

Minutes

Finance and Resources Committee

10.00am, Thursday, 10 November 2022

Present

Councillor Watt (Convener), Councillor Bruce, Councillor Doggart, Councillor Griffiths, Councillor Hyslop, Councillor Macinnes, Councillor Mumford, Councillor Nicolson, Councillor Neil Ross, Councillor Staniforth, and Councillor Younie.

1. Response to Motion by Councillor Davidson – Support for Roseburn Businesses

a) Deputation by Murrayfield Community Council

The deputation made the following points:

- since the start of the CCWEL works in February 2022, the traders had to endure not only disruption of parking and delivery arrangements, but also damage to their businesses caused by loss of amenity;
- the clutter of fencing and barriers had conveyed a clear visual message that this was no longer a space where shoppers could come;
- temporary banning of the right turn into Russell Road had exacerbated the fumes and noise of traffic;
- the lack of communication between traders and officers; and
- the alternative car park had not been signed correctly.

The deputation requested that the Committee agree to provide compensation to traders due to the disruption the CCWEL works had caused. The deputation also advised that without compensation traders would likely need to cease trading and customers would lose a diverse local shopping experience.

b) Deputation by Roseburn Traders

The deputation raised the following issues:

- the disruption the works were causing to their businesses due to the works causing lack of access to their businesses, which in turn affected footfall of customers in their shops;

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- due diligence to determine the impact of the works was not complete, and that businesses were closing rather than new businesses opening in the area;
- Traders were also employers and the works were affecting employees due to staff cuts having to be made due to lack of business caused by the works; and
- Traders were unable to pay themselves due to lack of support due to the works. the cost of rent and energy was higher, and along with the works impacting their businesses this was causing significant financial losses to their businesses.

The deputation asked Committee to consider the impact that the works were causing to the Roseburn Traders, and asked Committee to considering offering financial support to the 33 affected businesses.

c) Ward Councillors Davidson, Beal and Frank Ross

Ward Councillor Davidson noted his disappointment in the report due to the lack of consideration for the cost the works had on businesses, the lack of innovative solutions to businesses the report provided, and there was no real recognition of the real life impact the works had on the owners and employees of the businesses. He advised Committee that he did not agree that the works were comparable to temporary disruption caused by large scale road traffic works. He noted it was unfair that businesses affected by the Trams to Newhaven Project were being given support with a Business Continuity Fund but businesses in Roseburn were not, and asked Committee to consider giving these businesses compensation for the issues the works had caused.

Ward Councillor Beal spoke in support of the deputations and noted the disruption the works were causing. He also noted that the works began as lockdown was lifted, and therefore businesses had felt the combined impact of the Covid-19 pandemic and the works. He went on to note the lack of communication between the Council and the businesses. He asked Committee to refer the report to Council in order for the issues that had arisen due to the works to be investigated further, and for the Council to consider funding measures for businesses.

Ward Councillor Frank Ross noted his concerns regarding the report, as he felt it did not address the motion brought to Council, and failed to address the impact the works had on these businesses. He advised Committee that the CCWEL infrastructure works were not temporary, and that the works were lasting longer than the original timeframe given. He advised Committee that the Trams to Newhaven project were advised to come up with a Business Plan for businesses affected along the route of the tram, however the same consideration was not given to the businesses at Roseburn. Councillor Ross

felt the financial implications were not adequately set out in the report, and that more information on the cost of the works should have been included.

d) Report by the Executive Director of Place

The report responded to the motion on Support for Roseburn Businesses, which was approved by the Council on 22 September 2022.

Motion

To note the report.

- Moved by Councillor Watt, seconded by Councillor Griffiths.

Amendment 1

- 1) To note the report.
- 2) To acknowledge the report did not set out a policy that could deliver direct business support without undermining delivery of essential public improvements and did not identify a source of additional funding that could fund this policy.
- 3) To refer the report to the next Full Council for further discussion.

- Moved by Councillor Macinnes, seconded by Councillor Hyslop.

Amendment 2

- 1) To note the report.
- 2) To recognise the works undertaken as part of the City Centre West to East Link (CCWEL) did not relate to regular maintenance of road and footway infrastructure but represented a significant capital project which, as the Council had already recognised, had a significant impact on several businesses in Roseburn.
- 3) To note that a business support scheme was established for those businesses suffering a significant loss of business from the Trams to Newhaven project and to recognise how this was viewed by some as setting an important precedent when it came to supporting businesses affected by major transport projects undertaken by the Council.
- 4) To regret the report presented included no specific financial sums which would have allowed the Committee to understand:
 - a. The likely resources required.
 - b. The budgetary implications for any support scheme.
 - c. How it could potentially be funded.

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- 5) To believe the absence of this information meant the Committee was unable to take an informed decision on how matters could be progressed.
- 6) To agree to refer the report back to officers with a request that they return to full Council in December to outline the criteria appropriate for consideration of a business support scheme for a discretionary transport project along with fuller costings and an assessment of whether this might apply to the CCWEL project.

- Moved by Councillor Neil Ross, seconded by Councillor Younie.

With the agreement of movers and seconders, Amendment 1 was withdrawn. In accordance with Standing Order 22(12), Amendment 2 was accepted as an Addendum to the motion by Councillor Watt.

Decision

To approve the following adjusted motion by Councillor Watt:

- 1) To note the report.
- 2) To recognise the works undertaken as part of the City Centre West to East Link (CCWEL) did not relate to regular maintenance of road and footway infrastructure but represented a significant capital project which, as the Council had already recognised, had a significant impact on several businesses in Roseburn.
- 3) To note that a business support scheme was established for those businesses suffering a significant loss of business from the Trams to Newhaven project and to recognise how this was viewed by some as setting an important precedent when it came to supporting businesses affected by major transport projects undertaken by the Council.
- 4) To regret the report presented included no specific financial sums which would have allowed the Committee to understand:
 - a. The likely resources required.
 - b. The budgetary implications for any support scheme.
 - c. How it could potentially be funded.
- 5) To believe the absence of this information meant the Committee was unable to take an informed decision on how matters could be progressed.
- 6) To agree to refer the report back to officers with a request that they return to full Council in December to outline the criteria appropriate for consideration of a business support scheme for a discretionary transport project along with fuller costings and an assessment of whether this might apply to the CCWEL project.

(Reference – Act of Council No. 3 of 22 September 2022; report by the Executive Director of Place, submitted.)

2. Minutes

Decision

- 1) To approve the minute of the Finance and Resources Committee of 8 September 2022 as a correct record.
- 2) To approve the minute of the Finance and Resources Committee of 10 October 2022 as a correct record.

3. Work Programme

The Finance and Resources Committee Work Programme for November 2022 was presented.

Decision

To note the work programme.

(Reference – Work Programme of 10 November 2022, submitted.)

4. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log for November 2022 was presented.

Decision

- 1) To agree to close the following actions:
 - 4(1) – Rolling Actions Log
 - 6(2) – Cost of Living Crisis: Cost implications of motion approved by Council, 30 June
 - 8 – Rolling Actions Log
 - 11 – Land at Rannoch Terrace, Clermiston, Edinburgh – Proposed Disposal
- 2) To confirm whether actions agreed by Council on Gender Budgeting Analysis should be transferred to the Committee Rolling Actions Log and if so to include on the next version.
- 3) To note that timescales and completion dates for item 1 (Lauriston Castle) would be confirmed.
- 4) To otherwise to note the Rolling Actions Log.

(Reference – Rolling Actions Log of 10 November 2022, submitted.)

5. Business Bulletin

The Finance and Resources Committee Business Bulletin for September 2022 was presented.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin of 10 November 2022, submitted.)

6. City of Edinburgh Council 2021/22 Annual Audit Report to the Council and the Controller of Audit – referral from the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee referred a report which summarised the principal findings arising from the Council's 2021/22 external audit. Whilst primarily focusing on the review of the financial statements, the wider scope aspects of the audit included consideration of the Council's financial sustainability, financial management, governance and transparency and arrangements to secure and demonstrate value for money. Following the publication of the Council's Best Value Assurance Report (BVAR) in November 2020, the report also assessed progress in implementing its recommendations.

Decision

- 1) To note that, following the audit process, an unqualified audit opinion would be issued on the Council's annual accounts for 2021/22.
- 2) To refer the audited annual accounts to the City of Edinburgh Council for noting.
- 3) To note the audited annual accounts would be signed and submitted to the external auditor.
- 4) To note the external auditor's assessment of the four dimensions of the wider scope audit and implementation of the recommendations contained within the Council's Best Value Assurance Report and that progress in the delivery of the resulting improvement actions set out in Appendices 2 and 3 of the auditor's report would be reported to the Committee during the coming year.
- 5) To note a summarised version of the annual accounts would be published on the Council's website by 30 November.

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

7. The City of Edinburgh Council Charitable Trusts and Charitable Funds – Report to those charged with governance on the 2021/22 Audit

The report updated Committee with the External Auditor's view on matters which arose from the Charitable Trusts and Charitable Funds audit in compliance with International Standard on Auditing 260. An unqualified opinion had been issued.

Decision

- 1) To approve the Trustee's Annual Reports and Accounts for 2021/22 and note that those would be submitted to the External Auditor no later than 30 November 2022 and to the Office of the Scottish Charity Regulator (OSCR) by 31 December 2022.
- 2) To note the commentary on the management of the Charitable Trusts and Funds included in the Audit Findings in Appendix 1 of the report.

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

8. 2021-22 Common Good Annual Performance Report

The outturn position for the Common Good Fund and the performance of its cash investments for the 2021/22 financial year were presented. The report included an update on the Common Good Property Planned Maintenance Fund and the plans for the 2022/23 financial year, and an update on current issues which affected Common Good in Edinburgh.

Decision

- 1) To note the report.
- 2) To circulate a briefing note to members of the Finance and Resources Committee and the Governance, Risk and Best Value Committee on expenditure relating to the former Tennis Pavilion at Leith Links.

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

9. Revenue Monitoring 2022/23 – month five position

The report set out the projected Council-wide revenue budget position for the year, based on analysis of the first five months' financial data and projections of income and expenditure for the remainder of the year.

Motion

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- 1) To note that, as of month five, an overall overspend of £5.627m was forecast and that failure to break even would increase the savings.
- 2) To note the potential for further expenditure pressures to emerge during the remainder of the year and thus, given the deterioration in the overall position within Directorates since month three, the urgent need for pressures, savings delivery shortfalls and risks to be fully and proactively managed within all Directorates and the Health and Social Care Partnership.
- 3) To note the ongoing discussions with the UK and Scottish Governments around the provision of further funding to address in full significant additional costs expected to be incurred as part of the Council's response to the Ukraine crisis.
- 4) To note continuing discussions with the UK and Scottish Governments on the provision of further funding to address in full significant additional costs incurred as part of the Council's response to the Ukraine crisis.
- 5) To note that, in light of the above, regular updates would continue to be provided to members of the Committee during the remainder of the year.
- 6) To refer the report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.
- 7) To include an appendix to the next Revenue Budget Monitoring Report in January 2023 with information on the funding position for the Ukrainian refugee programme, including.

- Moved by Councillor Watt, seconded by Councillor Griffiths

Amendment

- 1) To note that, as of month five, an overall overspend of £5.627m was forecast and that failure to break even would increase the savings
- 2) To note the potential for further expenditure pressures to emerge during the remainder of the year and thus, given the deterioration in the overall position within Directorates since month three, the urgent need for pressures, savings delivery shortfalls and risks to be fully and proactively managed within all Directorates and the Health and Social Care Partnership.
- 3) To note the ongoing discussions with the UK and Scottish Governments around the provision of further funding to address in full significant additional costs expected to be incurred as part of the Council's response to the Ukraine crisis.
- 4) To note continuing discussions with the UK and Scottish Governments on the provision of further funding to address in full significant additional costs incurred as part of the Council's response to the Ukraine crisis.
- 5) To note that, in light of the above, regular updates would continue to be provided to members of the Committee during the remainder of the year.

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- 6) To refer the report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.
- 7) To note that under 'Member-approved investments, 2022/23', investment in Energy for Edinburgh was marked as amber, dependent upon current Council Capacity to deliver.
- 8) To reaffirm the importance of strategic work done to investigate local heat and energy efficiency solutions in helping Edinburgh Council to meet our climate change and energy targets.
- 9) To note that progress would be reported to Council in due course and requested a report on progress made towards this action at Policy and Sustainability Committee within three cycles.
- 10) To include an appendix to the next Revenue Budget Monitoring Report in January 2023 with information on the funding position for the Ukrainian refugee programme, including.

- Moved by Councillor Mumford, seconded by Councillor Staniforth

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

Decision

To approve the following adjusted motion by Councillor Watt:

- 1) To note that, as of month five, an overall overspend of £5.627m was forecast and that failure to break even would increase the savings
- 2) To note the potential for further expenditure pressures to emerge during the remainder of the year and thus, given the deterioration in the overall position within Directorates since month three, the urgent need for pressures, savings delivery shortfalls and risks to be fully and proactively managed within all Directorates and the Health and Social Care Partnership.
- 3) To note the ongoing discussions with the UK and Scottish Governments around the provision of further funding to address in full significant additional costs expected to be incurred as part of the Council's response to the Ukraine crisis.
- 4) To note continuing discussions with the UK and Scottish Governments on the provision of further funding to address in full significant additional costs incurred as part of the Council's response to the Ukraine crisis.
- 5) To note that, in light of the above, regular updates would continue to be provided to members of the Committee during the remainder of the year.
- 6) To refer the report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.

- 7) To note that under 'Member-approved investments, 2022/23', investment in Energy for Edinburgh was marked as amber, dependent upon current Council Capacity to deliver.
- 8) To reaffirm the importance of strategic work done to investigate local heat and energy efficiency solutions in helping Edinburgh Council to meet our climate change and energy targets.
- 9) To note that progress would be reported to Council in due course and requested a report on progress made towards this action at Policy and Sustainability Committee within three cycles.
- 10) To include an appendix to the next Revenue Budget Monitoring Report in January 2023 with information on the funding position for the Ukrainian refugee programme, including.

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

10. Corporate Services Directorate: Revenue Budget Monitoring 2022/23 – Month Five Position

The report set out the projected five-month revenue budget monitoring position for services delivered by Corporate Services Directorate and the Chief Executive's Office, based upon actual expenditure and income to the end of August 2022 and expenditure and income projections for the remainder of the financial year.

Decision

- 1) To note that a favourable budget variance of £0.090m was forecast for services delivered by Corporate Services Directorate for 2022/23.
- 2) To note that measures would continue to be progressed to fully deliver approved savings targets and to offset budget pressures to achieve outturn expenditure in line with the approved revenue budget for 2022/23.
- 3) To note the ongoing risks to the achievement of a balanced revenue budget projection for services delivered by Corporate Services Directorate.

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

11. Capital Monitoring 2022/23 – Month Five Position

The report provided capital expenditure and funding position as at month five and full-year outturn projections for the 2022/23 financial year, providing explanations for key variances.

Decision

- 1) To note the capital monitoring position for the General Fund and Housing Revenue Account at month five of the 2022/23 financial year.
- 2) To note the Prudential Indicators in appendix 3.
- 3) To note that it had been agreed that the Finance and Resources Committee had oversight for and approval of the whole Capital Investment Programme.
- 4) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

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

12. Revenue Budget Framework 2023/27: progress update

An update was provided to members on the outcome of the most recent review of the Council's financial planning assumptions, which had resulted in an increased estimated savings requirement before mitigations of £76.5m in 2023/24 and £158.6m by 2026/27.

Motion

- 1) To note the updates to financial planning assumptions set out in the report, which had resulted in an increased overall estimated savings requirement before mitigations of £76.5m in 2023/24 and £158.6m by 2026/27 respectively.
- 2) To note the further risks outlined in the report, particularly those in respect of demand-led services, inflation and the level of grant funding settlement.
- 3) To note the proposed measures and savings presented within the report, the combined impact of which would reduce the estimated residual funding gap in 2023/24 to £21.2 and £110.1m in 2026/27, albeit with a need to provide for an additional contingency in 2023/24 of at least £10m against the risks noted above.
- 4) To note that a further update, incorporating the impact of the provisional 2023/24 Local Government Finance Settlement and presenting further proposals to address the resulting residual savings and requirement, would be brought to the Committee's next meeting on 26 January 2023.
- 5) To note that these proposals were likely to involve increasingly difficult choices about the Council's priorities, including service reductions, across all service areas to maintain expenditure in line with available income.
- 6) To note the initiation of a number of further longer-term strategic and cross-cutting workstreams to develop proposals to contribute towards subsequent years' savings requirements.

- 7) To refer the report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.
- 8) To note the implications for the Council from the National Care Service would be included as a risk in the next update report.

- Moved by Councillor Watt, seconded by Councillor Griffiths

Amendment 1

- 1) To note the updates to financial planning assumptions set out in the report, which had resulted in an increased overall estimated savings requirement before mitigations of £76.5m in 2023/24 and £158.6m by 2026/27 respectively.
- 2) To note the further risks outlined in the report, particularly those in respect of demand-led services, inflation and the level of grant funding settlement.
- 3) To note the proposed measures and savings presented within the report, the combined impact of which would reduce the estimated residual funding gap in 2023/24 to £21.2 and £110.1m in 2026/27, albeit with a need to provide for an additional contingency in 2023/24 of at least £10m against the risks noted above.
- 4) To note that a further update, incorporating the impact of the provisional 2023/24 Local Government Finance Settlement and presenting further proposals to address the resulting residual savings and requirement, would be brought to the Committee's next meeting on 26 January 2023.
- 5) To note that these proposals were likely to involve increasingly difficult choices about the Council's priorities, including service reductions, across all service areas to maintain expenditure in line with available income.
- 6) To note the officer recommendation at paragraph 4.29 of the report to stop investigating future options for a cycle hire scheme for the city and to release the funding set aside for this purpose.
- 7) To further note that this decision should be taken by members during the budget setting process at full Council, and to agree that Committee noting this report did not equate to approving the proposal at paragraph 4.29.
- 8) To note the initiation of a number of further longer-term strategic and cross-cutting workstreams to develop proposals to contribute towards subsequent years' savings requirements.
- 9) To refer this report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.

- 10) To note the implications for the Council from the National Care Service would be included as a risk in the next update report.

- Moved by Councillor Mumford, seconded by Councillor Staniforth

Amendment 2

- 1) To note the updates to financial planning assumptions set out in the report, which had resulted in an increased overall estimated savings requirement before mitigations of £76.5m in 2023/24 and £158.6m by 2026/27 respectively.
- 2) To note the further risks outlined in the report, particularly those in respect of demand-led services, inflation and the level of grant funding settlement.
- 3) To note the proposed measures and savings presented within the report, the combined impact of which would reduce the estimated residual funding gap in 2023/24 to £21.2 and £110.1m in 2026/27, albeit with a need to provide for an additional contingency in 2023/24 of at least £10m against the risks noted above.
- 4) To note that a further update, incorporating the impact of the provisional 2023/24 Local Government Finance Settlement and presenting further proposals to address the resulting residual savings and requirement, would be brought to the Committee's next meeting on 26 January 2023.
- 5) To note that these proposals were likely to involve increasingly difficult choices about the Council's priorities, including service reductions, across all service areas to maintain expenditure in line with available income.
- 6) To note the initiation of a number of further longer-term strategic and cross-cutting workstreams to develop proposals to contribute towards subsequent years' savings requirements.
- 7) To refer the report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.
- 8) To note the devolution to the Council of control over NDR Empty Property Relief from April 2023, as described in paragraph 4.5, and to agree to request a report to the March meeting of the Committee to explore options on setting this relief and the possible implications for businesses and the Council.
- 9) To note the implications for the Council from the National Care Service would be included as a risk in the next update report.

- Moved by Councillor Neil Ross, seconded by Councillor Younie

In accordance with Standing Order 22(12), Amendment 1 and Amendment 2 were accepted as addenda to the motion by Councillor Watt.

Decision

To approve the following adjusted motion by Councillor Watt:

- 1) To note the updates to financial planning assumptions set out in the report, which had resulted in an increased overall estimated savings requirement before mitigations of £76.5m in 2023/24 and £158.6m by 2026/27 respectively.

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- 2) To note the further risks outlined in the report, particularly those in respect of demand-led services, inflation and the level of grant funding settlement.
- 3) To note the proposed measures and savings presented within the report, the combined impact of which would reduce the estimated residual funding gap in 2023/24 to £21.2 and £110.1m in 2026/27, albeit with a need to provide for an additional contingency in 2023/24 of at least £10m against the risks noted above.
- 4) To note that a further update, incorporating the impact of the provisional 2023/24 Local Government Finance Settlement and presenting further proposals to address the resulting residual savings and requirement, would be brought to the Committee's next meeting on 26 January 2023.
- 5) To note that these proposals were likely to involve increasingly difficult choices about the Council's priorities, including service reductions, across all service areas to maintain expenditure in line with available income.
- 6) To note the officer recommendation at 4.29 to stop investigating future options for a cycle hire scheme for the city and to release the funding set aside for this purpose.
- 7) To further note that this decision should be taken by members during the budget setting process at full Council, and agreed that Committee noting this report did not equate to approving the proposal at 4.29.
- 8) To note the initiation of a number of further longer-term strategic and cross-cutting workstreams to develop proposals to contribute towards subsequent years' savings requirements.
- 9) To refer the report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.
- 10) To note the devolution to the Council of control over NDR Empty Property Relief from April 2023, as described in paragraph 4.5, and to agree to request a report to the March meeting of the Committee to explore options on setting this relief and the possible implications for businesses and the Council.
- 11) To note the implications for the Council from the National Care Service would be included as a risk in the next update report.

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

13. Sustainable Capital Budget Strategy 2023-2033

The Sustainable Capital Budget Strategy set out priorities for £1.2bn of Council capital investment, in alignment with the Council Business Plan, over the medium to long-term.

Decision

- 1) To note the priorities for capital expenditure outlined in the report which were aligned to the Council Business Plan.
- 2) To note the financial pressures due to challenging market conditions, and the proposed reductions required to bring the programme into a balanced position.
- 3) To note the announcement of the provisional Local Government Finance Settlement was expected in December 2022.
- 4) To note that delivery of funded capital expenditure priorities was dependent on the achievement of a balanced medium-term revenue budget.
- 5) To note that a further report on the Sustainable Capital Budget Strategy 2022-32 would be presented to Committee in early 2023 prior to Council budget setting in February 2023.
- 6) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

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

14. Finance and Procurement Policies – Assurance Statement

In accordance with the Council's policy review framework, the Service Director: Finance and Procurement had undertaken an annual review of the suite of policies falling within his remit. This review had attested to their on-going currency, relevance and appropriateness.

Decision

To note and be assured that the Finance and Procurement policies detailed in the report had been reviewed and were considered to remain current, relevant and fit-for-purpose, subject to the ongoing review of Contract Standing Orders being undertaken in light of new Scottish Procurement Policy Notes issued by the Scottish Government.

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

15. Professional Services Expenditure 2021/22

The report provided details of expenditure for the provision of professional services during 2021/22.

Decision

To note payments made to Professional Services providers for the provision of Professional Services during 2021/22.

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

16. Telefonica UK Ltd (O2) – Voice Services (Mobile and Fixed Lines) Contract Award

The Committee was asked to approve a Direct Award for an extension to Telefonica UK Ltd (O2), under RM 3808 Crown Commercial Services Framework Network Services 2 (NS2) combining Lots 3 for Fixed and 6 for Mobile. Approval was also sought to award the contract for a period of 24 months, with an option to extend for a further 12 months to 36 months.

Decision

- 1) To approve Direct Award extension to Telefonica UK Ltd (O2), under RM 3808 Crown Commercial Services Framework Network Services 2 (NS2) combining Lots 3 for Fixed and 6 for Mobile.
- 2) To approve to award the contract for a period of 24 months with an option to extend for a further 12 months to 26 months, which was the maximum available term for any service offer including mobiles under RM 3808 Crown Commercial Services Framework NS2 combining Lots 3 for fixed and 6 for mobile. This would cover the following:
 - Network Services
 - Sim only mobile provision, commitment 5700 sims, current usage 9758.
 - Fixed Line comprising PSTN, ISDN2 and ISDN30, with no commitment on volume of spend, current usage 1632, at an estimated value of £1.14m per annum, excluding annual credit of £220k.

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

17. Award of the Supply of Five Electric Refuse Collection Vehicles

The report sought approval to award a contract for the supply of five electric refuse collection vehicles to Dennis Eagle Limited, to commence in November 2022, with an expected lead time of approximately 32-34 weeks at a total value of £2,177,525.

Decision

- 1) To approve the award of a contract for the supply of five Electric Refuse Collection Vehicles to Dennis Eagle Limited via a direct award process from the Crown Commercial Services RM6060 Vehicle Purchase framework agreement at a value of £2,177,525.

- 2) To approve the commencement of the contract in November 2022, which would be completed upon delivery of the vehicles, subject to the requirements of the City of Edinburgh Council.

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

18. Award of Contract for Restoration of Granton Gas Holder

The report sought approval to appoint McLaughlin & Harvey Limited following a competitive process carried out under the Crown Commercial Service Procurement Framework to restore the Granton Gas Holder and create public realm, up to a contract value of £18.887m.

Decision

- 1) To approve the award of a contract to McLaughlin & Harvey Limited following a competitive process under the Crown Commercial Service Procurement Framework to restore the Granton Gas Holder and create new public realm.
- 2) To note that works would be up to a contract value of £18.887m split into restoration works to the gas holder frame (17.903m) and a provisional sum for the delivery of the public realm package (0.984m).
- 3) To note that, as set out in section 6.2 of the report, funding currently secured for the project would be prioritised to complete the restoration works to the gas holder frame, with the works to complete the public realm instructed as additional funding was secured.
- 4) To approve the transfer of the Gasholder and the plot it resides upon from the Housing Revenue Account (HRA) to the General Fund prior to the commencement of the restoration and public realm works.

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

19. Asset Management Works Programme – 2021/22 Update

An update was provided on the progress of the Asset Management Works Programme having completed four full years of delivery. Details were provided of the Asset Management Work Programme works that were completed in 2021/22; their positive impact on the condition of the Council's operational estate; the impacts of COVID-19 on programme delivery; and explained how the programme would evolve in its final year of delivery and beyond to meet the Council's sustainability and Net Zero objectives while work continued to upgrade and maintain the operational estate to a satisfactory condition.

Decision

- 1) To note that despite the continuing impacts of COVID-19, the five-year Asset Management Works Programme remained on schedule.

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- 2) To note the continuing positive impact of the programme by improving the asset condition of the operational assets and the associated benefits they brought to the stakeholders such as better building environments for users.
- 3) To note the actual 2021/22 spend was £23.236m, which represented 114% of the 2021/22 budget.
- 4) To note the overall programme capital spend was ahead of schedule. Up to the end of March 2022, with 80% of the programme time expanded, the total Asset management Works Programme spend was at 91.5%.
- 5) To note the Asset Management Works Programme had been identified as the future delivery route for future delivery route for future 'EnerPHit Tranche 1' programme of buildings retrofit works, as approved by the Policy and Sustainability Committee on 30 August 2022.

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

20. Contract Award Recommendations Report in respect of 'Business Gateway Specialist Support Training Services'

Approval was sought to award the contracts for 'Business Gateway Specialist Support Training Services' to Enterprise North East Trust Ltd, trading as Elevator, in respect of Lots 1, 2 and 3 as detailed in the report.

Decision

- 1) To approve the award of contracts to Enterprise North East Trust Ltd, trading as Elevator, in respect of Lots 1, 2 and 3 for the Business Gateway Specialist Support Training Services requirements.
- 2) To note the contract durations would be for an initial period of three years, with an option to extend for up to two further periods of 12 months each, to be undertaken at the sole discretion of the Council.
- 3) To note that the commencement of the contract would be from 6 March 2023 at a total estimated cost of £1,039,000 over the potential maximum period of five years.

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

21. Waiver Extension – Building Energy Management System (BEMS)

The report noted the contract extension for the Building Energy Management System (BEMS) services awarded to TESGL Limited until 30 June 2023, through a waiver of the Contract Standing Orders, at an estimated total cost of £200,000. The contract extension was awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by then Executive Director of Resources, in consultation with the Convener of the Finance and Resources Committee.

Decision

- 1) To note the contract extension for the Building Energy Management System (BEMS) services awarded to TESGL Limited until 30 June 2023, through a waiver of the Contract Standing Orders, at an estimated total cost of £200,000. This contract extension was awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by then Executive Director of Resources, in consultation with the Convener of Finance and Resources.
- 2) To note the intention of insourcing the BEMS Bureau and data management service and that the extension will enable sufficient time for the establishment of the replacement service.

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

23. Liberton Hospital, Edinburgh – Update on Proposed Acquisition

Committee was asked to approve the completion of the purchase of Liberton Hospital, Edinburgh on the terms and conditions that the parties proceed on the basis of a sale and short-term partial leaseback.

Decision

To approve the completion of the purchase of Liberton Hospital, Edinburgh on the terms and conditions outlined in the report.

Declaration of Interests

Councillor Doggart made a transparency statement on this item as he owned a property adjacent to the site.

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

24. Homelessness Services – Use of Temporary Accommodation

The report sought approval, through a waiver of the Council's Contract Standing Orders (CSOs), to extend 39 current contracts for the provision of temporary accommodation for the period 1 July 2022 to 31 March 2023, on a spot purchase

arrangement. This was a net increase of £3,971,810 which resulted in a revised annual requirement of £26,737,802 as set out in Appendix 1 of the report.

Decision

- 1) To approve, through a waiver of the Council's Contract Standing Orders (CSOs), extending 39 current contracts for the provision of temporary accommodation. This arrangement covered the period 1 July 2022 to 31 March 2023, up to a cost of £3,971,810, which used a spot purchase arrangement.
- 2) To note the values requested per provider were indicative and were dependent on accommodation requirements, therefore Committee was asked to grant delegated authority to the Executive Director of Place to adjust (within the reported period 5 forecast) the values between the named providers as necessary depending on need, type and appropriateness of properties available from these providers.

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

25. Finance for Equity – Update

The report set out the current Education commissioning activity and how this was expected to identify, review and address gaps in service provision and develop contractual arrangements to allow delivery of services aligned to closing the poverty related attainment gap. The report also set out the planning and development of teams around the learning communities to respond to their local context by pooling resources and considering best practice to facilitate collaboration and opportunities for synergies, including poverty prevention, capacity building, empowerment, subsidiarity, sustainability and best value.

Decision

To note the update provided in relation to Schools and Lifelong Learning Third Party Spend and Finance for Equity.

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

26. Motion by Councillor Caldwell – referral from the Housing, Homelessness and Fair Work Committee

The Housing, Homelessness and Fair Work Committee considered a motion by Councillor Caldwell on the importance of Participatory Budgeting on 29 September 2022 and agreed to refer it to the Finance and Resources Committee for approval.

Motion

- 1) To note the Scottish Government target for local authorities to spend 1% of their annual budget through Participatory Budgeting (PB) frameworks.

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- 2) To note the benefits to resident engagement of project funding that PB provided through direct democracy.
- 3) To note the success of 'Leith Chooses' in Leigh Walk and Leith wards and previous PB programmes such as 'You Decide' in Portobello/Craigmillar and 'South Central Decides' in Southside/Newington & Morningside wards.
- 4) To note the October 2021 PB update to Finance and Resources Committee that anticipated PB accounted for 0.32% on the Council's budget.
- 5) To note the recommendations in the Homelessness, Housing and Fair Work Committee's 'UK Shared Prosperity Fund' August 2022 report to not submit a funding request for Leith Chooses, the last active PB programme co-run by the City of Edinburgh Council.
- 6) To request the Convener of Housing, Homelessness and Fair Work meet with the Convener of Finance and Resources to explore how we can support Council-led PB alongside local residents and volunteers.
- 7) To request that Council reaffirm the importance of meeting the 1% of Council Budget on Participatory Budgeting target.
- 8) To recommend that a plan be submitted within two cycles to the Finance and Resource Committee on:
 - a. How it planned to support on a realistic and sustainable basis the existing PB scheme Leith Chooses (and others like it, if developed) for community grants.
 - b. How it planned to develop new model(s) of PB for more communities and appropriate for new areas of direct democratic involvement, such as green/environmental schemes, health care priorities, and improvement of public spaces.

- Moved by Councillor Watt, seconded by Councillor Griffiths.

Amendment

- 1) To note the Scottish Government target for local authorities to spend 1% of their annual budget through Participatory Budgeting (PB) frameworks.
- 2) To note the benefits to resident engagement of project funding that PB provided through direct democracy.
- 3) To note the success of 'Leith Chooses' in Leigh Walk and Leith wards and previous PB programmes such as 'You Decide' in Portobello/Craigmillar and 'South Central Decides' in Southside/Newington & Morningside wards.
- 4) To note the October 2021 PB update to Finance and Resources Committee that anticipated PB accounted for 0.32% on the Council's budget.

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- 5) To note the recommendations in the Homelessness, Housing and Fair Work Committee's 'UK Shared Prosperity Fund' August 2022 report to not submit a funding request for Leith Chooses, the last active PB programme co-run by the City of Edinburgh Council.
- 6) To request the Convener of Housing, Homelessness and Fair Work meet with the Convener of Finance and Resources to explore how we can support Council-led PB alongside local residents and volunteers.
- 7) To request that Council reaffirm the importance of meeting the 1% of Council Budget on Participatory Budgeting target.
- 8) To recommend that a plan be submitted within two cycles to the Finance and Resource Committee on:
 - a. How it planned to support on a realistic and sustainable basis the existing PB scheme Leith Chooses (and others like it, if developed) for community grants.
 - b. How it planned to develop new model(s) of PB for more communities and appropriate for new areas of direct democratic involvement, such as green/environmental schemes, health care priorities, and improvement of public spaces.
- 9) To note the work of the Ripple in Craigentenny and Duddingston Ward piloting a PB scheme there.
- 10) To therefore add that local charities should be included and consulted on the process of expanding the PB where appropriate.

- Moved by Councillor Staniforth, seconded by Councillor Mumford.

In accordance with Standing Order 22(12), the Amendment was accepted as an Addendum to the motion by Councillor Watt.

Decision

To approve the following adjusted motion by Councillor Watt:

- 1) To note the Scottish Government target for local authorities to spend 1% of their annual budget through Participatory Budgeting (PB) frameworks.
- 2) To note the benefits to resident engagement of project funding that PB provided through direct democracy.
- 3) To note the success of 'Leith Chooses' in Leigh Walk and Leith wards and previous PB programmes such as 'You Decide' in Portobello/Craigmillar and 'South Central Decides' in Southside/Newington & Morningside wards.

- 4) To note the October 2021 PB update to Finance and Resources Committee that anticipated PB accounted for 0.32% on the Council's budget.
- 5) To note the recommendations in the Homelessness, Housing and Fair Work Committee's 'UK Shared Prosperity Fund' August 2022 report to not submit a funding request for Leith Chooses, the last active PB programme co-run by the City of Edinburgh Council.
- 6) To request the Convener of Housing, Homelessness and Fair Work meet with the Convener of Finance and Resources to explore how we can support Council-led PB alongside local residents and volunteers.
- 7) To request that Council reaffirm the importance of meeting the 1% of Council Budget on Participatory Budgeting target.
- 8) To recommend that a plan be submitted within two cycles to the Finance and Resource Committee on:
 - a. How it planned to support on a realistic and sustainable basis the existing PB scheme Leith Chooses (and others like it, if developed) for community grants.
 - b. How it planned to develop new model(s) of PB for more communities and appropriate for new areas of direct democratic involvement, such as green/environmental schemes, health care priorities, and improvement of public spaces.
- 9) To note the work of the Ripple in Craigentiny and Duddingston Ward piloting a PB scheme there.
- 10) To therefore add that local charities should be included and consulted on the process of expanding the PB where appropriate.

(Reference –Housing, Homelessness and Fair Work Committee of 29 September 2022 (item 9), submitted.)

27. Annual Fraud Prevention and Detection Report

The annual report provided an overview of fraud prevention and detection activities undertaken in 2021/22.

Decision

To note the Council's work on fraud prevention and detection during the 2021/22 financial year.

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

28. Workforce Dashboard and Living Our Behaviours Deep Dive

The report provided the Council's Workforce Data (July to September 2022) and a deep dive on the work which was committed to in the Council's People Strategy (Our Future Council 2021-2024) on 'Living our Behaviours'.

Decision

- 1) To review and to note the information contained in the Workforce Dashboard for the period July to September.
- 2) To note the deep dive provided to update on the 'Living Our Behaviours' workstream committed to in the Council's People Strategy (Our Future Council 2021-2024).

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

29. Summary Report on Property Transactions concluded under Delegated Authority

The report advised the Committee of all lease agreements, etc, that concluded in terms of the Council's 'Scheme of Delegation to Officers'.

Decision

To note the 67 transactions, detailed in Appendix 1 of the report, which had been concluded in terms of the Council's 'Scheme of Delegation' to Officers.

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

30. Block 1 Unit 1 Pennywell Town Centre, Edinburgh – Proposed New Lease

The report sought approval to grant a new 15-year lease to Alliance Property Holdings Limited on the terms and conditions outlined in the report.

Decision

To approve a new 15-year lease to Alliance Property Holdings Limited at Block 1 Unit 1, Pennywell Town Centre, on the terms and conditions outlined in the report.

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

31. Powderhall Stable Block, Broughton Road – Proposed Lease

The report sought approval to grant a 75-year lease to Out of the Blue Arts and Education Trust on the terms and conditions outlined in the report.

Decision

To approve a new 75-year lease to Out of the Blue Arts and Education Trust on the Powderhall Stable Block, Broughton Road, on the terms and conditions outlined in the report.

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

32. Land at Meadowbank – Proposed Acquisition

Approval was sought to acquire the two areas on land in question on the terms and conditions outlined in the report.

Decision

To approve the acquisition of 751 sq m of land at Meadowbank from the Earl of Moray on the terms and conditions outlined in the report.

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

33. Lochend Golf Club, 147 Craigentiny Avnue, Edinburgh – Proposed Lease

The report sought approval to grant a 40-year lease to Lochend Golf Club on the terms and conditions outlined in the report.

Decision

To approve a new 40-year lease to Lochend Golf Club, 147 Craigentiny Avenue, Edinburgh on the terms and conditions outlined in the report.

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

34. Portobello Town Hall – Proposed Lease

Approval was sought to grant a new 25-year lease to Portobello Central on the terms and conditions outlined in the report.

Decision

To approve a new 25-year lease of Portobello Town Hall to Portobello Central on the terms and conditions outlined in the report.

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

35. Extension of Existing Insurance Broker Contract

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The report advised members of the background of the current contract for broker services for insurance contracts. To ensure consistency for the coming three years with various tenders that would fall due, it was important that the incumbent provider continued to support the Council and it was proposed that their contract was extended accordingly.

Decision

To note the report and approve the waiver of Contract Standing Orders for the extension for the Broker Services contract.

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

36. Council's Human Resources System – Outcome of Request for Proposal Services

Committee were provided detail and results of a 'Request for Proposal' process which was undertaken on behalf of the Council.

Decision

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

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