	0	<b>0</b>
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	<b>2,979</b>
Depreciation on assets transferred to Held for Sale	0	0	0	<b>7,701</b>
At 31 March 2023	<b>0</b>	<b>0</b>	<b>(19,022)</b>	<b>(283,088)</b>
<b>Net book value</b>				
At 31 March 2023	<b>87</b>	<b>168,647</b>	<b>51,603</b>	<b>4,929,499</b>
At 31 March 2022	<b>15,501</b>	<b>203,261</b>	<b>0</b>	<b>4,337,667</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.4 Movements on Balances - Group Accounts 2021/22 Comparative Data

<b>Re-stated Cost or Valuation</b>	<b>Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Community Assets £000</b>
Restated At 1 April 2021	1,015,715	2,736,866	352,795	7,619
Additions	32,221	62,218	26,685	135
Revaluation increases / (decreases) recognised in the Revaluation Reserve	9,509	268,924	0	0
Revaluation decreases recognised in the Surplus on the Provision of Services	(179)	(158,710)	(2,296)	0
Derecognition - disposals	(2,066)	(85)	(24,813)	0
Derecognition - other	0	0	(51,239)	0
Assets reclassified (to) / from held for sale	0	0	0	0
Other increases / (decreases) in cost or valuation	14,967	53,930	0	0
<b>At 31 March 2022</b>	<b>1,070,167</b>	<b>2,963,143</b>	<b>301,132</b>	<b>7,754</b>
<b>Accumulated Depreciation and Impairment</b>				
Restated At 1 April 2021	42	(175,608)	(183,016)	0
Depreciation charge	(21,352)	(85,956)	(26,994)	0
Depreciation charge written out to Revaluation Reserve	16,987	156,087	0	0
Depreciation written out to the Surplus on the Provision of Services	4,383	15,192	0	0
Derecognition - disposals	45	0	23,364	0
Derecognition - other	0	0	51,239	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	2,296	0
<b>At 31 March 2022</b>	<b>105</b>	<b>(90,285)</b>	<b>(133,111)</b>	<b>0</b>
<b>Net book value</b>				
At 31 March 2022	<u>1,070,272</u>	<u>2,872,858</u>	<u>168,021</u>	<u>7,754</u>
At 31 March 2021	<u>1,015,757</u>	<u>2,561,258</u>	<u>169,779</u>	<u>7,619</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.4 Movements on Balances - Group

##### 2021/22 Comparative Data

<b>Re-stated Cost or Valuation</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total Property Plant and Equipment £000</b>
Restated At 1 April 2021	15,819	186,278	<b>4,315,092</b>
Additions	329	89,793	<b>211,381</b>
Revaluation increases / (decreases) recognised in the Revaluation Reserve	67	0	<b>278,500</b>
Revaluation decreases recognised in the Surplus on the Provision of Services	(342)	(7)	<b>(161,534)</b>
Derecognition - disposals	(373)	(3,906)	<b>(31,243)</b>
Derecognition - other	0	0	<b>(51,239)</b>
Assets reclassified (to) / from held for sale	0	0	<b>0</b>
Other increases / (decreases) in cost or valuation	1	(68,897)	<b>1</b>
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u><b>4,560,958</b></u>
<b>Accumulated Depreciation and Impairment</b>			
Restated At 1 April 2021	0	0	<b>(358,582)</b>
Depreciation charge	0	0	<b>(134,302)</b>
Depreciation charge written out to Revaluation Reserve	0	0	<b>173,074</b>
Depreciation written out to the Surplus on the Provision of Services	0	0	<b>19,575</b>
Derecognition - disposals	0	0	<b>23,409</b>
Derecognition - other	0	0	<b>51,239</b>
Impairment losses recognised in the Surplus on the Provision of Services	0	0	<b>2,296</b>
At 31 March 2022	<u>0</u>	<u>0</u>	<u><b>(223,291)</b></u>
<b>Net book value</b>			
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u><b>4,337,667</b></u>
At 31 March 2021	<u>15,819</u>	<u>186,278</u>	<u><b>3,956,510</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.5 Movements on Balances - Council Movements in 2022/23

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Community Assets £000
<b>Cost or Valuation</b>				
At 1 April 2022	1,070,167	2,890,290	125,394	7,754
Additions	60,042	38,994	10,521	956
Revaluation increases / (decreases) recognised in the Revaluation Reserve	2,753	336,038	0	62
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(21,329)	22,140	(2,979)	(1,883)
Derecognition - disposals	(2,454)	(1,402)	(271)	(1)
Derecognition - other	0	0	0	0
Assets declassified (to) / from held for sale	0	3,332	0	0
Other increases / (decreases) in cost or valuation	8,313	96,539	(8,012)	83
At 31 March 2023	<u>1,117,492</u>	<u>3,385,931</u>	<u>124,653</u>	<u>6,971</u>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2022	105	(58,180)	(49,986)	0
Depreciation charge	(23,539)	(109,396)	(11,295)	0
Depreciation charge written out to Revaluation Reserve	23,492	114,443	0	0
Depreciation written out to the Surplus on the Provision of Services	0	0	0	0
Derecognition - disposals	59	70	271	0
Derecognition - other	0	0	0	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	2,979	0
Other increases / (decreases) in cost or valuation	(213)	351	7,563	0
At 31 March 2023	<u>(96)</u>	<u>(52,712)</u>	<u>(50,468)</u>	<u>0</u>
<b>Net book value</b>				
At 31 March 2023	<u>1,117,396</u>	<u>3,333,219</u>	<u>74,185</u>	<u>6,971</u>
At 31 March 2022	<u>1,070,272</u>	<u>2,832,110</u>	<u>75,408</u>	<u>7,754</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.5 Movements on Balances - Council

##### Movements in 2022/23

<b>Cost or Valuation</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Right of Use Assets £000</b>	<b>Total Property Plant and Equipment £000</b>	<b>PPP and similar Assets £000</b>
At 1 April 2022	15,501	203,261	0	<b>4,312,367</b>	739,131
Additions	0	80,449	0	<b>190,962</b>	973
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(450)	0	0	<b>338,403</b>	19,004
Revaluation decreases recognised in the Surplus on the Provision of Services	473	0	0	<b>(3,578)</b>	17,775
Derecognition - disposals	(980)	(10,221)	0	<b>(15,329)</b>	(17)
Derecognition - other	0	0	0	<b>0</b>	0
Assets reclassified (to) / from held for sale	(14,457)	0	0	<b>(11,125)</b>	0
Other increases / (decreases) in cost or valuation	0	(104,842)	69,434	<b>61,515</b>	(4,909)
At 31 March 2023	<u>87</u>	<u>168,647</u>	<u>69,434</u>	<u><b>4,873,215</b></u>	<u>771,957</u>
<b>Accumulated Depreciation and Impairment</b>					
At 1 April 2022	0	0	0	<b>(108,061)</b>	(15,533)
Depreciation charge	0	0	(18,541)	<b>(162,771)</b>	(24,002)
Depreciation charge written out to Revaluation Reserve	0	0	0	<b>137,935</b>	20,898
Depreciation written out to the Surplus on the Provision of Services	0	0	0	<b>0</b>	0
Derecognition - disposals	0	0	0	<b>400</b>	0
Derecognition - other	0	0	0	<b>0</b>	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	<b>2,979</b>	0
Other increases / (decreases) in cost or valuation	0	0	0	<b>7,701</b>	0
At 31 March 2023	<u>0</u>	<u>0</u>	<u>(18,541)</u>	<u><b>(121,817)</b></u>	<u>(18,637)</u>
<b>Net book value</b>					
At 31 March 2023	<u>87</u>	<u>168,647</u>	<u>50,893</u>	<u><b>4,751,398</b></u>	<u>753,320</u>
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u>0</u>	<u><b>4,204,306</b></u>	<u>723,598</u>

The disclosure for PPP and similar assets is for information only. The costs and depreciation are included in 'Other Land and Buildings' and 'Assets Under Construction'.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.6 Movements on Balances - Council 2021/22 Comparative Data

<b>Re-stated Cost or Valuation</b>	<b>Council Dwellings £000</b>	<b>Re-stated Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Community Assets £000</b>
Restated 1 April 2021	1,015,715	2,664,011	175,279	7,619
Additions	32,221	62,220	3,996	135
Revaluation increases / (decreases) recognised in the Revaluation Reserve	9,509	268,924	0	0
Revaluation decreases recognised in the Surplus on the Provision of Services	(179)	(158,710)	(2,296)	0
Derecognition - disposals	(2,066)	(85)	(346)	0
Derecognition - other	0	0	(51,239)	0
Assets reclassified (to) / from held for sale	0	0	0	0
Other increases / (decreases) in cost or valuation	14,967	53,930	0	0
At 31 March 2022	<u>1,070,167</u>	<u>2,890,290</u>	<u>125,394</u>	<u>7,754</u>
<b>Accumulated Depreciation and Impairment</b>				
Restated 1 April 2021	42	(143,691)	(91,978)	0
Depreciation charge	(21,352)	(85,768)	(11,889)	0
Depreciation charge written out to Revaluation Reserve	16,987	156,087	0	0
Depreciation written out to the Surplus on the Provision of Services	4,383	15,192	0	0
Derecognition - disposals	45	0	346	0
Derecognition - other	0	0	51,239	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	2,296	0
At 31 March 2022	<u>105</u>	<u>(58,180)</u>	<u>(49,986)</u>	<u>0</u>
<b>Net book value</b>				
At 31 March 2022	<u>1,070,272</u>	<u>2,832,110</u>	<u>75,408</u>	<u>7,754</u>
At 31 March 2021	<u>1,015,757</u>	<u>2,520,320</u>	<u>83,301</u>	<u>7,619</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.6 Movements on Balances - Council

##### 2021/22 Comparative Data

<b>Re-stated Cost or Valuation</b>	<b>Surplus Assets £000</b>	<b>Total Assets Under Construction £000</b>	<b>Total Property Plant and Equipment £000</b>	<b>Re-stated PPP and similar Assets £000</b>
Restated At 1 April 2021	15,819	186,278	<b>4,064,721</b>	676,187
Additions	329	89,793	<b>188,694</b>	1,372
Revaluation increases / (decreases) recognised in the Revaluation Reserve	67	0	<b>278,500</b>	0
Revaluation decreases recognised in the Surplus on the Provision of Services	(342)	(7)	<b>(161,534)</b>	61,572
Derecognition - disposals	(373)	(3,906)	<b>(6,776)</b>	0
Derecognition - other	0	0	<b>(51,239)</b>	0
Assets reclassified (to) / from held for sale	0	0	<b>0</b>	0
Other increases / (decreases) in cost or valuation	1	(68,897)	<b>1</b>	0
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u><b>4,312,367</b></u>	<u>739,131</u>
<b>Accumulated Depreciation and Impairment</b>				
Restated At 1 April 2021	0	0	<b>(235,627)</b>	(27,447)
Depreciation charge	0	0	<b>(119,009)</b>	(15,481)
Depreciation charge written out to Revaluation Reserve	0	0	<b>173,074</b>	27,395
Depreciation written out to the Surplus on the Provision of Services	0	0	<b>19,575</b>	0
Derecognition - disposals	0	0	<b>391</b>	0
Derecognition - other	0	0	<b>51,239</b>	0
Impairment losses recognised in in the Surplus on the Provision of Services	0	0	<b>2,296</b>	0
At 31 March 2022	<u>0</u>	<u>0</u>	<u><b>(108,061)</b></u>	<u>(15,533)</u>
<b>Net book value</b>				
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u><b>4,204,306</b></u>	<u>723,598</u>
At 31 March 2021	<u>15,819</u>	<u>186,278</u>	<u><b>3,829,094</b></u>	<u>648,740</u>

The disclosure for PPP and similar assets is for information only. The costs and depreciation are included in 'Other Land and Buildings' and 'Assets Under Construction'.



## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.7 Infrastructure Assets

The Council has adopted the Statutory Overrides contained within the Local government finance circular 09/2022: statutory override - accounting for infrastructure assets ([www.gov.scot/publications/local-governmentfinance-circular-09-2022-statutory-overrideaccounting-for-infrastructure-assets/](http://www.gov.scot/publications/local-governmentfinance-circular-09-2022-statutory-overrideaccounting-for-infrastructure-assets/)) issued by the Scottish Government under section 12(2)(b) of the Local Government in Scotland Act 2003 in relation to Infrastructure assets. The overrides were put in place to manage historic issues surrounding the derecognition of Infrastructure asset components, which had the potential for the gross cost of assets to be overstated, albeit that the Net Book Value was still materially correct. The Statutory Overrides that the Council has adopted are detailed below: -

Statutory Override 1: For accounting periods commencing from 1 April 2021 until 31 March 2024 a local authority is not required to report the gross cost and accumulated depreciation for infrastructure assets.

Statutory Override 2: For accounting periods commencing from 1 April 2010 until 31 March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken to be and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

Movements in Year	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>Net Book Value</b>				
At 1 April	869,916	869,916	791,128	791,128
Additions	120,691	120,691	156,383	156,383
Depreciation	<u>(83,226)</u>	<u>(83,226)</u>	<u>(77,595)</u>	<u>(77,595)</u>
<b>At 31 March</b>	<u>907,381</u>	<u>907,381</u>	<u>869,916</u>	<u>869,916</u>

#### Reconciliation of Property, Plant and Equipment

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Infrastructure Assets	907,381	907,381	869,916	869,916
Other Property, Plant and Equipment Assets	<u>4,929,499</u>	<u>4,751,398</u>	<u>4,337,667</u>	<u>4,204,306</u>
<b>Total Property Plant and Equipment</b>	<u>5,836,880</u>	<u>5,658,779</u>	<u>5,207,583</u>	<u>5,074,222</u>

#### 15.8 Council Dwellings, Other Land and Buildings and Investment Properties

The Council carries out a rolling programme of revaluations that ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out internally. Valuations of land and buildings were carried out under the direction of the Council's Operational Estate Manager, L. Turner RICS, in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institution of Chartered Surveyors. Fixtures and fittings are included in the valuation of the buildings where appropriate.

In 2021/22 the Council first applied an indexation, per audit recommendation, to those Land and Building assets valued at depreciated replacement cost that were not revalued during the year. The indexation was applied only to the building element. These assets were not revalued but they were treated as such for accounting purposes. This policy has continued in 2022/23.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

### 15.8 Council Dwellings, Other Land and Buildings and Investment Properties - continued

The significant assumptions applied in estimating fair value are:

- Unless otherwise stated, all properties with a greater than de minimis value were taken into account based on the actual condition of the property and its actual residual useful life. Where the Council has a planned replacement programme asset life is reviewed accordingly;
- The valuations were prepared using information from the Council's internal records, together with the valuation roll produced by Lothian Valuation Joint Board; and
- Not all properties were inspected.

The following statement shows the progress of the Council's five-year rolling programme for the revaluation of property, plant and equipment.

<b>Council assets</b>	<b>Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Right of Use Assets £000</b>
Carried at historical cost	1,065,545	162,886	124,653	69,434
Valued at fair value as at:				
31 March 2023	25,702	1,163,288	0	0
31 March 2022	11,502	792,252	0	0
31 March 2021	6,531	394,163	0	0
31 March 2020	30	222,313	0	0
31 March 2019	8,182	651,029	0	0
<b>Total cost or valuation</b>	<b>1,117,492</b>	<b>3,385,931</b>	<b>124,653</b>	<b>69,434</b>

<b>Council assets</b>	<b>Community Assets £000</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total £000</b>
Carried at historical cost	6,971	67	168,647	1,598,203
Valued at fair value as at:				
31 March 2023	0	0	0	1,188,990
31 March 2022	0	0	0	803,754
31 March 2021	0	0	0	400,694
31 March 2020	0	0	0	222,343
31 March 2019	0	20	0	659,231
<b>Total cost or valuation</b>	<b>6,971</b>	<b>87</b>	<b>168,647</b>	<b>4,873,215</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.9 Surplus Assets and Investment Properties - Fair Value Disclosure

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair Value as at 31 March 2023
	£000	£000	£000	£000
Surplus assets	0	87	0	87
Investment properties - advertising hoardings	0	21,532	0	21,532
<b>Total cost or valuation</b>	<b>0</b>	<b>21,619</b>	<b>0</b>	<b>21,619</b>

- There were no transfers between levels during the year.
- The fair value for surplus assets has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in similar locations. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs is significant, leading to the properties being categorised at level 2 in the fair value hierarchy. In estimating the fair value of the Council's surplus assets, the assumption has been made that these would be disposed of for highest and best use consideration.
- The fair value for investment properties has been based on the market approach using current rent receivable with a capitalisation rate applied. The rate reflects the return that an investor would expect from the capital employed. There is evidence of lettings from the Council's property information systems which have been used to determine valuation parameters and the level of observable inputs is significant, leading to the investment properties being categorised at level 2 in the fair value hierarchy. In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

### 16. Investment Properties

#### Policy

Investment properties are initially measured at cost. After initial recognition, investment properties are measured at fair value (the price that would be received for the asset in its highest and best use).

Any gains or losses arising from a change in the fair value of investment properties are recognised in the Comprehensive Income and Expenditure Statement for the period in which they arise.

Investment properties are revalued annually.

Investment properties held at fair value are not depreciated.

Investment properties are de-recognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

The gain or loss arising from the retirement or disposal of an investment property is recognised in the 'surplus or deficit on provision of services' within the Comprehensive Income and Expenditure Statement in the period of the retirement or disposal.

#### Note

#### 16.1 Income and Expenses on Investment Properties

Income of £1.924m (£1.825m 2021/22) and expense £Nil (£Nil 2021/22) have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

There are no restrictions on the Council's ability to realise the value inherent in its investment properties or on the Council's right to the remittance of income and the proceeds of disposal.

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Investment Properties - continued

#### 16.2 Movement in Fair Value - continued

The following table summarises the movement in the fair value of investment properties over the year.

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Value at 1 April	87,650	19,996	65,631	19,239
Additions	28,235	0	15,266	1,075
Disposals	0	0	0	0
Net (loss) / gain from fair value adjustments	10,015	1,536	6,753	(318)
	<u>125,900</u>	<u>21,532</u>	<u>87,650</u>	<u>19,996</u>

### 17. Intangible Assets

#### Policy

Intangible fixed assets represent software licences purchased by the Council.

Expenditure on the acquisition, creation or enhancement of intangible fixed assets has been capitalised on an accruals basis.

Intangible fixed assets are initially measured at cost. Software licences are depreciated over the period of the licence, commencing in the year of acquisition.

#### Note

The carrying value of intangible assets of the Group and the Council is £0.068m in 2022/23 (£0.182m in 2021/22).

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £0.114m in 2022/23 (2021/22 £0.114m) was charged to Corporate Services.

### 18. Heritage Assets

#### Policy

Heritage assets comprise the following:

Monuments and statues	Civic regalia and artefacts
Archival collections	Libraries' special collections
Museum and gallery collections	

Intangible heritage assets represent three private vehicle registration plates.

It has not been practical or possible to split out all heritage assets belonging to the common good fund, charities or trusts. Therefore, the Council's Balance Sheet may hold elements of heritage assets that belong to other entities. Work is on-going to establish and maintain a common good register, in accordance with the Community Empowerment (Scotland) Act 2015.

Expenditure on the acquisition, creation or enhancement of heritage assets has been capitalised on an accruals basis.

Heritage asset valuations may be made by any method that is appropriate and relevant. Furthermore valuations need not be carried out by external valuers and there is no prescribed period between valuations.

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Heritage Assets - continued

Heritage assets are deemed to have indeterminate lives and a high residual value; hence it is not considered appropriate to charge depreciation.

#### Reconciliation of the Carrying Value of Heritage Assets Note

##### Movements in 2022/23

	<b>Monuments and Statues £000</b>	<b>Civic Regalia and Artefacts £000</b>	<b>Archival Collections £000</b>
At 1 April 2022	964	2,047	6,797
Additions	1,960	0	0
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	(1,960)	0	0
At 31 March 2023	<u>964</u>	<u>2,047</u>	<u>6,797</u>
<b>Net book value</b>			
At 31 March 2023	<u>964</u>	<u>2,047</u>	<u>6,797</u>
At 31 March 2022	<u>964</u>	<u>2,047</u>	<u>6,797</u>

	<b>Libraries' Special Collections £000</b>	<b>Museum and Gallery Collections £000</b>	<b>Total Council Heritage Assets £000</b>
At 1 April 2022	1,975	19,643	31,426
Additions	0	0	1,960
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	0	0	(1,960)
At 31 March 2023	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>
<b>Net book value</b>			
At 31 March 2023	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>
At 31 March 2022	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>

	<b>City of Edinburgh Council Charitable Trusts £000</b>	<b>Total Group Heritage Assets £000</b>
At 1 April 2022	13,064	44,490
Additions	14	1,974
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	0	(1,960)
At 31 March 2023	<u>13,078</u>	<u>44,504</u>
<b>Net book value</b>		
At 31 March 2023	<u>13,078</u>	<u>44,504</u>
At 31 March 2022	<u>13,064</u>	<u>44,490</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Heritage Assets - continued

#### 18.1 Reconciliation of the Carrying Value of Heritage Assets - continued 2021/22 Comparative Data

	<b>Monuments and Statues £000</b>	<b>Civic Regalia and Artefacts £000</b>	<b>Archival Collections £000</b>
<b>Cost or Valuation</b>			
Restated At 1 April 2021	929	2,047	6,797
Additions	2,664	0	0
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	(2,629)	0	0
At 31 March 2022	<u>964</u>	<u>2,047</u>	<u>6,797</u>
<b>Net book value</b>			
At 31 March 2022	<u>964</u>	<u>2,047</u>	<u>6,797</u>
At 31 March 2021	<u>929</u>	<u>2,047</u>	<u>6,797</u>
	<b>Libraries' Special Collections £000</b>	<b>Museum and Gallery Collections £000</b>	<b>Total Council Heritage Assets £000</b>
<b>Cost or Valuation</b>			
Restated At 1 April 2021	1,975	19,643	31,391
Additions	0	0	2,664
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	0	0	(2,629)
At 31 March 2022	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>
<b>Net book value</b>			
At 31 March 2022	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>
At 31 March 2021	<u>1,975</u>	<u>19,643</u>	<u>31,391</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Heritage Assets - continued

#### 18.2 Details of Heritage Assets

- Valuations on Monuments and Statues are carried out under the direction of the Council's Operational Estate Manager. Monuments and Statues are valued on a historic basis.
- Civic Regalia and artefacts include items such as the Lord Provost's Badge and Chain of Office and the Rosebery Jewel. The value of these assets is based on an insurance purposes valuation carried out in 1998.
- Archival collections include historical records which relate to the history of Edinburgh and its surrounding areas. The value of these assets is based on a current insurance purposes valuation based on restoration costs only. This valuation has not changed since 2008/09.
- Libraries' special collections include items such as rare book collections and pictures in Calotype. The value of these assets is based on an insurance purposes valuation carried out in 2007 with a minor proportions valuation being updated in 2014.
- Museums and Gallery collections include various collections held at a number of museums across Edinburgh. They include items held within the Social History, Applied Art, Writers' Museum, Childhood, City Art Centre and Picture Loan Scheme. The value of these assets is based on insurance purposes valuations carried out in 2003 along with a minor proportions valuation being updated in 2014. A small minority of the assets are based on insurance purposes valuations carried out in 1996.
- The valuations for heritage assets have all been carried out internally and although they are from earlier periods, they are considered the most appropriate and relevant. Carrying out valuations for the majority of collections held is very costly and time consuming so it is not practicable to obtain recent valuations at a cost which is commensurate with the benefits to users of the financial statements. The carrying amounts of these heritage assets will be reviewed with sufficient regularity in the future to ensure they are brought up to date and remain appropriate.
- The Council has three private vehicle registration plates which meet the definition of intangible heritage assets. These have not been recognised on the balance sheet due to lack of information on cost or current value. They are limited registration numbers that rarely become available for sale and therefore no relevant or appropriate current value can be placed on these. It is also almost certain they are below the materiality threshold for the Council.

### 19. Inventories

#### Policy

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired through a non-exchange transaction are measured at their fair value as at the date of acquisition.

Inventories held for distribution at no charge or a nominal charge are measured at the lower of cost and current replacement cost.

Note	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Total				
Balance at 1 April	9,888	3,677	13,569	3,448
Purchases	94,247	17,940	75,030	14,699
Held by a third party	195	195	114	114
Recognised as an expense in the year	(95,089)	(17,830)	(74,720)	(14,538)
Stock written off	(1)	(1)	(4,105)	(46)
Balance at 31 March	<u>9,240</u>	<u>3,981</u>	<u>9,888</u>	<u>3,677</u>

The majority of the Council inventory transactions and balances relate to fuel and building materials, with catering supplies, community equipment and clothing making up the remainder. The Group inventory mainly relates to fuel and work in progress.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Debtors

#### 20.1 Long-term Debtors

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Council Tax	118,121	118,121	104,517	104,517
Trade Debtors	50,819	50,819	52,258	52,258
Other Debtors	47,276	143,050	61,143	132,185
Total long-term debtors before provision for impairment	216,216	311,990	217,918	288,960
Less: Provision for impairment	(149,329)	(149,329)	(135,974)	(135,974)
Total net long-term debtors	66,887	162,661	81,944	152,986

Long-term debtors include £8.978m (2021/22 £9.567m) for sums recoverable from Police Scotland. These sums relate to monies advanced to the former joint board for capital expenditure.

#### 20.2 Short-term Debtors

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Council Tax	110,783	110,783	118,413	118,413
Trade Debtors	81,245	79,463	44,326	42,333
Prepayments	15,366	8,951	9,496	7,530
Other Debtors	122,169	113,651	182,204	170,413
Total current debtors before provision for impairment	329,563	312,848	354,439	338,689
Less: Provision for impairment	(114,531)	(114,531)	(118,584)	(118,584)
Total net current debtors	215,032	198,317	235,855	220,105

#### 20.3 Provision for Impairment

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>Long-term provision for impairment</b>				
Council Tax	(108,687)	(108,687)	(97,449)	(97,449)
Trade Debtors	(31,203)	(31,203)	(30,013)	(30,013)
Other Debtors	(9,439)	(9,439)	(8,512)	(8,512)
Total long-term provision for impairment	(149,329)	(149,329)	(135,974)	(135,974)
<b>Current provision for impairment</b>				
Council Tax	(99,262)	(99,262)	(108,082)	(108,082)
Trade Debtors	(14,328)	(14,328)	(9,334)	(9,334)
Other Debtors	(941)	(941)	(1,168)	(1,168)
Total current provision for impairment	(114,531)	(114,531)	(118,584)	(118,584)

### 21. Cash and Cash Equivalents

The balance of cash and cash equivalents comprises the following elements. Investments maturing within three months of the balance sheet are deemed to be cash and cash equivalents.

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Cash held	348	348	352	352
Bank current accounts	31,031	(13,919)	24,531	(14,115)
Short-term deposits:				
With banks or building societies	16,629	16,629	56,129	56,129
With other local authorities	116,482	116,482	24,777	24,777
Treasury bills	20,097	20,097	21,288	21,288
Other	0	0	56,148	56,148
	184,587	139,637	183,225	144,579



## NOTES TO THE FINANCIAL STATEMENTS

### 22. Investments

#### 22.1 Long-Term Investments

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Transport for Edinburgh	0	5,824	0	5,824
Tudor Trust	350	350	350	350
TIE	1	1	1	1
CEC Holdings	268	14,044	267	14,044
Telford NHT	0	0	1,236	1,236
	<u>619</u>	<u>20,219</u>	<u>1,854</u>	<u>21,455</u>

#### 22.2 Short-Term Investments

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Local Authority Loans	0	0	10,654	10,654
Other short-term investments	15,549	9,995	66,451	66,451
	<u>15,549</u>	<u>9,995</u>	<u>77,105</u>	<u>77,105</u>

### 23. Assets Held for Sale

#### Policy

Current assets held for sale are assets that the Council has identified as surplus to requirements, are being actively marketed and it is expected that the sale will be realised within twelve months of the Balance Sheet date.

Non-current assets held for sale are assets that the Council has identified as surplus to requirements, are being actively marketed, but it is not expected that the sale will be realised within twelve months of the Balance Sheet date.

Assets held for sale are measured at the lower of carrying value and fair value less costs to sell at the Balance Sheet date. Where the sale is expected to occur in more than twelve months, the cost is measured at present value.

Current and non-current assets held for sale are not depreciated.

#### Note

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>23.1 Non-Current Assets - Held for Sale</b>				
Balance at 1 April	59	59	59	59
Additions	1,764	1,764	0	0
Revaluation gains/(losses) recognised in the revaluation reserve	61	61	0	0
Revaluation gains/(losses) recognised in Surplus on the Provision of Services	0	0	0	0
Assets Sold	(1,717)	(1,717)	0	0
Assets Declassified as held for sale	(47)	(47)	0	0
	<u>120</u>	<u>120</u>	<u>59</u>	<u>59</u>

#### 23.2 Current Assets - Held for Sale

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Balance at 1 April	81	81	6,135	6,135
Additions		0	1,645	1,645
Revaluation gains/(losses) recognised in the revaluation reserve	(1,810)	(1,810)	61	61
Revaluation gains/(losses) recognised in Surplus on the Provision of Services	909	909	0	0
Assets Sold	(6,915)	(6,915)	(7,760)	(7,760)
Assets declassified as held for sale	11,170	11,170	0	0
Other movements	378	378	0	0
Balance at 31 March	<u>3,813</u>	<u>3,813</u>	<u>81</u>	<u>81</u>

## NOTES TO THE FINANCIAL STATEMENTS

24. Creditors	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Trade Creditors	(140,589)	(135,524)	(119,951)	(115,114)
Council Tax Creditors	(4,584)	(4,584)	(6,903)	(6,903)
Other Tax payable	(3,467)	(18)	(14,981)	(11,508)
Other Creditors	(127,559)	(97,532)	(108,667)	(76,629)
PPP Creditor (Note 39.1)	(11,305)	(11,305)	(11,379)	(11,379)
Right of Use Asset (Note 38.4)	(30,307)	(16,813)	0	0
Finance Leases (non PPP - Note 38.1)	(403)	(403)	(12,842)	(1,569)
	<u>(318,214)</u>	<u>(266,179)</u>	<u>(274,723)</u>	<u>(223,102)</u>

## 25. Provisions

### Policy

The value of provisions is based upon the Council's obligations arising from past events, the probability that a transfer of economic benefit will take place and a reasonable estimate of the obligation. An assessment of long and short-term provisions has been made at the 31 March 2023 year end and provisions disclosed separately.

Note	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>Long-Term</b>				
Balance at 1 April	(23,081)	(23,081)	(25,703)	(25,703)
Transfers	0	0	3,569	3,569
Additional provisions made in year	(1,675)	(1,675)	(1,180)	(1,180)
Amounts used during the year	279	279	233	233
Unused amounts reversed during year	0	0	0	0
Balance at 31 March	<u>(24,477)</u>	<u>(24,477)</u>	<u>(23,081)</u>	<u>(23,081)</u>

Short-Term	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Balance at 1 April	(10,237)	(8,342)	(12,446)	(7,380)
Transfers	0	0	(3,569)	(3,569)
Additional provisions made in year	(8,885)	(7,129)	(2,010)	(1,188)
Amounts used during the year	2,149	13	4,070	77
Unused amounts reversed during year	2,549	2,549	3,718	3,718
Balance at 31 March	<u>(14,424)</u>	<u>(12,909)</u>	<u>(10,237)</u>	<u>(8,342)</u>

The Council provisions include estimates of settlements on outstanding equal pay, compensation, insurance and other claims, contract arrangements, land acquisition costs for the tram project and Council Tax discounts that require to be set aside for housing projects.

## 26. Reserves

### Policy

Reserves held on the Balance Sheet are classified as either usable or unusable reserves.

Usable reserves hold monies that can be applied to fund expenditure or reduce Council Tax.

Unusable reserves cannot be applied to fund expenditure.

### Usable Reserves

The Council operates the following usable reserves:

- Capital receipts reserve - this represents capital receipts available to finance capital expenditure in future years.
- Capital grants unapplied account - holds capital grants and contributions that have been received towards specific works that have yet to be completed.
- Capital fund - under Schedule 3 of the Local Government (Scotland) Act 1975, certain receipts derived from the sale of property may also be used to create a capital fund "to be used for defraying any expenditure of the authority to which capital is properly applicable, or in providing money for repayment of the principal of loans".
- Renewal and repairs fund - holds monies set aside for the renewal and repair of Council property and funds for PPP school lifecycle maintenance. This fund is operated under the terms of Schedule 3 to the Local Government (Scotland) Act 1975.
- General Fund - held to mitigate financial consequences of risks and other events impacting on the Council's resources. Monies within the General Fund can be earmarked for specific purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves

#### Note

Movements in the Group and the Council's usable reserves are detailed in the Movement in Reserves Statement (on pages 20 to 21) and Note 12.

#### Policy

The Council operates the following unusable reserves:

- Revaluation reserve - holds unrealised gains arising since 1 April 2007 from holding non-current assets.
- Capital adjustment account - provides a mechanism between the different rates at which assets are depreciated and are financed through the capital controls system.
- Financial instruments adjustment account - provides a mechanism between the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under the Code and are required by statute to be met from the General Fund.
- Available for sale financial assets - provides a mechanism to recognise the unrealised gains and losses on the revaluation of financial assets (such as investment bonds).
- Pensions reserve - represents the net monies which the Council requires to meet its pension liability, as calculated under IAS19, Employee Benefits. The Council operates a pensions reserve fund under the terms of the Local Government Pension Reserve Fund (Scotland) Regulations 2003.
- Employee statutory adjustment account - represents the net monies which the Council requires to meet its short-term compensated absences for employees under IAS19.

#### 27.1 Summary of Unusable Reserves

	Balance as at:	
	31 March	31 March
	2023	Re-stated
	£000	2022
		£000
Revaluation Reserve	2,413,893	2,019,466
Capital Adjustment Account	1,421,660	1,346,276
Financial Instruments Adjustment Account	(76,676)	(79,850)
Pensions Reserve	597,500	(203,825)
Employee Statutory Adjustment Account	(15,228)	(14,225)
Total Council Unusable Reserves	4,341,149	3,067,842
Subsidiaries, Associates and Joint Ventures	151,548	122,070
Total Group Unusable Reserves	<u>4,492,697</u>	<u>3,189,912</u>

#### 27.2 Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are: revalued downwards or impaired and the gains are lost; used in the provision of services and the gains are consumed through depreciation; or disposed of and the gains are realised.

The reserve contains unrealised gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before 1 April 2007 were consolidated into the capital adjustment account.

	2022/23	Re-stated
	£000	2021/22
		£000
Balance at 1 April	2,019,466	1,591,221
Upward revaluation of assets	560,437	768,264
Downward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	(85,711)	(297,155)
Surplus on revaluation of non-current assets not posted to the Surplus on the Provision of Service	474,726	471,109
Difference between fair value depreciation and historical cost depreciation	(73,784)	(38,663)
Accumulated gains on assets sold written off to the capital adjustment account	(6,515)	(4,201)
Balance at 31 March	<u>2,413,893</u>	<u>2,019,466</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves - continued

#### 27.3 Capital Adjustment Account

The capital adjustment account provides a balancing mechanism for timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (CIES) (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council to finance the costs for acquisition, construction and enhancement of non-current assets. The account also holds accumulated gains and losses on investment properties and revaluation gains accumulated on property, plant and equipment prior to 1 April 2007.

Note 11 provides details of the source of the transactions posted to this account, except those involving the revaluation reserve.

	2022/23 £000	2021/22 £000
Balance at 1 April	1,346,276	1,488,692
<u>Reversal of items relating to capital expenditure debited or credited to the CIES</u>		
Charges for depreciation and impairment of non-current assets	(173,863)	(319,831)
Amortisation and impairment of intangible assets	(114)	(114)
Capital funded from revenue	24,509	15,043
Revenue exp. funded from capital under statute	(64,847)	(58,999)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the CIES	(23,561)	(14,037)
	<u>(237,875)</u>	<u>(377,938)</u>
Adjusting amounts written out of the revaluation reserve	6,515	4,201
	<u>(231,360)</u>	<u>(373,738)</u>
Net written out amount of the costs of non-current assets consumed in the year		
<u>Capital financing applied in the year:</u>		
Use of the capital receipts reserve to finance new capital expenditure	23,703	16,442
Donated assets	(239)	(586)
Use of capital fund for new capital expenditure	1,297	7,150
Capital grants and contributions credited to the CIES that have been applied to capital financing	106,744	75,186
Application of grants from the capital grants unapplied account / capital fund	16,608	3,461
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	92,164	70,986
Capital expenditure charged against the General Fund and HRA balances	64,847	58,999
	<u>305,125</u>	<u>231,639</u>
Movements in the market value of investment properties credited to the CIES	1,536	(318)
Movements in value of finance leases	83	0
Balance at 31 March	<u><u>1,421,660</u></u>	<u><u>1,346,276</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves - continued

#### 27.4 Financial Instruments Adjustment Account

The financial instruments adjustment account provides a balancing mechanism between the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under the Code and are required by statute to be met from the General Fund and Housing Revenue Account. This account also holds the equivalent interest rate adjustment on lender option / borrower option loans.

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	(79,850)	(82,929)
Proportion of premiums incurred in previous financial years to be charged against the General Fund and HRA balances in accordance with statutory requirements	3,009	3,008
Proportion of equivalent interest rate calculation on lender option / borrower option loans (LOBOs)	165	71
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in accordance with statutory requirements	3,174	3,079
Balance at 31 March	<u>(76,676)</u>	<u>(79,850)</u>

The Council operates a loans pool on behalf of the General Fund and Housing Revenue Account. With the transfer of responsibility for Police and Fire services to the new national bodies, all movements are now reflected on the Council's Balance Sheet. An element of the cost, however, is recovered through the pooled interest rate and therefore there is no financial impact on the Council.

#### 27.5 Pensions Reserve

The pensions reserve provides a balancing mechanism arising from the different arrangements for accounting for post employment benefits (pension costs) and for funding pensions in accordance with statutory provisions. The Council accounts for pensions in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

Statutory arrangements, however, require benefits to be financed as the Council makes its contributions to Lothian Pension Fund or pays any pensions for which it is directly responsible.

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves - continued

#### 27.5 Pensions Reserve - continued

The credit balance on the pension reserve therefore shows a surplus between the benefits earned by past and current employees and the resources that the Council has set aside to meet them. The statutory arrangements ensure that funding will have been set aside by the time the benefits require to be paid.

	<b>2022/23</b> <b>£000</b>	<b>2021/22</b> <b>£000</b>
Balance at 1 April	(203,825)	(670,502)
Actuarial gains or (losses) on pension assets and liabilities	879,399	564,499
Reversal of items relating to retirement benefits debited or credited to the Surplus on the Provision of Services in the Comprehensive Income and Expenditure Statement	(159,125)	(174,306)
Employer's pension contributions and direct payments to pensioners payable in the year	81,051	76,484
Balance at 31 March	<u>597,500</u>	<u>(203,825)</u>

#### 27.6 Employee Statutory Adjustment Account

The employee statutory adjustment account provides a balancing mechanism arising from the different arrangements that would otherwise impact on the General Fund and HRA balances from accruing for compensated absences earned but not taken in the year (annual leave entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund and HRA balances is mitigated by transfers to or from this account.

	<b>2022/23</b> <b>£000</b>	<b>2021/22</b> <b>£000</b>
Balance at 1 April	(14,225)	(16,246)
Settlement or cancellation of accrual made at the end of the preceding year	14,225	16,246
Amount accrued at the end of the current year	<u>(15,228)</u>	<u>(14,225)</u>
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,003)	2,021
Balance at 31 March	<u>(15,228)</u>	<u>(14,225)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves - continued

#### 27.7 Unusable Reserves - Group Members

	Balance as at:	
	31 March 2023 £000	31 March 2022 £000
<b>Subsidiaries</b>		
CEC Holdings Limited	58,307	57,169
Transport for Edinburgh	22,410	21,080
Edinburgh Living MMR LLP	26,287	17,808
The City of Edinburgh Council Charitable Trusts	14,576	0
<b>Associates and Joint Ventures</b>		
Common Good	26,087	25,033
Lothian Valuation Joint Board	3,881	980
<b>Total Unusable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<b>151,548</b>	<b>122,070</b>

### 28. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Cash paid to and on behalf of employees	724,818	724,818	676,092	676,092
General Revenue Grant	(627,905)	(627,905)	(653,272)	(653,272)
Non-Domestic Rates receipts from national pool	(249,861)	(249,861)	(188,796)	(188,796)
Other net operating cash payments / (receipts)	38,019	38,019	6,076	6,076
Net cash flows from subsidiary companies	(35,232)	0	(18,759)	0
<b>Net cash flows from operating activities</b>	<b>(150,161)</b>	<b>(114,929)</b>	<b>(178,659)</b>	<b>(159,900)</b>

### 29. Cash Flow Statement - Operating Activities - continued

The cash flows for operating activities include the following items:

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Interest received	(10,148)	(10,023)	(151)	(143)
Interest paid	62,215	59,599	76,242	74,201
Investment income received	0	0	0	0

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

Proceeds from short-term and long-term investments	3,532	0	3,314	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets				
Recognised Capital Income	117,485	117,485	78,279	78,279
Movement in Donated Assets	(239)	(239)	(586)	(586)
	<b>120,778</b>	<b>117,246</b>	<b>81,007</b>	<b>77,693</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 29. Cash Flow Statement - Operating Activities - continued

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Depreciation	(268,675)	(246,111)	(227,786)	(196,728)
Impairment	(1,649)	(1,649)	(161,880)	(161,880)
Increase/(decrease) in impairment for bad debts	(15,655)	(15,361)	(1,005)	(1,278)
Increase/(decrease) in creditors	(40,877)	(32,764)	(7,936)	(26,525)
Increase/(decrease) in debtors	37,546	37,214	(4,501)	2,270
Increase/(decrease) in inventories	(648)	304	(3,680)	229
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	8,621	142	9,476	2,405
Other non-cash items charged to the net surplus or deficit on the provision of services	(77,526)	(74,732)	(112,207)	(96,808)
	<u>(358,863)</u>	<u>(332,957)</u>	<u>(509,519)</u>	<u>(478,315)</u>

### 30. Cash Flow Statement - Investing Activities

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	345,870	314,449	413,800	376,916
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(24,185)	(23,854)	(20,498)	(18,211)
Net purchase of Short-Term and Long-Term Investments	(70,596)	(70,596)	(524)	(524)
Other payments for investing activities	3,865	3,865	4,222	4,222
Other receipts from investing activities	<u>(97,606)</u>	<u>(100,555)</u>	<u>(86,755)</u>	<u>(86,751)</u>
<b>Net cash flows from investing activities</b>	<u>157,348</u>	<u>123,309</u>	<u>310,245</u>	<u>275,652</u>

### 31. Cash Flow Statement - Financing Activities

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Cash Receipts of Short- and Long-Term Borrowing	(37,496)	(11,096)	(254,156)	(206,264)
Other Receipts for Financing Activities	(58,121)	(58,121)	45,793	45,793
Cash Payments for the Reduction of the Outstanding Liability relating to Finance Leases and on-Balance Sheet PPP Contracts	31,678	10,657	35,096	11,763
Repayment of short-term and long-term borrowing	55,795	55,122	54,433	53,935
<b>Net cash flows from financing activities</b>	<u>(8,144)</u>	<u>(3,438)</u>	<u>(118,834)</u>	<u>(94,773)</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 32. Financial Support and Guarantees

#### 32.1 Loans and guarantees

The Council has made loans to the following organisations at less than market interest rates (soft loans).

	2022/23 £000	2021/22 £000
Opening Balance	56	60
New Loans	0	0
Increase in the Discounted Amount	4	5
Fair Value Adjustment	0	0
Loan Repayment	<u>(9)</u>	<u>(9)</u>
Balance Carried Forward	<u>51</u>	<u>56</u>
Nominal Value Carried Forward	<u>72</u>	<u>81</u>

Adjustments have been made under the requirements of IFRS 9 Financial Instruments, as required by the Code.

The Spartans loan relates to the lease of an area of ground lying immediately to the west of Ainslie Park Leisure Centre, Pilton Drive, Edinburgh. The original outstanding payment was £120,000, with £3,000 paid annually for ten consecutive years up to 31 March 2021 and £9,000 to be paid for ten consecutive years on or before 31 March from 31 March 2022.

#### 32.2 Guarantees

In February 2018 the Council agreed to provide a formal pension guarantee to Lothian Pension Fund on behalf of Edinburgh Leisure.

From 1 April 2018 Lothian Pension Fund introduced a new investment strategy, whereby those employers closed to new entrants but who do not meet the criteria for the Fund's low-risk strategy, would be moved to a medium risk strategy.

Edinburgh Leisure would fall into this category and the impact would be a considerable increase in contribution rates and would likely result in a significant impact on services provided by this entity.

The Council approved providing a pension guarantee which enabled Edinburgh Leisure to be moved back to a low-risk strategy, avoiding the additional financial costs.

In June 2018 the Council also approved to provide a pension guarantee to Lothian Pension Fund on behalf of Lothian Buses, to enable them to merge their existing pension fund into Lothian Pension Fund, to streamline the pension portfolio and bring associated financial efficiencies.

## NOTES TO THE FINANCIAL STATEMENTS

### 32. Financial Support and Guarantees - continued

#### 32.3 Shared Equity Scheme / Scheme of Assistance

In 2010/11, the Council approved a shared equity scheme to help buyers purchase homes from PARC. The Council provided assistance to sixteen purchasers, at a cost of £0.484m. No further assistance has been provided since 2012/13.

The monies are required to be repaid to the Council either on sale of the property or after twenty years, whichever occurs earlier.

Purchasers have the option to pay interest annually or accumulate charges on the same terms as the original equity. Sums due to the Council, including accrued interest, where owners have opted to defer interest, are included in long-term debtors, the balance at 31 March 2023 is £0.207m.

The assisted purchase scheme was an initiative administered on behalf of the Council to allow home owners to enter into a lifetime mortgage agreement to finance repairs to their properties. Forty loans were made between 2007 and 2012, with an original loan principal value of £0.762m. These sums are included in long-term debtors, the balance at 31 March 2023 is £0.738m.

The loans are repayable on sale of the property or on the death of the home owner. The amount repayable is a minimum of the original loan principal and a maximum of the original loan as a percentage of the property value on signing the agreement, as applied to the value on redeeming the loan.

In June 2018 the Council purchased the interest in a shared equity loan scheme from PARC for £0.512m. The scheme provided assistance to buyers to purchase homes from PARC and twenty two loans remain in the scheme. These sums are included in long-term debtors, the balance at 31 March 2023 is £0.268m.

The loans are repayable on sale of the property or on the death of the home owner. The amount repayable is a minimum of the original loan principal and a maximum of the original loan as a percentage of the property value on signing the agreement, as applied to the value on redeeming the loan.

#### 32.4 National Housing Trust

The National Housing Trust (NHT) is a housing initiative developed by the Scottish Government, in partnership with the Scottish Futures Trust (SFT) and local authorities. The aim is to deliver new homes for mid-market rent while at the same time stimulating the housing market. The scheme is underwritten by the Scottish Government, by way of a guarantee against the borrowing and associated interest costs. The Council works with the Scottish Government and SFT to procure private developers to build homes for mid-market rent and enter into joint ventures with the Council, by way of Limited Liability Partnerships through the NHT initiative.

Phase 1 and 2 of NHT are now complete and have delivered 518 new homes.

All Phase 1 NHT developments have now been repaid in full.

NHT Phase 3 is complete and has delivered 829 homes.

## NOTES TO THE FINANCIAL STATEMENTS

### 32. Financial Support and Guarantees - continued

#### 32.4 National Housing Trust - continued

The Council has advanced and had repaid the following sums through the NHT scheme:

Developer	Development Site	Phase	Total No. of Units	Advanced 2022/23 £000	Repaid 2022/23 £000	Prior Years £000	Total £000
Places for People	Lochend North	1	0	0	(1,527)	1,527	0
Places for People	Lighthouse Court	1	0	0	(1,336)	1,336	0
FP Newhaven Ltd	Sandpiper Road	2	96	0	0	11,908	11,908
Ediston Homes Ltd	Fruitmarket	3	0	0	(9,153)	9,153	0
Cruden Homes	Western Harbour	3	138	0	0	17,284	17,284
Places for People	Shrubhill	3	93	0	0	14,923	14,923
			<b>327</b>	<b>0</b>	<b>(12,016)</b>	<b>56,131</b>	<b>44,115</b>

These sums are included within long-term debtors, as detailed in note 20.1.

### 33. Agency Income and Expenditure

The Council has entered into agency agreements with other public bodies to provide and receive services, the income and expenditure for which is included in the Comprehensive Income and Expenditure Statement.

During the financial year the total Agency income was £97.799m (2021/22 £157.552m) and Agency Expenditure £83.518m (2021/22 £148.607m).

During the financial year the Council undertook the administration of the Energy Bill Support Scheme and several Covid-19 related funding streams on behalf of the UK and Scottish Governments, on an agency basis. During the year income and expenditure amounted to £25.925m (2021/22 £88.87m), grants of £24.265m were paid out, utilising funding carried forward from the prior year and funds received in year (2021/22 £112.665m).

The council also undertakes, on an agency basis, the financial administration on behalf of the Scottish Cities Alliance. During the year £0.338m (2021/22 £0.197m) was paid out to the respective lead authorities of the projects concerned, included in the totals above.

The Council acts as the Billing Authority for a number of Business Improvement Districts (BIDs). The Council collects a levy from the business rate payers on behalf of the BID bodies, Essential Edinburgh and Edinburgh West End. During the year income of £1.049m (2021/22 £1.049m) was collected and £1.028m (2021/22 £0.997m) paid out to BID schemes, included in the totals above.

In August 2018 the Edinburgh and South-East Scotland City Region Deal (ESESCR Deal) was signed and committed a total of £600m of funding from both the Scottish and UK Governments, over 15 years. The Council has undertaken, on an agency basis, to act as the accountable body for the management of the Deal. During the year income and expenditure amounted to £52.253m (2021/22 £54.935m).

### 34. Audit Costs

The fees payable to Audit Scotland in respect of external audit services undertaken in accordance with the Code of Audit Practice are £0.682m (2021/22 Azets Audit Services £0.617m).

In addition, the Council paid audit fees to Azets Audit Services for the audit of CEC Recovery Limited's (formerly tie Limited) accounts. The Council paid £0.002m during 2022/23 (2021/22 £0.002m) for the audit of the 2021/22 financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 35. Grant Income

#### Policy

##### • Revenue

Revenue grants and contributions have been included in the financial statements on an accruals basis.

Where such funds remain unapplied at the Balance Sheet date, but approval has been given to carry these funds forward to the next financial year, these amounts have been set aside in the General Fund.

##### • Capital

Capital grants and contributions are recognised in the Comprehensive Income and Expenditure Statement except to the extent there are conditions attached to them that have not been met.

Where there are no conditions attached to capital grants and contributions, these funds are a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account by way of an adjusting transaction with the capital adjustment account, where expenditure has been incurred, and the unapplied capital grants account, where expenditure has not been incurred.

Where there are outstanding conditions attached to capital grants and contributions that have not been met at the Balance Sheet date, the grant or contribution will be recognised as part of capital grants receipts in advance. Once the condition has been met, the grant or contribution will be transferred from capital grants received in advance and recognised as income in the Comprehensive Income and Expenditure Statement, as above.

#### Note

Grants and contributions credited to the Comprehensive Income and Expenditure Statement include the following:

	2022/23		Re-stated 2021/22	
	£000	£000	£000	£000
<b>Credited to taxation and non-specific grant income</b>				
General revenue funding	(627,905)		(653,272)	
Non-domestic rates	(249,861)		(188,796)	
Capital grants and contributions	<u>(117,247)</u>		<u>(77,693)</u>	
		(995,013)		(919,761)
<b>Credited to services</b>				
Central Government Bodies	(259,766)		(277,566)	
Other Local Authorities	(4,102)		(3,325)	
NHS bodies	(84,119)		(73,701)	
Other entities and individuals	<u>(49,499)</u>		<u>(22,249)</u>	
		<u>(397,486)</u>		<u>(376,841)</u>
<b>Total</b>		<u><u>(1,392,499)</u></u>		<u><u>(1,296,602)</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 36. Related Parties

During the year, the Council entered into a number of transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. The most material of these transactions, including Outstanding Balances where normal terms and conditions apply, are shown below.

	2022/23	2022/23	2022/23	2021/22	2021/22
	Expenditure	Income	Debtor /	Net	Debtor /
	£000	£000	(Creditor)	Expenditure	(Creditor)
			£000	/ (Income)	£000
				£000	£000

#### Subsidiaries and Associates

Subsidiaries and Associates are independent bodies over which the Council is considered to have control or influence, see Note 9 (page 43) for further details. The following entities have a significant impact on the Council's operations and have been consolidated into the Group Accounts:

CEC Holdings (incl. EDI Group, EICC)	74	(577)	2,429	(294)	2,335
Transport for Edinburgh (inc. Edinburgh Trams and Lothian Buses)	3,597	(8,603)	(443)	(7,220)	(377)
Edinburgh Living MMR	18,400	(11,074)	44,930	3,110	41,979
Edinburgh Leisure Limited	11,112	(260)	163	13,692	251
Capital Theatres	588	(200)	0	307	(150)
Lothian Valuation Joint Board	3,778	(501)	(1,524)	3,485	(1,728)
Common Good	0	0	(384)	0	(411)
Edinburgh Integration Joint Board	278,822	(310,197)	(81,735)	(21,225)	(83,663)

The following companies are not consolidated into the Group Accounts as, following an assessment, the companies are not considered to be a material part of the Group and have therefore been excluded from the Group Accounts:

Capital City Partnership	6,922	(250)	(249)	5,058	3
CEC Recovery (formerly Tie Limited)	0	0	1	0	(1)
Marketing Edinburgh	0	0	0	57	0
Energy for Edinburgh	0	(2)	0	(16)	0
Telford NHT	0	(1,247)	6	(11)	203

The Council is the administering authority for the Lothian Pension Fund which is a Local Government Pension Scheme, details of the scheme, including contributions paid to the fund are shown in Note 41. LFPE Limited and LPFI Limited are corporate bodies wholly owned by the City of Edinburgh Council. Both bodies' accounts are consolidated in the annual accounts of Lothian Pension Fund.

Lothian Pension Fund	6,416	(264)	(2,710)	5,362	(4,084)
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#### Scottish Government

The Scottish Government has control over the general operations of the Council. It outlines the statutory framework in which the Council operates, specifies the terms of various transactions that the Council has with other parties such as council tax, and provides the majority of the Council's funding through grants. Grants received from government are shown in the Note 35. Grant Income.

Scottish Government	264	(95,642)	66,518	(75,966)	107,273
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## NOTES TO THE FINANCIAL STATEMENTS

### 36. Related Parties - continued

	2022/23 Expenditure	2022/23 Income	2022/23 Debtor / (Creditor)	2021/22 Net Expenditure / (Income)	2021/22 Debtor / (Creditor)
	£000	£000	£000	£000	£000

#### Other Public Bodies

If a public body has had a related party transaction during the year, IAS 24 requires information to be disclosed about the transactions and any outstanding balances. Of the bodies sampled, the most common transactions related to loans and grants, and the rendering or receiving of services.

Business Stream	2,523	0	288	2,106	322
Criminal Justice Bodies	425	0	0	491	0
NHS Bodies	4,167	(29,567)	1,289	(26,471)	2,515
Other Local Authorities	3,783	(2,100)	(889)	1,813	298
Police Scotland	135	(1,045)	9,018	(893)	9,482
Scottish Fire and Rescue Service	56	0	(28)	62	(14)
Scottish Police Authority	171	(133)	0	162	0
Scottish Qualifications Authority	1,524	0	0	1,492	0
Scottish Water	255	(50)	(3,007)	316	71
Transport Scotland	0	(1,762)	764	(706)	66

#### Members Interest

Under the Council Code of Conduct, elected members must declare any registered interests in any bodies where the Council *itself* does not have significant influence over their operations. Each member's Register of Interest is available in the Your Councillors section of the City of Edinburgh Council website.

In 2022/23, the Council made payments totalling £29.123m to 40 bodies where members hold an interest, i.e. they held or hold a position where they have significant influence or control. Material payments (in excess of £0.250m) have been detailed below:

Bethany Christian Trust	1,254	(0)	419	994	10
Church of Scotland	379	(47)	0	450	0
Dean and Cauvin Charitable Trust	1,079	0	6	1,061	0
Harbour Homes Scotland Limited	4,143	(0)	0	16,464	0
Lifecare Edinburgh	551	0	0	457	0
Royal Blind Asylum and School	355	0	(192)	682	(75)
Smilechildcare	277	0	0	240	0
The Citadel Youth Centre	276	0	0	275	0
University of Edinburgh	638	(209)	25	288	22

#### Other Organisations

Other related parties include bodies in which the Council has an interest in collaboration with other local authorities, but are not Associates together with bodies to which the Council provides substantial funding or in which it holds a significant interest.

Edinburgh International Festival Society	1,931	(298)	43	1,926	44
Edinburgh and Lothians Greenspace Trust	684	0	0	460	0
Edinburgh School Partnership	21,407	0	(40,394)	19,784	(44,470)
Edinburgh Vol. Org. Council	427	0	0	448	0
Handicab	536	(240)	0	370	112
Hubco	1,165	0	0	15,967	(19)
South East of Scotland Transport Partnership	2	(0)	525	(12)	601
SUSTRANS	66	(13,494)	10,573	(4,224)	3,053

## NOTES TO THE FINANCIAL STATEMENTS

### 36. Related Parties - continued

#### Senior Officers

Senior Officers have control over the Council's financial and operating policies. The total remuneration paid to senior officers is shown in the Remuneration Report. In 2022/23, a senior officer, R. Carr was employed by an external company, details of the salary and additional costs are listed in the Remuneration paid to Senior Officers section of the Remuneration Report.

Officers have the responsibility to adhere to a Code of Conduct, which requires them to declare an interest in matters that may directly or indirectly influence, or be thought to influence their judgement or decisions taken during the course of their work. In terms of any relevant parties, officers with declarations of interest would opt out of taking part in any discussion or decisions relating to transactions with these parties.

### 37. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred during the year is shown below (including the value of assets acquired under finance leases and PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years through charges to revenue (loan charges), capital expenditure results in an increase in the capital financing requirement. This shows the amount of capital expenditure that has yet to be financed. The capital financing requirement is analysed below.

	2022/23		Re-stated 2021/22	
	£000	£000	£000	£000
Opening capital financing requirement		1,746,483		1,749,002
<b>Capital Investment</b>				
Property, plant and equipment	347,810		189,775	
Heritage Assets / Common Good Assets	1,960		2,664	
Assets held for sale	1,764		1,645	
Capital Receipts transferred to Capital Fund	10,503		0	
Capital Investment applied to debtors	18,400		23,393	
Revenue expenditure funded from capital under statute	64,847		58,999	
Right of Use Asset Recognised in year	66,863		0	
PPP Lease Agreements Recognised In-Year	(504)		990	
		511,643		277,466
<b>Sources of Finance</b>				
Capital receipts	(23,703)		(16,442)	
Capital Funded from Current Revenue	(24,509)		(15,043)	
Government grants and other contributions	(200,058)		(145,099)	
PPP schools -				
- under construction and lifecycle additions	239		(404)	
Loans fund / finance lease repayments	(104,866)		(102,997)	
		(352,897)		(279,985)
<b>Closing capital financing requirement</b>		<u>1,905,229</u>		<u>1,746,483</u>
<b>Explanation of movements in year</b>				
(Decrease) / increase in underlying need to borrow or fund from credit arrangements		159,250		(3,509)
Assets acquired under finance leases		(504)		990
<b>(Decrease) / Increase in capital financing requirement</b>		<u>158,746</u>		<u>(2,519)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 38. Leases

#### 38.1 Assets Leased in - Finance Leases

##### Policy

Finance leases, which have substantially transferred to the authority the benefits and risks of ownership of a non-current asset, are treated as if the asset had been purchased outright.

Assets acquired under finance leases are included in non-current assets at the lower of the fair value or the present value of the minimum lease payments. The capital element of the lease is included as obligations under finance leases / creditors.

The lease rentals comprise capital and interest elements. The capital element is applied to reduce the outstanding obligation and the interest element is charged to revenue on a straight line basis over the terms of the lease.

##### Note

The Council has acquired a waste treatment facility and its IT equipment under finance leases. The assets classified under these leases are included in property, plant and equipment in the Balance Sheet. In 2022/23 all IT liabilities were derecognised and the asset ownership passed to the Council

The Council has adopted IFRS 16 from 1 April 2022, therefore no further consolidation adjustments have been made to the finance lease disclosures for 2022/23, to adjust for right of use assets and related lease liabilities in connection with all former operating leases.

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Value at 1 April	52,013	6,358	33,612	8,240
Adjustment for Right of Use Assets	(45,655)	0	0	0
Additions during the year	0	0	24,943	63
Depreciation charge for the year	(1,569)	(1,569)	(6,542)	(1,945)
Derecognition	(448)	(448)	0	0
Value at 31 March	<u>4,341</u>	<u>4,341</u>	<u>52,013</u>	<u>6,358</u>
Vehicles, plant, equipment and furniture	<u>4,341</u>	<u>4,341</u>	<u>52,013</u>	<u>6,358</u>
Value at 31 March	<u><u>4,341</u></u>	<u><u>4,341</u></u>	<u><u>52,013</u></u>	<u><u>6,358</u></u>
<b>Analysed by:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Current	403	403	12,842	1,569
Non-Current	3,938	3,938	23,434	4,789
Finance costs payable in future years	463	463	1,634	599
	<u>4,804</u>	<u>4,804</u>	<u>37,910</u>	<u>6,957</u>
<b>Finance Lease Liabilities</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within one year	486	486	13,368	1,696
Between 2 and 5 years	1,943	1,943	21,681	2,400
Over 5 years	2,375	2,375	2,861	2,861
Total liabilities	<u>4,804</u>	<u>4,804</u>	<u>37,910</u>	<u>6,957</u>

#### 38.2 Assets Leased in - Operating Leases

##### Policy

Leases that do not meet the definition of a finance lease are accounted for as operating leases.

Rental payments, net of benefits received, under operating leases are charged to the relevant service on a straight line basis over the life of the lease.



## NOTES TO THE FINANCIAL STATEMENTS

### 38. Leases - continued

#### 38.2 Assets Leased in - Operating Leases - continued

##### Note

The Council adopted IFRS 16 from 1 April 2022, therefore consolidation adjustments are no longer required for Group bodies who adopted prior to this date. Properties and other vehicles, plant and equipment that fall under the scope of IFRS16 have now been reclassified as right of use assets on the balance sheet. The disclosures below relate to low value (below £10k assets) and leases that have less than 12 months to run.

The Group leases in property, vehicles and copying equipment. The amount charged to the Comprehensive Income and Expenditure Statement under these arrangements and the value of future payments under operating leases is shown below.

Under these operating leases, the Group and Council is committed to paying the following sums:

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>Future Repayment Period</b>				
Not later than one year	139	139	10,571	1,316
Later than one year and not later than five years	283	283	39,868	3,262
Later than five years	1	1	28,368	851
	<b>423</b>	<b>423</b>	<b>78,807</b>	<b>5,429</b>
<b>Value at 31 March</b>				
Other land and buildings	35	35	12,934	2,962
Vehicles, plant, equipment and furniture	388	388	65,873	2,467
	<b>423</b>	<b>423</b>	<b>78,807</b>	<b>5,429</b>
<b>Recognised as an expense during the year</b>	<b>306</b>	<b>306</b>	<b>9,094</b>	<b>1,259</b>

#### 38.3 Assets Leased Out by the Council - Operating Leases

##### Policy

Rental income received under operating leases is credited to the relevant service in accordance with the terms specified in the lease agreement.

##### Note

The Council leases out property, equipment and infrastructure under operating leases for a number of purposes, including:

- for economic development purposes, including regeneration and to provide suitable affordable accommodation for local businesses.
- to arm's-length companies for the provision of services such as sport and leisure and theatres.
- an operating lease arrangement with Edinburgh Trams for the lease of the tram infrastructure.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	2022/23 £000	2021/22 £000
Not later than one year	21,318	21,043
Later than one year and not later than five years	72,653	72,312
Later than five years	312,390	319,292
Total liabilities	<b>406,361</b>	<b>412,648</b>

The Council has a number of leases that are agreed for a period of over 100 years, the majority of which relate to land.

## NOTES TO THE FINANCIAL STATEMENTS

### 38. Leases - continued

#### 38.4 Right of Use Assets

The Council adopted IFRS 16 from 1 April 2022, to recognise all right of use assets. IFRS 16 will mean that the majority of leases where the Council acts as lessee will come onto the balance sheet and lessor accounting is effectively unchanged. Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2022/2023 and not by adjusting prior year figures.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are now on the balance sheet at 1 April 2022. Leases for items of low value and leases that expire on or before 31 March 2024 are exempt from the new arrangements.

As a lessee, the Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases.

The Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	<b>2022/23</b>	
	<b>Group</b>	<b>Council</b>
	<b>£000</b>	<b>£000</b>
Value at 1 April	0	0
Additions during the year	121,775	66,863
Depreciation charge for the year	(19,792)	(15,434)
	<u>101,983</u>	<u>51,429</u>
Value at 31 March	101,983	51,429
Other land and buildings	57,613	49,998
Vehicles, plant, equipment and furniture	44,370	1,431
	<u>101,983</u>	<u>51,429</u>
	<u>101,983</u>	<u>51,429</u>
<b>Analysed by:</b>	<b>£000</b>	<b>£000</b>
Current	30,307	16,813
Non-Current	97,789	34,616
	<u>128,096</u>	<u>51,429</u>
<b>Finance Lease Liabilities</b>	<b>£000</b>	<b>£000</b>
Within one year	31,854	16,813
Between 2 and 5 years	77,627	27,862
Over 5 years	25,184	6,754
Total liabilities	<u>134,665</u>	<u>51,429</u>

Amount charged to the Council Comprehensive Income and Expenditure amounted to £1.3m in 2022/23, related to interest expense on the lease liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

### 39. Public Private Partnerships and Similar Contracts

#### 39.1 PPP, Finance Lease and Other Liabilities

	Note	2022/23		2021/22	
		Group	Council	Group	Council
		£000	£000	£000	£000
<b>Short Term Creditors</b>					
PPP Residual Waste	39.2	2,598	2,598	2,607	2,607
PPP Education	39.3	8,707	8,707	8,772	8,772
Finance Leases	38.1	403	403	12,842	1,569
Right of Use Assets	38.4	30,307	16,813	0	0
		<u>42,015</u>	<u>28,521</u>	<u>24,221</u>	<u>12,948</u>
<b>Other Long-Term Liabilities</b>					
PPP Residual Waste	39.2	23,368	23,368	23,673	23,673
PPP Residual Waste Donated Asset	39.2	48,158	48,158	50,452	50,452
PPP Education	39.3	188,850	188,850	197,615	197,615
Finance Leases	38.1	3,938	3,938	23,434	4,789
Right of Use Assets	38.4	97,789	34,616	0	0
Group other liabilities		221	0	532	0
		<u>362,324</u>	<u>298,930</u>	<u>295,706</u>	<u>276,529</u>

#### 39.2 PPP - Residual Waste

In 2016, the Council entered into a twenty five year contract with FCC to supply residual waste treatment at Millerhill. The contract is a joint arrangement between the Council and Midlothian Council on an 80:20 split respectively. This contract became operational in April 2019. The Council's 80% share of the facility value is included in the Fixed Assets on the balance sheet.

Under the agreements the Council is committed to paying the following sums as detailed in the contractor's final bid model:

	Payment for Services £000	Reimburse. of Capital Expenditure £000	Interest £000	Total £000	Donated Asset £000
Payable in 2023/24	4,992	305	3,651	8,948	2,293
Within two to five years	21,628	1,293	14,091	37,012	9,173
Within six to ten years	30,229	2,537	16,317	49,083	11,466
Within eleven to fifteen years	33,671	5,511	13,415	52,597	11,466
Within sixteen to twenty years	38,386	10,504	7,682	56,572	11,466
Within twenty one to twenty five years	9,053	3,523	429	13,005	4,587
	<u>137,959</u>	<u>23,673</u>	<u>55,585</u>	<u>217,217</u>	<u>50,451</u>

The payments for service disclosed have had uplifts applied to reflect the current inflationary position and estimated potential future impacts, as set out below.

	2023/24	2024/25	2025/26 onwards
Payable	12.86%	2.84%	2.50%

## NOTES TO THE FINANCIAL STATEMENTS

### 39. Public Private Partnerships and Similar Contracts - continued

#### 39.3 PPP - Education Projects

In 2001, the Council entered into a Public Private Partnership (PPP1) for the provision of school buildings, maintenance and other facilities with Edinburgh Schools Partnership. This agreement was supplemented by a further agreement in April 2004, which now requires Edinburgh Schools Partnership either to replace or substantially renovate ten primary, five secondary and two special schools, together with one close support unit and a community wing, and to maintain these schools to an agreed standard. When the agreement ends in July 2033 the schools will be handed to the Council with a guaranteed maintenance-free life of five years.

In April 2007, the Council entered into a second Public Private Partnership (PPP2) for the provision of school buildings, maintenance and other facilities with Axiom Education Limited. This required Axiom Education Limited to replace six secondary schools and two primary schools and to maintain these schools to a high standard. When the agreement ends in July 2038 the schools will be handed to the Council with an agreed major maintenance-free life of five years.

In December 2013, the Council entered in to an agreement with Hub South East Scotland for the provision of a new building for James Gillespie's High School. This has been procured using a Design, Build, Finance and Maintain (DBFM) agreement with Hub South East Scotland. The concession is due to terminate in July 2041.

In June 2018, the Council entered in to an agreement with QHS DBFMCO Ltd for the provision of a new building for Queensferry High School. This has been procured using a Design, Build, Finance and Maintain (DBFM) agreement with QHS DBFMCO Ltd. The concession is due to terminate in March 2045.

Under the agreements the Council is committed to paying the following sums as detailed in the contractor's final bid model:

	<b>Payment for Services £000</b>	<b>Reimburse. of Capital Expenditure £000</b>	<b>Interest £000</b>	<b>Total £000</b>
Payable in 2023/24	27,297	8,707	20,878	56,882
Payable within two to five years	115,155	40,442	80,140	235,737
Payable within six to ten years	163,878	61,957	87,032	312,867
Payable within eleven to fifteen years	106,667	58,877	59,362	224,906
Payable within sixteen to twenty years	15,947	21,794	8,787	46,528
Payable within twenty one to twenty five years	1,229	5,780	1,421	8,430
	<u>430,173</u>	<u>197,557</u>	<u>257,620</u>	<u>885,350</u>

The payments for service disclosed have had uplifts applied to reflect the current inflationary position and estimated potential future impacts, subject to the terms of the separate contracts, as set out below.

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26 onwards</b>
Payable			
PPP1	6.50%	1.42%	1.11%
PPP2	10.89%	1.90%	1.67%
James Gillespie's High School	13.84%	2.84%	2.50%
Queensferry High School	13.84%	2.84%	2.50%

The amounts disclosed as reimbursement of capital expenditure are included in creditors and other long-term liabilities on the Balance Sheet. These are not subject to the above inflationary uplifts.

The unitary charges paid to the service providers include amounts to compensate them for the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the service providers for capital expenditure incurred is as follows:

	<b>2022/23 £000</b>	<b>2021/22 £000</b>
Balance at 1 April	206,387	212,915
PPP unitary charge restatement adjustment	(55)	4
Additions during the year	0	2,973
Repayments during the year	<u>(8,775)</u>	<u>(9,505)</u>
Balance at 31 March	<u>197,557</u>	<u>206,387</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 39. Public Private Partnerships and Similar Contracts - continued

#### 39.4 Provision of Information Technology services

In 2015 the Council entered into a seven year contract with CGI for the provision of information technology services. This contract became operational on 1 April 2016. A six year contract extension was approved to 31 March 2029.

Under the agreement the Council is committed to paying the following sums in cash terms (assuming an inflationary uplift). These sums exclude amounts disclosed under finance leases for ICT asset additions.

Future Repayment	£000	Inflationary Uplift
Period		
2023/24	23,778	2.5%
2024/25 - 2028/29	<u>119,841</u>	2.5%
	<u><u>143,619</u></u>	

#### 39.5 Provision of Parking Enforcement

The Council entered into a five year contract with NSL for the provision of parking enforcement on 1 October 2014 which ended on 30 September 2019. There was a five year extension clause which has been approved with the contract extended to 30 September 2024.

The Council is committed to paying the following sums in cash terms (renegotiated annually):

Future Repayment	£000
Period	
2023/24	7,128
2024/25	<u>3,564</u>
	<u><u>10,692</u></u>

#### 39.6 Other Rolling Contracts

The Council has entered into a number of rolling contracts to provide services, which are mainly care orientated through 'Supporting People'. The annual value of these contracts is £33.251m.

### 40. Pension schemes accounted for as defined contribution schemes

The Scottish Teachers' Superannuation Scheme is an unfunded scheme administered by the Scottish Public Pensions Agency. The scheme is excluded from the accounting requirements of IAS 19 as it is a national scheme which does not allow for the identification of pension liabilities consistently and reliably between participating authorities. The accounts, therefore, only include the payments made by the Council to the scheme in year and do not reflect the estimated pension assets or liabilities of the scheme. The exception to this are payments in relation to unfunded pension enhancements for members of the scheme as they are administered through the Local Government Pension Scheme and are taken into consideration in accounting for pension costs under IAS 19.

	2022/23		2021/22	
	£000	%	£000	%
Amount paid to Scottish Government in respect of teachers' pension costs	36,260		37,327	
As a percentage of teachers' pensionable pay		23.00		23.00
Amount paid in respect of added years	0		0	
As a percentage of teachers' pensionable pay		0.00		0.00
Capitalised value of discretionary awards	13,086		15,012	

At 31 March 2023, creditors include £4.401m (2021/22 £4.408m) in respect of teachers' superannuation.

### 41. Defined Pension Schemes

#### 41.1 Participation in Pension Scheme

The Council is operating as an administering authority for the Local Government Pension Scheme.

The Council also makes contributions towards the cost of its own employees' post-employment benefits. Although these benefits will not be payable until employees retire, the Council has a commitment to make payment for those benefits and to disclose them at the time that employees earn their future entitlement.

Employees other than teachers are eligible to join the Local Government Pension Scheme. The pension costs charged to Services in respect of these employees have been calculated under IAS 19 - Employee Benefits.

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.1 Participation in Pension Scheme - continued

In terms of this scheme, in 2022/23 the Council paid an employer's contribution of £75.752m (2021/22 £69.915m) into the Lothian Pension Fund, representing 22.7% (2021/22 22.7%) of pensionable pay. Contribution rates are determined by the Fund's Actuary based on triennial actuarial valuations of the pension fund. The data is based on the valuations as at March 2020, at which point the funding level (i.e. the percentage of assets to past service liabilities) was 106%.

The Fund's Actuary is unable to provide an analysis of IAS19 pension costs by individual service. The charge in the Comprehensive Income and Expenditure Statement applied against each service included in 'Cost of Services' reflects an apportionment of costs in line with the actual cash payments made by the Council to Lothian Pension Fund.

#### 41.2 Transactions Relating to Post-Employment Benefits

The cost of pension benefits, as assessed by the Fund's Actuary and reflected within 'Cost of Services', differed from the cash payment to the Fund charged against Council Tax. The following summarises the entries reflected within the Comprehensive Income and Expenditure Statement in respect of accounting for pensions under IAS19. The amount by which pension costs calculated in accordance with IAS19 are different from the contributions due under the pension scheme regulations is included in the Movement in Reserves Statement.

	2022/23		2021/22	
	£000	£000	£000	£000
<b>Comprehensive Income and Expenditure Statement</b>				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	152,940		158,312	
Past service costs	366		1,762	
Effect of Settlements	<u>(631)</u>		<u>0</u>	
		152,675		160,074
<i>Financing and investment income:</i>				
Net interest expense		<u>6,450</u>		<u>14,232</u>
<b>Total post employee benefit charged to the surplus on the provision of services</b>		159,125		174,306
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Re-measurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount incl. in the net interest expense above.	(6,513)		(287,525)	
Actuarial (gains) and losses arising on changes in financial assumptions	(1,446,141)		(258,742)	
Restrictions in pension assets	405,860		0	
Actuarial (gains) and losses arising on changes in demographic assumptions	(29,572)		(23,887)	
Other experience	<u>196,967</u>		<u>5,655</u>	
		<u>(879,399)</u>		<u>(564,499)</u>
<b>Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement</b>		<u>(720,274)</u>		<u>(390,193)</u>
<b>Movement in Reserves Statement</b>				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>(159,125)</u>		<u>(174,306)</u>
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>				
Employer's contributions payable to the scheme		76,224		71,514
Contributions in respect of unfunded benefits		<u>4,827</u>		<u>4,970</u>
		<u>81,051</u>		<u>76,484</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.3 Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligations in respect of its defined benefit plan is as follows:

The net asset value has been restricted in accordance with Accounting Standards, to limit the surplus recognised on the Balance Sheet.

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Fair value of employer assets	3,701,660	3,599,772
Present value of funded liabilities	(3,053,062)	(3,742,162)
Present value of unfunded liabilities	<u>(51,098)</u>	<u>(61,435)</u>
Net asset / (liability) arising from defined benefit obligation	<u>597,500</u>	<u>(203,825)</u>

#### 41.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	3,599,772	3,250,790
Effect of settlements	(1,173)	0
Interest income	97,088	64,936
Re-measurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	6,513	287,525
Contributions from employer	76,224	71,514
Contributions from employees into the scheme	20,461	18,965
Contributions in respect of unfunded benefits	4,827	4,970
Other Experience	0	0
Benefits paid	(97,225)	(93,958)
Unfunded benefits paid	<u>(4,827)</u>	<u>(4,970)</u>
Closing fair value of scheme assets	<u>3,701,660</u>	<u>3,599,772</u>

#### Reconciliation of Present Value of the Scheme Liabilities

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Present value of funded liabilities	(3,742,162)	(3,853,353)
Present value of unfunded liabilities	<u>(61,435)</u>	<u>(67,939)</u>
Opening balance at 1 April	(3,803,597)	(3,921,292)
Current service cost	(152,940)	(158,312)
Interest cost	(103,538)	(79,168)
Contributions from employees into the scheme	(20,461)	(18,965)
Re-measurement gain / (loss):		
Change in financial assumptions	1,446,141	258,742
Restriction in pension asset	(405,860)	0
Change in demographic assumptions	29,572	23,887
Other experience	(196,967)	(5,655)
Past service (cost) / gain	(366)	(1,762)
Effects of settlements	1,804	0
Benefits paid	97,225	93,958
Unfunded benefits paid	<u>4,827</u>	<u>4,970</u>
Closing balance at 31 March	<u>(3,104,160)</u>	<u>(3,803,597)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.5 Fair Value of Employer Assets

The following asset values are at bid value as required under IAS19.

	2022/23 £000	%	2021/22 £000	%
Consumer *	453,837	12	442,853	12
Manufacturing *	510,266	14	476,415	13
Energy and Utilities *	223,295	6	198,727	6
Financial Institutions *	222,674	6	207,470	6
Health and Care *	271,902	7	249,356	7
Information technology *	153,734	4	163,572	5
Other *	<u>252,757</u>	7	<u>268,374</u>	7
Sub-total Equity Securities	<u>2,088,465</u>		<u>2,006,767</u>	
Debt Securities:				
UK Government *	429,135	12	314,362	9
Corporate Bonds (investment grade) *	57,731	2	0	0
Other *	<u>77,309</u>	2	<u>67,519</u>	2
Sub-total Debt Securities	<u>564,175</u>		<u>381,881</u>	
Private Equity				
All *	2,316	0	377	0
All	<u>12,145</u>	0	<u>16,549</u>	0
Sub-total Private Equity	<u>14,460</u>		<u>16,926</u>	
Real Estate:				
UK Property *	24,807	1	33,516	1
UK Property	141,939	4	156,784	4
Overseas Property *	4,917	0	1,014	0
Overseas Property	<u>1,026</u>	0	<u>0</u>	0
Sub-total Real Estate	<u>172,690</u>		<u>191,314</u>	
Investment Funds and Unit Trusts:				
Equities *	49,281	1	61,879	2
Equities	2,868	0	2,781	0
Bonds *	0	0	67,648	2
Bonds	107,180	3	100,921	3
Infrastructure	<u>527,557</u>	14	<u>364,980</u>	10
Sub-total Investment Funds and Unit Trusts	<u>686,887</u>		<u>598,209</u>	
Derivatives:				
Foreign Exchange *	<u>157</u>	0	<u>171</u>	0
Sub-total Derivatives	<u>157</u>		<u>171</u>	
Cash and Cash Equivalents				
All *	<u>174,827</u>	5	<u>404,503</u>	11
Sub-total Cash and Cash Equivalents	<u>174,827</u>		<u>404,503</u>	
Total Fair Value of Employer Assets	<u>3,701,660</u>	<u>100</u>	<u>3,599,772</u>	<u>100</u>

**Scheme assets marked with an asterisk (\*) have quoted prices in active markets.**



## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.6 Basis for Estimating Assets and Liabilities

Hymans Robertson, the independent actuaries to Lothian Pension Fund, have advised that the financial assumptions used to calculate the components of the pension expense for the year ended 31 March 2023 were those from the beginning of the year (i.e. 31 March 2022) and have not been changed during the year. The main assumptions in the calculations are:

#### Investment returns

Actual return for period from 31 March 2022 to 28 February 2023	(1.30%)
Total return for period from 1 April 2022 to 31 March 2023	(2.90%)

#### Average future life expectancies at age 65:

		31.03.23	31.03.22
Current pensioners	male	19.9 years	20.3 years
Current pensioners	female	22.9 years	23.1 years
Future pensioners	male	21.2 years	21.6 years
Future pensioners	female	24.7 years	25.0 years
Period ended		31.03.23	31.03.22
Pension increase rate		2.95%	3.20%
Salary Increase rate		3.45%	3.70%
Discount rate		4.75%	2.70%

As at the date of the most recent valuation, the duration of the Employer's funded obligations is 19 years.

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2023 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

For example, to quantify the uncertainty around life expectancy, the Actuary has calculated the difference in cost to the Employer of a one year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption and changes in some of the assumptions may be interrelated.

Change in assumptions at 31 March 2023	Approximate % Increase to Employer	Approximate Monetary Amount £000
0.1% decrease in Real Discount Rate	2%	47,980
1 year increase in member life expectancy	4%	107,932
0.1% increase in the Salary Increase Rate	0%	4,268
0.1% increase in the Pension Increase Rate	2%	44,431

#### 41.7 Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council agreed a contribution stability mechanism with the scheme's actuary until 31 March 2024. The rate was increased by 1.1% from 1 April 2021 and thereafter, for the remainder of the actuarial valuation period, rates will remain fixed.

#### 41.8 Information about the defined benefit obligation

	£000	%
Active members	289,234	74.9%
Deferred members	18,499	4.8%
Pensioner members	78,261	20.3%
Total	385,994	100.0%

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.8 Information about the defined benefit obligation - continued

The figures are for funded obligations only and do not include the unfunded pensioner liabilities. The durations are effective as at the previous formal valuation of 31 March 2020.

The unfunded pensioner liability at 31 March 2023 comprises approximately £39.756m (2021/22 £47.944m) in respect of LGPS unfunded pensions and £11.342m (2021/22 £13.491m) in respect of teachers' unfunded pensions. For unfunded liabilities as at 31 March 2023, it is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension between 37.5% and 50% of the member's pension as at the date of the member's death.

#### 41.9 Pension Reserves - Group Position

The pension reserves shown in the Group Balance Sheet relate to the Council. Pension reserves for the Lothian Valuation Joint Board are included in unusable reserves. Pension reserves for other companies in the group are included in usable reserves. The value of the pension reserves is shown separately below;

	<b>2022/23</b>	<b>2021/22</b>
	<b>Pension</b>	<b>Pension</b>
	<b>Reserve</b>	<b>Reserve</b>
	<b>£000</b>	<b>£000</b>
<b>Unusable Reserves</b>		
Council	597,500	(203,825)
Lothian Valuation Joint Board	(3,845)	(867)
	<u>593,655</u>	<u>(204,692)</u>
	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
<b>Usable Reserves</b>		
Transport for Edinburgh Ltd	26,047	88,072
	<u>26,047</u>	<u>88,072</u>
<b>Net Pension Reserves</b>	<u>619,702</u>	<u>(116,620)</u>

#### 41.10 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2024

	<b>Assets</b>	<b>Obligations</b>	<b>Net (liability) / asset</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>% of pay</b>
Current service cost	0	(69,396)	(69,396)	(20.7%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(69,396)	(69,396)	(20.7%)
Interest income on plan assets	175,755	0	175,755	52.5%
Interest cost on defined benefit obligation	0	(127,816)	(127,816)	(38.2%)
Total Net Interest Cost	175,755	(127,816)	47,939	14.3%
Total included in Profit or Loss	<u>175,755</u>	<u>(197,212)</u>	<u>(21,457)</u>	<u>(6.4%)</u>

The Council's estimated contribution to Lothian Pension Fund for 2023/24 is £75.968m.

# NOTES TO THE FINANCIAL STATEMENTS

## 41. Defined Pension Schemes - continued

### 41.11 Strain on the Pension Fund

Lothian Pension Fund has the right to require the Council to make additional payments to the pension fund to reflect the extra cost to the pension fund of immediate payment of benefits to employees who retire early on efficiency, redundancy or voluntary grounds. This amounted to £0.194m, including accrued payments (2021/22 £1.598m).

### 41.12 Further Information

Further information on Lothian Pension Fund can be found in the Council's Pension Fund's Annual Report which is available upon application to the Chief Executive Officer, Lothian Pension Fund, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

## 42. Financial Instruments

### Policy

#### Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits and government grants, do not give rise to financial instruments.

#### Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

All of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders,
- lease payables detailed in note 38,
- PPP contracts detailed in note 39, and
- trade payables for goods and services received.

#### Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications:

Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows comprising):

- cash in hand,
- current, call and notice accounts with banks
- fixed term deposits with banks and building societies,
- loans to other local authorities,
- certificates of deposit and covered bonds issued by banks and building societies,
- treasury bills and gilts issued by the UK Government,
- trade receivables for goods and services provided.

Fair value through other comprehensive income (where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category) comprising:

- money market funds

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

## NOTES TO THE FINANCIAL STATEMENTS

### 42. Financial Instruments - continued

#### 42.1 Categories of Financial Instruments

The following categories of financial instrument are carried on the Council's Balance Sheet:

	2022/23		2021/22	
	Long-Term £000	Current £000	Long-Term £000	Current £000
<b>Assets</b>				
At amortised cost				
- Bank Call Accounts (Note 21)	0	16,629	0	56,129
- Local Authority Loans - S-T (Note 22.2)	0	0	0	10,654
- Local Authority Loans - S-T (Note 21)	0	116,482	0	24,777
- Sovereign / Supranational debt	0	30,092	0	143,887
		<u>163,203</u>		<u>235,447</u>
At fair value through profit and loss				
- Money Market Funds	0	36,147	0	39,633
		<u>36,147</u>		<u>39,633</u>
Total Financial Instruments - Assets	<u>0</u>	<u>199,350</u>	<u>0</u>	<u>275,080</u>
The Investment total does not include £21.1m (2021/22 £21.1m) in unquoted equity in subsidiary companies which are not deemed to be Financial Instruments.				
<b>Debtors</b>				
At amortised cost	143,789	113,651	143,258	170,963
Total debtors	<u>143,789</u>	<u>113,651</u>	<u>143,258</u>	<u>170,963</u>
<b>Borrowings</b>				
- Public Works Loans Board	(1,120,924)	(53,790)	(1,152,648)	(64,538)
- Salix	(74)	(147)	(221)	(233)
- Market debt	(298,178)	(5,807)	(300,163)	(5,682)
Total borrowings	<u>(1,419,176)</u>	<u>(59,744)</u>	<u>(1,453,032)</u>	<u>(70,453)</u>
<b>Other Liabilities</b>				
Financial liabilities at amortised cost	0	(51,366)	0	(40,113)
PPP and finance lease liabilities	(250,772)	(26,228)	(226,077)	(10,655)
PPP and finance lease liabilities (donated assets)	(48,158)	(2,293)	(50,452)	(2,293)
Deferred liability	(84,438)	0	(62,144)	0
Total other long-term liabilities	<u>(383,368)</u>	<u>(79,887)</u>	<u>(338,673)</u>	<u>(53,061)</u>

Lothian Regional Council entered into an agreement for the disposal of Norton Park Annex to the Tudor Trust. The terms of the disposal included the creation of a Title Company with share capital of 100 ordinary shares, held by the Tudor Trust, and 350,000 £1 preference shares held by City of Edinburgh Council. The preference shares carry rights that, in the event of the company being wound up or the property sold, the Council will receive the first £0.35m of the sale proceeds. This is included in the Balance Sheet as a 'Deferred Liability' of £0.35m, and as a long-term investment.

## NOTES TO THE FINANCIAL STATEMENTS

### 42. Financial Instruments - continued

#### 42.1 Categories of Financial Instruments - continued

Other deferred liabilities relate to income received in advance, which is required to be put on interest bearing deposit.

Further detail on the finance lease and PPP liabilities can be seen in notes 38 and 39.

#### 42.2 Income, Expenses, Gains and Losses

	<b>Financial Liabilities: Measured at Amortised Cost £000</b>	<b>Financial Assets: Measured at Amortised Cost £000</b>	<b>Fair Value through Profit / Loss £000</b>	<b>Total £000</b>
Interest expense	57,997	0	0	57,997
Interest on leases	19,001	0	0	19,001
Total expense in Surplus on the Provision of Services	76,998	0	0	76,998
Interest income	0	(4,154)	(2,146)	(6,300)
Total Interest and investment income	0	(4,154)	(2,146)	(6,300)
Net (gain) / loss for the year	76,998	(4,154)	(2,146)	70,698

In addition to the above interest expense, £3.008m (2021/22 £3.008m) was charged to the loans pool from the financial instruments adjustment account during the year, but not reflected in the Comprehensive Income and Expenditure Statement. It also excludes £0.132m (2021/22 £0.193m) of loans fund expenses charged to the Council.

Dividend income of £nil (2021/22 £nil) was received from a subsidiary council company.

#### 42.3 Fair Value of Assets and Liabilities

The Council has adopted IFRS 13 for the calculation of fair values. Financial assets classified as available for sale are carried in the Balance Sheet at fair value. For Treasury Bills and shares in Money Market Funds, the fair value is taken from the market price. Financial assets classified as loans and receivables and all financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2023, using the following methods and assumptions:

- Loans, including PWLB loans, borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of "Lender's Option Borrower's Option" (LOBO) loans has been increased by the value of the embedded options.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.

## NOTES TO THE FINANCIAL STATEMENTS

### 42. Financial Instruments - continued

#### 42.3 Fair Value of Assets and Liabilities - continued

- The fair value of soft loan assets has been calculated using the cash flows implied by the appropriate market interest rate which has been deemed to be the appropriate PWLB rate plus a credit spread of between 2% and 5% depending on the party to whom the advance has been made.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices.
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

The fair values are calculated as follows:

	Fair Value Level	2022/23		2021/22		
		Principal Outstanding £000	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Public Works Loans Board	2	(1,163,723)	(1,174,713)	(967,201)	(1,217,186)	(1,313,405)
Salix	2	(225)	(221)	(212)	(454)	(452)
Market debt	2	(291,400)	(303,985)	(323,147)	(305,845)	(448,848)
Borrowings		(1,455,348)	(1,478,919)	(1,290,560)	(1,523,485)	(1,762,704)
Other long-term liabilities	n/a	(84,438)	(84,438)	(84,438)	(62,144)	(62,144)
Trade creditors	n/a	(51,366)	(51,366)	(51,366)	(40,113)	(40,113)
PPP	3	(276,024)	(276,024)	(270,762)	(289,477)	(337,807)
Total		(1,867,176)	(1,890,747)	(1,697,126)	(1,915,219)	(2,202,768)
Lease Payables *		(51,429)	(51,429)			
<b>Total Financial liabilities</b>		<b>(1,918,605)</b>	<b>(1,942,176)</b>	<b>(1,697,126)</b>	<b>(1,915,219)</b>	<b>(2,202,768)</b>

\* Liabilities for which fair value is not disclosed

The fair value is lower than the carrying amount this year because the authority's portfolio of loans includes a significant value of fixed rate loans which were taken out when interest rates were substantially lower than the rates available for similar loans at the Balance Sheet date. With the adoption of IFRS16 by the Council, under IFRS7, Right of Use Liabilities are exempt from the Fair Value disclosures.

	Fair Value Level	2022/23		2021/22	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Investments held at Fair Value through Profit and Loss</b>					
Money Market Funds	1	36,147	36,147	39,633	39,633
		<u>36,147</u>	<u>36,147</u>	<u>39,633</u>	<u>39,633</u>
<b>Investment held at Amortised Cost</b>					
Bank Call Accounts	n/a	16,629	16,629	56,129	56,132
Local Authority Loans	2	116,482	116,532	35,431	35,391
Sovereign / Supranational debt	1 / 2	30,092	30,579	143,886	144,096
		<u>163,203</u>	<u>163,740</u>	<u>235,446</u>	<u>235,619</u>
<b>Debtors</b>					
Loan Stock	n/a	2,240	2,240	2,240	2,240
Soft Loans	3	49	49	53	53
Other trade debtors	n/a	113,651	113,651	170,963	170,963
		<u>115,940</u>	<u>115,940</u>	<u>173,256</u>	<u>173,256</u>
<b>Total Investments</b>		<u>315,290</u>	<u>315,827</u>	<u>448,335</u>	<u>448,508</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 42. Financial Instruments - continued

#### 42.4 Financial Assets classified as Fair Value through Profit and Loss

	Fair Value Level	2022/23		2021/22	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Investments held at Fair Value through Profit and Loss</b>					
Money Market Funds	1	36,147	36,147	39,633	39,633
		<u>36,147</u>	<u>36,147</u>	<u>39,633</u>	<u>39,633</u>

There was no unrealised gain on the available for sale financial assets (2021/22 £nil).

### 43. Nature and Extent of Risks Arising from Financial Instruments

#### 43.1 Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The Council complies with the CIPFA Prudential Code and has adopted the CIPFA Treasury Management in the Public Services Code of Practice. Overall these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years limiting:
  - the Council's overall borrowing;
  - its maximum and minimum exposures to fixed and variable rates;
  - its maximum and minimum exposures in the maturity structure of its debt;
- by selecting investment counterparties in compliance with the Council's Treasury Policy Statement.

The annual treasury management strategy which incorporates the prudential indicators was approved by the Council on 16 March 2023 and is available on the Council website. The key issues within the strategy are:

- The authorised limit for 2023/24 has been set at £2.596bn. This is the maximum limit for external borrowings and other short and long term liabilities.
- The operational boundary for 2023/24 has been set at £2.546bn. This is the expected upper level of borrowing and other short and long term liabilities during the year.

The prudential indicators are reported and approved as part of the Council's annual budget setting process. Actual performance is also reported annually to members of the Council.

#### 43.2 Key Risks

The Council's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

## NOTES TO THE FINANCIAL STATEMENTS

### 43. Nature and Extent of Risks Arising from Financial Instruments - continued

#### 43.3 Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are with banks, building societies, and other institutions in line with the Council's prevailing counterparty limits as set out in the Council's treasury policy statement. Investment decisions are considered daily as part of the daily cash flow management by the Council's Treasury Team who can, and do, restrict the list further in light of market conditions.

The Council's funds are managed along with those of Lothian Pension Fund and some other related organisations which are pooled for investment purposes as a treasury cash fund. Management of the cash fund is on a low risk, low return basis, with security of the investments the key consideration while at the same time seeking innovative and secure cash investment opportunities. This arrangement has allowed a better management of the Council's risk in the exceptional financial and market circumstances in recent years.

As well as lending monies to other local authorities, the Council purchases UK Government Treasury Bills, short dated UK Government Gilts and short dated EIB and other commercial Paper. At 31 March 2023, the Council had £10.0m in short term investments, all of which was in UK Treasury Bills. Of the net Cash and Cash Equivalents, 61.5% were loans to other local authorities, a further 19.1% was held in three AAA rated Money Market Funds, 10.6% was in UK Treasury Bills, leaving only 8.8% with banks. All of the monies held on deposit with banks at 31 March 2023 were in call or near call accounts.

The principal outstanding on monies held by the Council under its treasury management arrangements at 31 March 2023 was £198.6m (31 March 2022: £275.1m). This was held with the following institutions:

Summary	Standard and Poor's Rating	Principal Outstanding 31.03.23 £000	Carry Value 31.03.23 £000	Fair Value 31.03.23 £000	Carry Value 31.03.22 £000
<b>Money Market Funds</b>					
Deutsche Bank AG, London	AAAm	27,907	27,991	27,991	10,274
Goldman Sachs	AAAm	927	930	930	7,187
Standard Life	AAAm	7,170	7,225	7,225	22,172
<b>Bank Call Accounts</b>					
Bank of Scotland	A+	14	14	14	27,416
Royal Bank of Scotland	A+	7,392	7,393	7,393	1,244
Santander UK	A	26	26	26	27
Barclays Bank	A+	14	14	14	14
Handelsbanken	AA-	9,137	9,169	9,169	16
HSBC Bank Plc 31 dn	A+	5	5	5	24,327
HSBC Bank Plc	A+	9	9	9	3,085
<b>UK Pseudo-Sovereign Risk Instruments</b>					
Local Authorities (see below)	n/a	116,195	116,482	116,532	35,431
Supranational CP	AAA	0	0	0	21,153
DMADF	AAu	0	0	0	56,148
UK Government Treasury Bills/Gilts	AAu	29,821	30,092	30,579	66,586
<b>Total</b>		<b>198,617</b>	<b>199,350</b>	<b>199,887</b>	<b>275,080</b>

Local Authorities are generally assumed to have a pseudo-sovereign credit rating (which in the UK at 31 March 2023 would have been 'AA' from S&P) due to their tax raising powers and the perceived government support. Very few have their own credit rating.

The Council's maximum exposure to credit risk in relation to its direct investments in banks and building societies of £16.6m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but the Council takes a low risk approach to investment. There was no evidence at 31 March 2023 that this risk was likely to crystallise.



## NOTES TO THE FINANCIAL STATEMENTS

### 43. Nature and Extent of Risks Arising from Financial Instruments - continued

#### 43.3 Credit Risk - continued

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

In line with the Investment Regulations governing local authorities introduced in 2010, the Council approved an annual investment strategy and treasury policy statement for both the Council and the Cash Fund at its March 2023 meeting. The papers are available on the Council's website. A full list of the deposits outstanding at 31 March 2023 is contained in the Treasury Cash Fund Investment Report for Quarter 1 2023. This is available on request from [corporate.finance2@edinburgh.gov.uk](mailto:corporate.finance2@edinburgh.gov.uk), marked for the attention of Treasury.

All Council invoices become due for payment on issue. Excluding pre-payments of £2.256m (2021/22 £2.062m), trade debtors past due date can be analysed by age as follows:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Less than two months	13,647	15,135
Two to four months	3,116	1,334
Four to six months	3,865	1,268
Six months to one year	2,370	4,654
More than one year	8,627	8,584
Total	<u>31,625</u>	<u>30,975</u>

Collateral – During the reporting period the Council held no collateral as security.

#### Credit Risk: Trade Debtors

Loss allowances on debtors have been calculated by reference to the Council's historic experience of default. The Council will continue to take appropriate and proportionate action to recover what is due even where the related debts are written off for the purposes of the financial statements.

Debtors are collectively assessed for credit risk in the following groups:

<b>31.03.23</b>			
		<b>Gross</b>	<b>Loss</b>
	<b>Range</b>	<b>Receivable</b>	<b>Allowance</b>
Council Tax	3% - 100%	228,905	(207,949)
Non Domestic Rates	1% - 100%	6,162	(5,086)
HRA tenants and other debtors	5% - 95%	13,145	(11,508)
Housing Benefits	75% - 85%	27,781	(23,176)
Trade and Other Debtors	7.5% - 100%	38,537	(19,941)
Total		<u>314,530</u>	<u>(267,660)</u>

#### 43.4 Liquidity risk

The Council carries out short and medium term cash flow management to ensure that it will have sufficient liquidity to cover all of its payment obligations. This includes monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs. The Council also has ready access to borrowings from the money markets to cover any day to day cash flow needs.

## NOTES TO THE FINANCIAL STATEMENTS

### 43. Nature and Extent of Risks Arising from Financial Instruments - continued

#### 43.4 Liquidity risk - continued

Whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to the Council. The Council is also required by statute to achieve a balanced budget, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through cash flow management procedures required by the Code of Practice.

#### 43.5 Re-financing and Maturity Risk

The Council maintains significant debt and investment portfolios. The re-financing risk to the Council relates to managing the exposure to replacing financial instruments as they mature. As shown in the chart in 43.6, the majority of the Council's debt portfolio consists of fixed rate longer term loans, and as such, the Council has a relatively low re-financing risk on its liabilities. However, the Council has market debt which allows the lender the option to ask for a rate increase at set dates and at that point the Council may choose to repay the loan at no additional cost. This gives a potential re-financing risk which the Council monitors and manages.

The Council's approved treasury strategy addresses the main risks and the treasury team address the operational risks within approved parameters. This includes monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt. With the margin on new borrowing rates and a separate rate for the premature repayment of loans, it is unlikely that there will be much scope for any substantial rescheduling of PWLB debt. However if interest rates increase further, there may be some opportunities for restructuring.

The maturity analysis of the principal outstanding on the Council's debt is as follows:

	2022/23 £000	2021/22 £000
Less than one year	(73,289)	(68,048)
Between one and two years	(67,260)	(56,764)
Between two and five years	(248,964)	(226,989)
Between five and ten years	(199,653)	(216,668)
More than ten years	<u>(1,193,635)</u>	<u>(1,220,381)</u>
Financial Liabilities	<u>(1,782,801)</u>	<u>(1,788,850)</u>

All trade and other payables are due to be paid in less than one year and trade creditors of £51.366m (2021/22 £40.113m) are not shown in the table above. The above figures show the principal outstanding, therefore, neither accrued interest of £14.978m (2021/22 £15.358m) nor net equivalent interest rate (EIR) adjustments of £8.593m (2021/22 £8.753m) to the carrying amounts of market debt shown in the financial liabilities are included.

The only investment which the Council has with a maturity of greater than one year is £2.24m in EDI loan stock.

#### 43.6 Market risk

##### Interest rate risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- borrowings at fixed rates – the fair value of the borrowing liability will fall;
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- investments at fixed rates – the fair value of the assets will fall.

# NOTES TO THE FINANCIAL STATEMENTS

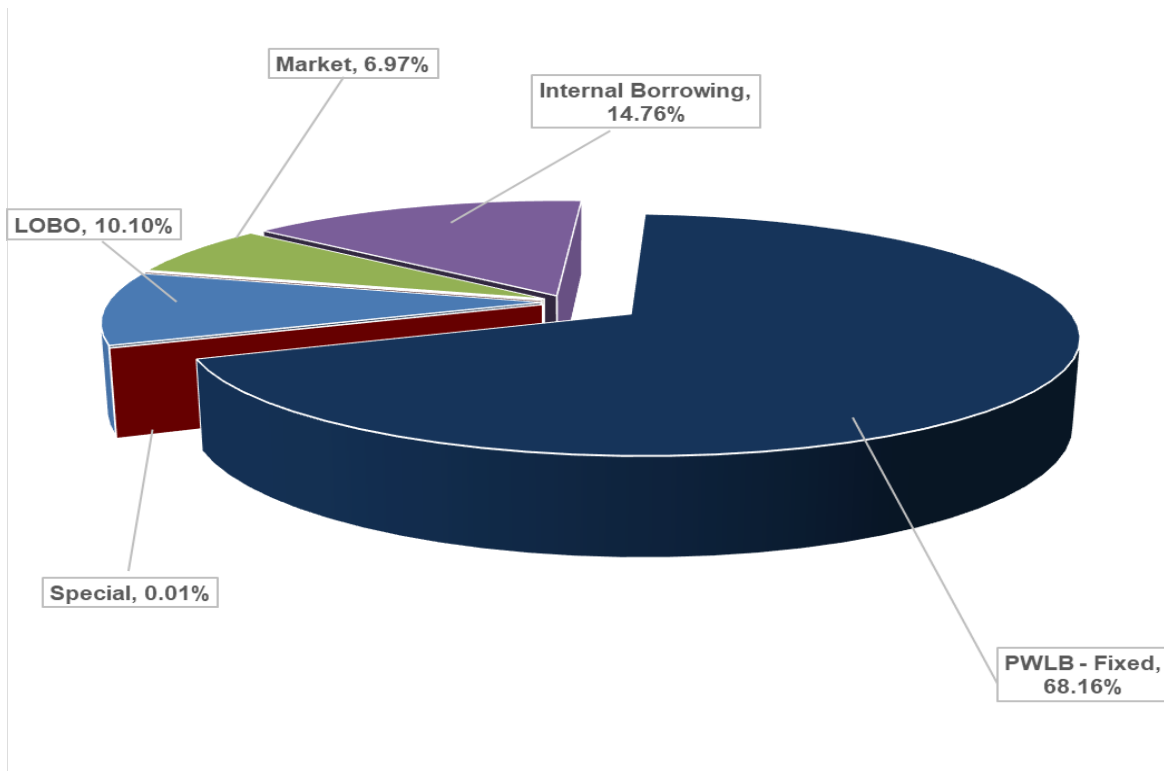
## 43. Nature and Extent of Risks Arising from Financial Instruments - continued

### 43.6 Market risk - continued

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement or Movement in Reserves Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments will be reflected in the Movement in Reserves Statement, unless the investments have been designated as fair value through the Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The treasury team continue to monitor market and forecast interest rates during the year and adjust investment policies accordingly. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns. The Council has run such a strategy over the last three years, borrowing £500m in fixed rate loans at historically low interest rates.

The following chart shows the source of the Council's borrowing. Most of the Council's borrowings are from the Government by way of the Public Works Loans Board (PWLB). As interest rates were historically low, none of the recent PWLB borrowing was variable rate.



Sources of Borrowing 2022/23

## NOTES TO THE FINANCIAL STATEMENTS

### 43. Nature and Extent of Risks Arising from Financial Instruments - continued

#### 43.6 Market risk - continued

If all interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest receivable on variable rate investments	(305)
Impact on Comprehensive Income and Expenditure Statement	(305)
Decrease in fair value of fixed rate borrowings liabilities	(162,584)

#### Price Risk

The Council does not generally invest in equity shares but does have shareholdings of £21.105m (2021/22 £21.105m) in a number of Council owned Companies and joint ventures. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio.

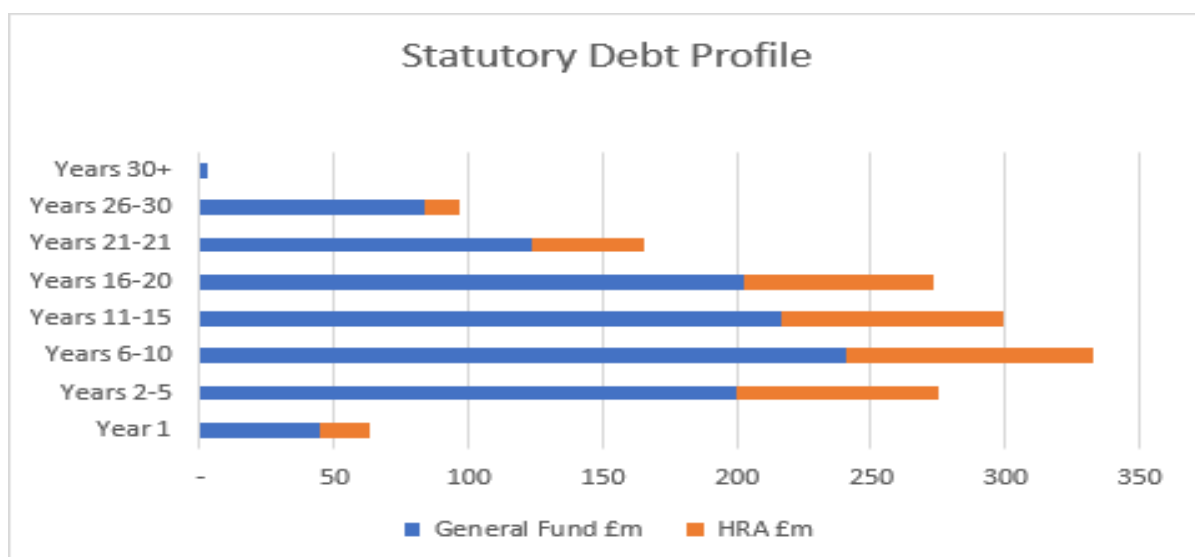
#### Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

#### 43.7 Repayment Profile

The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 require the statutory loans fund to be administered in accordance with the 2016 Regulations, proper accounting practices and prudent financial management.

The Council operates a consolidated loans fund under the terms of these Regulations. Capital payments made by services are financed by capital advances from the loans fund. As part of the 2020/21 budget process the Council received a report on the review carried out on the loans fund. The report recommended changes in the method of calculating loans fund repayments for current and historical capital advances. Those changes mean that the repayments for both historical and new capital advances (with the exception of those detailed below) will be calculated using the Asset Life method. For capital advances relating to loans to the Edinburgh Living LLPs and capital advances for the "Trams to Newhaven" project, all advances from the loans fund in the current year have a repayment profile set out using the funding/income method and these capital advances will be repaid using an annuity structure with fixed interest rate and principal repayments. The business cases brought forward for other projects involving major capital expenditure funded by borrowing will consider the appropriate repayment method depending on the structure of the business case. The Council operates the loans fund to manage historic debt and the balance therefore represents historic borrowing for capital spend.



## NOTES TO THE FINANCIAL STATEMENTS

### 44. Prior Period Adjustment

#### Council - Infrastructure Assets

The Council has undertaken a review of assets classified as infrastructure and identified a number of assets incorrectly categorised. A prior year adjustment has been included in the Council's accounts to correct these mis-categorisations.

#### Council - HRA Council Dwellings valuation

A prior year adjustment has been included in the accounts to reflect the adjustments that have been made to the disclosure of the HRA housing stock valuation, to revise the valuation discount to 38%.

#### Council - Presentation and Other

A prior year adjustment has been made to reflect a presentational adjustment on income received from repayment of housing loans.

	2021/22 Infrastructure Statements £000	Assets £000	HRA Valuation £000	Presentation and Other £000	2021/22 Re-stated £000
<b>Council Movement in Reserves Statement</b>					
Balance at 31 March 2021	3,315,183	(5,638)	(639,434)	0	2,670,111
Total Comprehensive Income and Expenditure	828,710	(29)	(33,885)	90	794,886
Net increase / (decrease) before transfers to statutory reserves	828,710	(29)	(33,885)	90	794,886
Increase / (decrease) in year	828,710	(29)	(33,885)	90	794,886
<b>Balance at 31 March 2022</b>	<b>4,143,894</b>	<b>(5,667)</b>	<b>(673,319)</b>	<b>90</b>	<b>3,464,998</b>
<b>Council Comprehensive Income and Expenditure Statement</b>					
Place	541,973	(1,449)	0	(90)	540,434
HRA	(3,613)	0	(13,322)	0	(16,935)
Other non-service specific costs	11,310	0	0	(2,293)	9,017
Cost of Service	1,379,879	(1,449)	(13,322)	(2,383)	1,362,725
Gains on disposal of non-current assets	(1,045)	0	(1,360)	0	(2,405)
Taxation and non-Specific Grant Income	(1,210,418)	1,478	0	2,278	(1,206,662)
(Surplus) / Deficit on provision of service	255,480	29	(14,682)	(105)	240,722
Surplus on Revaluation of Non-Current Assets	(519,676)	0	48,567	0	(471,109)
Other Unrealised (Gains) / Losses	(15)	0	0	15	0
Total Comprehensive Income	(828,710)	29	33,885	(90)	(794,886)
<b>Council Balance Sheet</b>					
Property, Plant and Equipment	5,753,118	(5,667)	(673,319)	90	5,074,222
Long-Term Assets	5,979,222	(5,667)	(673,319)	90	5,300,326
Net Assets	4,143,894	(5,667)	(673,319)	90	3,464,998
Unusable Reserves	3,746,738	(5,667)	(673,319)	90	3,067,842
Total Reserves	4,143,894	(5,667)	(673,319)	90	3,464,998
<b>Council Cash Flow Statement</b>					
(Surplus) / Deficit on the Provision of Services	255,480	29	(14,682)	(105)	240,722
Adjustments to (Surplus) / Deficit on the Provision of Services for non-cash movements	(494,536)	1,449	14,682	90	(478,315)
Adjustments for items included in the Surplus on the Provision of Services that are investing or Financing Activities	81,449	(1,478)	0	(2,278)	77,693
Net cash flows from operating activities	(157,607)	0	0	(2,293)	(159,900)
Net cash flows from investing activities	277,555	0	0	(1,903)	275,652
Net cash flows from financing activities	(98,969)	0	0	4,196	(94,773)

## NOTES TO THE FINANCIAL STATEMENTS

### 44. Prior Period Adjustment - continued

#### CEC Holdings Ltd

A prior year adjustment has been included in the Group accounts to reflect a change in the group tax relief of CEC Holdings Ltd, along with an adjustment for historic rounding balances.

	2021/22 Statements £000	Council Adj £000	CEC Holdings £000	Group £000	2021/22 Re-stated £000
<b>Group Movement in Reserves Statement</b>					
Balance at 31 March 2021	3,482,491	(645,072)	0	0	2,837,419
Total Comprehensive Income and Expenditure	928,831	(33,824)	(278)	0	894,729
Net increase / (decrease) before transfers to	928,831	(33,824)	(278)	0	894,729
Increase / (decrease) in year	901,197	(33,824)	(278)	0	867,095
<b>Balance at 31 March 2022</b>	<b>4,383,690</b>	<b>(678,896)</b>	<b>(278)</b>	<b>0</b>	<b>3,704,515</b>
<b>Group Comprehensive Income and Expenditure Statement</b>					
Place	541,973	(1,539)	0	0	540,434
HRA	(3,613)	(13,322)	0	0	(16,935)
Other non-service specific costs	14,233	(2,293)	0	0	11,940
Cost of Service	1,389,505	(17,154)	0	0	1,372,351
Gains on disposal of non-current assets	(1,895)	(1,360)	0	0	(3,255)
Taxation and non-Specific Grant Income	(1,210,418)	3,756	0	0	(1,206,662)
(Surplus) / Deficit on provision of service	260,941	(14,758)	0	0	246,183
Taxation of Group entities	3,392	0	278	0	3,670
Group (Surplus)/Deficit	235,036	(14,758)	278	0	220,556
Surplus on Revaluation of Non-Current Assets	(519,675)	48,567	0	0	(471,108)
Other Unrealised (Gains) / Losses	(79,693)	15	0	0	(79,678)
Total Comprehensive Income	(928,831)	33,824	278	0	(894,729)
<b>Group Balance Sheet</b>					
Property, Plant and Equipment	5,886,488	(678,896)	0	(9)	5,207,583
Investments in Associates and Joint Ventures	75,665	0	0	9	75,674
Long-Term Assets	6,253,340	(678,896)	0	0	5,574,444
Short-Term Creditors	(274,445)	0	(278)	0	(274,723)
Current Liabilities	(355,135)	0	(278)	0	(355,413)
Net Assets	4,383,689	(678,896)	(278)	0	3,704,515
Unusable Reserves	3,868,808	(678,896)	0	0	3,189,912
Usable Reserves	514,881	0	(278)	0	514,603
Total Reserves	4,383,689	(678,896)	(278)	0	3,704,515
<b>Group Cash Flow Statement</b>					
(Surplus) / Deficit on the Provision of Services	260,941	(14,758)	0	0	246,183
Adjustment to (Surplus) / Deficit for Taxation of Group entities	3,392	0	278	0	3,670
Adjustments to (Surplus) / Deficit on the Provision of Services for non-cash movements	(525,462)	16,221	(278)	0	(509,519)
Adjustments for items included in the Surplus on the Provision of Services that are investing or Financing Activities	84,763	(3,756)	0	0	81,007
Net cash flows from operating activities	(176,366)	(2,293)	0	0	(178,659)
Net cash flows from investing activities	312,148	(1,903)	0	0	310,245
Net cash flows from financing activities	(123,030)	4,196	0	0	(118,834)

# HOUSING REVENUE ACCOUNT

## INCOME AND EXPENDITURE STATEMENT for the year ended 31 March 2023

The Housing Revenue Account (HRA) Income and Expenditure Statement shows in more detail the income and expenditure on HRA services included in the Council's Comprehensive Income and Expenditure Statement.

### Re-stated

2021/22		2022/23	
£000	EXPENDITURE	£000	£000
29,357	Repairs and maintenance	30,852	
23,318	Supervision and management	26,450	
23,344	Depreciation and impairment of non-current assets	48,418	
9,097	Other expenditure	10,406	
1,731	Impairment of debtors	729	
<u>86,847</u>			116,855
	<b>INCOME</b>		
(100,407)	Dwelling rents	(102,951)	
(69)	Non-Dwelling rents (gross)	(37)	
(6,236)	Other income	(4,970)	
<u>(106,712)</u>			<u>(107,958)</u>
(19,865)	Net (income) / expenditure for HRA Services (as included in the Council's Comprehensive Income and Expenditure Statement)		8,897
208	HRA share of corporate and democratic core		526
2,722	HRA share of other amounts included in the Council's Net Cost of Services but not allocated to specific services		<u>2,451</u>
(16,935)	Net income for HRA Services		11,874
	HRA share of other operating expenditure included in the Council's Comprehensive Income and Expenditure Statement		
(3,445)	(Gain) / loss on sale of HRA fixed assets	(2,061)	
15,978	Interest payable and similar charges	17,016	
2,169	Interest cost on defined benefit obligation ( <i>pension-related</i> )	2,916	
(209)	Interest and investment income	(921)	
(1,781)	Interest income on plan assets ( <i>pension-related</i> )	(2,734)	
(20,114)	Capital grants and contributions	<u>(38,169)</u>	
<u>(7,402)</u>			<u>(23,953)</u>
<u>(24,337)</u>	Surplus for the year on HRA services		<u>(12,079)</u>

# HOUSING REVENUE ACCOUNT

## MOVEMENT ON THE HRA STATEMENT

2021/22 £000		2022/23 £000
0	Balance on the HRA at the end of the previous year	0
24,337	Surplus for the year on the HRA Income and Exp Account	12,079
(15,684)	Adjustments between accounting basis and funding basis under statute	(30,850)
<u>8,653</u>	<b>Net increase before transfers to reserves</b>	<u>(18,771)</u>
<u>(8,653)</u>	Contribution (to) / from renewal and repairs fund, via the General Fund	<u>18,771</u>
<u><u>0</u></u>	<b>Balance on the HRA at the end of the current year</b>	<u><u>0</u></u>

## Adjustments Between Accounting Basis and Funding Basis Under Regulations

£000		£000
	<b>Adjustments primarily involving the Capital Adjustment Account</b>	
	<b>Reversal of items debited or credited to the Income and Expenditure Statement</b>	
23,344	Charges for depreciation and impairment of non-current assets	48,418
(20,114)	Capital grants and contributions applied	(38,169)
	<b>Insertion of items not debited or credited to the Income and Expenditure Statement</b>	
(17,356)	Statutory provision for the financing of capital investment	(18,661)
0	Capital funded from revenue	(21,742)
	<b>Adjustments primarily involving the Capital Receipts Reserve</b>	
(3,446)	Transfer of cash sale proceeds credited as part of the gain / loss on disposal of assets	(2,061)
	<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>	
(906)	Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(941)
	<b>Adjustments primarily involving the Pensions Reserve</b>	
4,780	Reversal of items relating to retirement benefits debited or credited to the Income and Expenditure Statement	4,482
(1,961)	Employer's pension contributions and direct payments to pensioners payable in the year	(2,147)
	<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>	
(25)	Amount by which officer remuneration charged to the Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(29)
<u>(15,684)</u>		<u>(30,850)</u>



# HOUSING REVENUE ACCOUNT

## Notes to the Housing Revenue Account

1. The number and types of dwellings in the authority's housing stock at 31 March 2023 are as follows:

Types of Houses	2023		2022	
	Number	Annual Average Rent (£)	Number	Annual Average Rent (£)
<b>Main provision Council dwellings</b>				
1 Apartment	262	4,118.00	285	4,105.00
2 Apartment	5,645	4,616.00	5,629	4,612.00
3 Apartment	10,225	5,350.00	10,182	5,350.00
4 Apartment	3,560	6,161.00	3,545	6,160.00
5 Apartment	539	6,581.00	536	6,606.00
6 Apartment	12	6,678.00	12	6,678.00
7 Apartment	4	6,463.00	4	6,463.00
8 Apartment	1	6,463.00	1	6,463.00
<b>Mid-market rent dwellings</b>				
2 Apartment	19	5,983.00	22	6,005.00
3 Apartment	80	7,368.00	83	7,372.00
4 Apartment	22	9,307.00	22	9,307.00
	<u>20,369</u>		<u>20,321</u>	

- The stock figure represents all types of residential properties, including furnished tenancies, sheltered housing and homelessness units.
- The amount of rent arrears included as debtors in the Council's Consolidated Balance Sheet was £13.160m (£12.115m 2021/22) against which a provision amounting to £11.508m (£10.695m 2021/22), has been created in respect of non collectable debts.
- The total value of uncollectable void rents for main provision properties was £2.324m (2021/22 £2.045m). This has been netted against rental income.



## NON-DOMESTIC RATES INCOME ACCOUNT

The Non-Domestic Rate Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national Non-Domestic Rate pool.

2021/22 £000		2022/23 £000	£000
(470,059)	Gross rates levied and contributions in lieu		(479,113)
235,563	Less: - Reliefs and other deductions	109,120	
3,360	- Uncollectable debt written off and provision for impairment	5,366	
<u>238,923</u>			<u>114,486</u>
(231,136)			(364,627)
25,642	Previous years' adjustments		21,700
<u>(205,494)</u>	<b>Non-Domestic Rate Income</b>		<u><b>(342,927)</b></u>
	Allocated to:		
(206,212)	Contribution to Non-Domestic Rate Pool		(343,696)
718	City of Edinburgh Council		769
<u>(205,494)</u>			<u><b>(342,927)</b></u>

### Notes to the Non-Domestic Rates Income Account

#### Rateable Values as at 1 April 2022

	Number	Rateable Value £000
Shops, offices and other commercial subjects	15,955	641,060
Industrial and freight transport	3,135	78,728
Telecommunications	5	21
Public service subjects	355	47,138
Miscellaneous	4,036	166,738
	<u>23,486</u>	<u>933,685</u>

- The amount distributed to the council from the national non-domestic rate income pool in the year was £249.861m (2021/22 £188.796m).
- Occupiers of non-domestic property pay rates based on the valuation of the property within the valuation roll for Edinburgh. The non-domestic rate poundage is determined by the Scottish Ministers, and was 49.8p per £ in 2022/23 (2021/22 49.0p per £).

Properties with a rateable value between £51,001 and £95,000 had their rate charges calculated using the poundage of 51.1p per £ (2021/22 50.3p per £). Properties with rateable value greater than £95,000 had their rate charges calculated using the poundage of 52.4p per £ (2021/22 51.6p).

- From 1 April 2008, the Scottish Government introduced the small business bonus scheme. Business properties with a rateable value of £18,000 or less may receive relief as set out below.

100% relief	below	£	15,000
25% relief	£	15,001 to	£ 18,000
Upper limit for combined rateable value *		£	35,000

\* Businesses with multiple properties whose combined rateable value is £35,000 or less will be eligible for relief of 25% for each property with a rateable value of £18,000 or less.

There are changes being introduced to the small business bonus scheme from 1st April 2023.

## COMMON GOOD FUND

### Common Good Fund Foreword

The Common Good Fund stands separate from the Council's accounts and has been described as "the ancient patrimony of the community". It was originally derived from the grants by the Sovereigns of Scotland at various times. The present fund is an amalgam of the funds of the City and Royal Burgh of Edinburgh and the Royal Burgh of South Queensferry.

A report on the (Edinburgh) Common Good prepared by the Town Clerk and City Chamberlain in 1905 set out the historical background of the fund and listed its then assets in some detail. The report also stated a "General Principle" that the Fund should be administered "for the purpose of upholding the dignity and suitable hospitality of the City; performing the duties incumbent upon a Royal Burgh ..... maintaining the municipal establishment and managing the municipal affairs; vindicating or extending the corporate rights of the community and defending its interests; acquiring additional land or property for the corporate benefit, or improving existing corporation property, and generally for any purpose which, in the bona fide judgement of the Town Council, is for the good of the community as a whole, or in which the inhabitants at large may share, as distinct from the separate interests or benefit of any particular individual or class, however deserving or needy. The purpose must be limited to those which concern the City and its interests".

The Local Government etc. (Scotland) Act 1994 confirms this interpretation that use of the Fund shall "have regard to the interests of all the inhabitants" of the area.

The Common Good accounts are prepared in accordance with the Council's accounting policies.

In 2015/16, £2m of the Common Good Fund was earmarked to be utilised to fund a planned property maintenance programme. £123,000 of this funding has been used to fund Scott Monument lighting work and surveys, £33,000 on surveys and work at the City Observatory, £50,000 on engineering consultancy and repair works at the Queensferry Harbour, £13,000 on surveys and work on the Portobello Municipal Clock, and £1,000 on Civic Regalia repairs.

The balance of the Common Good Fund is £2.762m as at 31 March 2023 (£2.657m 2021/22). This is split £0.982m in the fund and £1.780m in the planned property maintenance fund.

Assets under construction as at 31 March 2023 relates to a community hub in the former tennis pavilion on Leith Links, which was substantially complete but not yet operational at the year end.

During 2022/23, the Common Good made a surplus of £0.105m (2021/22 £0.012m deficit).

The lease of 329 High Street was completed in January 2020 with a lease premium of £3.036m received in the Common Good. The lease premium is being amortised over the lease term of 125 years. The in-year deficit, as mentioned above, includes a lease premium of £0.024m for 2022/23. Recommendations for the use of the funds from the lease will be presented to the Finance and Resources Committee for approval.

The Common Good Annual Performance Report will be considered by the Finance and Resources Committee in September 2023, along with the Audited Annual Accounts.

## COMMON GOOD FUND - INCOME AND EXPENDITURE ACCOUNT

2021/22		2022/23	
£000		£000	£000
	<b>Income</b>		
(6)	Investment income	(119)	
(358)	Rent Income	(919)	
(1,090)	Capital Funding	(477)	
(24)	Lease Premium	(24)	
<u>(3,930)</u>	Recharges Income	<u>(3,487)</u>	
(5,408)	<b>Total Income</b>		(5,026)
	<b>Expenditure</b>		
42	Common Good Fund	38	
<u>4,307</u>	Common Good Property Costs	<u>4,883</u>	
4,349	<b>Total Expenditure</b>		4,921
(1,059)	<b>(Surplus) / Deficit for the Year</b>		<u>(105)</u>
1,071	Transfer to Capital Contribution Reserve		0
<u>12</u>	<b>(Surplus) / Deficit for the Year after Transfers to Reserves</b>		<u>(105)</u>

## COMMON GOOD FUND - BALANCE SHEET

31 March 2022		31 March 2023	
£000		£000	£000
2,913	Community Assets	3,093	
<u>1,071</u>	Assets Under Construction	<u>1,071</u>	
<u>3,984</u>	<b>Property, Plant and Equipment</b>		4,164
17,947	Long-Term Debtors	18,845	
<u>144</u>	Heritage Assets	<u>144</u>	
<u>18,091</u>	<b>Long-Term Assets</b>		18,989
1,867	Short-Term Investments	650	
9	Debtors	9	
<u>3,739</u>	Cash and Cash Equivalents	<u>5,037</u>	
<u>5,615</u>	<b>Current Assets</b>		<u>5,696</u>
<u><b>27,690</b></u>	<b>Net Assets</b>		<u><b>28,849</b></u>
25,046	Capital Contribution	26,100	
<u>(13)</u>	Capital Adjustment Account	<u>(13)</u>	
<u>25,033</u>	<b>Unusable Reserves</b>		26,087
863	Common Good Fund	982	
<u>1,794</u>	Earmarked Reserve	<u>1,780</u>	
<u>2,657</u>	<b>Usable Reserves</b>		<u>2,762</u>
<u><b>27,690</b></u>	<b>Total Reserves</b>		<u><b>28,849</b></u>

The unaudited financial statements were issued on 16 June 2023 .

HUGH DUNN, CPFA  
 Service Director: Finance and Procurement  
 Date:

## COMMON GOOD FUND - NOTES TO FINANCIAL STATEMENTS

### 1. Property, Plant and Equipment and Heritage Assets

#### 1.1 Movements on Balances

	Community Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	Heritage Assets £000
<b>Cost or Valuation</b>				
At 1 April 2022	2,913	1,071	3,984	144
Additions	0	0	0	0
Transfer between categories	0	0	0	0
Transfer from General Fund	180	0	180	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	0	0	0	0
Derecognition - disposals / transfers	0	0	0	0
At 31 March 2023	3,093	1,071	4,164	144
<b>Net Book Value</b>				
At 31 March 2023	3,093	1,071	4,164	144
At 31 March 2022	2,913	1,071	3,984	144
<b>Cost or Valuation</b>				
At 1 April 2021	2,558	0	2,558	146
Additions	0	1,071	1,071	0
Transfer between categories	1	0	1	(1)
Transfer from General Fund	354	0	354	0
Derecognition - disposals / transfers	0	0	0	(1)
At 31 March 2022	2,913	1,071	3,984	144
<b>Net Book Value</b>				
At 31 March 2022	2,913	1,071	3,984	144
At 31 March 2021	2,558	0	2,558	146

These asset categories are not depreciated.

#### 1.2 Developing a Common Good Register

Significant progress has been made to collate information regarding properties considered by the Council to be Common Good.

A response to the Community Empowerment (Scotland) Act 2015 consultation on Common Good matters was approved by the Finance and Resources Committee on 28 September 2017 and submitted to the Scottish Government.

The relevant provisions came into force on 27 June 2018, and the Scottish Government published the accompanying guidance in July 2018. The Community Empowerment (Scotland) Act 2015 places a duty on Local Authorities to "establish and maintain a register of property which is held by the authority as part of the Common Good" (a Common Good Register).

Before establishing a Common Good Register, the Act requires a Local Authority to prepare and publish a list of properties that it proposes to include in the register. The Common Good Asset Register for **public consultation** was approved for issuing at the 27 September 2018 Finance and Resources Committee. The consultation closed on 31 December 2018.

The first version of the Common Good Register was published on the Council's Common Good webpage on 28 June 2019, complying with Scottish Government guidance. The Register was subsequently presented and approved by the Finance and Resources Committee on 26 September 2019 as part of the 2018-19 Common Good Annual Performance Report.

The Council maintains a [web page](#) with a link to the latest Common Good Register on its website.

Work continues to be ongoing to ensure the completeness of the Common Good register, and to reconcile this to the Common Good register of assets for accounting purposes.

## COMMON GOOD FUND - NOTES TO FINANCIAL STATEMENTS

### 2. Unusable Reserves

#### 2.1 Capital Contribution

This balance contains the gains made by the Common Good Fund arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- transferred from Common Good;
- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains unrealised gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before 1 April 2007 were consolidated into the capital adjustment account.

The reserve also contains capital grants used to fund assets.

	2022/23		2021/22	
	£000	£000	£000	£000
Balance at 1 April		25,046		23,522
Movement of assets	0		0	
Transfer from General Fund	1,054		354	
Transfer from Income and Expenditure Account	0		1,071	
Upward revaluation of assets	0		100	
Downward revaluation of assets and impairment losses not charged to the Surplus/ Deficit on the Provision of Service	0		0	
Surplus / (Deficit) on revaluation of non-current assets not posted to the Surplus / Deficit on the Provision of Service		1,054		1,525
Derecognition of asset disposals / transfers		0		(1)
Balance at 31 March		<u>26,100</u>		<u>25,046</u>

£0.874m of the transfer from General Fund is included in long-term debtors (2021/22 £nil) and £0.180m is included in community assets (2021/22 £0.354m). The 2021/22 upward revaluation of assets is included in long-term debtors.

#### 2.2 Capital Adjustment Account

The capital adjustment account provides a balancing mechanism for timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (CIES) (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis).

The account also holds revaluation gains accumulated on property, plant and equipment prior to 1 April 2007, the date the revaluation reserve was created to hold such gains.

	2022/23	2021/22
	£000	£000
Balance at 1 April	(13)	(13)
Movement in Year	0	0
Balance at 31 March	<u>(13)</u>	<u>(13)</u>

# ANNUAL GOVERNANCE STATEMENT

## Introduction

The past three years have been demanding for elected members and officers and, post Covid, there remains no shortage of challenges and difficulties which put additional strain on the Council's resources and governance arrangements. The significant financial strain on resources only increases the pressures on service delivery and the need for innovative solutions, effective service delivery and greater partnership in the City is evident. Despite these challenges the Council's governance has been effective during this period, although the strains on the system cannot be underestimated and there is a need for improvements to be made to tighten controls and provide greater support to frontline services. The Council has also had to take steps to support refugees impacted by the war in Ukraine, which has involved setting up a project team and has required input from across the Council. Partnership working has been a key factor, as well as close co-operation with the UK and Scottish Governments.

## Scope of Responsibility

The City of Edinburgh Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, effectively and ethically. The Council also has a statutory duty, under the Local Government in Scotland Act 2003, to make arrangements to secure best value, which is demonstrated by continuous improvement in the way its functions are carried out.

In discharging these responsibilities, elected members and senior officers are responsible for implementing effective arrangements for governing the Council's affairs, and facilitating the effective exercise of its functions, including securing appropriate arrangements for the identification and management of risk.

This statement also covers the organisations included in the Council's Group Accounts, a list of which is included on page 43 of the Accounts.

## Council's Strategy and Vision

In February 2021 the Council approved a new Council Business Plan: Our Future Council, Our Future City which set out the Council's strategic priorities and how the aims set out in the Community Plan would be taken forward over the next 3 years. In June 2022 it was agreed that a refreshed business plan would be submitted for consideration. A revised business plan was agreed by Council in December 2022 and further updated in March 2023 following the budget.

The plan sets out three strategic priorities that will be the focus for all Council teams over the next phase of the city's development and for the way the Council will reform its services. These three strategic priorities are:

- Create good places to live and work;
- End poverty in Edinburgh; and
- Become a net-zero city by 2030.

To meet these three strategic priorities, the business plan identifies the specific outcomes, objectives and actions that Council services will deliver during 2023-27. The plan is also aligned to the Council Budget and the strategic priorities in this plan should be used to guide and inform resource allocation, including implementing service reductions in areas of lower impact and strategic priority, and exploring options to deliver all services differently.

## Decision making structures

### Political Governance Arrangements

The Council operates an executive committee structure (see figure 1.1) which consists of six executive committees which are responsible for policy and financial decision making and scrutiny within their designated areas of responsibility. These executive committees are Policy and Sustainability; Culture and Communities; Education, Children and Families; Finance and Resources; Housing, Homelessness and Fair Work; and Transport and Environment.

The Governance, Risk and Best Value Committee is responsible for seeking assurance over the adequacy of governance and risk management frameworks and the internal control environment. It also scrutinises the Council's financial and non-financial performance, approves and monitors progress against the internal audit risk-based plan and monitors performance of the internal audit service.

The Council also operates a range of other committees, some of which are quasi-judicial, such as the Development Management Sub-Committee and the Licensing Sub-Committee, to consider individual applications.



# ANNUAL GOVERNANCE STATEMENT

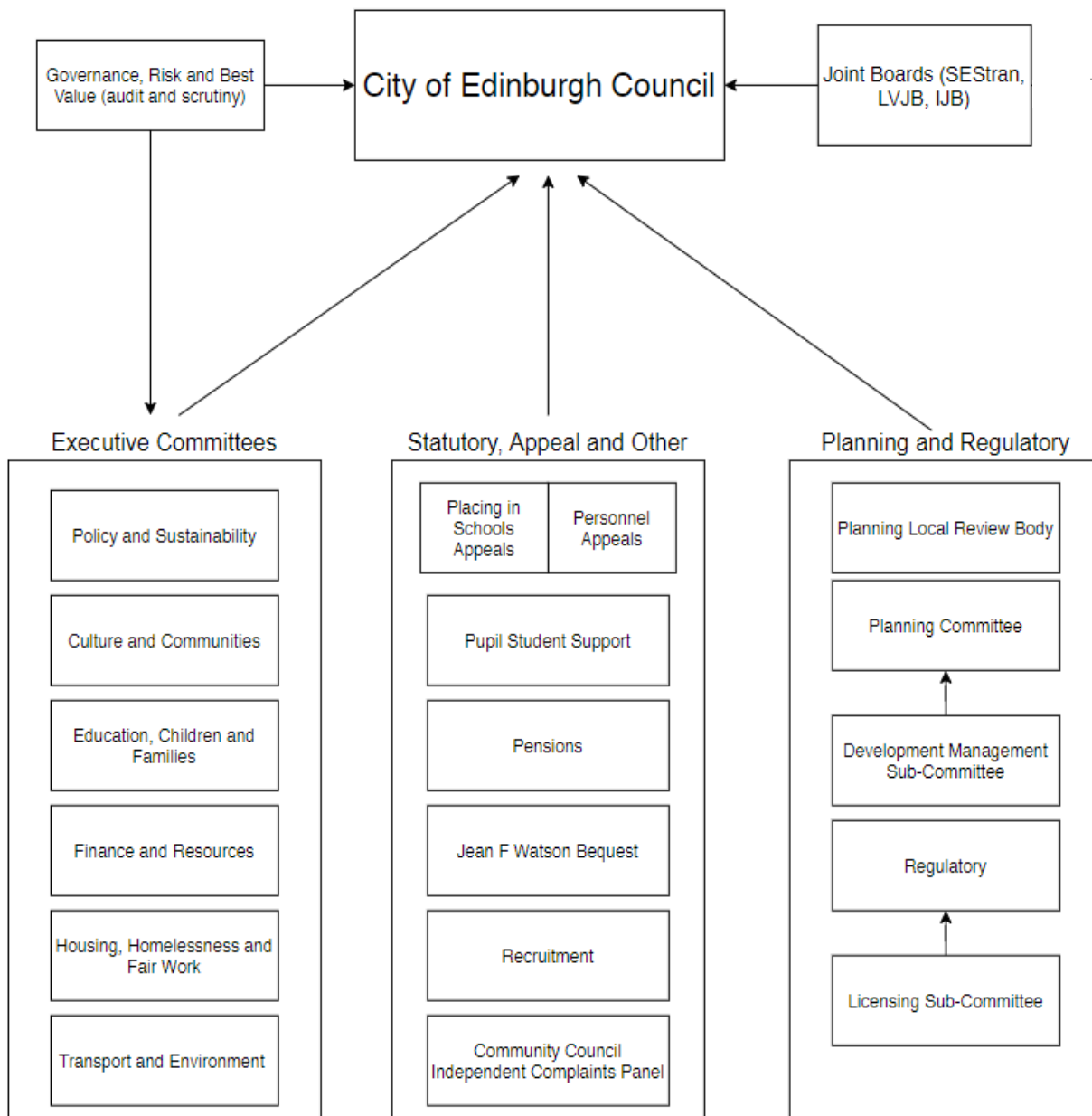


Figure 1.1 Executive Committee Structure

## Officer Decision Making

The Corporate Leadership Team (CLT) meets weekly, led by the Chief Executive, and includes all executive directors and key officers including the Section 95 Officer and Monitoring Officer.

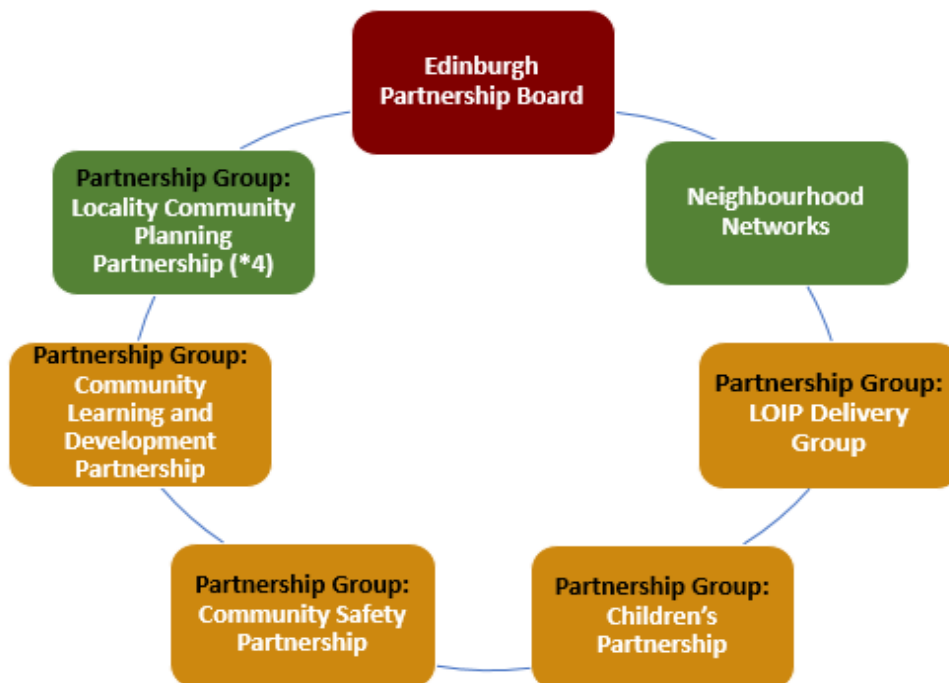
CLT is supported by a range of groups covering key matters such as risk, health and safety and programme management. There is a robust health and safety reporting structure which includes directorate health and safety groups, a quarterly Council health and safety group and a quarterly consultative forum involving the trade unions. Health and safety working groups are in place for key life safety issues including: fire; water safety; and asbestos. All directorates have risk and assurance committee meetings at least quarterly and ensure appropriate escalation of risks. The CLT also has a specific risk committee meeting which reviews the corporate risk register on a quarterly basis.

A key area of governance for the Council is its involvement in national, regional and city-wide bodies. The Chief Executive and members of CLT represent the Council on a number of groups. Examples of these include SOLACE, Scottish Government Directors, City Deal Executive, Edinburgh Guarantee and Edinburgh Chamber of Commerce Council. Partnership working has increased during the Pandemic, building on strong relationships and the need to work together to provide holistic solutions for the City and its region. Arm's Length External Organisations (ALEOs) reporting in terms of the Annual Governance Statement is reported through assurance schedules being submitted to their relevant directorate. The Executive Director then determines whether they feel it is appropriate for any issues highlighted to be included in their assurance schedules and reported in the Annual Governance Statement.

# ANNUAL GOVERNANCE STATEMENT

## Partnership Working

The Council plays an important role in the Edinburgh Partnership, the Community Planning Partnership in Edinburgh, and its community planning structure. The framework agreed by the Edinburgh Partnership comprises a Board, four city wide partnerships, four locality partnerships and thirteen neighbourhood networks. The arrangements are designed to support a different way of working and to support the delivery of the Partnership's priorities for the city as set out in the community plan. The plan focuses on reducing poverty and inequality in the city through making sure people have enough money to live on; access to work, learning and training opportunities; and have a good place to live.



The Council, NHS Lothian and the Edinburgh Integration Joint Board work closely together in delivering a more caring, healthier and safer Edinburgh. Responsibility for the budget does not sit with the Council but it plays a key role in supporting the processes in place to ensure sound financial management and budget control.

## Internal Controls

A significant part of the governance framework is the system of internal controls in place to ensure that risks are being identified and managed effectively. The Council has adopted a local Corporate Governance Code (CGC). The CGC is based on the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives and Senior Managers (SOLACE) model framework Delivering Good Governance in Local Government. The CGC outlines how the Council embeds good governance throughout the organisation and is available on the Council's website.

## Review of Effectiveness

An assurance statement on the effectiveness of the system of internal controls has been provided and was informed by:

- the work of the Corporate Leadership Team which develops and maintains the governance environment;
- the certified annual assurance statements provided by all Executive Directors;
- the certified assurance statements provided by the Chief Executives and Directors of Finance of the Council's group companies;
- council officers' management activities;
- the Chief Internal Auditor's annual report and internal audit reports, risk-based, across a range of Council services;
- reports from the Council's external auditor; and
- reports by external, statutory inspection agencies.

In November 2020 the Accounts Commission published Best Value Assurance report into the City of Edinburgh Council. The report highlighted a number of key achievements and areas for the Council to improve since the 2016 Best Value Audit and reflects on this as mixed progress.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

### **Best Value and Strategy and Vision**

The key achievements outlined in the Best Value Assurance report include:

- The Council's ambitious plans for the City specifically, referencing the Council's Sustainability Programme, approach to tackling poverty, major housing and community regeneration projects in Fountainbridge, Meadowbank and at Granton Waterfront; retail, hospitality and cultural developments, such as the St James Quarter; and extending the tram network;
- The Council's long track record of maintaining revenue expenditure within budget;
- Aspects of leadership and service performance. Specifically, refencing improved performance across many of KPIs – schools and education, waste and cleansing and time taken to process benefit and grant claims;
- Improvements in asset management, procurement and risk management.

The Best Value Assurance report also notes areas where further progress is required:

- To align better strategic priorities;
- The implementation of effective community planning governance arrangements, the pace of change within the Community Planning Partnership and community empowerment;
- The Council's approach to self-assessment, continuous improvement and public performance reporting; and
- Long-term financial planning and workforce planning.

The Chief Executive put in place an improvement plan for all the areas of improvement outlined in the Best Value Audit report. As outlined above, the Business Plan has been created to ensure strategic priorities are aligned to a set of key priorities. Changes have been made to ensure the Council is working to the business plan, including senior management structural changes and work will continue to align work streams and governance with the Business Plan and the priorities within.

As outlined earlier, the Best Value report highlighted that the Council and its partners had not established effective community planning governance arrangements. The report acknowledged that it was too early to conclude if the review undertaken in 2019 would effectively support the Partnership to deliver the Local Outcome Improvement Plan (LOIP). There was further commentary on the Partnership not delivering effective Local Improvement Plans. The Edinburgh Partnership has considered the recommendations outlined in the Best Value report and has agreed a series of actions to address the concerns, with a number of these being led by the Council. This includes a partnership plan to deliver the 20 minute neighbourhood model, strengthening the resourcing and capacity to support neighbourhood networks and developing a framework for collaboration with the Edinburgh Association of Community Councils and Community Councils themselves.

Elected member training was addressed in a comprehensive induction training programme following the local government elections. The initial training programme was designed for both new and returning councillors and included mandatory training on subjects such as the Code of Conduct which was been completed by all 63 members. Recommended and committee-specific training was also well attended, particularly by new members, and each training session was delivered twice with an online and in-person option to allow members the best opportunity to attend at a convenient time. Sessions were also recorded and stored for future viewing on the member's section of myLearning Hub, the Council's online learning portal.

The Council agreed a new Consultation Policy in April 2021, recognising the need to strengthen community engagement but also introduce more robust controls to manage significant consultations. The policy strengthens the management and governance of consultation activity by introducing a sign off process to ensure oversight and challenge at an early stage. The policy and framework have provided additional support and guidance for Council officers when conducting a consultation. The framework also includes a self-assessment exercise and a Panel to consider significant consultations with an escalation to the Corporate Leadership Team for those consultations rated highest in the criteria. The review of the Policy found that the policy itself was understood widely by officers and the additional guidance and support was beneficial. The review did however note that there was often confusion between what constituted engagement and what was consultation, and that the standard 12 week consultation period was too inflexible for smaller consultations. The implementation of the Consultation Policy and framework has supported the improvement of consultations from the Council, it has provided consistency and guidance and raised the overall quality of Council consultations. The consultation advisory panel and the control and escalation aspect of the framework adds a layer of assurance and is a practical tool in improving the quality of consultations. Improvements following the review will make the policy and framework more agile and flexible, but caution should be exercised that the control elements of the framework are not diminished by the additional flexibility.

An integrated planning and performance framework was approved in June 2021 and aimed to ensure that the Council's priorities and outcomes, as established by the Business Plan were translated into clear actions and performance measures which would be monitored, actioned and delivered. The framework aimed to create a culture of robust performance management and continuous improvement. The approach has embedded a "golden thread" between the Business Plan, annual directorate and divisional plans and colleague annual performance conversations. Performance scorecards and trend dashboards are also aligned to plans and monitored regularly.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

An updated Planning and Performance Framework 2023-2027 was agreed in March 2023. This did not change the approach, model or methodology from what was agreed in June 2021 but was updated to align with the new revised business plan. The updated Planning and Performance Framework 2023 -2027 primarily focuses on:

- our approach to measuring the Business Plan priorities and outcomes and how we will track the actions detailed in the delivery plan;
- the key measures we will use to measure the delivery of the Business Plan;
- the development of the Public Performance Scorecard measures to further enhance performance reporting and monitoring.

The Council agreed a three-year People Strategy in April 2021. The Strategy sets out what employees should expect from the Council as their employer and what the Council expects from its workforce. The Strategy has three themes:

- Living our behaviours;
- Maximising our capacity and performance; and
- Enhancing our colleague experience.

The People Strategy should also be cross-referenced with the Strategic Workforce Plan 2021-2024 which sets out how the Council addresses the gaps between its current workforce and the future workforce needed to meet the priorities of the Business Plan.

### Election

In May 2022, the local government elections were held, and a new Council was elected. The election was carried out smoothly and successfully with a turnout of 47.2%. This election resulted in 32 new members joining the Council.

### Decision Making

During the Covid-19 pandemic remote meetings were established to allow the committee system to operate whilst physical distancing rules were in place. In 2021-22, as the rules surrounding physical distancing relaxed, hybrid meetings were trialled to allow for physical meetings to resume while retaining the added benefits of flexibility by allowing some members and officers to join remotely. These meetings were successful and, although meetings have continued to take longer than pre-Covid, the system has run effectively, with meetings continuing to be webcast and available to the public in the archive. In 2022/23 physical meetings have resumed and the majority of meetings are now physical meetings held in the City Chambers but with a hybrid option to allow members, officers and deputations to appear virtually if this is convenient.

In December 2022, the political management arrangements of the Council were reviewed. The review concluded that the current committee model had some deficiencies and imbalances, but it was not fundamentally flawed; indeed it was functioning well and facilitated competent and lawful decision-making. However, the review also found that the City of Edinburgh Council model has an extremely high volume of business running through its structure. This volume is significantly greater than other comparable local authorities in Scotland and this has a significant impact on officer resources and on elected member time. Options for changes to the committee model were presented and Council chose to maintain the status quo but with some amendments to improve the balance of workloads for committees.

Although hybrid meetings have generally been very successful, there is concern that having members attend virtually may pose an increased risk in relation to quasi-judicial meetings. This risk needs to be analysed in the context of accessibility and will be considered further later in 2023.

The Council has extensive governance in place at officer level to support operational decision making. The current system has evolved through custom and practice and can sometimes be unwieldy and difficult to navigate. However, improvements could be made to ensure there is a structure in place that is more efficient and better encourages cross-directorate working.

A review of the Council's main governance documentation was carried out in February 2023 and included changes to the Scheme of Delegation to Officers, updating the values within the Scheme and reflecting changes to legislation and the structure of the Council. It also introduced distinct delegation to service directors, reflecting their senior role in the Council and the decisions they are routinely required to take. This delegation is not specific to any service but covers matters relating to staff, health and safety, grant offers and consultations. Changes to Standing Orders were also implemented to improve the effectiveness of committee meetings, however there remain issues with the resource demands of committee meetings and further work is required to consider wider accessibility issues.

In early 2023 failings in the delivery of adult social care identified weaknesses with the scrutiny of those services delegated to the Integration Joint Board (IJB). Further work needs to be undertaken in 2023 to ensure that the governance arrangements of the IJB and how this interacts with the Council's committee governance are improved to ensure there is greater clarity on which body carries out the scrutiny of key services and compliance with the duties set out in legislation.

### Internal Controls

The Internal Audit team operates in accordance with CIPFA's Code of Practice for Internal Audit and the Public Sector Internal Audit Standards (PSIAS). The team undertakes an annual work programme based on an agreed audit strategy and formal assessments of risk that are reviewed regularly. During the year, the Chief Internal Auditor reported to the Service Director: Legal and Assurance but had free access to the Chief Executive, all Executive Directors and Elected Members along with direct reporting to the Governance, Risk and Best Value Committee.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

Each Executive Director has reviewed the arrangements in their directorate and reported on their assessment of the effectiveness of control arrangements, together with any potential areas requiring improvement, to the Chief Executive. Where improvement actions are identified, an action plan will be developed and will be subject to regular monitoring. In reviewing the overall governance framework, the Council has also considered relevant third-party reviews and recommendations. Assurance has also been taken from each organisation's most recent audited accounts, together with the Council's detailed knowledge of these organisations as a consequence of their continued involvement.

Each directorate's assurance schedule is scrutinised by the Governance, Risk and Best Value Committee.

The Council carries out a review each year of the Corporate Governance Code which is then scrutinised by the Governance, Risk and Best Value Committee. The Corporate Governance Code outlines the Council's internal controls and is aligned with the questions in the annual assurance schedules that are issued to directorates. In addition to the Code a self-assessment is carried out which scores the design of the controls in place. The aim is to provide a subjective picture of the quality of the design of controls which will inform the full picture when considering whether directorates have implemented the relevant controls. There is also a benefit of senior officers discussing, reflecting and rating the Council's controls.

The Chief Internal Auditor had highlighted in her 2020/21 annual opinion that the weaknesses identified in internal audit reports are, in part, attributable to and/or exacerbated by a lack of capacity and skills to support effective governance; risk management; control; and assurance activities within first line divisions and directorates. The Chief Executive and Executive Directors have acknowledged that additional resource is necessary to strengthen the Council in these areas and gave a commitment to add additional resource to address the situation. In response, a first line governance and assurance model has been implemented on a permanent basis across the Council. The objective of the new model is to address the concerns highlighted in both current and recent Internal Audit annual opinions in relation to lack of capacity and skills within first line divisions and directorates to ensure that key controls; governance; and risk management processes are consistently and effectively applied, by increasing first line capacity, and first and second line assurance across these areas. Staff have been recruited in the directorates and have now been working to improve controls in their area. Further recruitment has also taken in place in the Governance Team and a new business partnering approach will be initiated in 2023. Work has been ongoing to support directorates but currently there has been insufficient time for this approach to be embedded.

In 2021, the Council asked Susanne Tanner QC, supported by the legal firm Pinsent Masons, to conduct an independent review into the Council's whistleblowing and organisational culture. The review findings were considered by the Council in December 2021 with a report from the Chief Executive in February 2022 setting out how the recommendations in the review would be taken forward.

The Council's whistleblowing arrangements continue to operate with oversight from an independent external service provider, with the autonomy to decide how and by whom investigations take place. The Governance, Risk and Best Value Committee receives a quarterly update on whistleblowing and the whistleblowing policy is reviewed annually by committee. The whistleblowing policy is currently being reviewed and will take on board the recommendations of the Cultural Review. The Council's approach to investigations has also been changed through the recruitment of an investigatory team as recommended by the Tanner Review. This has replaced the previous practice of managers taking on an investigatory role and covers both whistleblowing and HR matters. A new Whistleblowing Sub-Committee of the Governance, Risk and Best Value Committee, a recommendation of the Tanner Review, has also been established with its first meeting in May 2023 and Speak up Supporters (another Tanner Review recommendation) have been appointed and are currently undertaking a programme of training. The Council is well on the way to implementing all of Tanner's recommendations and an update in this regard was provided to Policy and Sustainability Committee in March 2023.

The Whistleblowing annual report in March 2023 confirmed that there had been a significant increase in the number of disclosures in the period from 48 the previous year to over 70. This was highlighted as being significantly higher than the average for the independent provider's client base. The Governance Team has been expanded to help deal with the resource pressures of the increase in disclosures.

External Audit had previously highlighted the importance of adhering to approved member-officer protocols in respect of sensitive information and the importance of all Councillors and senior officers having a clear understanding of their respective rights and responsibilities in relation to information held by the Council. A new Member/Officer Protocol was agreed in August 2022 that removed duplication and improved the flow of the document. The links to the Councillors' Code of Conduct were also updated and strengthened. Sections on the roles of elected members and officers were simplified, restructured and duplication removed to make the document easier to read and to ensure that the guidance was concise and to the point. The rights of access to information section was significantly re-written to reflect that the principle of "need to know" be included in the revised Member/Officer Protocol. This reflected the guidance provided by the Standards Commission and was in line with other local authorities in Scotland.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

External Audit concluded in the Annual Accounts for 2021-22 that the governance arrangements at the Council were satisfactory and appropriate.

In compliance with standard accounting practice, the Section 95 Chief Financial Officer has provided the Chief Executive with a statement of the effectiveness of the Group's internal financial control system for the year ended 31 March 2023. It is the Chief Financial Officer's opinion that although a degree of assurance can be placed upon the adequacy and effectiveness of the Group's systems of internal financial control, further improvements, including some embedding of actions taken in response to previous recommendations, are still required.

2022/23 is the second year of implementation of the requirements of the CIPFA Financial Management Code. The Code is designed to support good practice and assist councils in demonstrating their financial sustainability and resilience by setting out expected standards of financial management. The Chief Financial Officer highlighted the focus on embedding improvements introduced throughout the 2021/22 and 2022/23 budget processes and the range of further initiatives underway to strengthen financial management arrangements. However, there continues to be a need for additional savings proposals to be brought forward to maintain the Council's financial sustainability which will require increasingly difficult choices about the Council's priorities including service reductions. Finally, the Chief Financial Officer concluded that further improvements to the effectiveness of current service arrangements in demonstrating value for money and their contribution to wider Council objectives were required.

The urgent need to initiate a structured medium to longer-term savings programme was highlighted in both the Council's Best Value Assurance Report and the external auditor's report for 2020/21. Work has commenced to ensure the development and delivery of a Medium-Term Financial Plan (MTFP) although this has been delayed from the originally anticipated timescale. To date three phases of work have been delivered as follows:

- Phase 1 – May to July 2022 was to develop options and proposals to address the projected budget gap through identifying opportunities for efficiencies/cost improvements, together with prioritisation of activity.
- Phase 2 – August to December 2022 was to lead the development of a project based approach, timeline and process for producing and agreeing a refreshed Council Business Plan, MTFP and budget proposals. This phase also included the design of a comprehensive Change Programme and agreement to a prioritised Year 1 programme to begin in April 2023.
- Phase 3 - January to March 2023 – mobilisation of the Change Programme and projects included in the Year 1 priority programme.

In March 2023, further funding was provided to ensure that the project was fully resourced and to support the development and delivery of the plan.

A number of senior management appointments have been made in 2023, including recruitment to the permanent Executive Director of Corporate Services post. The Chief Officer of the Integration Joint Board left the Council in May 2023 and interim arrangements have been put in place alongside plans for permanent recruitment.

A number of directorate assurance schedules highlighted policies and procedures as an area where improvement was needed. Steps are being taken to ensure policies are updated, including a dedicated working group to monitor implementation in Justice Services. Ensuring all policies and procedures are up to date continues to be an area where the Council could increase its effectiveness.

The Head of Internal Audit and Risk's Annual Opinion for the year ended 31 March 2022 stated that whilst some control weaknesses were identified in the design and/or effectiveness of the control environment and/or governance and risk management frameworks, they provide reasonable assurance that risks are being managed and the Council's objectives should be achieved. The Head of Internal Audit and Risk noted that this reflected an improvement on the 2020/21 position which was a limited 'red' (significant improvement required opinion) based on 80% plan completion due to the ongoing impacts of Covid-19. The Head of Internal Audit and Risk also noted there was significant progress with implementation of agreed management actions to address the risks associated with IA findings raised during 2021/22, reflecting significant focus from management and the impact of two Internal Audit secondments into the Place Directorate and Health and Social Care Partnership, with the final (31 March 2022) position confirming that the proportion of overdue findings is at the lowest level across the last five years. Whilst there were no 'inadequate' IA reports issued during 2021/22 and the proportion and significance of IA findings raised has improved, these assurance outcomes highlight that the most significant challenges with the Council's control environment continue to be ensuring consistent and effective compliance with external regulations and policies across the Council and managing ongoing delivery of digital services. The equivalent opinion for the year ended 31 March 2023 will be reported to the Governance, Risk and Best Value Committee in September 2023.

The Head of Internal Audit regularly reports to the Governance, Risk and Best Value Committee on the progress directorates are making with the closure of open and overdue internal audit actions. This has continued to be a focus for directorates although improvement is still needed in some areas.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

Following a whistleblowing disclosure, an investigation into practices and activities within Edinburgh Secure Services identified significant failings over a lengthy period of time (over 10 years). Given the serious and sustained failings recorded in the investigation outcome report, the Monitoring Officer reported these matters to the Council in terms of section 5 of the Local Government and Housing Act 1989 in March 2022. A consolidated improvement plan has been put in place to address the failings and improvements in the governance arrangements within the service and directorate have been put in place by the Executive Director of Children's Services, Education and Justice Services. This has included the creation of an Improvement Board to oversee the delivery of the plan with external organisations represented on the Board as critical friends.

Meeting the demands of new data protection legislation has led to significant increases in the volume of data protection work. The work necessary to deal with complex subject access requests has increased, significantly reducing the number of staff working on Freedom of Information requests. This has resulted in several resource and operational challenges which have had a detrimental effect on related statutory obligations and associated timescales. Remedial plans continue to be maintained to reduce risks in this area and to ensure that statutory obligations are met.

Work is still outstanding on reviewing how the Council works with its Arm's Length External Organisations (ALEOs), in particular examining the Shareholder and Service Level Agreements in place to ensure a greater degree of consistency, alignment with key outcomes and clarity of relationship. The absence of an ALEO framework is an identified weakness that needs to be addressed, with work commencing in 2023 but not expected to be completed until 2024.

In July 2020, the Council approved an approach to reform the Council's transport ALEOs. In August 2021 a preferred approach was agreed by the Council and work is ongoing to reconstitute the ALEOs.

Arrangements for the reporting of the Council's ALEOs have been set out in previous years. However, it has become clear in 2023 that these arrangements are not always strictly followed and a new set of guidance is required to ensure greater understanding of the process.

Following concerns raised at committee, the Council began looking into its governance arrangements for Trusts where it is sole trustee. In August 2021 a report was considered on the governance of trusts run by the Council and in particular Lauriston Castle Trust. The review into governance found that improvements were required both to the Council's governance arrangements surrounding trusts and to the governance of the trusts themselves. A report is expected in Summer 2023 taking forward the improvements outlined in the review.

A Rapid Recovery Transition Plan has been put in place to address, over a five-year period, areas where the homelessness service was not compliant with legislation.

There are established, well exercised, resilience incident management processes and protocols in place to effectively plan for and respond to emergencies. The Council Resilience Group, for example, drives and monitors the Council Resilience Management Programme, reporting to CLT, with the flexibility to convene working groups as required, e.g. Brexit planning. In the event of an incident there is a flexible framework, including directorate and Council-wide levels, that can be stood up as required, reporting to CLT and the appropriate committee(s). The Council feeds into Scotland's resilience structures on a multi-agency basis, through the Lothian and Borders Local Resilience Partnership and East of Scotland Regional Resilience Partnership. The incident management used for Covid-19 is a good example of the effectiveness and agility of these structures.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

The Council could improve its reporting and publication of integrated impact assessments (IIAs). There is a need for the Council to evidence how these IIAs are an integral part of decision making, reporting this to committee and demonstrating that this has been scrutinised as part of the decision making process. There is a robust process in place, alongside guidance for officers in how and when IIAs should be carried out which supports officers in the completion and reporting of IIAs but there continues to be a gap in implementation.

The Council's Risk Management Policy describes the Council's overarching risk management approach and is supported by a risk management framework that describes how the policy will be applied by all Council directorates and divisions. A new policy is currently expected to be presented and approved in Autumn 2023. In refreshing the policy good practice has been considered and incorporated from a number of sources, including the risk management guidance included in the Scottish Government's Public Finance Manual; CIPFA; the International Organisation for Standardisation's ISO31000 Risk Management Guidelines; the Institute of Risk Management; and other public bodies. The policy will create a clear, simple framework but the success of the policy will be determined by its implementation across Council directorates.

The Council has adapted how it works on some of its key priorities enabling it to work flexibly with its partners with a view to achieving its ambitious objectives. An example of this is the Poverty Commission where the Council worked with a newly created independent body and chair and agreed that recommendations proposed by the Commission would be used to inform future Council policies and actions to prevent, reduce, and mitigate poverty in Edinburgh. A further example is the governance arrangements that have been set up to support the Climate Strategy and involve partners across the city. A silo Council approach would not deliver the necessary change to realise the Strategy's objectives and the approach taken ensures leadership comes from different organisations and that city-wide solutions can be explored. The flexible governance approach taken in these two examples has enabled the Council to be informed by external experts from across a range of sectors with the aim of achieving better outcomes and work closely with partners to explore city wide solutions while respecting the separate decision making processes for each organisation.

Partnership working strengthened considerably over the Covid-19 pandemic and though engagement with local communities has been more challenging, there has been progress on how the Council works with communities. The Council is aware of the need to constantly improve how it empowers communities and is reviewing its locality arrangements to see how it can best support this work.

The status of the previous year's actions is outlined below. Where actions are incomplete, they will be rolled forward and their progress will be monitored alongside the new actions.

	<b>Governance Issue</b>	<b>Responsible Party</b>	<b>Status</b>
1	Implementation of the Risk Framework	Service Director: Legal and Assurance	Autumn 2023
2	Rollout of governance and assurance framework	Service Director: Legal and Assurance	In progress
3	Agreement of the Member/Officer protocol	Service Director: Legal and Assurance	Completed August 2022
4	Review of the Scheme of Delegation to Officers	Service Director: Legal and Assurance	Completed February 2023
5	Review of Political Management Arrangements	Service Director: Legal and Assurance	Completed December 2022
6	Implementation of the recommendations from the Tanner Review	Chief Executive, Service Director; Human Resources and Service Director: Legal and Assurance	Expected to be completed by end of 2023
7	Implementation of Corporate ALEO framework	Service Director: Legal and Assurance	In progress
8	Implementation of the review into governance of Trusts	Service Director: Legal and Assurance	In progress
9	Development of a medium term financial plan	Executive Director of Corporate	In progress



## ANNUAL GOVERNANCE STATEMENT

Following the review of effectiveness and the assurance statements from directorates and ALEOs, the following actions (in addition to those carried forward from 2022/23) have been identified to improve the Council's governance arrangements:

	Action	Action Owner	Action Deadline
1	Review of effectiveness of current arrangements for developing and reporting Integrated Impact Assessments	Head of Strategic Change and Delivery	December 2023
2	Review of effectiveness of current scrutiny arrangements for services delegated to Edinburgh Integration Joint Board, particularly as these interact with the Council's committee governance structures	Head of Democracy, Governance and Resilience	December 2023
3	Review of effectiveness of current officer-level governance structures and procedures	Head of Democracy, Governance and Resilience	March 2024
4	Implementation of agreed improvement actions resulting from investigation into practices and activities within Edinburgh Secure Services	Executive Director of Children's, Education and Justice Services	December 2023

### Conclusion

In conclusion, the Council's governance and control framework provides a satisfactory level of assurance, although there is a need for improvements to be embedded and sustained within services. The Council understands its areas for improvement and there are robust arrangements to deal with issues when they do arise. Improvements are needed in a number of areas to ensure that the Council's controls are strengthened and embedded fully and in particular capacity issues in services have to be addressed. There has been a strong commitment shown by the Chief Executive and Executive Directors in providing additional resource to address weaknesses when they are identified.

### Certification

It is our opinion that, in light of the foregoing, assurance can be placed upon the adequacy and effectiveness of City of Edinburgh Council and its Group's systems of governance. The annual review demonstrates sufficient evidence that the Code is operated effectively, and the Council and its Group comply with the Local Code of Corporate Governance in all significant respects.

# REMUNERATION REPORT

The Council is required under statute to provide information on the remuneration of each senior officer and each senior elected member, together with any other officer not otherwise included whose remuneration was over £150,000 during the year covered by these accounts. In addition, the Council is required to provide information for the most senior employee within each of its subsidiary companies, together with all other employees whose remuneration exceeds £150,000 in that year.

The information disclosed in the tables Remuneration Paid and Members' Salaries and Expenses on pages 132 to 134, Number of Employees by Pay Band and Exit Packages on page 135 and Pension Rights on pages 136 to 140 in this remuneration report will be audited by Audit Scotland. The other sections of the remuneration report will be reviewed by Audit Scotland to ensure that they are consistent with the Financial Statements.

## Remuneration Arrangements

### Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) as amended by the Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2017. The Regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Civic Head (the Lord Provost), senior councillors or councillors. The Leader of the Council and the Civic Head cannot be the same person for the purposes of payment of remuneration. A senior councillor is a councillor who holds a significant position of responsibility in the Council's political management structure.

When determining the level of Councillors' remuneration, Scottish Ministers consider the recommendations of the Scottish Local Authority Remuneration Committee (SLARC). SLARC's recommendations were first implemented for councillors elected in the local government elections in May 2007. SLARC was stood down as a committee in February 2013, but the principles of its work continue. In 2022, SLARC was reconstituted to undertake a review on Councillors' remuneration with a final report, including recommendations, to be presented to the Minister for Local Government, Empowerment and Planning by the end of November 2023.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2022/23, the remuneration for the Leader of the City of Edinburgh Council was £58,719. The Regulations permit the Council to remunerate one Civic Head. The Regulations set out the maximum remuneration that may be paid to the Civic Head (currently the Lord Provost). For 2022/23 this was £44,039. The Council's policy is to pay the Civic Head at the national maximum.

The Regulations also set out the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have (24 for the City of Edinburgh Council). The maximum yearly amount that may be paid to a Senior Councillor is 75% of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all Senior Councillors shall not exceed £763,323. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their remuneration within these maximum limits. The Council's current policy is summarised below:

	No. of Posts	% of amount payable to Leader of the Council
Depute Leader of the Council	1	75%
Depute Convener	1	50%
Conveners of Culture and Communities, Housing, Homelessness and Fair Work, Education, Children and Families, Finance and Resources, Planning, Regulatory, Transport and Environment, Licensing Board and Integration Joint Board Committees	9	62.5%
Convener of Governance, Risk and Best Value	1	50%
Vice-Convener of Licensing Board	1	50%
Opposition Group Leaders - Conservative, Green, Liberal Democrat Groups, Scottish National Party	4	50%

In addition, the Council has an arrangement with the Joint Boards to reimburse the Council for any additional costs for councillors that arise from their being a Convener or Vice Convener of the Joint Boards.

## REMUNERATION REPORT

### Remuneration Paid

The following tables provide details of the remuneration paid to the Council's Senior Councillors, Senior Employees and the remuneration paid to the Chief Executive (or the most senior manager of that body) of each of the Council's subsidiary bodies. Where a Councillor has held more than one post during the year, he/she is only included once within the following table. Salary, fees and allowances represents the total amount received during the year, where the individual was a Senior Councillor for part or all of the year.

There have been a number of changes in Senior Councillors during the year, mainly as a result of the local government election held on 5 May 2022. The new administration was formed on 26 May 2022 therefore the senior roles were vacant from the date of the election to this date, unless otherwise stated. Former senior roles ended on 4 May 2022.

Council's Leader, Civic Head and Senior Councillors	Salary, Fees and Allowances £	Taxable Expenses £	Non-Cash Expenses / Benefits-in-kind £	Total Remun. 2022/23 £	Total Remun. 2021/22 £
C. Day, Leader of the Council (full year equivalent)	55,194 58,719	0	2,582	57,775	42,339
R. Aldridge, Lord Provost and Liberal Democrat Group Leader (to 04.05.22) (full year equivalent)	41,303 44,039	0	374	41,677	27,908
M. Watt, Deputy Leader of the Council and Convener Finance and Resources (full year equivalent)	41,303 44,039	0	746	42,049	28,634
L. M. Cameron, Depute Convener (full year equivalent)	26,386 29,360	0	736	27,123	18,304
<u>Former Civic Head</u>					
F. Ross, Lord Provost* (full year equivalent)	16,257 44,039	0	209	16,466	42,075
<u>Conveners (FYE £36,699)</u>					
V. Walker, Convener Culture and Communities	32,227	0	129	32,356	n/a
J. Griffiths, Convener Education, Children and Families	35,068	0	205	35,273	28,048
J. Meagher, Convener Housing, Homelessness and Fair Work	32,227	0	121	32,347	n/a
S. Arthur, Convener Transport and Environment	34,121	0	42	34,162	18,604
K. Campbell, Convener Governance, Risk and Best Value (from 30.06.22) and Convener Housing, Homelessness and Fair Work (to 04.05.22)	30,807	0	726	31,533	35,011
L. Young, Convener Licensing Board	34,121	0	126	34,247	18,604
J. Mowat, Convener of Licensing Sub-Committee and Convener Governance, Risk and Best Value (to 04.05.22)	35,068	0	726	35,794	28,034
J. Dalgleish, Convener Planning	32,227	0	6	32,232	n/a
N. Ross, Convener Regulatory	34,121	0	126	34,247	18,604
T. Pogson, Chair Edinburgh Integration Joint Board	32,227	0	122	32,348	n/a
<u>Former Conveners</u>					
D. Wilson, Convener Culture and Communities*	3,552	0	126	3,678	35,011
I. Perry, Convener Education, Children and Families*	3,552	0	6	3,558	35,011
R. Munn, Convener Finance and Resources*	3,552	0	42	3,594	35,000
L. Macinnes, Convener Transport and Environment	21,229	0	126	21,355	35,011
N. Work, Convener Licensing Board	21,229	0	148	21,376	35,052
N. Gardiner, Convener Planning	21,229	0	124	21,353	35,011
C. Fullerton, Convener Regulatory	21,229	0	128	21,356	35,011
R. Henderson, Chair Edinburgh Integration Joint Board*	3,552	0	79	3,630	35,011

\* - indicates former councillor

# REMUNERATION REPORT

## Remuneration Paid - continued

	Salary, Fees and Allowances £	Taxable Expenses £	Non-Cash Expenses / Benefits- -in-kind £	Total Remun. 2022/23 £	Total Remun. 2021/22 £
<b>Council's Leader, Civic Head and Senior Councillors - continued</b>					
<u>Vice-Conveners (FYE £29,360)</u>					
J. Rust, Vice Convener Licensing Board (from 26.05.22)	27,886	0	726	28,612	18,604
<u>Former Vice-Conveners</u>					
A. McNeese-Mechan, Vice Convener Culture and Communities	20,518	0	266	20,784	28,075
E. Bird, Vice Convener Education, Children and Families*	4,143	0	49	4,192	18,730
K. Doran, Vice Convener Transport and Environment*	2,841	0	2	2,843	28,114
M. Child, Vice Convener Planning*	2,841	0	49	2,891	28,034
D. Dixon, Vice Convener Regulatory*	20,518	0	126	20,645	28,034
<u>Opposition Group Leaders (FYE £36,699)</u>					
I. Whyte, Conservative Group Leader	35,068	0	600	35,668	28,624
A. Mumford, Green Group Co-Leader (from 22.09.22 to 05.02.23)	25,963	0	734	26,697	n/a
B. Parker, Green Group Co-Leader (from 06.02.23)	20,277	0	722	20,999	n/a
K. Lang, Liberal Democrat Group	34,121	0	49	34,170	18,604
A. McVey, Scottish National Party	37,909	0	727	38,636	56,842
<u>Former Opposition Group Leaders</u>					
C. Miller, Green Group Leader (to 30.06.22)	22,174	0	126	22,300	21,893
A. Staniforth, Green Group Co-Leader (from 01.07.22 to 21.09.22)	21,436	0	126	21,562	18,730
<u>Councillors</u>					
A. Beal, Convener to the Lothian Valuation Joint Board (from 13.06.22) (Note 1) (full year equivalent)	20,615	0	722	21,338	n/a
	23,244				
D. Key, Convener to the Lothian Valuation Joint Board (to 04.05.22) (Note 1) (full year equivalent)	20,045	0	96	20,141	23,353
	24,467				

\* - indicates former councillor

### Notes:

1. The amount recharged to Lothian Valuation Joint Board in 2022/23 was £3,412.18 (2021/22 £4,676.82). Expenses relate to Councillor role.
2. During 2022/23, the overall pay award for Senior Councillors was 5.2%.
3. For Councillors whose Senior role has covered part-year, the Salary, Fees and Allowances disclosed relates to the full year remuneration, not just the current appointment.

### Members' Salaries and Expenses

The Council paid the following amounts to members of the Council during the year (these sums include the totals shown above):

	2022/23 £	2021/22 £
<b>Salaries</b>	1,568,090	1,503,070
<b>Expenses</b>		
<i>Claimed by councillors</i>	42	72
<i>Paid directly by the Council</i>	31,602	12,301
<b>Total</b>	<u>1,599,734</u>	<u>1,515,443</u>

# REMUNERATION REPORT

## Remuneration Paid - continued

### Remuneration paid to Senior Officers

	Salary, Fees and Allowances £	Total Remun. 2022/23 £	Total Remun. 2021/22 £
<b>Council's Senior Officers</b>			
A. Kerr, Chief Executive (Note 1)	189,834	189,834	180,364
A. Hatton, Executive Director of Education and Children's Services	169,025	169,025	67,520
J. Proctor, Integration Joint Board Chief Officer (Note 2)	85,074	85,074	81,374
P. Lawrence, Executive Director of Place	169,623	169,623	162,247
J. Irvine, Chief Social Work Officer (to 18.09.22) (full year equivalent)	62,519 125,563	62,519	122,888
Dr. D. Smart, Executive Director of Corporate Services (full year equivalent)	13,093 169,623	13,093	n/a
R. Carr, Interim Executive Director of Corporate Services	191,520	191,520	35,400
H. Dunn, Service Director - Finance and Procurement	127,786	127,786	120,936
<b>Total</b>	<b>1,008,473</b>	<b>1,008,473</b>	<b>770,729</b>

#### Notes:

- Remuneration shown above excludes any fees payable in respect of returning officer or other election duties. The approved remuneration for A Kerr for Returning Officer Duties in 2022/23 amounted to £3,568.
- J. Proctor was the Chief Officer of the Integration Joint Board and was employed by the City of Edinburgh Council where 50% of her salary costs were recharged to the EIJB and NHS Lothian. The above figures therefore show the Council's share.
- The City of Edinburgh Council entered into a contract with GatenbySanderson Limited for the services of R. Carr to 06.03.2023. The cost of this contract for 2022/23 is shown above, this includes fees of £24,320.

#### Council Subsidiary Companies

EICC is a subsidiary company of CEC Holdings Limited. Figures shown for this company, Edinburgh Trams Ltd. and Lothian Buses Ltd. are for the years ended 31 December 2022 and 2021 respectively.

	Salary, Fees and Allowances £	Bonus £	Other Benefits £	Total Remun. 2022/23 £	Total Remun. 2021/22 £
<b>Council's Subsidiary Companies</b>					
M. Dallas, Chief Executive, EICC	158,711	72,280	0	230,991	157,326
R. Hunter, Chief Executive, Capital City Partnership	79,926	0	0	79,926	74,957
<u>Transport for Edinburgh</u>					
G. Lowder, Chief Executive	155,213	0	2,237	157,450	154,225
<u>Lothian Buses Ltd.</u>					
S. Boyd, Interim Managing Director (Note 1)	139,100	0	1,557	140,657	0
N. Serafini, Interim Managing Director (Note 2)	163,887	0	2,911	166,798	186,650
<u>Edinburgh Trams Ltd.</u>					
L. Harrison, Managing Director	167,115	0	0	167,115	191,441
	<b>863,952</b>	<b>72,280</b>	<b>6,705</b>	<b>942,938</b>	<b>764,599</b>

#### Notes:

- S. Boyd was appointed Interim Managing Director on 12 August 2022.
- N. Serafini remuneration paid for 2022/23 includes a payment for holidays in lieu of £25,297.
- Edinburgh Living MMR LLP is a subsidiary of the Council however there are no employees and therefore no remuneration disclosures.

## REMUNERATION REPORT

### Remuneration Paid - continued

#### Number of Employees by Pay Band

The total number of Council employees receiving more than £50,000 remuneration for the year (including early retirement / voluntary release costs) is shown below.

	2022/23	2021/22		2022/23	2021/22
£50,000 - £54,999	407	436	£120,000 - £124,999	0	3
£55,000 - £59,999	317	229	£125,000 - £129,999	3	1
£60,000 - £64,999	160	134	£130,000 - £134,999	1	0
£65,000 - £69,999	148	114	£135,000 - £139,999	0	0
£70,000 - £74,999	40	21	£140,000 - £144,999	0	1
£75,000 - £79,999	15	22	£145,000 - £149,999	0	0
£80,000 - £84,999	30	22	£150,000 - £154,999	0	1
£85,000 - £89,999	12	15	£155,000 - £159,999	0	0
£90,000 - £94,999	20	6	£160,000 - £164,999	0	2
£95,000 - £99,999	1	0	£165,000 - £169,999	2	1
£100,000 - £104,999	1	1	£170,000 - £174,999	0	0
£105,000 - £109,999	1	1	£175,000 - £179,999	0	0
£110,000 - £114,999	0	5	£180,000 - £184,999	0	1
£115,000 - £119,999	5	2	£185,000 - £189,999	1	0
			<b>Total No. of Employees</b>	<b>1,164</b>	<b>1,018</b>

#### Notes:

- The total number of Council employees in the table above includes the Council's Senior Officers as shown on page 134.
- The total remuneration paid above includes the back dated pay award from 1 January 2023 for staff in scope.

#### Exit Packages

The number of exit packages provided for by the Council and the Group during the year, together with the total cost of those packages is shown in the table below. The total cost shown includes pension strain costs and the capitalised value of compensatory added years payments.

Exit package cost band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
£0 - £20,000							£000	£000
- Council	0	0	3	1	3	1	32	8
- Group companies	0	1	1	0	1	1	10	16
£20,001 - £40,000								
- Council	0	0	2	5	2	5	56	152
- Group companies	0	0	0	0	0	0	0	0
£40,001 - £60,000								
- Council	0	0	1	6	1	6	49	301
- Group companies	0	0	1	0	1	0	48	0
£60,001 - £80,000								
- Council	0	0	1	1	1	1	80	75
- Group companies	0	2	0	0	0	2	0	147
£80,001 - £100,000								
- Council	0	0	1	1	1	1	89	91
- Group companies	0	0	0	0	0	0	0	0
£100,001 - £150,000								
- Council	0	0	0	5	0	5	0	613
- Group companies	0	0	0	0	0	0	0	0
£150,001 - £200,000								
- Council	0	0	0	1	0	1	0	164
- Group companies	0	0	0	0	0	0	0	0
£200,001 - £250,000								
- Council	0	0	0	1	0	1	0	211
- Group companies	0	0	0	0	0	0	0	0
£250,001 - £300,000								
- Council	0	0	0	1	0	1	0	290
- Group companies	0	0	0	0	0	0	0	0
	<b>0</b>	<b>3</b>	<b>10</b>	<b>22</b>	<b>10</b>	<b>25</b>	<b>364</b>	<b>2,068</b>

# REMUNERATION REPORT

## Pension Rights

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. For Pre April 2015 benefits, the councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits. The Post April 2015 benefits are calculated in the same way as Local Government employees.

For local government employees the Local Government Pension Scheme (LGPS) became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

The scheme's normal retirement age for both councillors and employees is linked to the state pension age (but with a minimum of age 65).

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

The tiers and members' contribution rates for 2022/23 were as follows:

<b>Whole Time Pay</b>	<b>Contribution rate</b>
On earnings up to and including £22,300 (2021/22 £22,300)	5.50%
On earnings above £23,001 and up to £28,100 (2021/22 £22,301 to £27,300)	7.25%
On earnings above £28,101 and up to £38,600 (2021/22 £27,301 to £37,400)	8.50%
On earnings above £38,601 and up to £51,400 (2021/22 £37,401 to £49,900)	9.50%
On earnings above £51,401 (2021/22 £49,901)	12.00%

From April 2015, when allocating contribution rates to members, pensionable pay means the actual pensionable pay, regardless of hours worked.

There is no automatic entitlement to a lump sum for members who joined the scheme post April 2009. Members may opt to give up (commute) pension for lump sum or bigger lump sum up to the limit set by the Finance Act 2004.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation - assuming that the person left the related employment or service as at 31st March in the year to which the value relates.

The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government service, and not just their current appointment.

## REMUNERATION REPORT

### Pension Rights - continued

#### Council's Leader, Civic Head and Senior Councillors

The pension entitlements of senior councillors for the year to 31 March 2023 are shown in the table below, together with the contribution made by the Council to each senior councillor's pension during the year.

As noted in the Remuneration Paid information, a new administration was formed on 26 May 2022 therefore the senior roles were vacant from the date of the election to this date, unless otherwise stated. Former senior roles ended on 4 May 2022.

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.2023	For year to 31.03.2022		As at 31.03.2023	Difference from 31.03.2022
	£	£		£000	£000
<u>Council's Leader and Civic Head</u>					
C. Day, Leader of the Council	12,529	9,503	Pension	6	2
			Lump Sum	0	0
R. Aldridge, Lord Provost and Liberal Democrat Group Leader (to 04.05.22)	9,376	6,335	Pension	10	3
			Lump Sum	2	0
M. Watt, Deputy Leader of the Council and Convener Finance and Resources	9,376	6,335	Pension	4	1
			Lump Sum	0	0
L. M. Cameron, Depute Convener	6,024	n/a	Pension	3	n/a
			Lump Sum	0	n/a
<u>Former Civic Head</u>					
F. Ross, Lord Provost*	3,690	9,503	Pension	8	0
			Lump Sum	0	0
<u>Conveners</u>					
V. Walker, Convener Culture and Communities	7,315	n/a	Pension	1	n/a
			Lump Sum	0	n/a
J. Griffiths, Convener Education, Children and Families	7,960	6,335	Pension	6	1
			Lump Sum	0	0
J. Meagher, Convener Housing, Homelessness and Fair Work	7,315	n/a	Pension	1	n/a
			Lump Sum	0	n/a
S. Arthur, Convener Transport and Environment	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a
K. Campbell, Convener Governance, Risk and Best Value (from 30.06.22) and Convener Housing, Homelessness and Fair Work (to 04.05.22)	6,993	7,919	Pension	4	1
			Lump Sum	0	0
L. Young, Convener Licensing Board	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a
J. Mowat, Convener of Licensing Sub-Committee and Convener Governance, Risk and Best Value (to 04.05.22)	7,960	6,335	Pension	6	1
			Lump Sum	0	0
J. Dalglish, Convener Planning	7,315	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
N. Ross, Convener Regulatory	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a
T. Pogson, Chair Edinburgh Integration Joint Board	7,315	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a

\* - indicates former councillor



# REMUNERATION REPORT

## Pension Rights - continued

### Council's Leader, Civic Head and Senior Councillors - continued

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000
<u>Former Conveners</u>					
D. Wilson, Convener Culture and Communities*	806	7,919	Pension	10	0
			Lump Sum	3	1
I. Perry, Convener Education, Children and Families*	806	7,919	Pension	11	2
			Lump Sum	2	0
R. Munn, Convener Finance and Resources*	806	7,919	Pension	2	0
			Lump Sum	0	0
L. Macinnes, Convener Transport and Environment	4,818	7,919	Pension	4	1
			Lump Sum	0	0
N. Work, Convener Licensing Board	4,818	7,919	Pension	9	1
			Lump Sum	2	0
N. Gardiner, Convener Planning	4,818	7,919	Pension	4	1
			Lump Sum	0	0
R. Henderson, Chair Edinburgh Integration Joint Board*	806	7,919	Pension	9	0
			Lump Sum	2	0
<u>Former Vice-Conveners</u>					
A. McNeese-Mechan, Vice Convener Culture and Communities	4,658	6,335	Pension	3	0
			Lump Sum	0	0
E. Bird, Vice Convener Education, Children and Families*	4,223	4,223	Pension	2	0
			Lump Sum	0	0
K. Doran, Vice Convener Transport and Environment*	645	6,335	Pension	5	0
			Lump Sum	0	0
M. Child, Vice Convener Planning*	645	6,335	Pension	13	0
			Lump Sum	20	2
D. Dixon, Vice Convener Regulatory*	4,658	6,335	Pension	6	1
			Lump Sum	0	0
<u>Opposition Group Leaders</u>					
I. Whyte, Conservative Group Leader	7,960	6,335	Pension	10	2
			Lump Sum	3	1
A. Mumford, Green Group Co-Leader (from 22.09.22 to 05.02.23)	6,484	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
B. Parker, Green Group Co-Leader (from 06.02.23)	4,603	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a

\* - indicates former councillor

# REMUNERATION REPORT

## Pension Rights - continued

### Council's Leader, Civic Head and Senior Councillors

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000
<u>Opposition Group Leaders - continued</u>					
K. Lang, Liberal Democrat Group Leader (from 26.05.22)	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a
A. McVey, Scottish National Party Group Leader (from 26.05.22) and Leader of the Council (to 04.05.22)	8,605	12,670	Pension	10	1
			Lump Sum	0	0
<u>Former Opposition Group Leaders</u>					
C. Miller, Green Group Leader (to 30.06.22)	5,034	4,939	Pension	7	1
			Lump Sum	0	0
A. Staniforth, Green Group Co-Leader (from 01.07.22 to 21.09.22)	4,866	4,223	Pension	3	1
			Lump Sum	0	0
<u>Councillors</u>					
A. Beal (including role as Convener of Lothian Valuation Joint Board from 13.06.22)	4,679	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
D. Key (including role as Convener of Lothian Valuation Joint Board to 04.05.22)	4,550	5,279	Pension	5	1
			Lump Sum	0	0

All senior councillors shown in the above table are members of the Local Government Pension Scheme. Not all senior councillors are members of the Local Government Pension Scheme. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, including any service with a Council subsidiary body, and not just their current position.

## Senior Employees

The pension entitlements of senior employees for the year to 31 March 2023 are shown in the table below, together with the contribution made by the Council to each senior employee's pension during the year.

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000
A. Kerr, Chief Executive	n/a	n/a	Pension	9	0
			Lump Sum	0	0
A. Hatton, Executive Director of Education and Children's Services	38,369	15,326	Pension	n/a	n/a
			Lump Sum	n/a	n/a
J. Proctor, Integration Joint Board Chief Officer (Note 1)	38,624	36,830	Pension	11	3
			Lump Sum	0	0
P. Lawrence, Executive Director of Place	38,624	36,830	Pension	43	7
			Lump Sum	0	0
J. Irvine, Chief Social Work Officer (to 18.09.22)	13,966	27,782	Pension	43	2
			Lump Sum	43	1
Dr. D. Smart, Executive Director of Corporate Services (from 01.03.23)	2,972	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
H. Dunn, Service Director - Finance and Procurement	29,007	27,452	Pension	93	3
			Lump Sum	151	0
Total	<u>161,562</u>	<u>144,220</u>			

## Notes:

- J Proctor was employed by the City of Edinburgh Council and 50% of her salary costs are recharged to the EIJB and NHS Lothian. The above Pension figures show the full contributions but only 50% of these are relevant to the City of Edinburgh Council.

## REMUNERATION REPORT

### Pension Rights - continued

#### Senior Employees - continued

##### Notes:

The pension figures shown for senior employees relate to the benefits that the person has accrued as consequence of their total local government / public service and not just their current appointment. Accrued pension benefits relate to the position as at 31 March 2023, or the date of leaving, if that is earlier.

Employees contribute towards their pensions in accordance with the rates set out on page 136.

There are no accrued pension benefits included in the table above if the employee has been a member of the pension scheme for less than 2 years.

The in-year pension contributions include pension strain costs where applicable.

#### Council's Subsidiary Companies

The pension entitlements of senior employees within the Council's subsidiary bodies for the year to 31 March 2023 are shown below, together with the contribution made to each senior employee's pension during the year.

	In-year pension contribs.			Accrued Pension Benefits	
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000
<u>EICC</u>					
M. Dallas, Chief Executive	18,252	17,464	Pension	n/a	n/a
			Lump Sum	n/a	n/a
<u>Lothian Buses Ltd.</u>					
S. Boyd, Interim Managing Director	13,910	0	Pension	n/a	n/a
			Lump Sum	n/a	n/a
N. Serafini, Interim Managing Director	11,837	15,667	Pension	n/a	n/a
			Lump Sum	n/a	n/a
<u>Edinburgh Trams Ltd.</u>					
L. Harrison, Managing Director	25,067	16,256	Pension	n/a	n/a
			Lump Sum	n/a	n/a
<u>Capital City Partnership</u>					
R. Hunter, Chief Executive	16,225	16,341	Pension	23	4
			Lump Sum	16	1
Total	<u>85,291</u>	<u>65,728</u>			

EICC is a subsidiary company of CEC Holdings Limited. Figures shown for this company, Edinburgh Trams Ltd. and Lothian Buses Ltd. are for the years ended 31 December 2022 and 2021 respectively.

R. Hunter is the only current member of the Local Government Pension Scheme in the above table. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total relevant service and not just their current appointment.

There are no accrued pension benefits included in the table above if the employee has been a member of the pension scheme for less than 2 years and/or if they are not members of the Local Government Pension Scheme.

The in-year pension contributions include pension strain costs where applicable.

#### Trade Union (Facility Time Publication Requirements) Regulations 2017

The Council is required to report a range of information on facility time made available to its employees who are trade union representatives.

For the reporting year 2022/23, the equivalent of 11.6 FTE (across 17 individuals) of paid facility time was made available, with an associated cost of £0.50m. This sum equates to 0.10% of the Council's overall paybill.

Of the total time made available, eight individuals spent 100% of time during the year on trade union-related activities, three between 51% and 99%, and the remaining six between 1% and 50%.

# INDEPENDENT AUDITOR'S REPORT

The Statement of Accounts is subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is:

Audit Scotland  
102 West Port  
Edinburgh  
EH3 9ND

**RECONCILIATION OF THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

(as shown on page 23 of the Unaudited Financial Statements)

	£000	2022/23 £000	£000
Total Comprehensive (Income) and Expenditure			(1,253,343)
Deduct (gains) or losses credited to the CIES			
Surplus on revaluation of non-current assets		(474,726)	
Gains and losses relating to pension liability		(879,399)	
Other unrealised gains		0	
		<u>0</u>	<u>(1,354,125)</u>
Deficit on provision of services, per CIES			100,782
<u>Amounts included in the CIES but required by statute to be excluded when determining the General Fund surplus for the year</u>			
Depreciation and impairment of fixed assets	(247,760)		
Net gain on sale of fixed assets	143		
Revenue expenditure funded from capital under statute	64,847		
Movement in donated assets	(239)		
Use of Capital Fund	1,297		
Finance costs - statutory adjustments	3,174		
Net charges made for retirement benefits in accordance with IAS 19	<u>(159,125)</u>		
		(337,663)	
<u>Amounts not included in the CIES but required to be included by statute when determining the General Fund surplus for the year</u>			
Statutory provision for repayment of debt (includes voluntary repayments)	63,780		
Lease repayments (including element relating to PPP contracts)	28,384		
Capital expenditure charged to the General Fund balance	(64,847)		
Capital expenditure funded from revenue	24,509		
Change in fair value of Investment Properties	1,536		
Gains on IFRS16 assets	83		
Capital grants and contributions credited to the CIES	117,247		
Net transfer for holiday pay accrual	(1,003)		
Employer's contributions payable to Lothian Pension Fund and retirement benefits payable direct to pensioners	<u>81,051</u>		
		250,740	
<u>Transfers to / or from the General Fund Balance that are required to be taken into account when determining the General Fund surplus for the year</u>			
Statutory transfer of HRA surplus to Renewal and Repairs Fund	(15,471)		
Net Transfer from earmarked reserves	<u>(7,563)</u>		
		<u>(23,034)</u>	<u>(109,957)</u>
General Fund Surplus reported in Financial Statements			(9,175)
Consolidation Adjustments			
Funds (drawn down from) / contributed to earmarked balances:			
- Unallocated General Fund		(3,149)	
- Balances set aside for specific investment		53,842	
- City Strategic Investment Fund		27	
- Council Priorities Fund		(2,629)	
- Council Tax Discount Fund		(6,055)	
- Covid Contingency		(37,861)	
- Covid Advances		(10,778)	
- Devolved School Management and Pupil Equity Fund		(3,223)	
- Dilapidation fund		300	
- Energy efficiency		(65)	
- IFRS 9 gains		0	
- Insurance fund		468	
- Licensing income		(209)	
- Other minor funds		4	
- Pre-paid PPP monies		641	
- Salix / CEEF		198	
- Spend to save		162	
- Trams to Newhaven		1,821	
- Unspent grants		(352)	
- Workforce transformation		<u>2,285</u>	
			<u>(4,573)</u>
General Fund (Surplus)/Deficit			<u><u>(13,748)</u></u>

**Reserve balances, 31 March 2023**

	<b>Balance at 31-Mar-22 £000</b>	<b>Transfers Out 2022/23 £000</b>	<b>Transfers In 2022/23 £000</b>	<b>Balance at 31-Mar-23 £000</b>
<b>Balances Set Aside to Manage Financial Risks and for Specific Investment</b>				
Balances set aside for specific inv.	59,685	(13,866)	69,528	115,347
Workforce management	10,858	0	2,285	13,143
Council Priorities Fund	2,628	(2,629)	13,711	13,710
IFRS9 Gains	416	0	38	454
Dilapidations fund	3,957	0	300	4,257
Insurance funds	22,258	(4,862)	5,330	22,726
Covid Contingency	71,178	(38,165)	304	33,317
	<u>170,980</u>	<u>(59,522)</u>	<u>91,496</u>	<u>202,954</u>
<b>Balances Set Aside from Income Received in Advance</b>				
Licensing and Registration income	5,712	(523)	314	5,503
Pre-paid PPP monies	3,998	0	641	4,639
Unspent grants	8,387	(5,645)	5,293	8,035
Council Tax Discount Fund	11,305	(9,674)	3,619	5,250
Other minor funds	175	0	4	179
City Strategic Investment Fund	1,055	(118)	145	1,082
Covid Fund	15,159	(10,778)	0	4,381
	<u>45,791</u>	<u>(26,738)</u>	<u>10,016</u>	<u>29,069</u>
<b>Balances Set Aside for Investment in Specific Projects which will Generate Future Savings</b>				
Energy efficiency	334	(72)	7	269
Salix / CEEF	605	(85)	283	803
Spend to save	3,268	(195)	357	3,430
	<u>4,207</u>	<u>(352)</u>	<u>647</u>	<u>4,502</u>
<b>Balances Set Aside under Devolved School Management Scheme and Pupil Equity Fund</b>				
Devolved School Management	<u>7,246</u>	<u>(7,246)</u>	<u>4,023</u>	<u>4,023</u>
<b>Unallocated General Reserve</b>	<u>28,981</u>	<u>(3,150)</u>	<u>0</u>	<u>25,831</u>
<b>Total General Reserve</b>	<u><b>257,205</b></u>	<u><b>(97,008)</b></u>	<u><b>106,182</b></u>	<u><b>266,379</b></u>

# The City of Edinburgh Council

10.00am, Thursday 22 June 2023

## Review of Contract Standing Orders – referral from the Finance and Resources Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Finance and Resources Committee has referred a report on the Review of Contract Standing Orders to the City of Edinburgh Council for approval.

**Dr Deborah Smart**  
Executive Director of Corporate Services

Contact: Rachel Gentleman, Committee Officer  
Legal and Assurance Division, Corporate Services Directorate  
Email: [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk)

# Referral Report

## Review of Contract Standing Orders

### 2. Terms of Referral

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- 2.1 On 20 June 2023, the Finance and Resources Committee considered a report on the Council's Contract Standing Orders (CSOs) following an annual review. The report provided a summary of the proposed changes to the CSOs and sought approval for them.
- 2.2 The Finance and Resources Committee agreed:
  - 2.2.1 To note that since March 2020 when the 7 key strategic objectives were decided there had been growing concern regarding the protection of Edinburgh's biodiversity and biosphere including the Council declaring a Nature Emergency in February of this year.
  - 2.2.2 Therefore to approve the proposed revisions to the existing Contract Standing Orders as summarised in appendix 1 to the report by the Executive Director of Corporate Services with the following addition:
    - 2.2.2.1 "Under 1.3 General Principles after, "Aim of becoming a net zero city by 2030" add, "and the protection of Edinburgh's biodiversity and biosphere."
  - 2.2.3 To adopt the Contract Standing Orders in Appendix 2 to the report subject to the above change.
  - 2.2.4 To note there would continue to be an annual review of the Contract Standing Orders to ensure that they work effectively and provide effective scrutiny of Council purchasing and contract management.
  - 2.2.5 To refer the proposed revised Contract Standing Orders to Council on 24 June 2023 for approval.

### 3. Background Reading

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- 3.1 Finance and Resources Committee – 20 June 2023 - Webcast
- 3.2 Minute of the Finance and Resources Committee – 20 June 2023



## 4. Appendices

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### 4.1 Appendix 1 – report by the Executive Director of Corporate Services

# Finance and Resources Committee

**10.00am, Tuesday, 20 June 2023**

## **Review of Contract Standing Orders**

<b>Executive</b>	
<b>Wards</b>	All
<b>Council Commitments</b>	2,3 and 7

### **1. Recommendations**

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It is recommended that the Committee:

- 1.1 approve the proposed revisions to the existing Contract Standing Orders, as summarised in Appendix 1 to this report, and adopt the Contract Standing Orders included in Appendix 2 to this report; and
- 1.2 note that there will continue to be an annual review of the Contract Standing Orders to ensure that they work effectively and provide effective scrutiny of Council purchasing and contract management.
- 1.3 note that the proposed revised Contract Standing Orders will be referred on to full Council on 24 June 2023 for approval

**Dr Deborah Smart, Executive Director of Corporate Services**

Contact: Lynette Robertson, A/Head of Commercial and Procurement Services

E-mail: [lynette.robertson@edinburgh.gov.uk](mailto:lynette.robertson@edinburgh.gov.uk) | Tel: 0131 469 3810

Finance and Resources Committee - 20 June 2023

# Finance and Resources Committee

## Review of Contract Standing Orders

### 2. Executive Summary

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The Council's Contract Standing Orders (CSOs) provide controls and regulation around all of the Council's purchasing and contract management activity as well as promoting improved economic, environmental and social outcomes through the Council's considerable spending power. To allow for continuous improvement and to reflect any changes to Council commitments or policies the CSOs are reviewed annually and changes are recommended where considered necessary. This report provides a summary of the proposed changes to the CSOs and seeks approval for the proposed changes.

### 3. Background

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- 3.1 The Council is required to have standing orders under the Local Government (Scotland) Act 1973. The CSOs provide controls and regulation around all of the Council's purchasing and contract management activity, and place requirements on Directorates to effectively plan and contract manage the resulting contracts. The CSOs are regularly reviewed and amended as required to support continuous improvement and reflect legislative changes.
- 3.2 The CSOs are the rules which regulate procurement spend as well as complementing the Council's strategic objectives. The [Sustainable Procurement Strategy](#) approved on [5 March 2020](#), sets out 7 key strategic objectives being:
  - 3.2.1 Making procurement spend more accessible to local small business and the third sector;
  - 3.2.2 Improving Fair Work practices adopted by suppliers;
  - 3.2.3 Increasing community benefits delivered by suppliers;
  - 3.2.4 Contributing to the Council's 2030 zero-carbon city target;
  - 3.2.5 Delivering savings and Best Value outcomes;
  - 3.2.6 Ensuring legal compliance and robust and transparent governance; and
  - 3.2.7 Promoting innovative and best practice solutions.

## 4. Main report

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- 4.1 The CSOs are the subject of regular reviews. This most recent review has considered the operation of the current CSOs since they were amended in February 2021, and has identified a number of potential improvements that could be made, particularly in relation to effective governance and the use of officer resources. The proposed changes are summarised in Appendix 1 to this report and identified in track changes in the CSOs appended in Appendix 2 of this report.
- 4.2 The current lead in times for reporting, the eight-week cycle, summer recess and the Special Finance and Resources Committees reserved for consideration of budget issues can mean delays in awarding contracts of up to two to three months following evaluation of the bids. For straightforward procurements that are standalone, these timescales can be built into the project plan. However, where there are many interdependent appointments and contracts or the procurement timescales change e.g. to allow sufficient clarification of bids, or further market engagement then this can lead to delays which can impact the critical path for strategic projects. Increasingly, to avoid delay to projects, the urgency procedure or delegation to Directors to allow the award of contracts, prior to identifying the successful bidder is being relied upon.
- 4.3 To address these operational difficulties the amendments include a proposal to increase the current delegated threshold for approving the spend on services and supplies from £1million in aggregate (the current level) to £1million per annum or £5million in total over the duration of the contract whichever threshold is exceeded first, and from £2million in aggregate (the current level) for works contracts to £4million in aggregate. Above these new levels the approval of the Finance and Resources Committee would be required as is the case at present.
- 4.4 The current thresholds have never been amended since the Contract Standing Orders were substantially revised originally 11 years ago in 2012. Raising the thresholds would allow for effective governance by allowing resources (both elected member and officer) to be focused on the higher value often more strategic procurements by reducing the number of reports going to Finance and Resources Committee to a more manageable number. Based on the period May 2021 to November 2022 this would have reduced the 63 reports over this period to 47. Taking account of the committee frequency having reduced over recent years this would on average be 6 or 7 procurement reports going to each committee rather than 9.
- 4.5 To enable effective scrutiny in advance of procurements reaching the award stage it is proposed that the six monthly procurement report to Finance and Resources Committee is supplemented with a report which includes details of all procurement projects that Commercial and Procurement Services are currently progressing and all recurring expiring contracts above the regulated level. This would include all recurring contracts above £50,000 expiring over the next year taken from the Council contract register. The requirement of Service Directors to consult with Elected Members on matters considered politically, reputationally or financially

sensitive in relation to proposed procurement activity and to brief Elected Members as appropriate will remain unchanged.

- 4.6 Additionally, amendments are proposed to clarify the rules on the requirement for three quotes over and above the £5,000 threshold and to take account of changes in officer titles. More recent Council commitments and Scottish Government guidance on Fair Work First have also been included.

## **5. Next Steps**

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- 5.1 The changes to the CSOs shall be highlighted to Council officers by publication on the Orb and a series of online awareness raising events and training delivered by Commercial and Procurement Services.

## **6. Financial impact**

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- 6.1 There are no direct financial impacts as a result of this report. By maintaining proportionate procurement and contract management controls, and improving these through annual reviews of the CSOs, it is anticipated the CSOs will continue to support the delivery of planned Council savings targets and the delivery of the wider non-financial benefits that can be secured through the Council's procurement activity.

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

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- 7.1 The CSOs were prepared as result of feedback and consultation with service areas and a wide range of officers involved in procuring and commissioning across all service areas of the Council throughout the year.

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

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- 8.1 [Sustainable Procurement Annual Report 2022 - Report to Finance & Resources Committee](#)
- 8.2 [Operational Governance – Annual Review of Contract Standing Orders](#)

## **9. Appendices**

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Appendix 1 – Summary Table of Material Changes to Contract Standing Orders

Appendix 2 – Contract Standing Orders (as revised)

## Appendix 1 – Summary of Material Changes to Contract Standing Orders

Standing Order No.	Change	Explanation for the Change
1.2. Definitions and Interpretation	<p>A revised definition of 'Fair Work First' has been included.</p> <p>Procurement Requirement Form</p>	<p>The Scottish Government has built upon its commitment to encourage Fair Work practices amongst employers. The Fair Work First commitment extending the five principles to seven. Now including the requirement to encourage the offer of flexible and family friendly practices for all workers and oppose the use of fire and rehire practices</p> <p>The instruction document for procurement setting out requirements and considerations signed by Directors or Service Directors now includes a requirement that the implications for sustainability and Council outcomes such as becoming a net zero city by 2030 and increased opportunities for SMEs and the local economy be considered.</p>
1.3 General Principles	Aim of becoming a net zero city by 2030	Reference to aims to become a net zero city by 2030 included
Schedule: Relevant Values and Associated Tendering Procedure	Quotes	Reflecting difficult market conditions and the difficulty often obtaining 3 quotes for low value or specific purchases the rules are amended purchases up to £5,000. Now for £5,000 or over alternative quotes

		<p>and/or evidence of firm fixed prices should be sought where reasonably practicable.</p> <p>Between £5,000 and £25,000 there is a recognition that the various Procurement laws allow for direct awards and that these should be reflected in the choice of procedures more clearly</p>
Schedule: Relevant Values and Associated Tendering Procedure	Approval to award sought from Finance and Resources Committee or Council where value is equal to or exceeds £1 million per annum or £5million in total whichever value is exceeded first.	As explained in 4.3 above to address operational difficulties the amendments include a proposal to increase the current delegated threshold for approving the spend on services and supplies from £1million in aggregate (the current level) to £1million per annum with a aggregate cap at £12million, and from £2million in aggregate (the current level) for works contracts to £4million in aggregate.







# **CONTRACT STANDING ORDERS**

**22 June 2023**

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## **Introduction**

These Contract Standing Orders of the City of Edinburgh Council (“Council”) apply from 22 June 2023 and apply (with certain exceptions) to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services.

### **1 Preliminary**

#### **1.1 Extent and interpretation**

- 1.1.1 The Council makes these Standing Orders in terms of section 81 of the Local Government (Scotland) Act 1973.
- 1.1.2 These Standing Orders must be interpreted in accordance with the key principles of transparency, equal treatment, non-discrimination and proportionality.
- 1.1.3 These Standing Orders apply from 22 June 2023 and apply, subject to the provisions of Standing Order 1.1.5 and 1.1.6, to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services (including consultancy services).
- 1.1.4 To the extent relevant these Standing Orders are subject to the overriding provisions of United Kingdom (UK) or Scottish legislation. They are also, to the extent relevant, subject to any UK government or Scottish Government guidance on public procurement that may be issued from time to time.
- 1.1.5 These Standing Orders do not apply to any of the following:
  - 1.1.5.1 contracts of employment;
  - 1.1.5.2 contracts solely relating to the lease, purchase or disposal of heritable property;
  - 1.1.5.3 the allocation of direct payments or personal budgets under options 1, 2 or 4 of the Social Care (Self Directed Support) (Scotland) Act 2013;
  - 1.1.5.4 appointed guardians or legal services designated by a court of tribunal, any persons appointed under The Curators ad Litem and Reporting Officers (Panels) Scotland Regulations 2001 and the appointment of board members required by statute;
  - 1.1.5.5 contracts with statutory or public bodies on the basis of an exclusive right enjoyed by law; and
  - 1.1.5.6 those contracts excluded by the Act, the 2015 or 2016 Regulations for example arbitration or conciliation services.

- 1.1.6 These Standing Orders shall apply only as follows to contracts made on behalf of the Lothian Pension Fund for which the Council is the administering authority:
- 1.1.6.1 In Standing Order 1.1.references to the Procurement Handbook and the Contract Management Manual shall be construed accordingly; Standing Order 2.1 shall not apply, Standing Order 2.9 to (and including) 2.13 shall apply only where it is appropriate in the circumstances, Standing Order 2.16 shall not apply, Standing Orders 4.2 and 4.3 shall apply only where it is appropriate in the circumstances, Standing Orders 11 and 12 shall not apply; and
- 1.1.6.2 The procedures set out in the Schedule shall apply but only to the extent required by the Act, the 2015 Regulations or the 2016 Regulations, and the corresponding approvals required shall apply for such proposed contracts.
- 1.1.7 These Standing Orders must be read in conjunction with, and all Council staff must comply with, the Scheme of Delegation to Officers, the Council's Financial Regulations, the Procurement Handbook and the Contract Management Manual. Where there is any discrepancy, these Standing Orders shall take precedence.
- 1.1.8 Failure to comply with these Standing Orders when making purchases or seeking offers may result in disciplinary action.
- 1.1.9 Any query regarding the application or interpretation of these Standing Orders should be made in the first instance to the Head of Commercial and Procurement Services acting on behalf of the Executive Director of Corporate Services.

## 1.2 Definitions and interpretation

- 1.2.1 "Act" means the Procurement Reform (Scotland) Act 2014;
- 1.2.2 "Best Value" means the legal duty to secure continuous improvement in the performance of the Council's functions as set out in section 1 of the Local Government in Scotland Act 2003 as follows:-
- "1 Local authorities' duty to secure best value"**
- (1) It is the duty of a local authority to make arrangements which secure best value.
- (2) Best value is continuous improvement in the performance of the authority's functions.
- (3) In securing best value, the local authority shall maintain an appropriate balance among—
- (a) the quality of its performance of its functions;
- (b) the cost to the authority of that performance; and
- (c) the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.
- (4) In maintaining that balance, the local authority shall have regard to—
- (a) efficiency;
- (b) effectiveness;

- (c) economy; and
- (d) the need to meet the equal opportunity requirements.
- (5) The local authority shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.
- (6) In measuring the improvement of the performance of a local authority's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.
- (7) In this section, "*equal opportunity requirements*" has the same meaning as in Section L2 of Part II of Schedule 5 to the Scotland Act 1998 (c.46);

- 1.2.3 "CLT" means the Corporate Leadership Team;
- 1.2.4 "Consultant" means a specialist who charges a fee for providing advice or services such as but not limited to business or project management, human resources, environment, communication, information technology, property and estates and financial services, but excluding (i) agency, secondments and temporary workers, (ii) professional services provided by solicitors, counsel and actuaries, and (iii) technical or specialist services required for works contracts or proposed works contracts such as quantity surveyors, cost consultants, design engineers and architects;
- 1.2.5 "Contract Manager" means the nominated Contract Manager for a specific contract who is responsible for dealing with supplier performance and contractual matters on a day to day basis;
- 1.2.6 "Co-production" means the real and meaningful involvement of the citizens of Edinburgh including future recipients of the services and key stakeholders and suppliers (both current and potential) in how and what community services and related goods and works are delivered with regard to the National Standards for Community Engagement;
- 1.2.7 "Executive Director" means the relevant Executive Director (or in the case of the Edinburgh Integration Joint Board the Chief Officer) of the procuring Directorate/Division or for the purpose of exercising any powers set out in these Standing Orders the Chief Executive of the Council or, in the case of cross-directorate purchasing or absence of the relevant Executive Director or the Chief Executive, such Service Director as that Executive Director has nominated in accordance with the Scheme of Delegation, the Executive Director of Corporate Services or such Executive Director as the Chief Executive may nominate;
- 1.2.8 "Fair Work First" means, as promoted by the Scottish Government, the commitment by employers to investment in skills and training, no inappropriate use of zero hours contracts, action to tackle the gender pay gap, genuine workforce engagement, including with trade unions, payment of the Real Living Wage, offer flexible and family friendly working practices for all workers and oppose the use of fire and rehire practices;
- 1.2.9 "Procurement Thresholds" means the prescribed threshold values set for the supply of goods, services, works, Social and other Specific Services or concession contracts as they may be amended from time to time under the 2015 Regulations;

- 1.2.10 “Framework” means an arrangement under which the terms and conditions are agreed, but where there is normally no commitment to subsequently place orders or call off contracts;
- 1.2.11 “Legislative Exemptions” means an exemption from the application of procurement rules under the relevant legislative provisions and principles developed through case law and other means, as is relevant;
- 1.2.12 “Procurement Handbook” means the procurement handbook issued by the Executive Director of Corporate Services, setting out the detailed requirements for the conduct of procurement activity within the Council (as amended from time to time) and as updated by the Scottish Government’s Procurement Journey;
- 1.2.13 “Contract Management Manual” means the contract management manual issued by the Executive Director of Corporate Services, setting out the detailed requirements for the conduct of contract management activity within the Council (as amended from time to time);
- 1.2.14 “Procurement Requirement Form” means a document setting out as a minimum: -
- 1.2.15.1 what is the Council's requirement for the goods, works or services and why do we need it?
  - 1.2.15.2 what are all the available options, including internal provision, which is the best and why?
  - 1.2.15.3 can and should the Council afford it?
  - 1.2.15.4 what are the proposed supplier management arrangements and who is the nominated Contract Manager as required by Contract Standing Orders?
  - 1.2.15.5 how do we track, measure and account for the benefits?
  - 1.2.15.6 the implications for sustainability and delivery of Council outcomes such as the aim of becoming a net zero city by 2030, increased opportunities for SMEs/ the local economy and delivery of the Council’s sustainable procurement outcomes
- 1.2.15 “Project Manager” means the nominated Project Manager for a specific contract who is responsible for dealing with the contractor’s performance and contractual matters on a day to day basis;
- 1.2.16 “Real Living Wage” means the hourly rate of pay which is independently calculated each year and overseen by the Living Wage Foundation and announced during Living Wage week in October/November each year;

- 1.2.17 “2015 Regulations” means the Public Contracts (Scotland) Regulations 2015 or successor legislation (as amended from time to time);
- 1.2.18 “2016 Regulations” means the Procurement (Scotland) Regulations 2016 or successor legislation (as amended from time to time);
- 1.2.19 “Regulated procurement” means a procedure to award a regulated contract being a public contract which is equal to or greater than £50,000 or £2million for works contracts;
- 1.2.20 “Schedule” means the schedule to these Standing Orders;
- 1.2.21 “Service Director” means the relevant Service Director of the procuring Division (or in the case of the Edinburgh Integration Joint Board the direct reports to the Chief Officer) or in the case of the absence of the relevant Service Director such other Service Director that the Executive Director may nominate;
- 1.2.22 “Social and other Specific Services” means a public contract or framework for social and other specific services as defined by the 2015 Regulations including:-
- 1.2.22.1 Health, social and related services
  - 1.2.22.2 Administrative social, educational, healthcare and cultural services
  - 1.2.22.3 Other community, social and personal services
  - 1.2.22.4 Legal services
  - 1.2.22.5 Investigation and security services
  - 1.2.22.6 Postal services
- 1.2.23 “Standing Orders” means these standing orders including the Schedule and “Standing Order” shall be interpreted accordingly;
- 1.2.24 “Sustainable Procurement Objectives” means the seven key strategic procurement objectives that the Council has agreed to promote, namely (i) making procurement spend more accessible to local small businesses and the third sector, (ii) improving fair work practices adopted by suppliers, (iii) increasing community benefits delivered by suppliers, (iv) becoming a net zero city by 2030 (v) delivering savings and Best Value outcomes, (vi) ensuring legal compliance and robust and transparent governance and (vii) promoting innovative and best practice solutions; and,
- 1.2.25 “Sustainable Procurement Strategy” means the Council’s five-year Sustainable Procurement Strategy (March 2020-March 2025) published as a requirement of the Procurement

Reform (Scotland) Act 2014 and as amended from time to time, which includes the Strategic Procurement Objectives.

### 1.3 General Principles

- 1.3.1 The relevant officer with responsibility for commissioning and/or procuring shall, prior to commencing any procurement process, ensure that an appropriate Procurement Requirement Form that meets the strategic and service objectives of the Council is completed in order to ensure (i) that Best Value is achieved, (ii) that the proposal supports the delivery of the Sustainable Procurement Strategy and the promotion of the Sustainable Procurement Objectives, (iii) that the proposal complies with the Council's equality and sustainability duties to become a net zero city by 2030 (iv) that Co-production with key stakeholders is planned as appropriate and proportionate to the nature of the proposed contract.
- 1.3.2 The Procurement Requirement Form shall include consulting with other Council service areas to ensure that where there is a need for the same or similar services that they are jointly procured where appropriate. Where the approximate value of any proposed procurement is likely to exceed £1 million (or £50,000 in the case of consultancy spend) the relevant Procurement Requirement Form shall require the approval of the relevant Executive Director prior to proceeding to procurement.
- 1.3.3 All potential contracts above the Procurement Thresholds and Regulated procurements must comply with the general principles of equal treatment, non-discrimination, transparency and proportionality. Procurements must not be designed with the intention of unduly favouring or disadvantaging any potential tenderer.
- 1.3.4 Throughout the life of a contract the contract should:-
- a. comply with the minimum standards set out in the Procurement Handbook and the Contract Management Manual and
  - b. be managed by the Contract Manager or as appropriate the Project Manager in respect of
    - i. performance;
    - ii. compliance with the specification and other terms of the contract;
    - iii. cost and benefits including the delivery of community benefits;
    - iv. Best Value requirements;
    - v. equality requirements;
    - vi. compliance with the Sustainable Procurement Strategy;



- vii. delivering the aim of becoming a net zero city by 2030;
- viii. delivery and risk management; and
- ix. continuous improvement and Co-production principles.

1.3.5 All procedures for initiating procurement, developing procurement plans, inviting and receiving tenders, approval of contracts, and all contractual arrangements entered into, shall support the delivery of the Council's Sustainable Procurement Strategy and the promotion of the Sustainable Procurement Objectives. This shall include compliance with the Council's equality and sustainability duties and so far as practicable making procurement spend more accessible to local small businesses and the third sector, contributing to the Council's aim of becoming a net zero city by 2030, encouraging and promoting Fair Work First principles, payment of the Real Living Wage and increasing community benefits delivered by suppliers.

1.3.6 All expenditure must comply with the Council's Financial Regulations.

1.3.7 Grants while not subject to the full application of the procurement regulations should be allocated in consultation with the Head of Commercial and Procurement Services and are subject to the requirement to

- a. secure Best Value;
- b. comply with the Council's Grant Standing Orders;
- c. comply with the Council's Finance Rules; and,
- d. adhere to the Compact values of fairness, transparency, equality of treatment and mutual respect.

## **2 Procedures**

2.1 In addition to the obligations in Standing Order 1.3, before commencing a tendering procedure or making a purchase where no contract exists the relevant Executive Director must consult with the Head of Commercial and Procurement Services to establish whether:

2.1.1 The Council has an existing contract for the same or similar requirement which may fulfill their requirements and provide Best Value; or

2.1.2 there is any existing internal provision or other resources which could be used.

2.2 The procedure for the award of any contract shall depend upon the estimated aggregated value of that contract. Regulatory duties on aggregation of contracts shall apply and the artificial splitting of purchase orders or requirements to avoid the application of these Standing Orders is not permitted.

- 2.3 Subject to Standing Order 9 and 1.1.6, or where otherwise legally permitted in respect of proposed contracts which exceed the Procurement Thresholds, the minimum associated tendering procedures that must be applied are detailed in the Schedule.
- 2.4 For a procedure other than competitive tendering e.g. the negotiated procedure without prior advertisement, advice must be sought from the Service Director for Legal and Assurance and/or Head of Commercial and Procurement Services.
- 2.5 Health, social care and community services shall be procured in accordance with the Act, the 2015 Regulations, the 2016 Regulations, the Procurement of Care and Support Services 2016 (Best Practice), any statutory guidance issued under the Act and the principles of Co-production.
- 2.6 For all purchases of £50,000 and above for the supply of goods and services and £2million for works the sustainable procurement duty introduced by the Act requires that before buying anything the Council must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates with a particular focus on inequality and then act in a way that secures these improvements and supports the delivery of the Sustainable Procurement Strategy and the promotion of the Sustainable Procurement Objectives.
- 2.7 In accordance with its sustainable procurement duty and the Sustainable Procurement Strategy the Council must consider how its procurement processes can facilitate the involvement of Small or Medium Enterprises (SMEs), third sector bodies and supported businesses and how innovation can be promoted. For contracts over the Procurement Thresholds a contract may be awarded in the form of separate lots and where the decision is not to award in the form of separate lots this should be explained in the procurement documents.
- 2.8 The Council may reserve the right to participate in a tendering procedure to providers operating supported businesses, supported employment programmes or supported factories where more than 30% of the workers are disabled or disadvantaged persons in accordance with the 2015 Regulations. Where this right is exercised by the Council the contract award procedures provided by the Regulations and Act shall be followed.
- 2.9 Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of less than £50,000 that at least one SME from the City of Edinburgh or an SME who is a significant employer within the City of Edinburgh is invited to tender in any process. For future repeat procurements for similar goods, services or works the Council shall seek to ensure that at least one new SME from the City of Edinburgh or a new significant employer within the City of Edinburgh is invited to tender in any process.
- 2.10 Direct purchasing below £5,000 where the purchase cannot be secured from an existing contracted supplier without competitive tendering is permissible subject to the Council's duty to secure Best Value. Best Value will normally be secured by seeking alternative quotes and/or evidence of firm fixed prices where reasonably practicable.

2.11 Direct purchasing above £5,000 requires a minimum of 3 quotes for all purchases except where it would be permissible in those circumstances that would be permitted by the Act, the 2015 Regulations, the 2016 Regulations or in accordance with Standing Order 9.

2.12 The Head of Commercial and Procurement Services shall be consulted as appropriate in respect of tendering arrangements for any proposed contracts with an estimated value of less than £25,000 including individual call off contracts and direct awards under Frameworks.

The Head of Commercial and Procurement Services may seek advice and escalate such risks as considered appropriate to the Service Director of Legal and Assurance who shall advise as to the appropriate action.

2.13 The Head of Commercial and Procurement Services shall advise on and make all tendering arrangements for any proposed contracts with an estimated value in excess of £25,000 including individual call off contracts and direct awards under Frameworks.

2.14 If an unsuccessful tenderer brings a written or formal challenge against the Council in relation to a tender exercise or questions the integrity of the tender process, the recipient of the notice of challenge or query must inform the Head of Commercial and Procurement Services. The Head of Commercial and Procurement Services must inform the Service Director of Legal and Assurance as to potential legal challenges.

2.15 Parent Teacher Association monies may be subject to the application of the procurement regulations where the contract is entered into by the Council. The prior consent of the Council must be obtained where the expenditure of Parent Teacher Association monies will result in alterations to Council land or buildings or require equipment to be fixed to Council land or buildings, or have health or safety or ICT implications or maintenance obligations.

### **3 The Role and Responsibilities of Executive Directors**

3.1 Each Executive Director retains responsibility for selecting and appointing contractors, providers, suppliers or Consultants for their Directorate and shall seek guidance, as appropriate, from the Head of Commercial and Procurement Services. The Head of Commercial and Procurement Services shall be consulted at the earliest opportunity to ensure that all purchasing arrangements are made in compliance with these Standing Orders.

3.2 Each Executive Director has responsibility for all contracts tendered and let by their Directorate and is accountable to the Council for the performance of their duties in relation to contract letting and management, which are:

3.2.1 to ensure compliance with these Standing Orders, the Procurement Handbook and the Contract Management Manual;

3.2.2 to ensure no contract is entered into by the Council without seeking advice, where appropriate, from the Head of Commercial and Procurement Services and Service Director of Legal and Assurance and having proper regard to such advice;

- 3.2.3 to ensure adequate time is allowed to consult the market and allow the market to respond;
- 3.2.4 to ensure that appropriate contract security (for example guarantees or performance bonds) is obtained where required or considered prudent;
- 3.2.5 to prepare and approve where required by these Standing Orders an appropriate Procurement Requirement Form for each proposed purchase or contract;
- 3.2.6 to prepare, in consultation with the Head of Commercial and Procurement Services, appropriate contract and tender documents which clearly specify the scope, quality and quantity of the works, goods or services;
- 3.2.7 to check whether there is any existing Council or other adopted collaborative framework that can appropriately be used to achieve Best Value for the Council before undergoing a further competitive tender process;
- 3.2.8 to keep all bids confidential subject to any legal requirements;
- 3.2.9 to take appropriate measures to prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid distortion of competition and to ensure equal treatment of tenderers and to maintain written records of the measures taken and any conflicts arising;
- 3.2.10 to ensure that any evaluation panel is suitably qualified and trained to assess tenders;
- 3.2.11 to ensure no supplier is requested by the Council to provide goods, services or works without first having a valid purchase order in place;
- 3.2.12 to enter all purchase order information onto the relevant Council financial system prior to the service or goods being delivered;
- 3.2.13 to ensure that for contracts of a value greater than £5,000 for goods, and services and £10,000 for works, the contract register record is updated within 5 working days following issue of contract award and in any event prior to start date of contract;
- 3.2.14 to arrange for the publication of a contract award notice on Public Contracts Scotland for Regulated procurements including call offs from frameworks where the value (including aggregate values) is equal to or exceeds £50,000 or £2million for works as required by the Regulations
- 3.2.15 to ensure all relevant staff putting in place a contract have read and understood and are familiar with these Standing Orders, the Procurement Handbook, the Contract Management Manual or other guidance issued in respect of these Standing Orders;

- 3.2.16 to conduct a timely Integrated Impact Rights Assessment and/or privacy impact assessment as appropriate;
- 3.2.17 to ensure contracts are awarded, any necessary checks such as IR35 or Disclosure Scotland checks are carried out and any appropriate contract security documents are signed before the supply of goods, works, services provision commences;
- 3.2.18 to put in place arrangements for efficient contract and supplier management including the identification of a Contract Manager or Project Manager and management of benefits and performance, for the entire duration of the contract or Framework. For Frameworks or contracts used by more than one Directorate the arrangements for contract and supplier management shall be made by the Executive Director for the Directorate with the largest spend or anticipated spend in respect of the same and pending such decision being made the contract management arrangements shall be made by the Executive Director for the Directorate submitting the Procurement Requirement Form;
- 3.2.19 to retain a copy of the contract and keep proper records of all contracts and tenders, including minutes of tender evaluation panels and other meetings;
- 3.2.20 to take immediate action in the event of a breach of these Standing Orders or non-compliance with the Procurement Handbook or the Contract Management Manual within his/her directorate;
- 3.2.21 to consult with Elected Members on matters reasonably considered politically, reputationally or financially sensitive in relation to proposed procurement activity and to brief Elected Members as appropriate at the Procurement Requirement Form stage of such procurements; and,
- 3.2.22 to make appropriate arrangements for the opening of tenders and their secure retention to protect the integrity of the procurement process.

#### **4 Tender Documents**

- 4.1 The tender documents shall clearly set out the proposed method of evaluation as well as the scope, timing, quality and quantity of the works, services and supply of goods required by the Council.
- 4.2 The Service Director for Legal and Assurance will be consulted on conditions of contract for particularly significant or complex projects or contracts.
- 4.3 The Council's conditions of contract shall be used for all purchases over £5,000 unless the Head of Legal and Risk has advised that this is not required.

#### **5 Evaluation of Tenders and Quotes**

- 5.1 Tenders and quotes shall be evaluated on the basis of most economically advantageous and the best price-quality ratio. The award of a contract on the basis of lowest cost alone shall be limited to low value and straightforward

requirements which are below the Procurement threshold values and only with the prior agreement of the Head of Commercial and Procurement Services.

- 5.2 Tenders and quotes received after the closing date and time stipulated for return of tenders, or tenders which are incomplete or in an incorrect format will not be opened or considered unless the Council, acting proportionately, decides that there are circumstances which allow it to exercise discretion in allowing consideration of the tender. The Head of Commercial and Procurement Services must be consulted if tenders which are submitted late, incomplete or in an incorrect format are to be evaluated.
- 5.3 Tenders shall be evaluated by a tender evaluation panel which should comprise officers and such others as may be approved by the Head of Commercial and Procurement Services all of whom must have sufficient knowledge and technical ability to enable them to evaluate detailed tenders appropriately. The evaluation process shall follow any guidance issued by the Head of Commercial and Procurement Services and be fully and appropriately documented.
- 5.4 Where a proposed purchase or tender involves the use, adoption or purchase of any form of Information and Communications Technology (ICT) device or digital service, software or hardware then the approval of the Council's Digital Services must be sought at the Procurement Requirement Form stage and any purchase for any value (including those for nil value) must be undertaken in collaboration and with the approval of the Council's Digital Services. The Council's existing Strategic ICT and Transformation contract should be used for any Council requirements unless it is unsuitable or will not provide Best Value.

## **6 Acceptance and Award of Contracts**

- 6.1 Following the conclusion of the procedure for awarding contracts set out in these Standing Orders and, where applicable, the expiry of the mandatory standstill period, the resulting contract between the Council and successful tenderer shall follow the approval process detailed in the Schedule. The signing of the contract document or letter of acceptance shall be in accordance with the Scheme of Delegation.

## **7 Eligibility to tender and termination, variation or suspension of a contract**

- 7.1 The relevant Executive Director, having due regard to legal advice from the Service Director of Legal and Assurance, may treat a potential tenderer as ineligible to tender where there are reasonable grounds to conclude that the contractor or potential tenderer:
  - 7.1.1 has committed an act of grave misconduct in the course of their business or profession; or,
  - 7.1.2 has shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract which led to early termination of that prior contract, damages or other comparable sanctions, subject to consideration by the Council of any measures taken to demonstrate reliability; or,

- 7.1.3 falls within one or more of the other grounds set out in the 2015 Regulations; or,
- 7.1.4 has compiled, used, sold or supplied a prohibited list which:
  - i. contained details of persons who are or have been members of trade unions or persons who are taking part or have taken part in the activities of trade unions, and,
  - ii. was compiled with a view to being used by employers or employment agencies for the purposes of discrimination in relation to recruitment or in relation to the treatment of workers, within the meaning of the Employment Relations Act of 1999 (Blacklists) Regulations 2010.

7.2 The relevant Executive Director may terminate, suspend or vary a contract, in accordance with the express or implied terms of the contract and may also take such further action with regard to any contract as the Council is legally entitled to take.

7.3 The relevant Executive Director will notify the Service Director of Finance and Procurement and the Head of Commercial and Procurement Services without delay of any actions taken in accordance with Standing Order 7.1 to 7.2.

## **8 Electronic Procurement**

8.1 Requests for quotations and invitations to tender shall be issued and/or received by electronic means.

## **9 Waiver of Contract Standing Orders or Legislative Exemptions**

9.1 The requirement to comply with any provision of these Standing Orders may be waived in accordance with the waiver approval process detailed in the Schedule if on considering a written report by an appropriate officer the waiver is considered to be in the Council's best interests having regard to

9.1.1 Best Value;

9.1.2 any potential risk of successful legal challenge;

9.1.3 the principles of transparency, equal treatment, non-discrimination and proportionality;

9.1.4 any impact upon services users; and,

9.1.5 the Sustainable Procurement Strategy.

9.2 A record of the decision approving a waiver must be kept by the relevant Executive Director and a copy of such approved waiver provided to the Head of Commercial and Procurement Services who shall where appropriate make an entry in the contract register and any other appropriate register.

9.3 Where approval for a waiver of these Standing Orders has not been obtained in

advance the reason for this must be contained in the waiver report.

- 9.4 Where a waiver, committee approval or procedure permitted by this Standing Order 9 allows the direct award of a contract which is equal to or exceeds £50,000 then a contract award notice must be recorded on the Public Contracts Scotland portal and the relevant Executive Director must notify Commercial and Procurement Services of the details to allow entry on the contract register and any other appropriate register,
- 9.5 Where these Standing Orders have been waived in accordance with this Standing Order 9 the relevant Executive Director shall put in place a written contract for that requirement without delay, inform the Head of Commercial and Procurement Services and ensure appropriate plans are made for tendering the requirement where appropriate.
- 9.6 The requirement to waive these Standing Orders is not required where:
  - 9.6.1 a procedure or specific situation other than the open or restricted procedure is permitted by the 2015 Regulations, 2016 Regulations, the Act, other legislation or relevant case law. In deciding whether the use of another procedure or specific situation is permitted the relevant Service Director or Executive Director shall seek advice from the Head of Commercial and Procurement Services and/or Service Director of Legal and Assurance ;
  - 9.6.2 the circumstances of the proposed contract are covered by legislative exemptions, for example certain research and development services;
  - 9.6.3 contracts with another public body for the purposes of ensuring co-operation with the aim of providing public services; or
  - 9.6.4 a tender process or contract negotiations are currently in progress and contact award and contract commencement is anticipated within four months.

## **10 Contract extensions or variations**

- 10.1 Subject to 10.2, an Executive Director (or where the value or consequent change in price does not exceed £25,000, the relevant Service Director) may authorise an extension to a contract, or any other variation including a consequent change in price, provided such extension or variation has been provided for in the initial procurement documents which may include price revision clauses or options, is not contrary to the Act, the 2015 or 2016 Regulations or the Council's legal obligations.
- 10.2 An Executive Director or Service Director shall not extend or vary a contract if such extension or variation is not expressly permitted by the contract without seeking advice from the Service Director of Legal and Assurance or the Head of Commercial and Procurement Services.
- 10.3 The regulatory rules on aggregation of contracts shall apply.



## 11 Consultants

- 11.1 Consultants shall only be appointed where the service cannot be provided by Council staff due to a lack of expertise or capacity.
- 11.2 The cost of appointing a Consultant shall be contained within the budget of the service or project for which the Consultant is to be appointed.
- 11.3 Executive Directors shall ensure a clear specification identifying the required outcomes shall be in place at the time of appointing the Consultant.
- 11.4 Executive Directors shall ensure that appropriate monitoring arrangements, such as gateway reviews, are in place prior to a Consultant's appointment in order that payments to the consultant are only made in accordance with the satisfactory achievement of measurable outcomes.
- 11.5 Where a Consultant is to be appointed and the services are:
- 11.5.1 of a financial nature the Service Director of Finance and Procurement must be consulted on the scope and specification of the services prior to appointment.
  - 11.5.2 of a legal nature the Service Director of Legal and Assurance must be consulted on the scope and specification of the services prior to appointment.
  - 11.5.3 of an ICT or Digital Services nature, the Service Director of Customer and Digital Services must be consulted on the scope and specification of the services prior to appointment.

For all other appointments the relevant Executive Director shall approve the scope and specification where the services (or series of related services) are anticipated to be provided at an aggregate cost of up to £50,000.

- 11.6 Where Consultants are appointed, Executive Directors shall ensure that where appropriate, Council staff fill key project roles and work closely with Consultants to maximise the potential for transfer of skills and knowledge to Council staff.
- 11.7 Executive Directors shall maintain up-to-date records on the consultancy spend within their Directorate and shall include consultancy spend as a line in the annual consultants' report for the Finance and Resources Committee each financial year.
- 11.8 Subject to 11.9 the appointment of a Consultant where the services (or series of related services) are anticipated to be provided at an aggregate cost of £50,000 or more shall follow the approval process detailed in the Schedule.
- 11.9 Further approval shall not be required for consultancy services that are essential to the completion of a Pre-Approved Council Project. A Pre-Approved Council Project is a project for which there is:
- 11.9.1 approved revenue or capital expenditure in accordance with the

Council's Financial Regulations; and

- 11.9.2 for projects that have a Council or appropriate committee report approving the recommendation to commence the project which includes an explicit reference to the requirement for consultants in the delivery of that project.
- 11.10 Committee approval shall not be required for the appointment of a Consultant employed in the delivery of a works contract where the value of that works contract is below the Committee reporting requirements as set out in the Contract Standing Orders for services or works. Any such appointment shall require the prior approval of the relevant Executive Director and the Head of Commercial and Procurement Services and details of any such appointments shall be included in a regular update report to CLT for noting.
- 11.11 In the event that the requirements of 11.9.2 are not met and the use of a Consultant is required as a matter of urgency the urgency provisions set out in provision 4 of the Council's Committee Terms of Reference and Delegated Functions and the Waiver provisions contained in Contract Standing Order 9 where appropriate should be followed.
- 11.12 An Executive Director shall not appoint a former employee who has been granted early retirement or been given a redundancy or severance package ("former employee") as a consultant unless:
- 11.12.1 a minimum of 1 year has elapsed since the former employee ceased to be employed by the Council; or,
- 11.12.2 subject to consultation with the Chief Executive, the Executive Director concerned is satisfied that there is a clear and robust justification for the appointment of the former employee as a consultant.

## **12 National Frameworks**

- 12.1 In order to purchase without delay from National Frameworks which comply with the relevant procurement legislation such as those put in place by Scotland Excel, Scottish Procurement, Yorkshire Purchasing Organisation (YPO), Crown Commercial Services (CCS) or the East Shires Purchasing Organisation (ESPO) the Council may make use of the Framework subject to reporting the initial adoption of such Frameworks in a six-monthly report to the Finance and Resources Committee.
- 12.2 Individual call-off contacts placed under Council or National Frameworks shall be subject to the approvals thresholds as detailed in the Schedule. For the avoidance of doubt, where the value of individual call-offs exceed these thresholds then approval or delegated authority must be sought from the Finance and Resources Committee (or as otherwise required under in these Standing Orders).

## **13 Review of Standing Orders**

- 13.1 These Standing Orders will be reviewed at least annually.

**Schedule  
RELEVANT VALUES AND ASSOCIATED TENDERING PROCEDURE**

Total value for duration of contract or purchase (aggregation rules apply)*	Procedure	Approval of contractual obligation	Committee Approval
Up to £5,000*	<p>Use existing local, national, Council framework or call- off contracts or</p> <p><b>Appropriate choice of provider</b> documenting reasoning and quote <i>or</i></p> <p>Public Contracts Quick Quote facility.</p> <p>Best Value must be delivered, for up to £5,000 alternative quotes and/or evidence of firm fixed prices should be sought where reasonably practicable</p>	Executive Director, Service Director or such other officer to whom the relevant Executive Director or Service Director has appropriately delegated their powers to in consultation with Head of Commercial and Procurement Services as appropriate**	Not required
£5,000* to £25,000* (including health or social care services)	<p>Use existing local, national, Council framework or call- off contracts or</p> <p>Seek a minimum of 3 quotes using Public Contracts Scotland “Quick Quote” facility unless the circumstances for a direct award that would be permitted by the Act, the 2015 Regulations or the 2016 Regulations are present</p> <p><b>or 3 written/formal quotations</b> – written description of requirements followed by written / electronic submission of quotes.</p> <p>for Social and other Specific Services for Health or Social</p>	Executive Director, Service Director or such other officer to whom the relevant Executive Director or Service Director has appropriately delegated their powers to in consultation with Head of Commercial and Procurement Services as appropriate, and Service Director of Legal and Assurance as appropriate**	Not required

	Care Services: Contracts to be awarded in accordance with the Procurement of Care and Support Services 2016 (Best Practice) and any statutory guidance issued under the Act		
<b>£5,000* up to £50,000* for Consultancy spend****</b>	<p>Use existing local, national, Council framework or call-off contracts or</p> <p>Seek minimum of 3 quotes using Public Contracts Scotland "Quick Quote" facility up to a value of £50,000 unless the circumstances for a direct award that would be permitted by the Act, the 2015 Regulations or the 2016 Regulations are present</p> <p><b>or</b></p> <p><b>written/formal quotations</b> – written description of requirements followed by written / electronic submission of quotes up to a value of £50,000 unless otherwise agreed with Head of Commercial and Procurement Services</p> <p>or</p> <p><b>Invitation to tender following public advertisement</b> - Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements as set out in the Act and the 2016 Regulations (generally above £50,000)</p>	Executive Director, Service Director or such other officer to whom the relevant Executive Director or Service Director has appropriately delegated their powers to in consultation with Head of Commercial and Procurement Services and Service Director for Legal and Assurance as appropriate up to £50,000.**	Not required
<b>£50,000* and above for Consultancy spend****</b>	Use existing local, national, Council framework or call-off contracts where they comply with the 2015 and 2016 Regulations as applicable, or-	Not applicable subject to **	Approval to award sought from Finance and Resources Committee***or Council where value is equal to or exceeds

	<p><b>Invitation to tender following public advertisement -</b> Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements required by the Act and the 2016 Regulations</p> <p>Or</p>		£50,000 per annum
<p><b>£25,000* and above for services and supplies (including health or social care services)</b></p>	<p>Where Best Value can be demonstrated use existing local, national, Council framework or call- off contracts where they comply with the 2015 and 2016 Regulations as applicable, or-</p> <p><b>Invitation to tender following public advertisement –</b> using the Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements required by the Act and the 2016 Regulations</p> <p>or</p> <p>Public Contracts Quick Quote facility up to a value of £50,000.</p> <p>or</p> <p>for Social and other Specific Services for Health or Social Care Services- Contracts below the Procurement thresholds to be awarded in accordance with the Procurement of Care and Support Services 2016 (Best Practice) and any statutory guidance issued under the Act Contracts above the Procurement thresholds follow the relevant light touch provisions in the Procurement Regulations</p>	<p>Executive Director or Service Director (where delegated authority has been given) in consultation with Head of Commercial and Procurement Services (and Service Director for Legal and Assurance as appropriate) up to £1million per annum but not exceeding £5million in total.**</p>	<p>Approval to award sought from Finance and Resources Committee***or Council where value is equal to or exceeds £1 million per annum or £5million in total.</p>

<p><b>£25,000* and above for works</b></p>	<p>Use existing local, national, Council framework or call- off contracts where they comply with the 2015 and 2016 Regulations as applicable, or</p> <p>Public Contracts Quick Quote facility up to a value of £2million.</p> <p><b>Invitation to tender following public advertisement -</b> Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements as set out in the Act and the 2016 Regulations</p>	<p>Executive Director or Service Director (where delegated authority has been given) in consultation with Head of Commercial and Procurement Services (and Service Director for Legal and Assurance as appropriate) up to £500,000.</p> <p>Executive Director approval in consultation and Head of Commercial and Procurement Services (and Service Director for Legal and Assurance as appropriate), between £500,000 and less than £4million.</p>	<p>Approval to award sought from Finance and Resources Committee***or Council where value is equal to or exceeds £4 million.</p>
<p><b>Above £50,000* for individual call off-contracts for services and supplies placed under National Frameworks subject to compliance with the relevant procurement legislation (excluding consultancy services)</b></p>	<p>In accordance with the call-off provisions specified for that National Framework.</p>	<p>Executive Director or Service Director (where delegated authority has been given) in consultation with Head of Commercial and Procurement Services (and Head of Legal and Risk as appropriate) up to £1million per annum but not exceeding £5million in total **.</p>	<p>Approval to award sought from Finance and Resources Committee*** or Council where value is equal to or exceeds £1million per annum or £5million in total.</p>
<p><b>Above £50,000* for individual call off-contracts for works placed under National Frameworks subject to compliance with the relevant procurement legislation</b></p>	<p>In accordance with the call-off provisions specified for that National Framework.</p>	<p>Executive Director or Service Director (where delegated authority has been given) in consultation with Head of Commercial and Procurement</p>	<p>Approval to award sought from Finance and Resources Committee*** or Council where value is</p>

<b>(excluding consultancy services)</b>		Services (and Service Director for Legal and Assurance as appropriate) up to £500,000**. Executive Director approval in consultation with the Head of Commercial and Procurement Services (and Service Director for Legal and Assurance as appropriate), between £500,000 and less than £4million**.	equal to or exceeds £4 million.
<b>Above the Procurement Threshold for concession contracts</b>	Publication of a Concession Notice in OJEU and compliance with the requirements of the Concession Contracts (Scotland) Regulations 2016	Executive Director approval in consultation with the Head of Commercial and Procurement Services (and Service Director for Legal and Assurance) as appropriate) up to £5million	Approval to award sought from Finance and Resources Committee*** or Council where the value is equal to or exceeds £5 million

\* the estimated value of the contract is the value of the total consideration (not including VAT) which the Council expects to be payable under or by virtue of the contract. Contracts must not be artificially disaggregated.

\*\* The purchase (even for nil value) of any form of ICT device or digital service, software or hardware shall require the approval of the Council's Digital Services, in accordance with the provisions of the foregoing Standing Orders

\*\*\*Contracts for Lothian Pension Fund shall be subject to the approval of the Pensions Committee.

\*\*\*\* The provisions of 11.9 Consultants shall apply

**WAIVER APPROVAL PROCEDURE**

Total value for duration of Waiver (aggregation rules apply)*	Approval of waiver	Committee Approval
Up to £5,000*	Not required**	Not required
Above £5,000 to £50,000*	The relevant Executive Director or Head of Service to whom the relevant Executive Director has appropriately delegated their powers to and the Head of Commercial and Procurement Services **	Not required
Above £50,000 - £250,000 (£5,000 - £50,000 in the case of consultancy spend)*	The relevant Executive Director, and the Executive Director of Corporate Services (or the Head of Commercial and Executive where the relevant Executive Director is the Executive Director of Corporate Services)**	Not required



<b>Above £250,000 (above £50,000 in the case of consultancy spend)*</b>	<b>**</b>	Approval to waive sought from Finance and Resources Committee** or Council as the Chief Executive considers appropriate

\* the estimated value of the contract is the value of the total consideration (not including VAT) which the Council expects to be payable under or by virtue of the contract. Contracts must not be artificially disaggregated.

\*\* The purchase (even for nil value) of any form of ICT device or digital service, software or hardware shall require the approval of the Council's Digital Services, in accordance with the provisions of the foregoing Standing Orders.

\*\*\*Contracts for Lothian Pension Fund shall be subject to the approval of the Pensions Committee.

\*\*\*\* The provisions of 11.9 of the foregoing Standing Orders (Consultants) shall apply.

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## QUESTION NO 1

**By Councillor Parker for answer by the Convener of the Culture and Communities Committee at a meeting of the Council on 22 June 2023**

**Question** (1) What consideration is given to bats and other wildlife when street lighting and lighting in parks is installed?

**Answer** (1)

**Question** (2) Is Council policy in relation to artificial lighting consistent with best practice guidance issued by the Bat Conservation Trust and Institution of Lighting Professionals as first published in 2018 and recently revised in May 2023?

**Answer** (2)

**Question** (3) If the answer 2) is no, will Council officers review policy with regard to the updated guidance, and how will Councillors receive assurances that Council policy is in line with this best practice?

**Answer** (3)

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## QUESTION NO 2

**By Councillor McKenzie for answer  
by the Leader of the Council at a  
meeting of the Council on 22 June  
2023**

**Question** (1) When will the feasibility study of an Edinburgh Drug Consumption Room be delivered to the Policy and Sustainability Committee?

**Answer** (1)

**Question** (2) What funding has been allocated for the feasibility study?

**Answer** (2)

**Question** (3) Who has been commissioned to undertake the feasibility study?

**Answer** (3)

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## QUESTION NO 3

**By Councillor McKenzie for answer  
by the Convener of the Planning  
Committee at a meeting of the  
Council on 22 June 2023**

### **Question**

When will a council officer be meeting with a representative of Planning Democracy to discuss how the Council can assist with the RAMPS project (a website which enables the progress of planning applications to be tracked in an accessible format), as originally requested on January 7<sup>th</sup> 2023 and finally agreed on April 13<sup>th</sup> 2023?

### **Answer**

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## QUESTION NO 4

**By Councillor McKenzie for answer  
by the Leader of the Council at a  
meeting of the Council on 22 June  
2023**

**Question** (1) Has the Council Leader written to then Minister for Local Government Empowerment and Planning in line with the motion passed at Full Council on May 4<sup>th</sup>?

**Answer** (1)

**Question** (2) Can the Council Leader share the letter?

**Answer** (2)

**Question** (3) Has the Council Leader met with the Minister since May 4<sup>th</sup>?

**Answer** (3)

**Question** (4) a) If so, did the Council Leader raise the points agreed in the motion?

b) If not, when does the Council Leader expect to next meet with the Minister?

**Answer** (4)

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## QUESTION NO 5

**By Councillor McKenzie for answer  
by the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 22 June 2023**

**Question** (1) Can the Convener confirm how many cases relating to foliage have been reported in the past 3 years?

**Answer** (1)

**Question** (2) How many of these cases remain 'open issues'?

**Answer** (2)

**Question** (3) Can the Convener outline the enforcement process for responding to reports relating to foliage on private land?

**Answer** (3)

**Question** (4) How many foliage-related enforcement cases have been initiated in the past 3 years?

**Answer** (4)

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## QUESTION NO 6

**By Councillor Thornley for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 June 2023**

In May 2023, the Transport and Environment committee agreed a mini flood study would be undertaken in North Gyle as one of the agreed projects for 2023/24, funded from the £2 million agreed in Lib Dem budget proposals for flooding.

**Question** (1) When does the Convener understand this flood study will begin?

**Answer** (1)

**Question** (2) What engagement with local groups, such as the North Gyle Flood Group, will be undertaken, to hear firsthand examples of how the issue is affecting them?

**Answer** (2)

**Question** (3) Will the study include engagement with the Scottish Flood Forum?

**Answer** (3)

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## QUESTION NO 7

**By Councillor Thornley for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 June 2023**

### Question

In January 2022, the Transport and Environment committee agreed speed limit reductions from 40mph to 30mph on Queensferry Road, Glasgow Road, South Gyle Broadway and South Gyle Access.

When are these speed limit reductions going to be implemented?

### Answer

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## QUESTION NO 8

**By Councillor Lang for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 22 June 2023**

### Question

Further to her answers at 10.4 on the 15 December 2022 meeting of the Council, when will the report on the voting rights for religious representatives come to Council?

### Answer

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## QUESTION NO 9

**By Councillor Ross for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 June 2023**

I note that there are holidays from parking restrictions on Christmas Day, Boxing Day, New Year's Day and Easter Monday. I have had a few questions from residents and would appreciate some clarifications.

**Question** (1) Are these days set for us by the Scottish Government or does the Council have a choice of which days to choose?

**Answer** (1)

**Question** (2) Are they in line with the majority of Edinburgh workplaces?

**Answer** (2)

**Question** (3) Do most Edinburgh employers take these holidays and close their workplaces on these days or is there another day, for example Good Friday, that is more commonly chosen for closing workplaces?

**Answer** (3)

**Question** (4) When were parking holidays last reviewed?

**Answer** (4)

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## QUESTION NO 10

**By Councillor Dijkstra-Downie for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 June 2023**

- Question** (1) How many outstanding road defects and potholes are currently registered under Categories 1, 2, 3 and 4?
- Answer** (1)
- Question** (2) What are the intended timescales for repair of defects in each of these categories?
- Answer** (2)
- Question** (3) What are the current estimated timescales of repairs within each of these categories?
- Answer** (3)
- Question** (4) How many of these defects per category do not currently have an identified timescale for repair?
- Answer** (4)

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## QUESTION NO 11

**By Councillor Dijkstra-Downie for  
answer by the Convener of the  
Transport and Environment  
Committee at a meeting of the  
Council on 22 June 2023**

**Question** (1) What time do collection crews start their collections of waste and recycling from on-street communal bins, communal bin hubs and underground bins during weekdays, and at weekends?

**Answer** (1)

**Question** (2) What is the earliest time that glass collections from communal bins take place during weekdays, and at weekends?

**Answer** (2)

**Question** (3) In light of the increased frequency of collections from communal bin hubs in areas such as Trinity and Newhaven, has consideration been given to the impact of these more frequent early collections on residents at the start of the route?

**Answer** (3)

**Question** (4) If so, what mitigations are in place?

**Answer** (4)

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## QUESTION NO 12

**By Councillor Davidson for answer  
by the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 22 June 2023**

Ward councillors were previously advised that road safety interventions would be progressed for Ellersley and Kinellan Roads in the 2022/23 programme. This did not happen.

**Question** (1) Will the convener advise which projects were included in the 22/23 programme?

**Answer** (1)

**Question** (2) Which projects are also included in the 23/24 programme of works?

**Answer** (2)

**Question** (3) What are the next steps he sees in improving pedestrian safety and reducing speed on these two roads?

**Answer** (3)

**Question** (4)

**Answer** (4)

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## QUESTION NO 13

**By Councillor Caldwell for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 June 2023**

With Trams to Newhaven successfully launching on June 7th, and much discussion about traffic re-routing, I am hoping to obtain clarity on how the Council are engaging with residents in residential streets just off of the tram route.

**Question** (1) In addition to the Automatic Traffic (and speed) Counter installed by the Road Safety team on Easter Road this Spring, what traffic level monitoring has taken place on the streets directly west and east of Leith Walk and Elm Row since January 2022?

**Answer** (1)

**Question** (2) What, if any, traffic monitoring is being considered before the end of 2023?

**Answer** (2)

**Question** (3) Does the Convener agree that the most densely populated area in Scotland, located just outside of, but impacted by, the Trams to Newhaven project, has had a material change in traffic flow and that residents should be part of an evolving process to further develop safer, greener and cleaner streets?

**Answer** (3)

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## QUESTION NO 14

**By Councillor Whyte for answer by the Convener of the Culture and Communities Committee at a meeting of the Council on 22 June 2023**

**Question**           **(1)** Given the recent incidence of wildfires in Scotland this year what action is the Council taking to enforce the Park Rules in its parks that no Barbecues are allowed outwith designated areas?

**Answer**           **(1)**

**Question**           **(2)** What related action is the Council taking to discourage retailers from selling single use barbecues within the Council area given that work by the University of Sheffield has shown that a typical summer barbecue releases more greenhouse gas emissions than 80-mile car journey and single use barbecue creates additional waste that is often left as litter in Edinburgh's parks?

**Answer**           **(2)**

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## **QUESTION NO 15**

**By Councillor Bruce for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 June 2023**

### **Question**

Please list the outstanding remedial works required to conclude the tram line completion from York Place to Newhaven and please detail the expected costs for these works?

### **Answer**

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## QUESTION NO 16

**By Councillor McVey for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 June 2023**

On June 1<sup>st</sup> the Transport Convener replied to the below question with the following:

*Question (1) How many car parking spaces (based on average use on available bays) have been reduced through the rollout of the CPZ in June 2023?*

*Answer (1) No marked car parking spaces have been removed due to the rollout of Controlled Parking Zone (CPZ). The layout of all parking places and yellow lines reflects the Council's legal obligations, and the need for the layout of parking places to avoid negative impacts on vehicle movement or access to property, including private or off-street parking places. Parking places have been located, following consultation, where it is considered safe and appropriate for vehicles to park.*

**Question** (1) Does the Convener understand that the information given to Council on June 1<sup>st</sup> above is inaccurate? As exemplified by stretches of double yellow lines on streets like Lindsay Street, Nichollfield and many other locations across the new CPZ areas that serve no purpose in terms of improved connectivity, accessibility, access to local services or improved safety.

**Answer** (1)

**Question** (2) Will the Convener apologise for misleading Council?

**Answer** (2)

**Question** (3) Can the Convener confirm that the Council knows and has tracked how much space has been lost for resident parking, either for legitimate reasons (such as improve line of sight at junctions, improved access to bin hubs etc)?

**Answer** (3)

**Question**           **(4)** Does the Convenor understand that the arbitrarily constrained approach which has been implemented will cause issues for local residents accessing their properties which didn't need to be the case?

**Answer**           **(4)**

**Question**           **(5)** Can the Convenor now answer the questions tabled on June 1<sup>st</sup> honestly:

- a) How many car parking spaces (based on average use on available bays) have been reduced through the rollout of the CPZ in June 2023?
- b) How many of these reductions were due to:
  - i) improving connectivity by reducing double parking on narrow streets blocking general vehicle and service vehicle access?
  - ii) improving access to local bin hubs and other serviced amenities?
  - iii) improving visibility at junctions?
  - iv) another reason?

**Answer**           **(5)**

## QUESTION NO 17

**By Councillor Work for answer by the  
Convener of the Regulatory  
Committee at a meeting of the  
Council on 22 June 2023**

**Question**           **(1)** Is the Convener aware of the pressure put on small local Gala committees such as Kirkliston and Davidson's Mains due to the fees the Council charges for these relatively small community events?

**Answer**           **(1)**

**Question**           **(2)** Will the Convener commit to a review of the fee structure to allow those small community groups to put on fantastic local events loved by residents?

**Answer**           **(2)**

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## QUESTION NO 18

**By Councillor McFarlane for answer  
by the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 22 June 2023**

**Question**           (1) To ask the convener why Euro 6 compliant diesel-fuelled cars are included in the parking diesel surcharge despite being fully LEZ compliant.

**Answer**             (1)

**Question**           (2)

**Answer**             (2)

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## QUESTION NO 19

**By Councillor McFarlane for answer  
by the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 22 June 2023**

**Question**           **(1)** To ask the Transport and Environment Convener for clarity on the policy of fixing permanent signage to the listed railings in the West End, whether permission needs to be sought from residents and businesses before the placement of such signage and why this cannot be displayed on existing lampposts instead.

**Answer**           **(1)**

**Question**           **(2)** To further ask whether additional road marking is in the pipeline as part of CCWEL on Melville Street to delineate the allocation of parking spaces and denote who may use them?

**Answer**           **(2)**

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## QUESTION NO 20

**By Councillor Work for answer by the Convener of the Housing, Homelessness and Fair Work Committee at a meeting of the Council on 22 June 2023**

**Question**           **(1)** How many vacant council properties are there currently in the Almond Ward?

**Answer**             **(1)**

**Question**           **(2)** Are targets being met for the turnaround time for getting void properties rented to new tenants?

**Answer**             **(2)**

**Question**           **(3)** What is the cost to the council's HRA of lost rental income from properties not available for rent?

**Answer**             **(3)**

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## QUESTION NO 21

**By Councillor Flannery for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 22 June 2023**

*Our decisions on how to get from A to B are based on the choices available and how we feel about them. There are several factors which can influence how we choose to move, including availability and quality of infrastructure, cost, journey time, safety, personal ability and convenience. - City Mobility Plan*

**Question** (1) In the light of this statement, can the Convener confirm what alternative arrangements are being explored to serve residents in the South of the city who are now cut off from the city centre because of the withdrawal of the No 41 bus route?

**Answer** (1)

**Question** (2) Can the Convener confirm how the City Mobility Plan which makes several direct references to 'people with mobility issues' are to be prioritised with the recent withdrawal of two bus routes, No 42 and No 41, and the scaling back of disabled parking spaces and universal provision?

**Answer** (2)

**Question** (3) *Inclusion: For many the city has an excellent, inclusive public transport system, though some areas are poorly served limiting opportunities for those who live there. We also recognise that public transport and taxi usage can be unsuitable for people with severe mobility problems, therefore private cars are essential for some in the city – city mobility plan.*

Can he confirm that along with Lothian Buses, who are 'monitoring' the new No 9 route, that the Council is doing likewise, and responding to residents' concerns in a timely manner, particularly in the light of increased congestion on North Bridge and South Clerk Street due to the addition of the No 9?

**Answer** (3)



## QUESTION NO 22

**By Councillor Kumar for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 22 June 2023**

**Question**           **(1)** What are the current provisions made for CYP using BSL in mainstream schools?

**Answer**             **(1)**

**Question**           **(2)** Has the convener had discussions with leading third sector organisations around this area?

**Answer**             **(2)**

**Question**           **(3)** What are the convener's proposal for improvement / future provisions?

**Answer**             **(3)**

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## QUESTION NO 23

**By Councillor Booth for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 22 June 2023**

Further to the answer to my question 10.27 at full council on 4 May 2023, which contained inaccurate information, please will the convener:

### Question

Further to the answer to my question 10.27 at full council on 4 May 2023, which contained inaccurate information, please will the convener:

- a) explain why inaccurate information was given in a council answer?
- b) set out when an accurate response will be provided?

### Answer

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## QUESTION NO 24

**By Councillor Booth for answer by the Convener of the Transports and Environment Committee at a meeting of the Council on 22 June 2023**

### Question

Further to the answer to my question 10.30 at full council on 9 February 2023, please will the convener provide an update on progress towards the introduction of a school street at Stanwell Street to serve Bun-sgoil Taobh na Pairce?

### Answer

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### THE CITY OF EDINBURGH COUNCIL

22 JUNE 2023

#### DEPUTATION REQUESTS

<b>Subject</b>	<b>Deputation</b>
<b>3.1 In relation to Item 7.1 on the agenda – Bed Base Review</b>	Unison
<b>3.2 In relation to Item 8.1 on the agenda – Motion by Councillor Parker - Supporting Community Climate Action</b>	Edinburgh Community Climate Forum and Edinburgh Community Climate Network
<b>3.3 In relation to Item 8.2 on the agenda – Motion by Councillor Parker– Student Homelessness Crisis</b>	Slurp: Students for Action on Homelessness
<b>3.4 In relation to Item 8.3 on the agenda – Motion by Councillor McKenzie - Haymarket Square Construction</b>	Dalry Colonies Residents' Association
<b>3.5 In relation to Item 8.9 on the agenda – Motion by Councillor Macinnes – Abortion Rights</b>	Abortion Rights Scotland

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