

Notice of meeting and agenda

Finance and Resources Committee

10.00am, Thursday, 26th January, 2023

Dean of Guild Court Room - City Chambers

This is a public meeting and members of the public are welcome to attend or watch the webcast live on the Council's website.

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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

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1. Order of business

- 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

- 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

- 3.1 If any.

4. Minutes

- 4.1 Minute of the Finance and Resources Committee of 10 November 2022 - submitted for approval as a correct record 9 - 32

5. Forward Planning

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6. Business Bulletin

- 6.1 None.

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- 7.2 Corporate Services Directorate: Revenue Budget Monitoring 2022/23 – Month Eight position – Report by the Interim Executive Director of Corporate Services 81 - 86

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7.10	Award of Intelligent Infrastructure Contract – Report by the Executive Director of Place	159 - 168

8. Routine Decisions

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8.16	367 High Street, Edinburgh - Proposed Lease Extension – Report by the Executive Director of Place	249 - 252
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Service for Rough Sleepers – Report by the Executive Director of
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| 8.19 | Award of Contracts for the Provision of Services for Women, Children and Young People who have Experienced Domestic Abuse – Report by the Executive Director of Place | 263 - 270 |
| 8.20 | Award of Contract: Independent Advocacy Services – Report by the Chief Officer, Edinburgh Health and Social Care Partnership | 271 - 280 |
| 8.21 | Award of Contract: Care and Repair Service – Report by the Chief Officer, Edinburgh Health and Social Care Partnership | 281 - 296 |
| 8.22 | Use of H1 Agency Staff to Support Care Homes – Report by the Chief Officer, Edinburgh Health and Social Care Partnership | 297 - 302 |
| 8.23 | Capital Monitoring 2022/23 - Month Five Position - referral from the Governance, Risk and Best Value Committee | 303 - 320 |
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9. Motions

- 9.1** None.

10. Resolution to Consider in Private

- 10.1** The Committee is requested under Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting for the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Paragraphs 8 and 9 of Part 1 of Schedule 7A of the Act.

11. Private Reports

- | | | |
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| 11.2 | Four Seasons Healthcare - North Merchiston and Castlegreen Care Homes – Report by the Chief Officer, Edinburgh Health and | 371 - 376 |

Nick Smith

Service Director, Legal and Assurance

Committee Members

Councillor Mandy Watt (Convener), Councillor Graeme Bruce, Councillor Phil Duggart, Councillor Joan Griffiths, Councillor Euan Hyslop, Councillor Lesley Macinnes, Councillor Alys Mumford, Councillor Vicky Nicolson, Councillor Neil Ross, Councillor Alex Staniforth and Councillor Lewis Younie

Information about the Finance and Resources Committee

The Finance and Resources Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council.

This meeting of the Finance and Resources Committee is being held in the City Chambers, High Street, Edinburgh and virtually by Microsoft Teams.

Further information

If you have any questions about the agenda or meeting arrangements, please contact Rachel Gentleman, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4107, email rachel.gentleman@edinburgh.gov.uk / taylor.ward@edinburgh.gov.uk.

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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;
- 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.
- 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

- 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.
- 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.
- 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.
- 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.
- 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 Leith 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.
 - 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

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.)

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Work Programme

Finance and Resources Committee

26 January 2023

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
1	Workforce Dashboard	6 monthly Report		Interim Executive Director of Corporate Services Lead Officer: Katy Miller katy.miller@edinburgh.gov.uk	March 2023
2	Council Commercial Property Portfolio – Update Report	Committee agreed to receive regular updates, where required, on 29 October 2020		Executive Director of Place Lead Officer: Graeme McGartland 0131 529 5956 graeme.mcgartland@edinburgh.gov.uk	April 2023
3	Revenue Monitoring – Council-wide	Quarterly Report		Interim Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	August/September 2023

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
4	Revenue Budget Risks and Reserves Report	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	January 2024
5	Capital Monitoring – Council-wide	Quarterly Report		Interim Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	August/September 2023
6	Corporate Services Directorate - Revenue Budget Monitoring	Quarterly Report		Interim Executive Director of Corporate Services Lead Officer: Iain Shaw 0131 469 3117 iain.shaw@edinburgh.gov.uk	August/September 2023
7	Contract Award and Procurement Programme	Six Monthly Report		Interim Executive Director of Corporate Services Lead Officer: Lynette Robertson 0131 529 4930 lynette.robertson@edinburgh.gov.uk	May 2023
8	Revenue Budget 2024/28 – Progress	Annual Update Report,		Interim Executive Director of Corporate Services	January 2024

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
	Update	incorporating impacts of provisional Local Government Finance Settlement		Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	
9	Capital Budget Strategy 2024/34	Annual Update Report, incorporating impacts of provisional Local Government Finance Settlement		Interim Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	January 2024
10	Housing Revenue Account Budget Strategy	Annual Report		Executive Director of Place Lead Officer: Elaine Scott 0131 529 2277 elaine.scott@edinburgh.gov.uk	January 2024
11	Annual Fraud Prevention and Detection	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Nicola Harvey 0131 469 5016 nicola.harvey@edinburgh.gov.uk	November 2023
12	City of Edinburgh	Annual Report		Interim Executive Director of Corporate	September 2023

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
	Council – 2022/23 Annual Audit Report to the Council and the Controller of Audit – referral by the Governance, Risk and Best Value Committee			Services Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	
13	The City of Edinburgh Council Charitable Trusts – report to those charged with governance on the 2022/23 audit	Annual Report		Interim Executive Director of Corporate Services Lead Officer: John Aghodeaka 0131 469 5348 john.aghodeaka@edinburgh.gov.uk	September 2023
14	2021/22 Common Good Annual Performance Report	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Craig Fraser 0131 524 6551 craig.fraser@edinburgh.gov.uk	September 2023
15	Annual Treasury Management Strategy 2022/23	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Innes Edwards 0131 469 6291 innes.edwards@edinburgh.gov.uk	September 2023

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
16	Asset Management Works Programme	Annual Report The report is normally presented at the financial year end to update Committee on the outcome of the 12-month programme.		Executive Director of Place Lead Officer: Peter Watton 0131 529 5962 peter.watton@edinburgh.gov.uk	June 2023
17	Health and Safety Performance	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Nick Smith 0131 529 4377 nick.smith@edinburgh.gov.uk	April 2023
18	Workforce Control Annual Report	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Katy Miller 0131 469 5522 katy.miller@edinburgh.gov.uk	September 2023
19	Commercial and Procurement Annual Report	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Lynette Robertson 0131 529 4930	September 2023

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
				lynette.robertson@edinburgh.gov.uk	
20	Appointments to Working Groups	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Rachel Gentleman 0131 529 4107 rachel.gentleman@edinburgh.gov.uk	February 2023 (Council meeting)
21	Depot Strategy – Phase 2	Requests further reports as progress is made		Executive Director of Place Lead Officers: Gareth Barwell / Peter Watton 0131 529 5962 / 0131 529 5962 gareth.barwell@edinburgh.gov.uk / peter.watton@edinburgh.gov.uk	TBC
22	Consultants Costs Annual Report	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	November 2023
23	Finance and Procurement Annual Policies Assurance	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	November 2023
24	Construction Charter Annual Update	Annual Report		Interim Executive Director of Corporate Services	September 2023

Item	Key decisions	Frequency	Wards affected	Director and Lead Officer	Expected Date
				Lead Officer: Lynette Robertson 0131 529 4930 lynette.robertson@edinburgh.gov.uk	
25	Local Government in Scotland: Financial Overview	Annual Report		Interim Executive Director of Corporate Services Lead Officer: Hugh Dunn 0131 469 3150 hugh.dunn@edinburgh.gov.uk	June 2023

Finance and Resources Committee Upcoming Reports

Appendix 1

Report Title	Directorate	Lead Officer
February 2023 (Special Meeting)		
Sustainable Capital Budget Strategy 2023-2033	Corporate Services	Hugh Dunn
Revenue Budget Risks and Reserves	Corporate Services	Hugh Dunn
Revenue Budget Progress Update	Corporate Services	Hugh Dunn
Local Government Financial Settlement Update	Corporate Services	Hugh Dunn
Service Concessions	Corporate Services	Hugh Dunn
April 2023		
Council Commercial Property Portfolio – Update Report	Corporate Services	Hugh Dunn
Health and Safety Performance	Corporate Services	Chris Lawson
Contract Awards and Procurement Programme July-December 2022	Corporate Services	Lynette Robertson

Response to Motion by Councillor Caldwell – Participatory Budgeting	Corporate Services	Hugh Dunn
Treasury Management Strategy	Corporate Services	Hugh Dunn/Innes Edwards
Response to Motion by Councillor Whyte - War Memorial - City Chambers	Place	Rew Ferguson
Former Castlebrae High School, Craigmillar – Proposed Transfer to Housing Revenue Account	Place	Graeme McGartland
Unescorted Passenger Journey Contract	Place	Frank Henderson

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Rolling Actions Log

Finance and Resources Committee

26 January 2023

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	12.08.21	Lauriston Castle Trust (private report)	<p>1) To agree to implement Option 2 in the report subject to a further report being submitted to full Council which addressed:</p> <ul style="list-style-type: none"> the appointment of only Councillor Trustees at the moment appropriate support being made available to purchase indemnity insurance for Councillor 	Executive Director of Corporate Services	April 2023		<p><u>Update September 2022</u> A report on the proposed way forward will be submitted to a future Committee meeting prior to submission to Council.</p> <p><u>Update February 2022</u> Work is ongoing on a report to F&R along with a briefing note and a further member briefing session once further consideration to the issues has been completed.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			trustees and providing legal and administrative support for at least 6 months <ul style="list-style-type: none"> • a route map setting out a proposed way forward for the Trust. 				
			2) To agree that the Executive Director of Corporate Services examine the arrangements for the other trusts of which the Council was sole trustee with reference to the arrangements agreed for Lauriston Castle Trust.	Executive Director of Corporate Services	April 2023		<u>Update September 2022</u> A report on the proposed way forward will be submitted to a future Committee meeting prior to submission to Council.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
2	07.10.21	Workforce Dashboard	To agree to provide a joint report by the Interim Director of Education and Children's Services and the Service Director – Human Resources to be submitted to a future committee following a review of fixed term contracts for teaching staff.	Interim Director of Education and Children's Services Service Director – Human Resources	March 2023		<u>Update November 2022</u> Information will be included in the next workforce dashboard report due in March 2023.
3	09.12.21	Work Programme	To request a written update on Councillor Corbett's motion to Council from May 2021 on Bridges and Investment in Craiglockhart and Colinton Dells.	Executive Director of Place			<u>Update December 2022</u> Mott MacDonald submitted final procurement documentation and specification of works. A tender for the bridge has been issued to framework contractors for mini-competition. Tender returns are due in January 2023 for assessment. <u>Update September 2022</u> An agreement in principle has

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>been reached with the Councils Bridges and Structures team and Mott MacDonald have been instructed to finalise procurement specifications.</p> <p><u>Update March 2022</u> Briefing circulated February 2022; Committee in March 2022 agreed action to remain open until clarity on when work would commence.</p>
4	16.06.22	Rolling Actions Log	<p>1) To note the Service Director - Sustainable Development would provide an update and expected timescale for the work to commence as noted in Item 3 (RAL item on bridges).</p> <p>2) To note expected completion dates would be added to</p>	Executive Director of Place			Closed November 2022
				Interim Executive Director of			Recommended for closure

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Items 2 (workforce dashboard) and 4 (Granton Waterfront).	Corporate Services			Item 4 (Granton Waterfront) was closed in September 2022. An expected completion date of March 2023 has been added to Item 2 (Workforce Dashboard).
5	16.06.22	Homelessness Services – Use of Temporary Accommodation	To note that the Interim Homelessness & Housing Support Senior Manager would include information on the number of households in temporary accommodation by category in future reports.	Executive Director of Place			Recommended for closure Future reports on this topic will include the information requested.
6	30.06.22 (Council meeting)	Embedding Gender Budgeting Analysis – referral from the Finance and Resources Committee	1) Commits that all elected members will attend one of a number of 2 hour briefings on Gender Budgeting and how	Interim Executive Director of Corporate Services	Summer 2023		<u>Update January 2023</u> The Scottish Women’s Budget Group delivered a training session open to all elected members on 21 November 2022, with the aim of explaining how gender

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			it interacts with their role as Councillors.				budget approaches can help local authorities to meet their responsibilities under the Public Sector Equality Duty and how councillors can use gender budgeting to address inequalities. Opportunities for complementary staff training are also currently being explored.
			2) Commits that Heads of Services and relevant members of their teams, as recommended by them, will attend at least one training session on Gender Budgeting, understanding that there will be opportunities for further engagement between officers and the Scottish	Interim Executive Director of Corporate Services	Summer 2023		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Women's Budget Group if requested.				
			3) With the support of the Scottish Women's Budget Group, to circulate a survey to elected members and key staff and conduct some small focus group discussions to understand existing knowledge and barriers to gender budget analysis, and to help inform ongoing member and officer engagement.	Interim Executive Director of Corporate Services	Summer 2023		
7	08.09.22	Work Programme	To provide an update on Spend to Save projects in the next monitoring report and the annual outturn reports.	Interim Executive Director of Corporate Services	January 2023		Recommended for closure Revenue Monitoring report on agenda for this meeting includes a short update.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
8	08.09.22	Sustainable Procurement Strategy Annual Report - 2022	To request a briefing on the Living Wage Employer/Living Wage City, including the percentage of contractors and suppliers currently paying the Living Wage and what percentage might be achievable as a goal, and which sectors were most likely to face issues with paying the Living Wage.	Interim Executive Director of Corporate Services	January 2023		Recommended for closure Report on agenda for this meeting which includes the requested information.
9	08.09.22	Workforce Dashboard with Wellbeing and Absence Deep dive	To request information on the number of staff by contract type, for example: permanent, fixed term, agency.	Interim Executive Director of Corporate Services		January 2023	Recommended for closure Briefing note circulated 6 January 2023
10	08.09.22	Walk Up Avenue, Craigmillar, Edinburgh - Proposed New Lease	To note that the Head of Estates would provide further information on funding and timescales for the	Executive Director of Place			<u>Update December 2022</u> Source of funding to be confirmed.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			proposed second commercial unit.				
11	27.10.22 (Council meeting)	By Councillor Mumford – Operation Unicorn – see Agenda	<p>“Calls for a report to Finance and Resources Committee within 3 cycles outlining the costs associated with future planned visits from Charles III or other members of the monarchy that will be incurred by the council over the next year and whether this is covered in full by the Capital City Supplement”</p> <p>(Full motion text available on agenda link)</p>	Interim Executive Director of Corporate Services	January 2023	January 2023	<p>Recommended for closure</p> <p>Report on agenda for this meeting</p>
12	10.11.22	2021-22 Common Good Annual Performance Report	To circulate a briefing note to members of the Finance and Resources and the Governance, Risk and Best Value Committees on	Interim Executive Director of Corporate Services			<p>Recommended for closure</p> <p>A briefing including relevant details was circulated to members on 14 November 2022.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			expenditure relating to the former Tennis Pavilion at Leith Links.				
13	10.11.22	Revenue Budget Framework 2023/27: progress update	1) 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.	Interim Executive Director of Corporate Services	January 2023		<u>Update January 2023</u> Update provided in September 2022 F&R report – further update to be provided in February 2023
			2) To note the implications for the Council from the National Care Service would be included as a risk in the next update report.	Interim Executive Director of Corporate Services	February 2023		<u>Update January 2023</u> The risk will be referenced in the budget update report being considered by the Committee on 7 February 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
14	10.11.22	Motion by Councillor Caldwell – referral from the Housing, Homelessness and Fair Work Committee	1) 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.	Convener			Recommended for closure Meeting scheduled for w/c 16 January 2023.
			2) To note the work of the Ripple in Craigentenny and Duddingston Ward piloting a PB scheme there. To therefore add that local charities should be included and consulted on the process of	Interim Executive Director of Corporate Services	April 2023		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			expanding the PB where appropriate.				
			<p>3) That a plan be submitted within two cycles to the Finance and Resource Committee on:</p> <ul style="list-style-type: none"> • 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. • 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 	Interim Executive Director of Corporate Services	April 2023		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			schemes, health care priorities, and improvement of public spaces.				
16	10.11.22	Response to Motion by Councillor Davidson – Support for Roseburn Businesses	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.	Executive Director of Place	December 2022 (Council)		Recommended for closure Report considered by Council December 2022.
17	17.11.22 (Policy and Sustainability Committee)	Performance Update Report	To recommend a separate report to Finance and Resources Committee within two cycles setting out the KPIs appropriate to the	Executive Director of Place	April 2023		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Council's responsibilities as an employer.				
18	24.11.22 (Council Meeting)	Motion by Councillor Whyte – War Memorial – City Chambers	To agree that there should be a review of security at the War Memorial to ensure it is treated respectfully all year round and agrees to receive a report on the actions to be taken to improve security at the Finance and Resources Committee within two cycles.	Executive Director of Place	April 2023		<u>Update December 2022</u> Report to Finance and Resources Committee due in April 2023.
19	15.12.22 (Council Meeting)	Council Business Plan 2023-27	To request a report to the Finance and Resources Committee to look at how our communities can benefit financially in a more direct and substantial way from	Executive Director of Place			

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			tourism and festival spend in Edinburgh.				
20	15.12.22 (Council Meeting)	Motion by Councillor Watt – Fair Work and Procurement	To ask that the Sustainable Procurement Report to Finance and Resources Committee included a timetable for updating procurement policy to implement for all UK procurement contracts:	Interim Executive Director of Corporate Services	January 2023		Recommended for closure Report on agenda for this meeting which includes the requested information.
			1) All the recommendations for contracting authorities contained in the Procurement schedule of the Fair Work Convention Construction Inquiry Report 2022				

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) The Real Living Wage				
			3) A presumption against zero hours contracts				
			4) Workers' rights, including Trade Union access to workplaces				
			5) Evidence of a commitment to minimising Pay Gaps for protected characteristics in companies contracted				
			6) Evidence of a commitment to supporting the Council to meet climate targets as set out in the				

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2030 Climate Strategy and Council Emissions Reduction Plan				

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Revenue Monitoring 2022/23 – month eight position

Executive/routine Wards Council Commitments	Executive
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1. Recommendations

- 1.1 Members of the Finance and Resources Committee are recommended to:
- 1.1.1 note that, as of month eight, a balanced overall in-year position is now being forecast;
 - 1.1.2 note, nonetheless, the potential for additional expenditure pressures to emerge during the remainder of the year and thus the need for all existing pressures, savings delivery shortfalls and risks to be fully and proactively managed within Directorates and the Health and Social Care Partnership so as not to add to future years' savings requirements;
 - 1.1.3 note the update on continuing discussions with the UK and Scottish Governments on the provision of sufficient funding to address in full the significant on-going additional costs being incurred as part of the Council's response to the Ukraine crisis;
 - 1.1.4 note that, in light of the above, updates will continue to be provided as required to members of the Committee during the remainder of the year; and
 - 1.1.5 refer this report to the Governance, Risk and Best Value Committee for scrutiny as part of its work programme.

Richard Carr

Interim Executive Director of Corporate Services

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Finance and Procurement Division, Corporate Services Directorate

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Revenue Monitoring 2022/23 – month eight position

2. Executive Summary

- 2.1 The report sets out the projected Council-wide revenue budget position for the year, based on analysis of the first eight months' financial data and projections of income and expenditure for the remainder of the year. A balanced overall in-year position is now being forecast but with the potential for further expenditure pressures to emerge during the remaining months, particularly in respect of the 2022/23 teachers' pay award and other inflationary uplifts. There remains certainty about whether sufficient funding will be secured to address in full the significant on-going additional costs being incurred as part of the Council's response to the Ukraine crisis.
- 2.2 It therefore remains crucial that Executive Directors and the Chief Officer of the Edinburgh Health and Social Care Partnership fully manage pressures, risks and savings delivery shortfalls within their respective core budgets and review all discretionary expenditure to ensure a balanced position is achieved by the end of the year and thus not add to future years' savings requirements.

3. Background

- 3.1 On 24 February 2022, Council approved a balanced revenue budget for 2022/23 based on the Council's provisional grant funding allocation and a 3% increase in Council Tax rates. This grant funding allocation was confirmed following approval of the Local Government Finance Order for 2022/23 on 2 March 2022.
- 3.2 Subsequent in-year updates have been considered by members of the Committee on 3 March, 16 June, 8 September and 10 November 2022. The most recent of these updates pointed to an anticipated overall overspend of £5.092m, with the potential for further expenditure pressures to emerge during the remainder of the year, particularly regarding the 2022/23 employee pay award and other inflationary uplifts. In light of this position, the report emphasised the importance of pressures, savings delivery shortfalls and risks being fully and proactively managed and all discretionary expenditure within Directorates and the Health and Social Care Partnership being reviewed in order to achieve a balanced position by the year-end and thus not add to future years' savings requirements.

4. Main report

COVID-related impacts

- 4.1 In addition to core service activity within Directorates, monitoring in the current year continues to incorporate an assessment of how the projected expenditure and income impacts of the pandemic compare to the provisions contained within the budget framework. The 2022/23 budget agreed by Council on 24 February 2022 provided for the following sums:

Area of expenditure pressure/income loss	£m
Reductions in parking income	6.0
Lothian Buses - loss of dividend	6.0
Reductions in commercial rental income	3.0
Additional support for Edinburgh Leisure	3.0
Homelessness ¹	3.0
ALEOs – other	1.0
Personal Protective Equipment	1.0
Other income/expenditure	2.3
Total funding for COVID impacts	25.3

- 4.2 **At this stage and based on the actual COVID-related requirement in 2021/22, the approved level of provision continues to be assessed as sufficient.**
- 4.3 **Parking income** for the year to date remains around £0.1m per month lower than in 2019/20, the last full largely pre-pandemic year. While these shortfalls are in addition to income from inflationary uplifts that would have been anticipated over the intervening period, they are still expected to fall within the £6m budget framework income loss provision in this area. Based on current trends, however, there is a risk that the lower £3m loss provision included within the budget framework for 2023/24 will be insufficient. Should the full approved sum for COVID-related impacts of £25.3m not be required in 2022/23, it is therefore recommended that an element of these unallocated funds be earmarked to offset future income losses in this area.
- 4.4 Transport Scotland previously confirmed the provision until October 2022 of additional funding to **bus operators** through the Network Support Grant (NSG) Plus initiative, a temporary scheme to support services and protect fares while patronage continues to recover from the impacts of the pandemic. It has now been confirmed that this support will continue until March 2023. Overall patronage is currently around 80% of pre-pandemic levels, albeit this position reflects a larger proportionate level of reduction at peak times, offset in part by increased weekend and leisure travel. Lothian Buses has previously indicated that it does not anticipate

¹ The £3m shown forms part of an overall level of budgetary provision that is £17.6m higher than was approved, pre-pandemic, for 2020/21.

being in a position to pay any dividend to the Council for the foreseeable future, an assumption that is consistent with the budget framework.

- 4.5 Equivalent funding has not, however, been made available to **Edinburgh Trams**, with overall patronage sitting at around 80% of pre-COVID levels. Tram revenues are also being affected by the expansion of free travel to under 22s. It is anticipated, however, that the remaining element of the £0.500m of investment to support the expansion of younger persons' free travel included in the 2021/22 budget motion will be sufficient to address, in full, the resulting loss of income in the current financial year.
- 4.6 As approved by the Transport and Environment Committee on 6 October 2022, the Council has agreed not to support financially the free travel for under 22s on Edinburgh Trams scheme beyond 31 March 2023 pending the outcome of Transport Scotland's on-going Fair Fares Review and wider consideration of resource availability as part of the 2023/24 budget process. Given that in-year liabilities are expected to be fully met from the £0.500m noted above and a balanced overall position is now being projected, it is proposed to retain within reserves the £2m approved to support the policy as part of the agreed budget motion for 2022/23, with the allocation of this sum then potentially available to contribute on a one-off basis towards addressing the 2023/24 budget gap.
- 4.7 Through a combination of an element of carry-forward from 2021/22 and the in-year allocation of £3m, it is not anticipated that the level of assumed financial support for **Edinburgh Leisure** will be exceeded.
- 4.8 The Council's **commercial rental portfolio** has proved resilient to wider economic conditions and the level of provision for reductions in income received is assessed to be sufficient at this time, although this will be kept under active review given current challenging economic conditions.
- 4.9 The position in respect of **homelessness services** is covered in more detail later within the report.

Directorate projections

- 4.10 In addition to monitoring the on-going or residual impacts of the pandemic, Executive Directors continue to oversee the delivery of approved savings and management of pressures within their respective areas. The approved budget for 2022/23 contains relatively few service-specific savings and also made some additional provision for service pressures. While these measures provide a degree of contingency against the emergence of significant in-year pressures within services, it remains the role of Executive Directors to manage these fully when they do arise and to maintain expenditure within budgeted levels.

Education and Children's Services

- 4.11 As of period eight, the Executive Director of Education and Children's Services is projecting a net pressure of £2.0m, an improvement of £2.0m from the position

reported to the Committee's previous meeting. Significant elements within the forecast include a projected net pressure of £2.0m within the budget for Children's Services including residential and secure accommodation, reflecting increases in the numbers of young people being supported across the service and limited capacity to free up places within internal provision to return young people to the Council's care. The updated forecast is based on numbers of young people and families being supported as of the end of November, reflecting a slight reduction in the numbers of children being accommodated in external provision.

- 4.12 Despite the reduction in spend in this area, demand remains high and needs are increasingly complex. For example, in the last two months (November and December) the Department has received eleven referrals for residential care and seven for secure care. Of the former group, eight have been accommodated in residential care and three have been supported to remain with their families or kinship with some additional support. Three young people were also admitted to residential care who were initially referred for a foster care placement. This means the Council is now in a position where its in-house residential capacity is full and therefore any additional placements are likely to be in the private sector.
- 4.13 Pressures of £1.9m are also forecast within Home to School Transport, representing shortfalls against previously approved budget savings relating to the Transport Review and costs for additional routes which were put in place in response to the pandemic. The increase in the pressure from the £1.2m intimated in the period five report reflects the review of routes following the start of the new school term, net of the impact of under 22 free bus travel.
- 4.14 The Directorate variance also reflects a small element of uninsured costs following settlement of the insurance claim relating to the fire at Liberton Primary School in February 2020.
- 4.15 These pressures are being offset by one-off mitigations, including staffing vacancies, such that the overall projection indicates a £2.0m residual pressure.
- 4.16 The Executive Director of Education and Children's Services is fully committed to continuing to deliver mitigations to reduce the existing pressures and to identify and implement management actions required to address these, such that significant further progress is made by the year-end.

Corporate Services

- 4.17 As outlined in a report elsewhere on today's agenda, the Interim Executive Director of Corporate Services is projecting an overall service underspend of £0.707m, in the main attributable to staffing-related savings, reflecting application of an in-year vacancy management target. As agreed at the Committee's meeting in September 2022, the overall position reflects the provision of one-off investment funding of £0.961m for Enterprise Resource Planning (ERP) infrastructure upgrades.

Place

- 4.18 The Executive Director of Place is forecasting an overall pressure of £2.382m as of period eight, a slight improvement from the £2.7m forecast at period five. This position reflects the combined impact of inflationary pressures in excess of those for which corporate budgetary provision has been made (totalling £1.872m) and a range of other net pressures across the Directorate of £0.510m.
- 4.19 The Executive Director and his Senior Management Team will continue to consider regular updates and develop corresponding actions, such that net expenditure is brought back within approved levels. These actions include a specific focus on those areas of the Directorate where “business as usual” operations indicate an anticipated overspend with a view to identifying, as a matter of urgency, mitigating actions both to address these current-year pressures and enhance the stability of the budget framework going forward.

Homelessness Services

- 4.20 Revenue monitoring reports throughout 2021/22 highlighted pressures within Homelessness Services and, such is the extent of these pressures, the approved budget for 2022/23 contains £17.6m of additional investment relative to the equivalent budget for 2020/21. Despite this additional investment, further pressures totalling up to £8.0m are now apparent in 2022/23, mainly comprising:
- (i) projected growth in client numbers, with an overall in-year increase of 307 households now forecast relative to assumed growth of 120 as of month three;
 - (ii) claims for increased rates from providers due to changes in market rates (Private Sector Leasing), inflationary increases (spot purchasing) and revision of current terms (contracted suppliers), the majority of which represent a pass-through of increased energy costs;
 - (iii) costs of the Haymarket Welcome Centre, funding for which remains to be confirmed;
 - (iv) increased Council costs for Housing First;
 - (v) a reduction in the assumed Housing Benefit recovery rate for those accommodated in dispersed flats relative to projections as of period three; and
 - (vi) net costs to accommodate current and future increases in homeless Ukrainian households following the end of initial six-month hosting arrangements.
- 4.21 Preliminary analysis of October and November 2022 data points to a slowing in the rate of temporary accommodation household growth, as well as greater relative use of suitable, lower-cost accommodation. While these factors may lessen the extent of in-year pressure, the effect of the removal of “local connection” from 29

November is anticipated to increase presentation volumes, although it is too early to assess this in any detail. On this basis, no change to the in-year projection has been incorporated at this time.

- 4.22 The overall position, particularly growth in client numbers, will be kept under close review through the development of comprehensive management information dashboard, with further opportunities to manage demand prioritised.

Edinburgh Integration Joint Board (EIJB)

- 4.23 The EIJB Chief Finance Officer presented an update on the 2022/23 Financial Plan to the Board's meeting on 13 December 2022.
- 4.24 At its meeting in March 2022, the EIJB agreed the financial plan for 2022/23. At that point, the budget was out of balance by £16.9m and the board recognised that EIJB officers would work with partner bodies to address the gap as the year progressed. In setting a budget with a deficit, the EIJB recognised the clear risk that agreeing stringent additional savings at a time of significant uncertainty could lead to unnecessary public concern as well as a material deterioration in performance.
- 4.25 Decisions made at the Board's meeting on 9 August resulted in a reduction in the residual gap to £10.8m, with a further decrease to £7.9m in the update reported to the Board's October meeting. Following an in-depth review of each delivery partner's financial monitoring position, at its meeting on 13 December, the Chief Finance Officer provided the EIJB with moderate assurance of the achievement of a break-even position for 2022/23. Recent growth in purchasing expenditure within Health and Social Care will require to be closely monitored and contained within this balanced overall position.

Employee pay award, 2022/23

- 4.26 As noted in the in-year monitoring update to the Committee's previous meeting on 10 November, agreement has been reached on the 2022/23 pay award for non-teaching staff, with implementation processed in December.
- 4.27 The Scottish Government has identified, on a recurring basis, total additional funding of £261m to support the agreed non-teaching offer and current non-teaching offer². When added to the 3% already included in the Council's budget framework for 2022/23, this results in an unfunded element of 0.5% across the teaching³ and non-teaching awards, giving rise to an in-year and recurring pressure of £3.1m.
- 4.28 Discussions in respect of the teaching and Chief Officer pay awards are continuing. Following rejection of the teaching offer by the representative trade

² The total of £261m comprises two elements. £140m was initially provided across the SJC (non-teaching) and SNCT (teaching) bargaining groups to increase the employer's offer by around 1.5%. This was then supplemented by £120.6m specifically to support a further improvement of the SJC offer. Edinburgh's confirmed share of this total is £20.961m.

³ Based on the current undifferentiated offer of 5%.

unions, however, industrial action is now underway. Should subsequent negotiations result in an improved offer without the provision of full additional funding by the Scottish Government, this would increase the pressure of £3.1m noted above. By means of illustration, each unfunded additional 1% increase in the settlement for teachers would result in a further pressure of some £2.2m.

Operation Unicorn

- 4.29 Following the death of Her Majesty the Queen on 8 September, the Council assumed the lead co-ordinating role in the safe implementation of Operation Unicorn, the programme of ceremonial and other events taking place in Scotland prior to her coffin being transported to London. A report on the associated costs incurred was considered by Council on 15 December. A claim of some £0.6m has been submitted to the Scottish Government and is currently being considered in liaison with the UK Government, with a formal response awaited.

Inflationary pressures

- 4.30 Previous in-year reports considered by the Committee have highlighted a range of exceptional inflationary pressures affecting the Council, most materially energy cost increases but also including food, fuel, home-to-school transport and uplifts affecting a number of its contracts. Updated forecasts indicate a slight reduction (from £8.9m to £7.4m) in respect of the anticipated level of unbudgeted energy-related costs assumed within the overall outturn⁴. The projected outturn for the Homelessness Service also reflects £2m of additional contract uplift requests from other providers. Other inflationary pressures, where their impact cannot be fully mitigated, are reflected in service outturns as noted in the preceding sections.

Corporate budget savings

- 4.31 Given the extent of inflation-related and wider pressures within services, opportunities to address these through available savings in corporate areas have continued to be examined. As of period eight, the following anticipated mitigations have been identified, representing an overall increase of £0.2m since the period five position as shown in the table at Paragraph 4.32.
- (i) **Council Tax** - based on confirmed 2021/22 income levels, analysis of subsequent changes in the size and profile of the Council Tax base and estimated movements in discounts and exemptions over the remainder of the financial year, a £3.5m positive variance is being forecast in 2022/23;
 - (ii) **Loans charges/interest and investment income** - based on analysis of the 2021/22 outturn, planned in-year capital spend and debt redemption, available cash balances and an expectation not to need to borrow in 2022/23, an overall saving of £3m is anticipated;

⁴ Based on qualifying criteria and the wholesale price of energy within its contracts, it is not anticipated at this stage that the Council will receive any significant support from the Energy Bill Relief Scheme.

- (iii) **application of the budget framework risk contingency, available inflation provisions and other timing-related savings** – together releasing total funding to offset in full energy-related pressures of £8.9m;
- (iv) **Millerhill Recycling and Energy Recovery Centre** - the Council's share of revenue from electricity generation is now estimated at £4.0m in 2022/23;
- (v) **National Insurance** – following the announcement by the UK Government on 22 September that the 1.25% increase in employer's rates would be reversed with effect from 6 November, in-year savings of some £1.6m relative to previous forecasts are now anticipated; and
- (vi) projected underspends against the **approved investment in the 2021/22 and 2022/23 budget motions** totalling £1.264m. As noted earlier in the report, any further underspends against this investment will be considered against future years' savings requirements.

Overall position

4.32 Taken together, the net impact of anticipated pressures in service areas less corporate or other savings now indicates a balanced position as shown in the table below and Appendix 1. This marks an improvement of £5.092m in the overall position since period five.

	Period 8		Period 5	
	£m	£m	£m	£m
Net pressures in service areas:				
Homelessness Services	8.040		8.040	
Education and Children's Services	2.000		4.000	
Place	2.382		2.700	
Corporate Services	(0.707)		(0.090)	
Energy	7.432		8.859	
Employee pay award, 2022/23	3.100		3.100	
Additional costs of public holiday on 19 September	0.000 ⁵		0.500	
	22.247			27.109
Savings in corporate budgets:				
Application of budget framework risk contingency, available inflation provision and other timing-related savings	(8.883)		(8.853)	
Millerhill - gainshare income	(4.000)		(3.800)	
Council Tax	(3.500)		(3.500)	
Loans charges/interest and investment income	(3.000)		(3.000)	
Savings in employer's National Insurance	(1.600)		(1.600)	
Savings in members' investment	(1.264)		(1.264)	
		(22.247)		(22.017)
Net projected pressure		0.000		5.092

4.33 As noted in the preceding sections, there is the potential for further risks to emerge during the remainder of the year, particularly regarding the 2022/23 teachers' pay award and other inflationary uplifts. Additional certainty is also still required with regard to securing sufficient funding to address in full the significant on-going additional costs being incurred as part of the Council's response to the Ukraine crisis.

⁵ The approved budget framework includes £0.5m for the additional staffing costs arising from the late Her Majesty the Queen's Platinum Jubilee celebrations in June 2022. It is now anticipated that the additional costs of this public holiday and the subsequent day granted for the State Funeral can be contained within the original sum.

- 4.34 It is therefore crucial that Executive Directors and the Chief Officer of the Edinburgh Health and Social Care Partnership fully manage pressures, risks and savings delivery shortfalls within their respective core budgets and review all discretionary expenditure if a balanced position is to be achieved by the end of the year and not add to future years' savings requirements.

Ukraine response

- 4.35 The Council is undertaking a key role in welcoming displaced Ukrainians to Scotland and thereafter temporarily resettling a number of these within the city. As of the end of December, more than 10,000 arrivals had been triaged at the Council-operated Welcome Hub.
- 4.36 At the Committee's meeting on 10 November, members requested that further details be included with information on the funding position for the Ukrainian refugee programme, including updates on negotiations with Governments and COSLA; ongoing costs; funding received and outstanding; and any expenditure that is likely not to be recoverable. While these discussions remain in progress, relevant details are included in Appendix 2.

Savings delivery

- 4.37 The approved budget for 2022/23 is underpinned by the delivery of approved savings of £19.2m. As shown in Appendix 3, 97% of these savings by value are now assessed as green, with the majority of the remainder rated as amber. Assessments of the deliverability of the latter, and where necessary identification of mitigating offsetting measures, remain in progress.

Service investments

- 4.38 As part of setting the Council's budget on 24 February 2022, members approved £9.860m of additional service investments. Appendix 4 shows the current assessment of these investments and the associated outcomes sought. Any in-year underspends against these investments will not be carried forward into 2023/24 and thus be considered in the context of offsetting future years' savings requirements.

Spend to Save scheme

- 4.39 At the Committee's last meeting on 10 November 2022, members also requested an update on the Council's Spend to Save scheme. Due to continuing necessary prioritisation of other activity, no new projects were approved during 2021/22, with contributions of £0.297m received in respect of previously supported projects increasing the year-end fund balance to £3.267m.
- 4.40 While opportunities to utilise the fund continue to be considered, at this stage there are no confirmed uses of the fund in 2022/23, with £0.295m expected to be received from benefiting projects resulting in a year-end balance of £3.562m.

5. Next Steps

- 5.1 Given the range of pressures outlined in the report, Executive Directors will require to bring forward measures to offset residual service pressures and risks within their respective areas of responsibility during 2022/23. The adequacy of budget framework provision for the on-going financial impacts of the pandemic will also be kept under close review to highlight any necessary remedial action.

6. Financial impact

- 6.1 As of month eight, a balanced overall position is now forecast, albeit with a number of risks to attainment of this position highlighted. Failure to break even in 2022/23 would increase the savings requirement in 2023/24 due to a need to reinstate the General Fund unallocated reserve.
- 6.2 The report therefore acutely emphasises the importance of proactive management of pressures and delivery of approved savings in maintaining the integrity of the budget framework. Given the extent of subsequent years' funding gaps, early action is also required to deliver robust savings proposals, aligned to the priorities set out in the Council's business plan, sufficient to meet these requirements.

7. Stakeholder/Community Impact

- 7.1 There is no direct relevance to the report's contents.

8. Background reading/external references

- 8.1 [Response to motion by Councillor Mumford – Operation Unicorn](#), The City of Edinburgh Council, 15 December 2022
- 8.2 [Finance Update](#), Edinburgh Integration Joint Board, 13 December 2022
- 8.3 [Revenue Monitoring 2022/23 – month five position](#), Finance and Resources Committee, 10 November 2022
- 8.4 [Revenue Monitoring 2022/23 – month three position](#), Finance and Resources Committee, 8 September 2022
- 8.5 [Revenue Budget 2022/27 Framework: progress update](#), Finance and Resources Committee, 16 June 2022
- 8.6 [Revenue Budget Update 2022/23 – Update](#), Finance and Resources Committee, 3 March 2022
- 8.7 [Coalition Budget Motion 2022/23](#), The City of Edinburgh Council, 24 February 2022

9. Appendices

- 9.1 Appendix 1 - 2022/23 Revenue Budget – Projected Expenditure Analysis
- 9.2 Appendix 2 - Update on funding to support Ukrainian response
- 9.3 Appendix 3 – Approved savings, 2022/23 – current status
- 9.4 Appendix 4 – Approved service investments, 2022/23 – current status

	Revised Budget	Period Budget	Period Actual	Period Variance	Projected Outturn	Outturn Variance	Percentage Variance
	£000	£000	£000	£000	£000	£000	
Directorate / Division							
Corporate Services (including Chief Executive's Office)	86,877	66,007	65,171	(836)	86,170	(707)	(0.8)
Education and Children's Services	439,791	297,514	299,838	2,324	441,791	2,000	0.5
Health and Social Care	286,806	194,081	197,563	3,482	286,806	0	0.0
Place	196,636	132,414	135,019	2,605	199,018	2,382	1.2
Homelessness Services	50,640	34,236	40,045	5,809	58,680	8,040	15.9
Lothian Valuation Joint Board	3,817	2,545	2,545	0	3,817	0	0.0
Directorate / Division total	1,064,567	726,797	740,181	13,384	1,076,282	11,715	1.1
Non-service specific areas							
Loan Charges / interest and investment income	87,732				84,732	(3,000)	(3.4)
Other non-service specific costs less sums to be disaggregated:	13,878				5,713	(8,165)	(58.8)
- Non-Domestic Rates (poundage uplift)	718				0	(718)	n/a
- Energy tariff uplift	1,141				8,573	7,432	n/a
- Discretionary Rates	720				720	0	0.0
Additional Investment to disaggregate	20,507	0	0	0	19,243	(1,264)	(6.2)
Tram Shares	8,500	0	0	0	8,500	0	0.0
Council Tax Reduction Scheme	28,800	n/a	n/a	n/a	28,800	0	0.0
Staff early release costs	2,500	n/a	n/a	n/a	2,500	0	0.0
Net Cost of Benefits	(127)	n/a	n/a	n/a	(127)	0	0.0
Pay award - unfunded pressure	0	n/a	n/a	n/a	3,100	3,100	n/a
Public holiday, 19 September - estimated additional costs	0	n/a	n/a	n/a	0	0	n/a
Millerhill - electricity generation income	0	n/a	n/a	n/a	(4,000)	(4,000)	n/a
National Insurance - reduction in employer's rate from 6 November 2022	0	n/a	n/a	n/a	(1,600)	(1,600)	n/a
Non-service specific areas total	164,368	0	0	0	156,153	(8,215)	(5.0)
Movements in reserves							
Net contribution to / (from) earmarked funds	(45,632)	0	0	0	(45,632)	0	0.0
Movements in reserves total	(45,632)	0	0	0	(45,632)	0	0.0
Sources of funding							
General Revenue Funding	(609,810)	(406,540)	(406,540)	0	(609,810)	0	0.0
Non-Domestic Rates	(249,861)	(166,574)	(166,574)	0	(249,861)	0	0.0
Council Tax	(323,632)	(215,755)	(215,755)	0	(327,132)	(3,500)	(1.1)
Sources of funding total	(1,183,303)	(788,869)	(788,869)	0	(1,186,803)	(3,500)	(0.3)
In-year (surplus) / deficit	0	(62,072)	(48,688)	13,384	0	0	(0.0)

Update on funding to Support Ukrainian response

As of 13 January 2023, Edinburgh was hosting 2,808 displaced Ukrainian nationals, 869 of whom were between the ages of 2 and 18 and would therefore also be eligible for the Education Tariff Funding. Of the 2,808 present in the city, 1,891 have been in place for a period in excess of 13 weeks.

There has been a recent agreement with COSLA and the Scottish Government that the General Tariff funding of £10,500 per person can be accessed after a period of 13 weeks regardless of accommodation status and that the Education Tariff funding can be accessed from the point of arrival. This has largely relieved the issues that were being experienced with matching funding to expenditure.

The quarterly return submitted on 13th January will release a further £11.193 million of General Tariff funding bringing the total to £19.855 million along with total Education tariff funding of £4.854 million.

These funding streams are one-off and will require to be expended to support the displaced Ukrainian nationals over what is likely to be a three-year period. Unspent sums received in 2022/23 will therefore be carried forward to meet subsequent years' costs.

A summary of funding is set out below:

	Expected	Claimed to Date	Received to Date
CEC Allocated Funding	£100,000	£100,000	£100,000
Scottish Government Warm Welcome Funding	£726,000	£363,000	£363,000
General Tariff Funding	£31,500,000	£19,855,500	£8,662,500
Thankyou Payments	£0	£569,100	£371,350
Education Tariff Funding	£6,850,290	£4,853,807	£0
Dnipro	£624,000	£0	£0
Total	£39,800,290	£25,741,407	£9,496,850

In addition, there is specific ringfenced Scottish Government funding to support Welcome Hub-associated activities as set out below:

	Expected	Claimed to Date	Received to Date
Welcome Hub	£3,450,000	£1,423,338	£1,423,338
Bridging Accommodation	£916,280	£916,280	£916,280
Support for Ship	£310,500	£0	£0
Customer Services	£184,500	£0	£0
Total	£4,861,280	£2,339,618	£2,339,618

A further claim will be submitted to the Scottish Government in January to draw down ringfenced expenditure incurred to the end of December 2022. This will include the Support for Ship and Customer Services expenditure referenced above.

Approved savings, 2022/23 - current assessed status

	Directorate	£m	Current RAG status			Comments where full delivery not assumed
			£m	£m	£m	
Borrowing costs	Corporate	12.000	12.000	0.000	0.000	
Corporate budgets reprioritisation/realignment	Corporate	5.000	5.000	0.000	0.000	
Procurement - gainshare	Corporate	0.100	0.100	0.000	0.000	
Total Corporate		17.100	17.100	0.000	0.000	
Continuation of 5% increase in discretionary fees and charges	Council-wide	1.000	1.000	0.000	0.000	
Chief Officers and Senior/Middle Management Review	Council-wide	0.218	0.000	0.000	0.218	
Total Council-wide		1.218	1.000	0.000	0.218	
Statutory Consents	Place	0.025	0.025	0.000	0.000	
Increase in garden waste charge based on full-cost recovery (full-year effect)	Place	0.160	0.160	0.000	0.000	
Development and Business Services Operating Model	Place	0.300	0.000	0.300	0.000	
Library efficiencies	Place	0.050	0.000	0.000	0.050	
Edinburgh Shared Repairs - Management Resource and Income Generation	Place	0.007	0.000	0.007	0.000	
Total Place		0.542	0.185	0.307	0.050	
Digital delivery	Corporate Services	0.190	0.190	0.000	0.000	Following verification exercise with relevant services, full delivery is now anticipated.
Renting of assets for 5G nodes	Corporate Services	0.050	0.000	0.050	0.000	One-off mitigating saving has been identified in Digital Services budget.
Directorate Workforce Savings	Corporate Services	0.110	0.110	0.000	0.000	
Total Corporate Services		0.350	0.300	0.050	0.000	
Total pre-approved savings		19.210	18.585	0.357	0.268	
			96.7%	1.9%	1.4%	

	Service	Investment	Nature of spend	Key outcomes sought (where applicable)	Current status	Comments where status not green
1	Improvements to HR systems	£2,000,000	Subject to the development of an accompanying full business case, the funding will serve as a contribution towards the cost of upgrading the Council's HR systems to support implementation of the recommendations from the independent inquiry and whistleblowing and organisational culture review.	Investment in an upgraded HR system will enable all employees to have access to organisational information, such as the Orb and myLearning Hub. Our current HR system has no core case management functionality and does not enable triage or offer the ability to perform complex data analysis e.g. spotting trends. A core HR solution that can administer all aspects of cases from logging, sending electronic letters and meeting notifications to allowing access to named individuals at certain points only, etc. is required in order to fulfil all the recommendations outlined.		Members of the Finance and Resources Committee agreed in principle on 10 November 2022 to progress with implementation of the preferred HR system solution, pending consideration of the overall investment requirement as part of the Council's 2023/24 budget process. Subject to securing this approval, the £2m will then be utilised in subsequent years as a contribution to system implementation costs.
2	Easing the cost of living crisis	£1,100,000	The investment will provide capacity and resources to help Edinburgh citizens on low incomes manage the increasing cost of living in 2022 by providing direct financial support; advice to maximise income and entitlements; and prevention measures for those experiencing high energy costs and at risk of falling into arrears and debt. Further details were included in a report to Council considered on 25 August 2022.	The investment will: <ul style="list-style-type: none"> * Deliver on commitments in the Council Business Plan * Prevent poverty and hardship * Make the experience of seeking help more compassionate and more dignified * Improve income or reduce living costs for poorest citizens * Improve opportunities to access or progress in fair employment, learning or training * Improve physical and mental health and reduce health inequalities 		
3	Deep cleaning the city, graffiti removal and street cleaning	£1,072,000	£72,000 of this funding will be used to purchase a new hot wash vehicle for city centre close cleaning. £200,000 will be used to procure a contract for the deep cleaning of the city centre. This will incorporate the cleaning of closes, steps, pavements and street furniture as well as the removal of graffiti from CEC property. £800,000 will be used to employ additional temporary staff and vehicles in the Street Cleansing service to undertake deep cleans of residential areas across the city.	This will improve the appearance of the city and send a message to residents and businesses that the Council is committed to improving local communities and supporting business recovery following COVID-19. An update on progress was provided in response to a Council Question on 24 November 2022.		
4	Roads and pavements maintenance	£1,000,000	The package of funding includes £450,000 in permanent patching repairs across 10,000m ² of carriageways across the city; £300,000 to carry out footpath resurfacing across the city; and £250,000 for traffic signal infrastructure improvements for which works are due to commence in October 2022, with all sites completed by April 2023.	This will visibly improve the condition of roads and pavements across the city and will increase pedestrian safety.		
5	Children's Services - additional investment	£1,000,000	Given the unforeseen duration of the pandemic's impacts and the continued restricted ability to move young people from their current placements, a budget pressure exists within 2021/22 and will extend into 2022/23. With children unable to move across the last two years, they have become settled in existing out-of-authority placements and it would be poor practice to disrupt their progress – and we would be unlikely to persuade the Children's Hearing to move them back into Edinburgh.	While a range of mitigating measures to address the overarching Children's Services pressure has been identified, the £1m investment will allow time for these measures to bed in.		
6	Net-zero	£500,000	The Council is leading on the development and delivery of net-zero community pilots based in geographies with different demographic profiles and community capacity. The pilots will be collaborations between property owners to scope a scalable approach to retrofitting private housing using models that focus on community empowerment and supporting a just transition to net zero.	The investment will: <ul style="list-style-type: none"> * Deliver on political commitments in the net-zero strategy * Strengthen co-production approach and citizen capacity building to deliver net-zero agenda * Model net-zero community action with open source data and open source technical solutions for wider adoption * Provide a scalable financial model to support the financial route map to net-zero * Derive quantifiable co-benefits and nature-based economic benefits 		

	Service	Investment	Nature of spend	Key outcomes sought (where applicable)	Current status	Comments where status not green
7	Social care adaptations	£500,000	Further discussion is required to scope this investment proposal and relevant discussions have been initiated.			The Chief Officer of the Edinburgh and Health Social Care Partnership has confirmed that no plan is in place to allocate this funding, with this position unlikely to change for the foreseeable future. Given this, the relevant funding will be recovered by the Council.
8	Park facilities improvements	£450,000	The safety of residents visiting parks is extremely important. £300,000 of this funding will allow the employment of additional Trees and Woodlands staff to deal with Ash Dieback and reduce the risk of tree failures causing harm to members of the public. Recognising the importance of proper lighting for the safety of visitors to our parks, the remaining funding will be used to install additional lighting in some of our parks.	This additional lighting will help to make parks safer to visit. An updated draft trees in the city 2022-2032 strategy and a new workforce and resources plan for the Forestry Service has been developed to assess requirements to tackle the challenges of ash dieback. The work has identified the need for two additional arborist squads for ash dieback work. The budget will be used to begin to build up this resource and required equipment.		
9	Play parks (CFCR)	£325,000	This funding will be converted to capital to be used to invest in play park equipment in each ward across the city. Play park renewal projects are progressing and total £1.2M for 22/23. The £325k fund is expected to be fully allocated.	Residents will be encouraged to visit and spend time in play parks across the city as modern, accessible play equipment is introduced.		
10	Neighbourhood Action Team	£250,000	The investment will help to tackle hot spot areas of unkept land, dealing with dumping, vegetation and other issues to improve the look and feel of areas in need of additional attention.	Priority areas within wards which require additional attention are being identified to inform creation of a detailed programme of work.		
11	Local community festivals and events	£200,000	Based on experience of local city-wide community events/festivals funding, the investment would be targeted towards capacity building and resilience. Given this would be a one-off fund, the proposal would be for larger individual funding awards to support more substantively event stability and establish a robust business and event model going forward - principally to support (i) identifying baseline funding models and partners and (ii) the creative and programme development opportunities presented by the event or festival.	The approach reflects both the current events strategy, and culture funding targeted towards resilience and creative practitioner skills development/support/retention.		
12	Energy for Edinburgh	£200,000	The money will be spent on a combination of CEC staff time/capacity building and consultants' time that will be used to develop a business plan for Energy for Edinburgh, including outline scope(s) for potential community energy generation projects as part of the development of a local heat and energy efficiency strategy.	A business plan for Energy for Edinburgh; a draft local heat and energy generation strategy, and hopefully as a result, active and profit-making local energy generation projects.		This investment aims to explore the role of Energy for Edinburgh and identify initial project activity so the ESCO can begin to deliver heat and energy solutions for the city. Progress against this project will be dependent upon current Council capacity to deliver, with an update reported to the Policy and Sustainability Committee early in 2023. Subject to confirmation of the overall Council-wide outturn for 2022/23, these sums will be carried forward pending development of more detailed proposals.
13	Temporary toilets in premier parks	£200,000	The investment will allow for the continuation of hiring of temporary toilets for The Meadows, Inverleith Park and Leith Links.	Creation of a more welcoming and active travel-friendly environment, along with reductions in antisocial behaviour.		
14	Hostile vehicle mitigation barriers	£180,000	£0.180m was included within the budget motion to provide funding to cover potential costs of retaining temporary Hostile Vehicle Mitigation arrangements while a long-term solution is agreed to protect the High Street and other areas following the withdrawal of support from the Home Office. Further discussion is required to scope this investment proposal and relevant discussions have been initiated.	The National Counter Terrorism Security Office (NaCTSO) has recently confirmed that they will not charge the Council rental on the continued deployment of the National Barrier Asset (NBA). Therefore, the investment allocated will now all be used towards related equipment for the City. Work on this procurement has started and will be completed by the end of the financial year.		
15	Taxi regulation and enforcement	£160,000				
16	Short-term lets regulation and monitoring	£150,000				

	Service	Investment	Nature of spend	Key outcomes sought (where applicable)	Current status	Comments where status not green
17	Food growing	£130,000	A proposal on the allocation of this spend was agreed by the Policy and Sustainability Committee on 30 August 2022, comprising match-funding for Edible Edinburgh's Sustainable Food Co-Ordinator Post and support for the Council's Food Growing Strategy priorities, in line with officer capacity available to support project development and delivery and/or management of allocations to external organisations.			
18	Defibrillators in schools	£112,000	Budget has been allocated to roll out defibrillators to much of the school estate where not currently in place. However, work needs to be done in the next six to twelve months to identify the best locations to site them – this may be schools or a mix of schools, community centres and care homes.			Work is still required to identify optimal locations. Progress will depend upon current capacity within Council to support the project. It is accepted that there will be continued risk while this is not taken forward.
19	Participatory Budgeting support	£100,000	The investment will allow the Council to work effectively with communities in delivering a robust local process, building community skills and capacity as part of the Council's commitment to progress community empowerment. Specifically it will support capacity building with communities and local community groups, communications and promotion of participatory budgeting activity, training for staff, delivery of local deliberation processes and IT support to underpin local decision-making.	<ul style="list-style-type: none"> * Delivery of political commitments on community engagement * Delivery of nationally-agreed 1% target * Supports effective service design based on service user needs * Strengthened local democracy and community cohesion * Improved quality of life for people and communities 		The majority of the funding has been committed to the Edinburgh Community Climate Fund PB initiative that was launched early in 2023. Allocation of this sum is contingent upon receipt of corresponding project nominations from across the city.
20	Portobello Kilns restoration	£61,000	The allocation represents seed funding to demonstrate the Council's commitment to the project and lever in external funding contributions for the estimated £645k of total funding required, including potential contributions from Historic Environment Scotland, Heritage Lottery Fund, Place-Based Investment Fund and the Wolfson Foundation.	Restoration of a key local landmark and listed ancient monument		Delivery of full restoration is dependent on the identification of partner funding, discussions on which remain in progress.
21	Pentland Park Rangers	£60,000	This funding will be used to employ additional Park Rangers and improve visitor facilities in the Pentland Hills Regional Park.	As well as improving conditions for local residents and land managers, this funding will help reduce anti-social behaviour and prevent loss of livestock.		
22	Libraries re-opening support	£60,000	The outline proposal for spend at this stage is to support the following: <ul style="list-style-type: none"> * Additional book / media fund expenditure * Provision of replacement furniture/ fittings * Fund to support development and delivery of service in response to an engagement programme with young people * City-wide communications campaign to highlight the message that libraries are open * Temporary library provision for Leith at The Fort Community Centre * Costs to support reopening of the remaining four libraries 	Attracting people back in to the library service and reaching new members/audiences - building up use and visits		
23	"Forever Edinburgh" website development	£50,000	New website to replace the existing www.edinburgh.org	An updated website which acts as a gateway to the city for visitors, residents, investors and students alike. A new Forever Edinburgh website will provide many benefits to the Council and city including: <ul style="list-style-type: none"> * Improved staff efficiencies and timesaving by automating some of the content management processes that are currently being done manually * Improved user experience as the website will be reliable and designed for purpose * Better insights on user behaviours through improved functionality * Possible reduction in ongoing hosting and maintenance costs * A reliable and professional website that supports the reputation we want to create and set for residents and visitors * The possibility of generating income from the website through digital advertising sales. 		
		£9,860,000				

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Corporate Services Directorate: Revenue Budget Monitoring 2022/23 – Month Eight position

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee notes:
 - 1.1.1 that a favourable budget variance of £0.707m is forecast for services delivered by Corporate Services Directorate for 2022/23;
 - 1.1.2 measures will 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 and,
 - 1.1.3 the ongoing risks to the achievement of a balanced revenue budget projection for services delivered by Corporate Services Directorate.

Richard Carr

Interim Executive Director of Corporate Services

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Finance and Resources Committee

Corporate Services Directorate - Revenue Budget Monitoring 2022/23 – Month Eight position

2. Executive Summary

- 2.1 The report sets out the projected eight-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 November 2022 and expenditure and income projections for the remainder of the financial year.
- 2.2 A favourable budget variance of £0.707m is forecast for services delivered by Corporate Services Directorate for 2022/23.
- 2.3 Measures will 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. The attainment of this position is subject to active management of risks and pressures.

3. Background

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

4. Main report

- 4.1 Corporate Services Directorate revenue budget for 2022/23 is £86.653m. This includes a range of Council-wide contracts, including the Council's ICT contract, external audit fee and Scotland Excel membership. The Directorate provides directly delivered Council services, including Customer Contact services and

professional support services for Finance and Procurement, Human Resources, Legal, Strategic Policy Support and Corporate Communications.

- 4.2 This budget monitoring report also includes financial performance of the Chief Executive's Office.
- 4.3 The period eight forecast is for a favourable budget variance of £0.707m for Corporate Services Directorate. An analysis of the budget and forecast by Corporate Services Directorate Divisions and for the Chief Executive's Office is shown in Appendix 1.
- 4.4 Significant forecast variances include:
- 4.4.1 Customer and Digital Services – a favourable variance of £0.891m from a one-off saving from reduced ICT licence costs, funding received from the Scottish Government to meet Cost of Living Award administration costs and a saving of £0.080m from the severance release of a senior manager.
 - 4.4.2 Human Resources – a favourable variance of £0.393m from non-recurring employee cost savings and salary sacrifice income.
 - 4.4.3 Strategy and Communications – a favourable variance of £0.155m from non-recurring employee cost savings.
 - 4.4.4 Enterprise Resource Planning (ERP) project implementation costs – the favourable variances identified contribute to one-off investment funding of £0.961m for ERP infrastructure upgrades.
- 4.5 The approved 2022/23 revenue budget requires Corporate Services Directorate to achieve incremental savings of £0.391m as detailed in Appendix 2.
- £0.341m (87%) of approved savings are forecast to be on track for full delivery and are assessed as 'Green', with £0.050m (13%) assessed as 'Amber'. The achievement of this saving is fully mitigated by an alternative saving in the Customer and Digital Services budget. No savings are assessed as 'Red' or 'Black'.
- 4.6 At this stage in the financial year, the principal financial risks identified for Corporate Services Directorate services are:
- 4.6.1 Cost of response to the Ukraine crisis – the impact of demand for services and additional staff costs is estimated at £0.460m.
 - 4.6.2 Cost of Living Crisis – the impact of demand for welfare payments and additional staffing required to administer these payments.
 - 4.6.3 Finance and Procurement – External Audit Fee – Audit Scotland has advised the 2022/23 External Audit fee will increase by 12.5% (£0.076m).
- 4.7 All current and emerging risks will be subject to ongoing tracking, development of mitigation measures and review for the remainder of 2022/23.
- 4.8 The following additional investment is allocated to Corporate Services Directorate for 2022/23:

- 4.8.1 £2.0m for improvements to the Council's Human Resources system, in response to the recommendations of the Independent Inquiry and Review of Organisational Culture.
- 4.8.2 £1.100m to support easing of the Cost-of-Living Crisis.
- 4.8.3 £0.500m to support the City-wide 2030 Net Zero Strategy.
- 4.8.4 £0.130m to support Food Growing and to recognise the increase in demand for local food
- 4.8.5 £0.100m to progress Participatory Budgeting.

5. Next Steps

- 5.1 Continuing work to identify mitigating measures through workforce and discretionary expenditure controls to manage financial risks and take timely remedial action, where adverse variances become apparent.

6. Financial impact

- 6.1 This report forecasts a favourable budget variance of £0.707m for Corporate Services Directorate for 2022/23.

7. Stakeholder/Community Impact

- 7.1 Whilst the report provides a financial monitoring update on the Corporate Services Directorate revenue budget, it should be noted that these costs are directly associated within the provision of a range of front-line and corporate services that have been essential to support citizens, businesses, and communities throughout the COVID19 pandemic, Cost of Living Crisis, and Ukrainian Crisis. The Directorate has enabled and continues to enable the Council to maintain and adapt core services across the City, as well as responding to the need to provide entirely new and additional services on behalf of the Scottish Government. All these activities have had varying degrees of impact upon the community or key stakeholders.

8. Background reading/external references

- 8.1 [Corporate Services Directorate: Revenue Budget Monitoring 2022/23 – Month Five position](#), Finance and Resources Committee 10 November 2022

9. Appendices

- 9.1 Appendix 1 – Corporate Services Directorate and Chief Executive's Office Revenue Budget Monitoring 2022/23 - Month Eight position
- 9.2 Appendix 2 – Corporate Services Directorate: Approved Revenue Budget Savings 2022/23

Appendix 1

Corporate Services Directorate and Chief Executive's Office

Revenue Budget Monitoring 2022/23

Month Eight position

Forecast Revenue Outturn by Division

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	
Customer and Digital Services	56,827	55,936	(891)	FAV
Finance and Procurement Services	7,437	7,391	(46)	FAV
Human Resources	8,084	7,691	(393)	FAV
Legal and Assurance	9,222	8,999	(223)	FAV
Strategy and Communications	4,775	4,620	(155)	FAV
Directorate and service-wide costs.	308	348	40	ADV
Enterprise Resource Planning (ERP) project - implementation costs		961	961	
Total Net Expenditure	86,653	85,946	(707)	FAV
Chief Executive's Office	222	222	0	

Appendix 2

Corporate Services Directorate: Approved Revenue Budget Savings 2022/23

Division	Saving Description	2022/23 £'000	Red/Amber/Green/Black assessment
Customer and Digital Services	Digital Delivery - ICT	150	
Customer and Digital Services	Digital Delivery – Print, Mail and Scan Strategy Development	40	
Customer and Digital Services	Renting of Assets for 5G Nodes	50	One-off mitigating saving identified in Digital Services budget.
Finance and Procurement	Workforce Savings	110	
Service-Wide	Increase in discretionary fees and charges	41	
	TOTAL	391	

SUMMARY	£'000	%
Green assessed	341	87
Amber assessed	50	13
Red assessed	0	0
Black Assessed	0	0
TOTAL	391	100

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Capital Monitoring 2022/23 - Month Eight Position

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 To note the capital monitoring position for the General Fund and Housing Revenue Account (HRA) at month eight of the 2022/23 financial year;
- 1.2 To note the Prudential Indicators in appendix 3;
- 1.3 To note that the Finance and Resources Committee is responsible for oversight of the Capital Investment Programme, with approval reserved for full Council; and
- 1.4 To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

Richard Carr

Executive Director of Corporate Services

Contact: Matt Jones, Senior Accountant,

Finance and Procurement, Corporate Services Directorate

E-mail: Matt.Jones@edinburgh.gov.uk | Tel: 07863 561145

Capital Monitoring 2022/23 - Month Eight Position

2. Executive Summary

- 2.1 The report provides the capital expenditure and funding position as at month eight and full-year outturn projections for the 2022/23 financial year, providing explanations for key variances.
- 2.2 At month eight, the General Fund is projecting capital expenditure of £251.067m and capital income of £129.903m, resulting in a net requirement of £121.164m in loans fund advances. This is £8.224m lower than the revised budget update provided in month three due to updated cashflows across the programme.
- 2.3 At month eight, the Housing Revenue Account (HRA) is projecting capital expenditure of £106.590m and capital income of £60.809m, resulting in a net requirement of £45.780m in loans fund advances.

3. Background

- 3.1 The Sustainable Capital Budget Strategy 2022-2032 was approved by Council on 24th February 2022. This report detailed priorities for council capital investment of £1,459.874m, in alignment with the Council Business Plan, over the medium to long-term and set out a plan on how they could be funded.
- 3.2 The Capital Strategy - Annual Report was approved by Council on 17th March 2022. This report sets out the proposed capital strategy, which provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens.
- 3.3 The month three capital monitoring position and the revised 2022/23 capital budget strategy position was reported to Finance and Resources Committee on 8th September 2022. This report incorporated outturn slippage from 2021/22 and rolled forward the capital investment programme for the period 2022-2032 to create the revised capital budget. In creating the revised budget, realignments were made between financial years to reflect the most up to date cash flow projections available. The budget was also adjusted to reflect funding received since the Council set its budget in February.

- 3.4 The month five capital monitoring position was reported to Finance and Resources Committee on 10th November 2022. This report incorporated updated outturn projections and adjusted the budget to reflect funding received since the month three update. This report incorrectly stated that Finance and Resources Committee has responsibility for approval of the Council's overall capital investment programme. To clarify, this committee provides an oversight role only, with approval reserved for full Council.

4. Main report

Capital Monitoring 2022/23 – Month Eight Position

General Fund Capital

- 4.1 At month eight, general fund expenditure is projected to be £251.067m, compared against a budget of £255.332m, resulting in projected capital expenditure slippage of £4.265m. Grants and other capital income are forecast to be £129.903m with the remaining expenditure being funded by loans fund advances of £121.164m. This is £8.224m less than the revised budget update provided in month three reflecting updated cashflows received across the programme. A breakdown by programme is provided in Appendix 1, with additional commentary provided in sections 4.2 to 4.7.
- 4.2 There has been capital expenditure of £28.685m on the Learning Estate as at month eight. As reported at month five, expenditure relates primarily to Early Years projects, Boroughmuir High School, Trinity Academy and Wester Hailes Education Centre with increased spend since then on the New South Edinburgh Primary and the Darroch Refurbishment. There is an overall net slippage forecast of £9.443m in the year, which relates predominantly to;
- Rising School Rolls £6.312m
 - Currie High School £8.521m;
 - Capital budget returned to the programme from front funded projects following the application of Capital Receipts and Developers Contributions £6.408m; and
 - New Castlebrae High School has acceleration of £11.031m partially offsetting the above slippage as anticipated Developers Contributions and the land receipt from HRA are yet to be received.

It remains that the Learning Estate strategy is experiencing significant financial pressure due to current market conditions. The budget proposals will be brought to the Special Budget meeting on 7th February 2023, seeking to address these pressures.

- 4.3 For Place - Transport & Infrastructure, there has been capital expenditure of £37.211m as at month 8. Expenditure projections have been updated on projects reported at month 5 with North Bridge £8.333m, Carriageways and Footways

£10.990m, and City Centre West East Link (CCWEL) Active Travel project £5.122m. The outturn slippage forecast of £0.362m relates to:

- Tram Lifecycle and renewal costs of £1.100m not yet being required as previously expected.
- Carriageways and Footways slightly under budget by £0.506m.
- The North Bridge refurbishment is seeing increased costs and is forecast to exceed its current year allocation by £1.203m, offsetting the overall Pace slippage. The overall increase in costs is likely to be significantly more than this and is being considered as part of the budget proposals being brought forward in February 2023.

- 4.4 For other Place Projects, there is an overall slippage of £3.555m most significantly due to the Fleet Replacement Programme £3.974m experiencing long lead times for vehicles.
- 4.5 Within Place – Trams to Newhaven, latest forecasts show a reprofiling of cashflows in line with the programme. This has resulted in £1.752m of expenditure being accelerated into 2022/23 from 2023/24. It remains that the project is expected to complete on time in Spring 2023, and within the approved budget of £207.3m.
- 4.6 Within Place - Lending there has been capital expenditure of £18.400m as at month eight for completed units which have transferred to Edinburgh Living LLP.
- 4.7 Within Asset Management Works Programme, there has been capital expenditure of £7.836m as at month eight across various projects, with outturn slippage of £10.781m against a budget of £22.102m.
- Portobello Swim Centre was forecast to spend £4.121m in 2022/23 but is expected to be delayed as Edinburgh Leisure consider implications of tender costings;
 - The Enerphit programme is not expected to start until 2023/24 giving slippage of £4.275m; and
 - Following revised forecasts there is other general slippage in the programme of £2.384m

Housing Revenue Account (HRA) Capital

- 4.8 The month eight monitoring shows HRA capital expenditure of £56.654m for the financial year to date across various programmes and workstreams relating to the Council housebuilding programme and improvements to existing council homes and estates. HRA Capital expenditure slippage of £12.165m is expected in the year and a breakdown by programme is provided in Appendix 2, with additional commentary provided in sections 4.9 to 4.12.
- 4.9 The forecast capital expenditure outturn on the Council New Homes Development Programme is acceleration of £3.895m which is primarily due to;
- Western Villages £1.844m following a reprogramming of delivery

- The expected Purchase of 23 homes from the Dreghorn Estate for £5.7m
- Slippage of Granton D1 £1.786m, Pennywell Town Centre £0.900m; and Powderhall BGS £0.751m

- 4.10 The forecast capital expenditure outturn on the Land element of the Council Housebuilding Programme remains in line with budget, with the purchase of Liberton Hospital expected to complete within the financial year.
- 4.11 The forecast capital expenditure outturn against Improvements to Council Homes and Estates is slippage of £16.060m primarily due to supply chain disruption, including shortages of materials and contractor availability experienced earlier in the year.
- 4.12 The month eight monitoring shows HRA capital income of £24.780m for the financial year so far, primarily from capital receipts from sales to Edinburgh Living LLP and the receiving of grant for Western Villages. The projected Capital income is £60.809m, which is £24.384m more than the revised budget, due to the completion of transfers to Edinburgh Living happening ahead of the dates assumed at budget setting. The amount to be funded through the Loans Fund Advance is projected to be £45.780m, a reduction of £36.549m reflecting the additional income and programme slippage.

5. Next Steps

- 5.1 This report will be referred to Governance, Risk and Best Value Committee to consider as part of its programme of work.
- 5.2 Finance staff will continue work with project and programme managers to monitor capital budgets.
- 5.3 A further report will be presented to Finance and Resource Committee at month 12 showing the final outturn position against the revised 2022/23 capital budget.

6. Financial impact

- 6.1 The 2022/23 General Fund projected outturn outlines loans fund advances of £121.164m. The overall loan charges associated with this over a 30-year period would be a principal amount of £121.164m, estimated interest and expenses of £108.162m, resulting in a total cost of £229.326m based on the PWLB rate at the time of writing. The average annual cost would be £7.644m for 30 years.
- 6.2 The 2022/23 HRA projected outturn outlines loans fund advances of £45.780m. The overall loans charges associated with this over a 30-year period would be a principal amount of £45.780m, interest of £42.920m, resulting in a total cost of £88.700m based on the PWLB rate at the time of writing. The average annual cost would be £2.957m for 30 years.

- 6.3 Borrowing required is carried out in line with the Council's approved Treasury Management Strategy.
- 6.4 The loan charge costs outlined above will be met from the general fund and HRA revenue budgets for loan charges.

7. Stakeholder/Community Impact

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

8. Background reading/external references

- 8.1 [Sustainable Capital Strategy 2022-32 – Annual Report](#), Finance and Resources Committee, 3 March 2022
- 8.2 [2022-32 Sustainable Capital Budget Strategy – Outturn 2021/22 and Revised Budget 2022/23](#), Finance and Resources Committee, 8 September 2022
- 8.3 [Capital Monitoring 2022-23 - Month 5 Position](#), Finance and Resources Committee, 10 November 2022

9. Appendices

- 9.1 Appendix 1 – 2022/23 Capital Monitoring Month Eight – General Fund
- 9.2 Appendix 2 – 2022/23 Capital Monitoring Month Eight – HRA
- 9.3 Appendix 3 – 2022/23 Prudential Indicators

Appendix 1 - 2022/23 Capital Monitoring

General Fund Summary

Period 8

Expenditure	Approved Budget £000	Adjustments £000	Revised Budget £000	Actual to Date £000	Projected Outturn £000	Projected (Varian £000
Learning Estate	31,645	12,299	43,944	28,685	34,501	-9,443
Edinburgh Living LLPs	16,972	20,845	37,817	18,400	37,817	0
Trams to Newhaven	39,503	15,197	54,700	39,267	56,452	1,752
Asset Management Works	29,425	-7,323	22,102	7,836	11,321	-10,781
Place - Transport & Infrastructure	48,436	-147	48,289	37,211	47,928	-362
Place - Other	56,547	4,954	61,501	32,959	57,945	-3,555
Corporate Services	807	469	1,276	335	1,001	-276
Edinburgh Health and Social Care Partnership	0	284	284	601	601	317
Other Community	1,395	5,394	6,789	2,813	3,502	-3,287
Contingency	0	324	324	0	0	-324
Slippage Assumption	-21,694	0	-21,694	0	0	21,694
Total Gross Expenditure	203,036	52,296	255,332	168,106	251,067	-4,265

Funding	Approved Budget £000	Adjustments £000	Revised Budget £000	Actual to Date £000	Projected Outturn £000	Projected (Varian £000
<i>Receipts/Contributions</i>						
Asset Sales	3,000	831	3,831	1,841	3,571	-260
Capital From Current Revenue (CFCR)	0	6,094	6,094	1,223	6,123	28
Other Capital Contributions (Edinburgh Living)	0	4,100	4,100	4,100	4,100	0
Developers Contributions Applied	0	5,708	5,708	3,350	6,052	344
Total Receipts and Contributions	3,000	16,734	19,734	10,514	19,846	113
<i>Grants</i>						
Scottish Government General Grant	40,221	12,251	52,472	36,945	52,472	0
Less: Contribution to Capital Fund (Pay Award)	0	-9,700	-9,700	0	-9,700	0
Other Government Grants	49,227	14,211	63,438	32,494	67,285	3,847
Total Grants	89,448	16,762	106,210	69,439	110,057	3,847
<i>Borrowing</i>						
Loans Fund Advances	110,588	18,800	129,388	88,153	121,164	-8,224
Total Borrowing	110,588	18,800	129,388	88,153	121,164	-8,224
Total Funding	203,036	52,296	255,332	168,106	251,067	-4,265

Outturn
ice

%
-21%
0%
3%
-49%
-1%
-6%
-22%
112%
-48%
-100%
-100%
<u>-2%</u>

Outturn
ice

%
-7%
0%
0%
6%
<u>1%</u>

0%
0%
6%
<u>4%</u>

-6%
<u>-6%</u>
<u>-2%</u>

Appendix 2 - 2022/23 Capital Monitoring

Housing Revenue Account

Period 8

Expenditure	Approved	Adjustments	Revised	Actual to	Projected	Projected Outturn	
	Budget		Budget	Date	Outturn	Variance	
	£000	£000	£000	£000	£000	£000	%
New Homes Development	43,332	-5,608	37,724	19,133	41,620	3,895	10.3%
New Homes Land Costs	16,800	-2,456	14,344	83	14,343	-0	0.0%
Improvement to Council Homes and Estates	66,687	0	66,687	37,438	50,627	-16,060	-24.1%
Total Gross Expenditure	126,819	-8,064	118,755	56,654	106,590	-12,165	-10.2%

Income	Approved	Adjustments	Revised	Actual to	Projected	Projected Outturn	
	Budget		Budget	Date	Outturn	Variance	
	£000	£000	£000	£000	£000	£000	%
Capital Receipts and Other Contributions	0	0	0	3,692	3,692	3,692	N/A
Capital Funded from Current Revenue	23,300	-2,456	20,844	0	18,300	-2,544	-12.2%
Receipts from LLPs	6,444	0	6,444	10,003	20,432	13,988	217.1%
Scottish Government Subsidy	4,137	0	4,137	9,174	13,385	9,248	223.5%
Specific Capital Grant	5,000	0	5,000	1,911	5,000	0	0.0%
Total Income	38,881	-2,456	36,425	24,780	60,809	24,384	66.9%
Balance to be funded through Loans Fund Advance	87,938	-5,608	82,330	31,874	45,780	-36,549	-44%

2022/23 Revised Budget Prudential Indicators**Indicator 1 - Estimate of Capital Expenditure**

The actual capital expenditure that was incurred in 2021/22 and the estimates of capital expenditure to be incurred for the current and future years:

	Capital Expenditure - General Services					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
Rolled Forward Capital Investment Programme	£000	£000	£000	£000	£000	£000
Education and Children's Services	95,726	38,003	71,215	103,555	83,314	31,563
Place	176,181	105,873	159,279	79,059	75,997	20,223
Place - Lending	4,167	37,817	62,413	70,500	41,793	10,804
Place - Trams to Newhaven	68,486	56,452	3,507	0	0	0
Place - Asset Management Works	23,236	11,321	0	0	0	0
Corporate Services	3,155	1,001	26,441	33,677	31,484	20,473
Edinburgh Health and Social Care Partnership	164	601	4,091	1,597	669	678
Contingency	0	0	0	0	5,000	5,000
General Slippage in Programme	0	0	-18,660	-5,573	4,574	17,928
Total General Services Capital Expenditure	371,115	251,067	308,285	282,814	242,831	106,669

The Place - Trams to Newhaven figures include capitalised interest following a change in accounting policy approved by Finance and Resources Committee on 21 January 2021. Note that the 2022-2027 Capital Investment Programme includes slippage / acceleration brought forward based on projected capital expenditure reported at the month three stage.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Rolled Forward Capital Investment Programme						
Housing Revenue Account	64,850	106,590	174,587	266,705	512,713	515,030

Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years and the actual figures for 2021/22 are:

	Ratio of Financing Costs to Net Revenue Stream					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
General Services	6.8%	13.4%	7.9%	8.0%	8.0%	8.0%
Housing Revenue Account (HRA)	32.0%	33.0%	35.8%	38.7%	44.1%	49.0%

Note: Figures for 2023/24 onwards are indicative at this stage as the Council has not set a General Services or HRA budget for these years. The figures for General Services are based on the current long term financial plan.

The estimates of financing costs include current commitments in the capital plans set out in Appendices 1 and 2.

Indicator 3 - Capital Financing Requirement

Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31 March 2022 are:

	Capital Financing Requirement					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
General Services (including Finance Leases)	1,411	1,461	1,540	1,584	1,616	1,581
Housing Revenue Account (HRA)	394	422	506	611	753	908
NHT LLPs	56	32	15	15	0	0
Edinburgh Living LLPs	42	79	140	210	251	261
Total Capital Financing Requirement	1,903	1,993	2,201	2,420	2,621	2,750

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequences of all of the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to borrow for a capital purpose.

The capital financing requirement for the NHT LLPs includes an estimate for repayments of advances. Exit strategies are still to be finalised for the remaining three LLPs, however four have repaid their loans in full.

CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence.

In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	Gross Debt and the Capital Financing Requirement					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Gross Debt	1,789	1,728	1,679	1,630	1,556	1,480
Capital Financing Requirements	1,903	1,993	2,201	2,420	2,621	2,750
(Over) / under limit by:	114	265	523	790	1,064	1,270

The authority does not currently envisage borrowing in excess of its capital financing requirement over the next few years. This takes into account current commitments, existing plans and assumptions around cash balances and the proposals in this budget. The figures do not include any expenditure and associated funding requirements, other than projects specifically approved by Council, for the Local Development Plan (LDP) or City Deal.

In 2022/2023, the Authority will apply IFRS 16 Leases as adopted by the Code of Accounting Practice. This will subsequently have an impact on the Capital Financing Requirement (CFR) as from the 2022/23 financial year. Therefore, it should be expected to see an increase in the CFR in future years. This will similarly have an impact on the authorised limit and operational boundary for external debt.

Indicator 4 - Authorised Limit for External Debt

The authorised limit should reflect a level of borrowing which, while not desired, could be afforded, but may not be sustainable. "Credit Arrangements" as defined by Financial Regulations, has been used to calculate the authorised and operational limits requiring both the short and long term liabilities relating to finance leases and PFI assets to be considered. In respect of its external debt, the following authorised limits for its total external debt gross of investments for the next four financial years was approved in February 2022. These limits separately identify borrowing under credit arrangements including finance leases and PFI assets. Council have approved these limits and to delegate authority to the Service Director for Finance and Procurement, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and credit arrangements, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its meeting following the change.

	Authorised Limit for External Debt					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
Borrowing	1,690	1,911	2,269	2,749	3,234	3,652
Credit Arrangements (including leases)	289	284	279	274	268	262
Authorised Limit for External Debt	1,980	2,195	2,548	3,023	3,503	3,914

These authorised limits are consistent with the authority's current commitments, existing plans and the proposals in this budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of most likely (but not worst case) scenario with sufficient headroom to allow for operational treasury management. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

Indicator 5 - Operational Boundary for External Debt

The Council has also approved, in February 2022, the following operational boundary for external debt for the same period. The proposed operational boundary equates to the estimated maximum of external debt. It is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and credit arrangements are separately identified. The Council has also delegated authority to the Service Director for Finance and Procurement, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and credit arrangements, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	Operational Boundary for External Debt					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
Borrowing	1,640	1,861	2,219	2,699	3,184	3,602
Credit Arrangements (including leases)	289	284	279	274	268	262
Operational Boundary for External Debt	1,930	2,145	2,498	2,973	3,453	3,864

The Council's actual external debt at 31 March 2021 was £1,347m of borrowing (including sums repayable within 12 months).

Indicator 6 - Loans Charges Associated with net Capital Investment expenditure plans

Under the changes to the Prudential Code which came into force in December 2017, the requirement to measure and report on the incremental impact on the Council Tax / rents was removed from the Code. The authority can set its own local indicators to measure the affordability of its capital investment plans. The Service Director for Finance and Procurement considers that Council should be advised of the loans charges cost implications which will result from the spending plans being considered for approval. These cost implications have been included in the Council's Revenue and HRA budgets for 2022/23 and for future years will be considered as part of the longer term financial frameworks.

	Loans Charges Liability					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £001
General Services (excluding On-Lending and Tram to Newhaven) - New Loans Fund Advances						
Loans Fund Advances in year	147,789	44,091	130,542	109,404	104,655	41,977
Year 1 - Interest Only	2,997	894	2,647	2,218	2,122	851
Year 2 - Interest and Principal Repayment	8,597	2,565	7,594	6,364	6,088	2,442
Housing Revenue Account (HRA) - New Loans Fund Advances						
Loans Fund Advances in year (excl. LLP programme *)	35,364	45,780	104,216	127,158	167,115	182,537
Year 1 - Interest Only	761	986	2,243	2,737	3,597	3,929
Year 2 - Interest and Principal Repayment	2,120	2,744	6,247	7,622	10,017	10,941

* The loans charges associated with the borrowing required for the house building programme for onward transferred to the LLPs will be met from the LLPs and does therefore not have a net impact on the HRA or General Services revenue budget. Tram repayments are based on the income model and will commence in 2023/24 when the line to Newhaven becomes operational.

Consideration of options for the capital programme

In considering its programme for capital investment, Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax or house rents;
- prudence and sustainability, e.g. implications for external borrowing;
- value for money, e.g. option appraisal;
- stewardship of assets, e.g. asset management planning;
- service objectives, e.g. strategic planning for the authority;
- practicality, e.g. achievability of the forward plan.

Finance & Resources Committee

10:00am, Thursday, 26th January 2023

Treasury Management: Mid-Year Report 2022/23

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Committee:
 - 1.1.1 notes the mid-year report on Treasury Management for 2022/23; and
 - 1.1.2 refers the report to City of Edinburgh Council for approval and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

Richard Carr

Interim Executive Director of Corporate Services

Contact: Innes Edwards, Principal Treasury and Banking Manager

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Treasury Management: Mid-Term Report 2022/23

Treasury Management: Mid-Term Report 2022/23

2. Executive Summary

- 2.1 The purpose of this report is to give an update on Treasury Management activity undertaken in the first half of 2022/23.
- 2.2 In accordance with the Strategy set in March 2022 the Council has borrowed just £3.1m from the PWLB in the first half of the year. This borrowing relates to loans to the Edinburgh Living Mid-Market Rent LLP.
- 2.3 The investment return for 2022/23 is matching the Fund's benchmark, during a period of increasing interest rates while maintaining the security of the investments as a priority.

3. Background

- 3.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, the mid-term report has been prepared setting out activity undertaken.

4. Main report

4.1 UK Interest Rates

- 4.1.1 During the last six months economic uncertainty continued due to the recovery from the COVID-19 pandemic, the war in Ukraine, high inflation rates and a deteriorating economic outlook. The Bank of England's (BoE) Monetary Policy Committee (MPC) increased UK Bank Rate at all four of their of their meeting during the first half of 2022/23 (and have subsequently increased Bank Rate further to 3.5%). Appendix 1 gives a summary of the first six months from the Council's Treasury Advisors.

4.2 Debt Management

4.2.1 The Council continued to fund its borrowing requirement by reducing its investments but also took the opportunity as previously mentioned to lock in a small amount of borrowing at an attractive rate of interest. Appendix 2 outlines the debt management activity during the period.

4.2.2 The £3.1m borrowed secured funding for Edinburgh Living MMR LLP.

4.3 Investment Out-turn

4.3.1 The Council's cash balances are pooled and invested via the Treasury Cash Fund subject to the limits set out in the Treasury Management Policy Statement. Appendix 3 provides detail on the Council's investments.

4.3.2 As can also be seen in Appendix 3 Treasury Cash Fund performance has performed in line with its benchmark with absolute investment returns increasing due to the increases in UK Bank Rate.

5. Next Steps

5.1 The Treasury team will continue to operate its Treasury Cash Fund with the aim of out-performing its benchmark of 7-day compounded Sterling Overnight Index Average (SONIA) and manage the Council's debt portfolio to minimise the cost to the Council while mitigating risk.

5.2 The Treasury team will also continue to review the Council's borrowing requirements, taking into account the significant planned capital investment set out in the ten-year capital plan, and the opportunities that the market presents.

6. Financial impact

6.1 The Treasury Cash Fund has generated significant additional income for the Council.

6.2 Loan charges associated with the borrowing will be managed within the approved budget.

7. Stakeholder/Community Impact

7.1 There are no adverse stakeholder/community impacts arising from this report.

8. Background reading/external references

8.1 None

9. Appendices

Appendix 1: Economic Background

Appendix 2: Debt Management Activity

Appendix 3: Investment Out-turn

Appendix 4: Debt outstanding 30th September 2022

Appendix 1

Economic Background

Our Treasury Advisors, Arlingclose summarised the financial markets and gilt yields over the first six months of the financial year as follows:

The ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. The UK political situation towards the end of the period following the 'fiscal event' increased uncertainty further.

The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy.

Central Bank rhetoric and action remained robust. The Bank of England, Federal Reserve and the European Central Bank all pushed up interest rates over the period and committed to fighting inflation, even when the consequences were in all likelihood recessions in those regions.

UK inflation remained extremely high. Annual headline CPI hit 10.1% in July, the highest rate for 40 years, before falling modestly to 9.9% in August. RPI registered 12.3% in both July and August. The energy regulator, Ofgem, increased the energy price cap by 54% in April, while a further increase in the cap from October, which would have seen households with average energy consumption pay over £3,500 per annum, was dampened by the UK government stepping in to provide around £150 billion of support to limit bills to £2,500 annually until 2024.

The labour market remained tight through the period but there was some evidence of easing demand and falling supply. The unemployment rate 3m/year for April fell to 3.8% and declined further to 3.6% in July. Although now back below pre-pandemic levels, the recent decline was driven by an increase in inactivity rather than demand for labour. Pay growth in July was 5.5% for total pay (including bonuses) and 5.2% for regular pay. Once adjusted for inflation, however, growth in total pay was -2.6% and -2.8% for regular pay.

With disposable income squeezed and higher energy bills still to come, consumer confidence fell to a record low of -44 in August, down -41 in the previous month. Quarterly GDP fell -0.1% in the April-June quarter driven by a decline in services output, but slightly better than the 0.3% fall expected by the Bank of England.

The Bank of England increased the official Bank Rate to 2.25% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises of 0.25% in each of the following two MPC meetings, before hiking by 0.50% in August and again in September. August's rise was voted by a majority of 8-1, with one MPC

member preferring a more modest rise of 0.25%. the September vote was 5-4, with five votes for an 0.5% increase, three for an 0.75% increase and one for an 0.25% increase. The Committee noted that domestic inflationary pressures are expected to remain strong and so given ongoing strong rhetoric around tackling inflation further Bank Rate rises should be expected.

On 23rd September the UK government, following a change of leadership, announced a raft of measures in a 'mini budget', loosening fiscal policy with a view to boosting the UK's trend growth rate to 2.5%. With little detail on how government borrowing would be returned to a sustainable path, financial markets reacted negatively. Gilt yields rose dramatically by between 0.7% - 1% for all maturities with the rise most pronounced for shorter dated gilts. The swift rise in gilt yields left pension funds vulnerable, as it led to margin calls on their interest rate swaps and risked triggering large scale redemptions of assets across their portfolios to meet these demands. It became necessary for the Bank of England to intervene to preserve market stability through the purchase of long-dated gilts, albeit as a temporary measure, which has had the desired effect with 50-year gilt yields falling over 100bps in a single day.

Bank of England policymakers noted that any resulting inflationary impact of increased demand would be met with monetary tightening, raising the prospect of much higher Bank Rate and consequential negative impacts on the housing market.

Uncertainty remained in control of financial market sentiment and bond yields remained volatile, continuing their general upward trend as concern over higher inflation and higher interest rates continued to dominate. Towards the end of September, volatility in financial markets was significantly exacerbated by the UK government's fiscal plans, leading to an acceleration in the rate of the rise in gilt yields and decline in the value of sterling.

Due to pressure on pension funds, the Bank of England announced a direct intervention in the gilt market to increase liquidity and reduce yields.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to 4.40%, the 10-year gilt yield rose from 1.61% to 4.15%, the 20-year yield from 1.82% to 4.13% and the 50-year yield from 1.56% to 3.25%. The Sterling Overnight Rate (SONIA) averaged 1.22% over the period.

Appendix 2

Debt Management Activity

Figure A2.1 below shows the PWLB borrowing rates since April 2005.

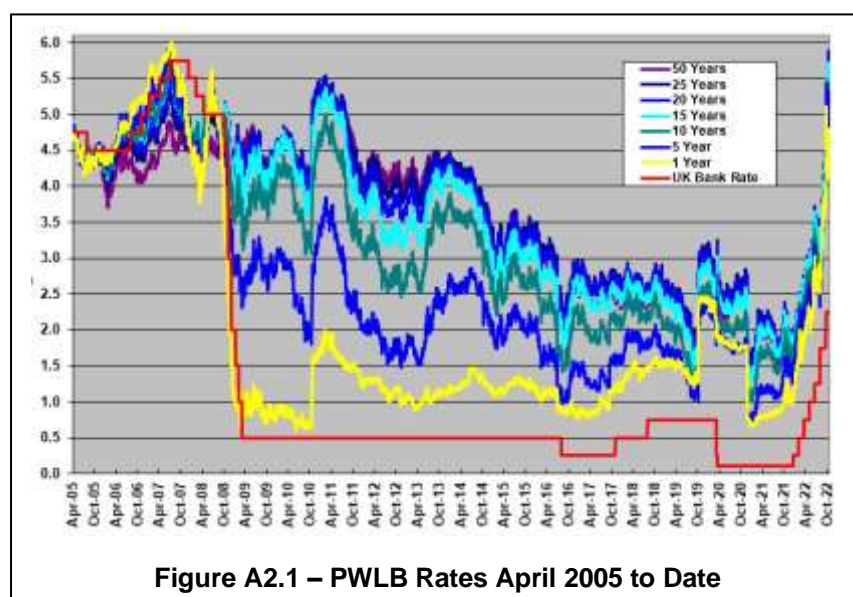


Figure A2.1 – PWLB Rates April 2005 to Date

Borrowing rates have risen dramatically since the Treasury Strategy for 2022/23 was approved. The Debt Management Strategy for 2022/23 as outlined in the Strategy Report was:

To address the borrowing requirement it is intended, subject to appropriate rates being available, to:

- *continue to reduce investment balances to temporarily fund capital expenditure;*
- *seek alternative sources of funds to the PWLB; and*
- *continue to lock out the risk on projects when the timing of capital expenditure becomes certain and interest rates are appropriate.*

We have previously highlighted significant concerns over the prospects for inflation and the medium-term outlook for interest rates and noted that this was the rationale for taking substantial PWLB borrowing during 2021/22 to lock in the low interest rates. However, interest rates rose faster than had been anticipated. In the circumstances, we have continued to reduce investment balances to temporarily fund capital expenditure. We borrowed £18m in 2021/22 to cover future lending to Edinburgh Living for all projects which were already on site. However, early in the financial year one of the projects where the homes were being purchased from the Council by Edinburgh Living MMR LLP remained affordable at the prevailing borrowing rates. £3.1m was therefore borrowed to cover the loan to the LLP, retaining the pool of pre-borrowing for future projects.

Appendix 3

Investment Out-turn

The Council's cash balances are pooled and invested via the Treasury Cash Fund subject to the limits set out in the Treasury Management Policy Statement. Figure A3.1 below shows the daily investment in the Cash Fund since April 2009 highlighting the increased cash holdings due to borrowing. The Treasury Management strategy is to ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks. The Cash Fund's Investment Strategy continues to be based around the security of the investments.

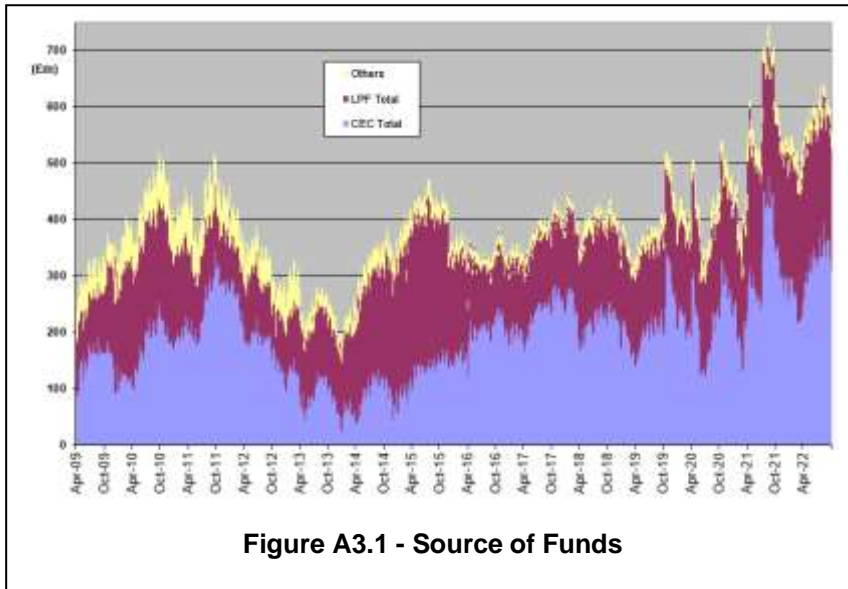


Figure A3.2 shows the rates achieved in the Friday auctions of UK Treasury Bills. As can be seen rates are increasing with each UK Bank Rate increase.

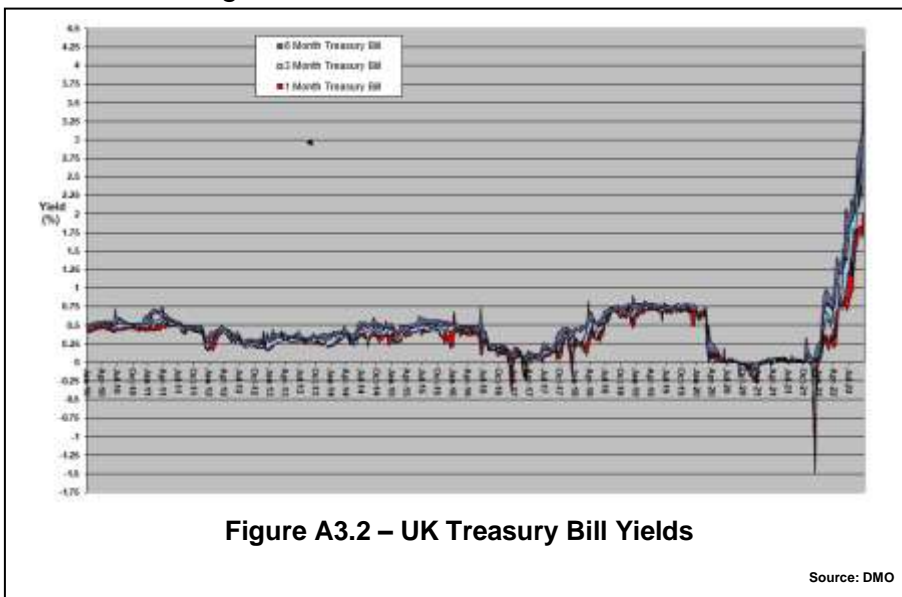
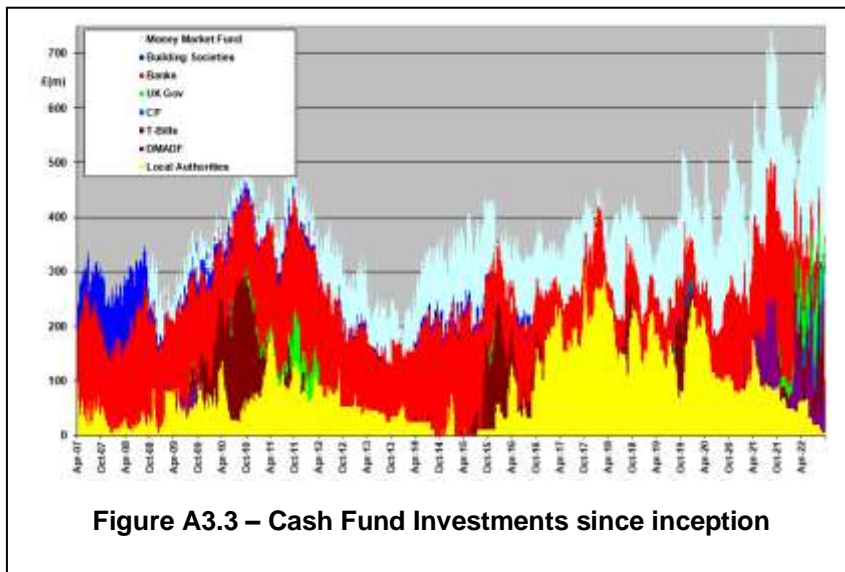
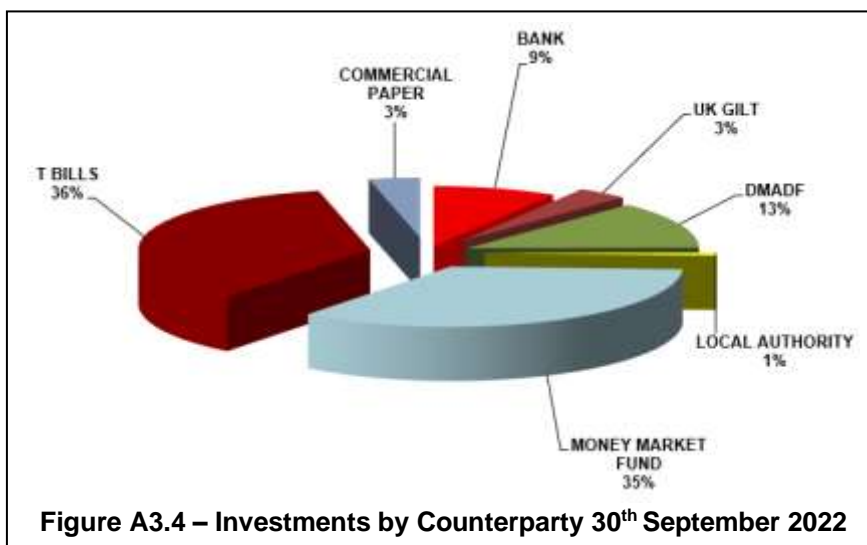


Figure A3.3 shows in detail the distribution on Cash Fund investments since inception in 2007. This shows increased investment in UK Treasury Bills, UK Gilts, commercial paper in ring-fenced banks and the Governments Debt Management Agency Deposit Facility (DMADF).



As can be seen in Figure A3.4, 1% of the fund was invested in a Local Authority deposit, 36% with UK Treasury Bills, 3% with UK Gilts, 13% invested with DMADF, 12% was invested with Banks in call accounts split between instant access and commercial paper with ring-fenced institutions and 35% on deposit with Money Market Funds.



The strategy is to seek Local Authority and UK Treasury Bill trades which add value to relative MMF/Bank rates and make a positive performance contribution. There has been little interest from local authorities for many remain cash rich and rates remain relatively low due to large cash balances. Treasury will continue to monitor yield increases and take advantage of any opportunity to achieve an increase rate with Government backed investments.

As can be seen in Figure A3.5 the weighted average life of the fund was 35 days at the end of September. The duration on the portfolio is mainly made up from UK Treasury Bills with the longest maturing in January alongside a UK Gilt. One local authority deposit matures in March.

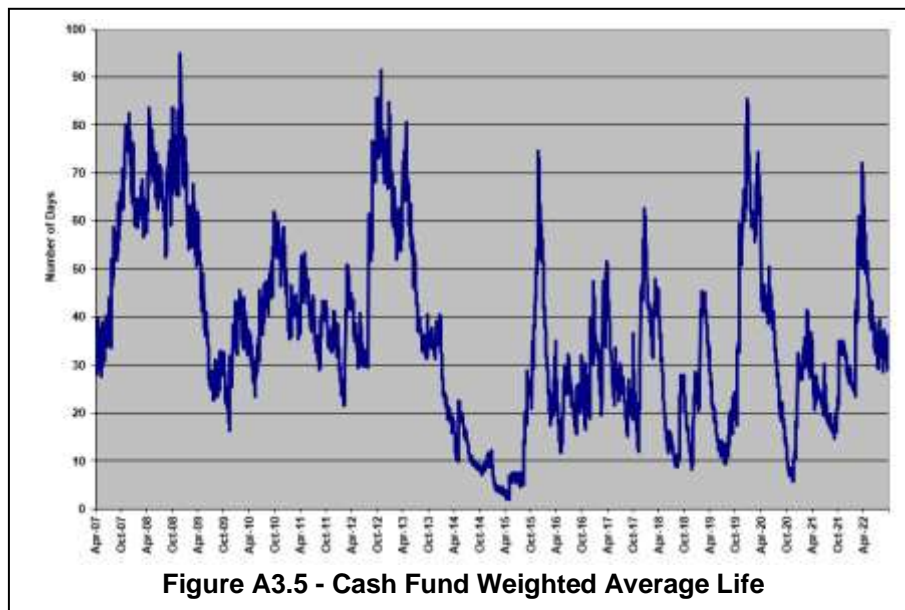


Figure A3.5 - Cash Fund Weighted Average Life

Cash Fund Performance

The annualised rate of return for the Cash Fund for the six months to September 2022 was 1.12% against a benchmark of 1.13%. Figure A3.6 below shows the daily investment performance of the Cash Fund against its benchmark since April 2011. As can be seen, recent Cash Fund performance remained slightly below the benchmark which increased more quickly with increases in UK Bank Rate than the cash fund rate. Treasury will continue to seek trades which add value while retaining security of investments.

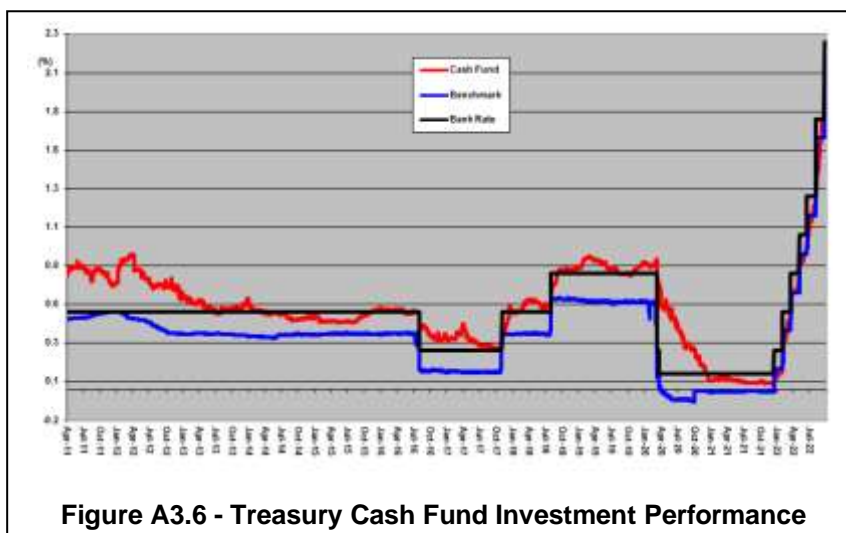


Figure A3.6 - Treasury Cash Fund Investment Performance

Appendix 4

Debt outstanding 30th September 2022

Market Debt (non LOBO)

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	08/10/2020	08/10/2045	57,392,301.61	2.613	1,511,165.09
M	30/06/2005	30/06/2065	5,000,000.00	4.4	220,000.00
M	07/07/2005	07/07/2065	5,000,000.00	4.4	220,000.00
M	21/12/2005	21/12/2065	5,000,000.00	4.99	249,500.00
M	28/12/2005	24/12/2065	12,500,000.00	4.99	623,750.00
M	14/03/2006	15/03/2066	15,000,000.00	5	750,000.00
M	18/08/2006	18/08/2066	10,000,000.00	5.25	525,000.00
M	01/02/2008	01/02/2078	10,000,000.00	3.95	395,000.00
			121,642,025.46		

Market Debt (LOBO)

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	12/11/1998	13/11/2028	3,000,000.00	4.75	142,500.00
M	15/12/2003	15/12/2053	10,000,000.00	5.25	525,000.00
M	18/02/2004	18/02/2054	10,000,000.00	4.54	454,000.00
M	28/04/2005	28/04/2055	12,900,000.00	4.75	612,750.00
M	01/07/2005	01/07/2065	10,000,000.00	3.86	386,000.00
M	24/08/2005	24/08/2065	5,000,000.00	4.4	220,000.00
M	07/09/2005	07/09/2065	10,000,000.00	4.99	499,000.00
M	13/09/2005	14/09/2065	5,000,000.00	3.95	197,500.00
M	03/10/2005	05/10/2065	5,000,000.00	4.375	218,750.00
M	23/12/2005	23/12/2065	10,000,000.00	4.75	475,000.00
M	06/03/2006	04/03/2066	5,000,000.00	4.625	231,250.00
M	17/03/2006	17/03/2066	10,000,000.00	5.25	525,000.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	07/04/2006	07/04/2066	10,000,000.00	4.75	475,000.00
M	05/06/2006	07/06/2066	20,000,000.00	5.25	1,050,000.00
M	05/06/2006	07/06/2066	16,500,000.00	5.25	866,250.00
			172,400,000.00		

PWLB Loans

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	16/02/1995	03/02/2023	2,997,451.21	8.625	258,530.17
M	24/04/1995	25/03/2023	10,000,000.00	8.5	850,000.00
M	05/12/1995	15/05/2023	5,200,000.00	8	416,000.00
M	20/09/1993	14/09/2023	2,997,451.21	7.875	236,049.28
M	20/09/1993	14/09/2023	584,502.98	7.875	46,029.61
M	08/05/1996	25/09/2023	10,000,000.00	8.375	837,500.00
M	13/10/2009	13/10/2023	5,000,000.00	3.87	193,500.00
M	05/12/1995	15/11/2023	10,000,000.00	8	800,000.00
M	10/05/2010	10/05/2024	10,000,000.00	4.32	432,000.00
M	28/09/1995	28/09/2024	2,895,506.10	8.25	238,879.25
M	14/05/2012	14/11/2024	10,000,000.00	3.36	336,000.00
A	14/12/2009	14/12/2024	2,065,863.38	3.66	96,956.99
M	17/10/1996	25/03/2025	10,000,000.00	7.875	787,500.00
M	10/05/2010	10/05/2025	5,000,000.00	4.37	218,500.00
M	16/11/2012	16/05/2025	20,000,000.00	2.88	576,000.00
M	13/02/1997	18/05/2025	10,000,000.00	7.375	737,500.00
M	20/02/1997	15/11/2025	20,000,000.00	7.375	1,475,000.00
A	01/12/2009	01/12/2025	4,057,234.04	3.64	176,932.55
M	21/12/1995	21/12/2025	2,397,960.97	7.875	188,839.43
M	21/05/1997	15/05/2026	10,000,000.00	7.125	712,500.00
M	28/05/1997	15/05/2026	10,000,000.00	7.25	725,000.00
M	29/08/1997	15/11/2026	5,000,000.00	7	350,000.00
M	24/06/1997	15/11/2026	5,328,077.00	7.125	379,625.49
M	07/08/1997	15/11/2026	15,000,000.00	6.875	1,031,250.00
M	13/10/1997	25/03/2027	10,000,000.00	6.375	637,500.00
M	22/10/1997	25/03/2027	5,000,000.00	6.5	325,000.00
M	13/11/1997	15/05/2027	3,649,966.00	6.5	237,247.79
M	17/11/1997	15/05/2027	5,000,000.00	6.5	325,000.00
M	13/12/2012	13/06/2027	20,000,000.00	3.18	636,000.00
M	12/03/1998	15/11/2027	8,677,693.00	5.875	509,814.46
M	06/09/2010	06/09/2028	10,000,000.00	3.85	385,000.00
M	14/07/2011	14/07/2029	10,000,000.00	4.9	490,000.00
E	14/07/1950	03/03/2030	1,895.62	3	62.56
M	14/07/2011	14/07/2030	10,000,000.00	4.93	493,000.00
E	15/06/1951	15/05/2031	2,109.12	3	68.54
M	06/09/2010	06/09/2031	20,000,000.00	3.95	790,000.00
M	15/12/2011	15/06/2032	10,000,000.00	3.98	398,000.00
M	15/09/2011	15/09/2036	10,000,000.00	4.47	447,000.00
M	22/09/2011	22/09/2036	10,000,000.00	4.49	449,000.00
M	10/12/2007	10/12/2037	10,000,000.00	4.49	449,000.00
M	08/09/2011	08/09/2038	10,000,000.00	4.67	467,000.00
M	15/09/2011	15/09/2039	10,000,000.00	4.52	452,000.00
M	06/10/2011	06/10/2043	20,000,000.00	4.35	870,000.00

M	09/08/2011	09/02/2046	20,000,000.00	4.8	960,000.00
M	23/01/2006	23/07/2046	10,000,000.00	3.7	370,000.00
M	23/01/2006	23/07/2046	10,000,000.00	3.7	370,000.00
M	19/05/2006	19/11/2046	10,000,000.00	4.25	425,000.00
M	07/01/2008	07/01/2048	5,000,000.00	4.4	220,000.00
A	24/03/2020	24/03/2050	14,011,287.23	1.64	234,715.95
A	26/03/2020	26/03/2050	4,663,035.29	1.49	71,004.13
A	26/03/2021	26/03/2051	9,614,327.97	1.75	171,644.97
A	12/07/2021	12/07/2051	38,980,830.65	1.78	707,484.79
M	27/01/2006	27/07/2051	1,250,000.00	3.7	46,250.00
M	16/01/2007	16/07/2052	40,000,000.00	4.25	1,700,000.00
M	30/01/2007	30/07/2052	10,000,000.00	4.35	435,000.00
M	13/02/2007	13/08/2052	20,000,000.00	4.35	870,000.00
M	20/02/2007	20/08/2052	70,000,000.00	4.35	3,045,000.00
M	22/02/2007	22/08/2052	50,000,000.00	4.35	2,175,000.00
M	08/03/2007	08/09/2052	5,000,000.00	4.25	212,500.00
M	30/05/2007	30/11/2052	10,000,000.00	4.6	460,000.00
M	11/06/2007	11/12/2052	15,000,000.00	4.7	705,000.00
M	12/06/2007	12/12/2052	25,000,000.00	4.75	1,187,500.00
M	05/07/2007	05/01/2053	12,000,000.00	4.8	576,000.00
M	25/07/2007	25/01/2053	5,000,000.00	4.65	232,500.00
M	10/08/2007	10/02/2053	5,000,000.00	4.55	227,500.00
M	24/08/2007	24/02/2053	7,500,000.00	4.5	337,500.00
M	13/09/2007	13/03/2053	5,000,000.00	4.5	225,000.00
A	14/10/2019	10/04/2053	104,750,808.43	2.69	2,832,296.87
M	12/10/2007	12/04/2053	5,000,000.00	4.6	230,000.00
A	01/07/2021	01/07/2053	48,867,526.62	1.98	993,421.87
M	05/11/2007	05/05/2057	5,000,000.00	4.6	230,000.00
M	15/08/2008	15/02/2058	5,000,000.00	4.39	219,500.00
A	25/01/2019	25/01/2059	2,593,078.97	2.65	69,548.05
A	11/06/2019	11/06/2059	1,222,443.71	2.23	27,613.76
A	01/10/2019	01/10/2059	1,284,067.74	1.74	22,448.09
A	02/10/2019	02/10/2059	38,250,958.78	1.8	691,722.20
A	05/11/2019	05/11/2059	6,900,131.28	2.96	206,456.25
A	28/11/2019	28/11/2059	1,262,575.05	3.03	38,664.01
A	02/12/2019	02/12/2059	2,718,126.50	3.03	83,237.57
A	20/01/2020	20/01/2060	1,911,997.78	1.77	34,316.53
A	20/01/2020	20/01/2060	442,750.38	2.97	13,291.81
M	04/10/2019	04/04/2060	40,000,000.00	1.69	676,000.00
A	07/12/2021	07/12/2060	18,929,684.58	1.8	343,793.42
M	02/12/2011	02/12/2061	5,000,000.00	3.98	199,000.00
A	07/12/2021	07/12/2061	4,128,600.24	1.79	74,543.62
A	19/05/2022	19/05/2062	3,096,067.00	2.86	88,248.03
A	24/03/2022	24/03/2063	17,877,239.67	2.65	473,746.85
M	26/03/2020	26/03/2070	10,000,000.00	1.29	129,000.00

M	12/07/2021	12/07/2071	50,000,000.00	1.74	870,000.00
M	23/12/2021	23/12/2071	25,000,000.00	1.45	362,500.00
			1,173,111,248.50		

SALIX INTEREST FREE

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
Z	31/03/2015	01/04/2023	180,289.74	0.00	0.00
Z	22/09/2015	01/10/2023	65,939.91	0.00	0.00
Z	29/03/2019	01/04/2029	97,985.02	0.00	0.00
			344,214.67		

Finance and Resources Committee

10.00am, Thursday, 26th January 2023

Resource provision for Medium-Term Financial Plan

Executive
Wards
Council Commitments

1. Recommendations

- 1.1 To note the requirement for the Council to develop and deliver a Medium-Term Financial Plan to respond the financial challenge now facing the Council.
- 1.2 To note the resources required to enable this work.
- 1.3 To note that the majority of the resource is being secured through the redeployment of existing internal staff.
- 1.4 In addition to the above internal resource realignment , to note that the Interim Executive Director of Corporate Services, in consultation with the Finance and Resources Committee Convenor under urgency provisions set out in paragraph 4.1 of the Committee Terms of Reference and Delegated Functions has approved the waiver and extension to the contract for consultancy services to GatenbySanderson Ltd to provide specific capacity to lead this work, pending confirmation of a permanent internal leadership arrangement.

Richard Carr

Interim Executive Director of Corporate Services

Contact: Richard Carr, Interim Executive Director of Corporate Services

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Finance and Resources Committee

Resource provision for Medium-Term Financial Plan

2. Main report

- 2.1 There is an urgent requirement for the Council to develop and deliver a Medium-Term Financial Plan to address the current projected budget gap not just for 2023-24 but covering the next four years.
- 2.2 This work is underway and will be reported to Council shortly. Given the lead in time required for the degree of likely organisational change which will be needed, appropriate delivery arrangements are being made.
- 2.3 The majority of the resource aligned to this task is existing internal employees who have been redeployed from their substantive roles. However, in addition, there is a requirement for a role to lead the following :
- the development of specific options and proposals to address the projected budget gap over the next four years through identifying opportunities for efficiencies/cost improvements, together with prioritisation of activity.
 - ensure that such proposals quantify the likely net value and include a plan setting out the key stages involved in realising the benefits, with an indication of what would be required to do this.
 - Implementation plans to enable the Council to achieve the benefits in practice of whatever options for change are ultimately approved.
- 2.4 This role has already been appointed to, on a interim basis, so the programme of work required could start be started. Ultimately, it is envisaged that the leadership of this work will be assigned to a permanent member of staff but pending confirmation of the future arrangements, the Interim Executive Director of Corporate Services in consultation with the Finance and Resources Committee Convenor has approved the waiver and extension to a contract for consultancy services to GatenbySanderson Ltd under urgency provisions set out in paragraph 4.1 of the Committee Terms of Reference and Delegated Functions.

3. Financial impact

- 3.1 The costs of the contract extension are estimated to be a further £65,000 (to 31 March 2023) and funding has been identified from Council reserves residual sum held from a previous Transformation Programme).

4. Stakeholder/Community Impact

- 4.1 Not applicable.

5. Background reading/external references

- 5.1 Not applicable.

6. Appendices

- 6.1 Not applicable.

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Sustainable Procurement Strategy Annual Report – 2022 – Living Wage Update

Executive/routine	
Wards	All
Council Commitments	

1. Recommendations

- 1.1 It is recommended that the Committee
 - 1.1.1 notes the contents of this report and the steps being taken to promote, encourage and deliver Fair Work First practices and the payment of the Real Living Wage by all Council suppliers
 - 1.1.2 agrees, in accordance with the Council Motion of 15 December 2022, to routinely mandate payment of the Real Living Wage in Council regulated tenders subject to the conditions in 4.14 being met
 - 1.1.3 approves the proposed timetable as set out in Appendix 1 of this Report to adopt the recommendations of the Fair Work and Procurement motion of 15 December 2022 as amended by the Green Party addendum.

Richard Carr

Interim Executive Director of Corporate Services

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Sustainable Procurement Strategy Annual Report – 2022 – Living Wage Update

2. Executive Summary

- 2.1 This report is in response to requests from elected members for a briefing on the Living Wage Employer and the Living Wage City initiative in response to the [Sustainable Procurement Strategy Annual Report - 2022](#) taken to the Council Finance and Committee on 8th September 2022.
- 2.2 The report also addresses the requests in the motion on Fair Work and Procurement to Council on 15 December 2022 (The Council Motion).
- 2.3 The report includes as requested (a best estimate) of the percentage of Council contractors and suppliers currently paying the Living Wage and what percentage might be achievable as a goal. This report also summarises the legal context and recommends proposed next steps in relation to (1) increasing the numbers of Living Wage suppliers and contractors working with the Council and (2) implementing the recommendations contained in the [Fair Work Convention Construction Inquiry Report 2022](#).

3. Background

- 3.1 The Council has been an accredited Living Wage Employer since 2016 and is committed to the promotion of fair work as an employer as well as through use of its capacity to influence change in Edinburgh as a buyer and commissioner of services. The promotion of fair work is a key strategic objective of both the Council and the Scottish Government. The Council's Sustainable Procurement Strategy 2020-2025 (the Strategy) includes as a key objective "(ii) improving fair work practices adopted by suppliers".
- 3.2 Supporting the adoption of Fair Work and payment of the Real Living Wage is part of the Council's Business Plan. In addition, and more specifically, it is also part of the Council's response to the work of the Edinburgh Poverty Commission. Linked to this, at the 2 September 2021 Housing, Homelessness and Fair Work Committee agreed the [Edinburgh Living Wage City Action Plan](#).

- 3.3 Fair Work is central to the Scottish Government's priority for sustainable and inclusive growth. Fair Work First (FWF) criteria must now be applied to all regulated procurement processes where proportionate and relevant. In general this will be where there is a significant workforce element and will normally be included in Council tenders as standard practice. The application of FWF and promotion of the Real Living Wage are also explicitly included in the Council's Contract Standing Orders.
- 3.4 The Real Living Wage (RLW) is a voluntary minimum rate, set by the Living Wage Foundation. For 2021/2022, the RLW rate was £9.90 in per hour in 2021/22 rising to £10.90 in September 2022 for all directly employed staff over the age of 18. This is not a statutory rate; employers can choose to sign up to become an RLW employer and choose to extend it to all employees regardless of age. The RLW rate is normally set annually in November each year, though this year, due to cost of living pressures it was introduced on 22 September 2022 to be implemented before 14 May 2023.
- 3.5 The RLW calculation is based on evidence around living standards and a basket of goods and services reflecting everyday living costs. The RLW is higher than the [National Minimum Wage the National Living Wage rates](#), these latter two rates being UK wide minimum rates set by statute whereas the RLW is calculated independently based on what is considered people need to get by. The National Minimum Wage applies to those aged 23 and over and will rise in April 2023 from £9.50 to £10.42. The National Living Wage applies to those over school leaving age and rises incrementally from the rates for Apprentices and Under 18s which will be £5.28 from April 2023 to £10.18 for 21-22 year olds.
- 3.6 The Fair Work Convention, an independent advisory body to the Scottish Government since 2015, have done much to further fair work for the people in Scotland. The Convention has recently published its report '[Building Fair Work into the Construction Industry - Fair Work Convention Construction Inquiry Report 2022](#)' (the Report). The Report calls for "urgent interventions by Government, employers, unions and industry leadership groups to improve the quality of work for the 130,000 strong workforce in Scotland and to help embed fair work into Scotland's £7 billion construction industry". Currently public sector contracts are responsible for around 50% of construction spend in Scotland so procurement is seen as a key lever with the potential to play a key role in shaping the industry. There are twenty six recommendations, eight of which relate to procurement and are set out in Appendix 1 to this report along with a proposed timeline for implementation in accordance with the Council Motion.
- 3.7 The Council Motion requires that a timetable is provided for "updating procurement policy to implement for all UK procurement contracts:
- (1) All the recommendations for contracting authorities contained in the Procurement schedule of the Fair Work Convention Construction Inquiry Report 2022 (see 1-8 of the Appendix)
 - (2) The Real Living Wage; (9)

- (3) A presumption against zero hours contracts (10);
- (4) Workers' rights, including Trade Union access to workplaces (11);
- (5) Evidence of a commitment to minimising Pay Gaps for protected characteristics in companies contracted (12); and
- (6) Evidence of a commitment to supporting the Council to meet climate targets as set out in the 2030 Climate Strategy and Council Emissions Reduction Plan" (13)

4. Main report

- 4.1 At the 8th September Finance and Resources Committee 2022 a briefing on the Council as a Living Wage Employer/Living Wage City was requested, in response to the Sustainable Procurement Strategy Annual Report - 2022 presented. It was requested that this include the percentage of contractors and suppliers currently paying the RLW, what percentage might be achievable as a goal, and which sectors were most likely to face issues with paying the RLW.
- 4.2 The following Table 1 sets out figures from each years Procurement Strategy Annual Report. For example in 2022, 87% of suppliers awarded contracts in 2021/22 state the intention to pay the RLW. This is an increase on 2020/21, which reported a 79% figure and a further increase on the 70% recorded in 2019/20. The number of Living Wage accredited suppliers has also increased, to 28% from 26% the previous year and 8% in 2019/20. These figures shown in Table 1 below reflect the contracts awarded in any one financial year so the RLW percentage may go up or down according to the type of contracts let in any one year and market conditions but the trend is increasingly towards Council suppliers paying a RLW.

Table 1

Year	Contracts Concluded with suppliers	Suppliers Committed to paying Living Wage	Accredited Living Wage employers
21/22	94	82 (87%)	26 (28%)
20/21	321	254 (79%)	84 (26%)
19/20	296	208 (70%)	24 (8%)
Current contract register	2477 entries	1747 (71%)	606 (24%)

- 4.3 This upward trend that the Council has recorded is reflected in the Living Wage Foundation figures. The Foundation reports a record number of employers signing up for accreditation with over 3,000 since the beginning of the pandemic. In total there are around 11,000 RLW employers throughout the country. The Scottish Government recently announced 2,900 accredited RLW employers in Scotland, which they indicated is proportionately five times as many as in the rest of the UK. In Edinburgh the city has seen 120 Edinburgh employers commit to paying the real

living wage in 2021/22 following the formation of the Living Wage Action Group, providing 1,400 workers with a direct pay rise.

- 4.4 The Council is working to gather a fuller understanding of the 2400 or so contracts it has with suppliers. In particular those above the regulated threshold i.e. £50,000 and above for goods and services and £2M for works. At the current time we do not hold the complete data for all contracts. This is in part due to the number of contracts being put in place prior to this information being captured. There are also direct awards e.g. for continuity of care purposes or annual licences or memberships or where contracts have been called off from national frameworks and this data has either not been available or recorded. Going forward arrangements will be put in place to capture this information where possible.
- 4.5 Based on the information we have and are continuing to gather we would expect the total figures to largely reflect annual contractual figures at around 70-80% of suppliers paying a RLW. Information will also change over the duration of the contract period as more organisations are persuaded of the benefits of paying employees a RLW.
- 4.6 Feedback from Council suppliers indicates that the challenging sectors are likely to be those that are labour intensive such as social care, security, transport and parking, waste, road repairs and maintenance, roofing, trades and to some degree construction, as well as certain suppliers of goods. These are the main sectors but there are likely to be suppliers in all sectors who have yet to choose to pay employees a RLW.
- 4.7 Some suppliers that don't currently pay the RLW have indicated concerns that accreditation or a commitment to paying the RLW may make them less competitive elsewhere when bidding for contracts. In the case of social care providers the barriers reported tend to be the funding mechanisms, and the low levels of contractual funding for social care packages which impact the rates of pay to staff. The Adult Social Care Pay Uplifts by the Scottish Government have made significant inroads into care providers paying their staff a RLW while in receipt of this uplift.
- 4.8 The Poverty Alliance, a Scottish anti-poverty network promoting the RLW, reports a focus on the low pay sectors of social care, hospitality, tourism and retail. They are however seeing high numbers of uplifts paid to employees from organisations in catering, cleaning and security in recognition of the benefits payment of RLW can deliver in terms of retention and recruitment of staff. The Poverty Alliance reports a significant increase in the number of construction companies becoming RLW accredited during the pandemic though it notes that construction companies have tended to pay on or around the real Living Wage and therefore come with limited numbers of uplifts. The Construction Inquiry Report also notes that in the context of construction the RLW tends to represent a pay rate that is lower than collectively agreed rates and 92% of the workforce already earns above it.

- 4.9 In terms of the percentage goal achievable by the Council as a percentage of suppliers paying the RLW this is difficult to predict. It is likely to be somewhere between the current high 80% and high 90% though given current market conditions due to the recent recession and the impact of a 10.1% increase in RLW to address the cost of living, the largest year-on-year rise, we may see percentages fall below the current annual 87%. In addition to market conditions, factors such as ability to influence and the types of sectors being contracted will impact the percentage of suppliers committed to paying a RLW.
- 4.10 As contracts expire and are renewed and replaced over time the commitments of the Council and the Scottish Government, such as introducing a mandatory requirement to pay RLW where possible, will positively influence the numbers of RLW providers contracted. Due to resource constraints in the Council national frameworks other than the Scottish Government or Scotland Excel Framework are currently used which may not follow the same requirements and as a result in addition to circumstances where there is only one possible provider currently in the market or a supplier which has a proprietary right such as a licence, a 100% of suppliers paying the RLW is at this stage in time is unlikely to be achieved.
- 4.11 To date the Council has followed the Scottish Government guidance on Fair Work First (FWF) in regulated procurements and payment of the Real Living Wage. The Scottish Government's Scottish Procurement Policy Note (SPPN3/2021) recommended that where FWF practices were relevant to the delivery of the contract i.e. a significant workforce element then FWF practices should be evaluated in the tender exercise and scored. This directional approach to encouraging suppliers to pay RLW and adopting FWF practices has been incorporated in all Council tenders through the use of standard evaluation questions where it was relevant and proportionate to do so.
- 4.12 In response to challenges in the labour market SPPN 3/2021 has now been withdrawn and replaced with [SPPN6/2021](#). This new policy note expands FWF principles to include two new elements: the promotion of flexible and family friendly working practices and the opposition of the use of fire and rehire practices. The guidance advises an incremental approach so that Fair Work First is incorporated in all relevant procurement processes in financial year 2022/23" and referred contracting authorities to new model questions to be adopted.
- 4.13 The Scottish Government's Sustainable Procurement Tools for contracting authorities including the Council, now provides example wording for inclusion in the tender process. Notably there is now a choice of wording. One question follows the previous directional/encouraging approach to FWF practices being evaluated which has been followed by the Council to date. The second provides a mandatory approach to the RLW which is new. Tenderers are asked to confirm that they will pay staff that are involved in the delivery of the framework agreement or contract, (including any agency or sub-contractor staff) directly involved in the delivery at least the real Living Wage.

- 4.14 The Scottish Government emphasise that the choice should be made on a case by case basis and the wording is caveated so as not to be construed as legal advice with the choice of question is left to the contracting authority to determine. In other words the Scottish Government is not recommending a blanket approach. Provided certain conditions are met then the advice which is a significant shift away from previous advice obtained by the Scottish Government from the European Commission, it appears to support the use of a question mandating the RLW. The conditions to do so are that (1) it would not discriminate amongst potential bidders; (2) the contract will be delivered by workers based in the UK; (3) it is relevant to how the contract will be delivered and (4) it is proportionate to the contract in question. This shift is likely to reflect the current restrictions on freedom of movement of workers which underpinned the earlier guidance
- 4.15 The potential now to mandate the payment of RLW by suppliers subject to the conditions set out in para 4.14 provides the Council an opportunity to increase the percentage goal of suppliers paying the RLW. Other than those conditions in para 4.14, there are a number of limiting factors such as the current Council budget challenges and a potential inability to meet significant increased costs passed on by contractors. The potential for Council contracts to be less attractive to certain sectors may also result in instances of no bids being received and purchasing through national frameworks where RLW has not been mandated may make it more challenging to require suppliers to pay the RLW. However, as the Living Wage Foundation champions there is a growing body of evidence demonstrating the business benefits of becoming a Living Wage employer such as improvements in staff motivation and retention, improvement in business reputation, market edge and improved relationships between managers and staff.
- 4.16 It is expected that through a combination of mandating and encouragement the Council can continue to achieve and maintain the percentage of suppliers paying a RLW between 80-95%, though this may be subject to market conditions. As the mandating of a RLW is likely to bring additional costs with consequent impacts on service area budgets this report seeks Committee approval to introduce the requirement as standard practice in Council regulated procurements.
- 4.17 This report also asks the Committee to note the proposed timescales for implementing the Council Motion as set out in 3.7 above. The recommendations of the Fair Work Convention and the Green party, the proposed timescales and actions are all set out in Appendix 1 to this report.

5. Next Steps

- 5.1 To make the necessary revisions to the Council's procurement procedures and templates to introduce a mandatory RLW question in addition to a FWF question which will continue to be evaluated.
- 5.2 Take the required steps to adopt the recommendations, aligning actions to Scottish government guidance to deliver the timetable as set out in Appendix 1

6. Financial impact

- 6.1 Council adoption of the mandatory RLW question requiring suppliers contracting with the Council to pay all those working on the delivery of a Council contract a RLW will increase the costs of certain contracts. These increased costs will bring additional potential risks for Council budgets which would need to be funded on an annual recurring basis. There is no current budget provision for this predicted increase nor is it possible to predict the level of increases that will be passed on to the Council.
- 6.2 The increased costs of contracts will depend upon current pay levels, numbers of employees being given an uplift, any impact on differentials between pay levels as well as what costs are absorbed by the organisation and which are passed on to the Council. These costs will change from organisation to organisation and it is only once the financial evaluation takes place that costs will be known. It is not possible to estimate the impact of these costs as a whole. Market engagement can be undertaken on a case by case basis and may give an idea of the impact on budget and affordability as well as on local SMEs/micro businesses
- 6.3 If approved at this Committee, the introduction of the mandatory RLW question will be introduced in new Council tenders commencing after this date. As procurements take on average 9 months, the financial impact is likely to be experienced from October 2023 onwards.
- 6.4 Indirect savings to the Council may result from improving contractual and income security and stability. For example improving pay and conditions for families living in in-work poverty may, as the Poverty Commission notes in [A Just Capital: Actions to End Poverty in Edinburgh, September 2020](#), by allowing people “to move out of poverty quickly, take control of their lives, and contribute to a city where people look after each other” will reduce reliance on expensive Council services such as homelessness temporary accommodation services.

7. Stakeholder/Community Impact

- 7.1 As noted above, the Council Business Plan and the Council’s Sustainable Procurement Strategy, all of which were widely consulted upon, support the adoption of Fair Work and payment of the Real Living Wage. The delivery of these objectives will have a positive impact upon the city and its citizens.

8. Background reading/external references

- 8.1 [Sustainable Procurement Strategy Annual Report - 2022](#)
- 8.2 [Motion 8.2 Fair Work and Procurement - City of Edinburgh Council 15th December 2022](#)
- 8.3 [Addendum by the Green Group to Motion 8.2 Fair Work and Procurement](#)
Finance and Resources Committee – 26 January 2023

- 8.4 [Fair Work Convention Construction Inquiry Report 2022.](#)
- 8.5 [Council's Sustainable Procurement Strategy 2020-2025](#)
- 8.6 [Edinburgh Living Wage City Action Plan](#)

9. Appendices

Appendix 1 –Proposed Timetable to implement Recommendation of the Construction Inquiry Report and the Council Motion:

Fair Work Convention Construction Inquiry Report 2022			
		Action	Timeframe
1	All contracting authorities should seek to maximise quality weightings and fair work criteria should be given a robust weighting within the quality dimension. Fair work weightings should not be lower than 10% of the contract and it must be possible for low scores on fair work to impact whether a tender is won or lost.	Appropriate revision of Contract Standing Orders and templates	Within each tender. Reviewing frameworks as they arise Start date: May 2023
2.	Training in fair work should be mandatory for all project commissioners and managers overseeing construction contracts. Training should be provided by those who have demonstrable expertise on fair work and support an understanding of what constitutes positive and stretching fair work commitments by contractors.	Revision of CSOs to make training mandatory Communications Training to be delivered for construction contracts.	May 2023 Start in June 2023 complete by January 2024
3	Guidance should be reviewed to ensure it supports the use of collectively bargained rates within procurement contracts and short best practice guidance should be developed for construction procurement that highlights positive examples of practice in the construction industry. Current wording around avoiding the use of umbrella	Included in Scottish Government Fair Work practice guidance, SPPN 6/2021 , Procurement Toolkit and example questions	Confirm being used as standard practice March 2023

	companies should be retained.		
4.	Contracting authorities should set an expectation that trade unions have access to workplaces on all public construction contracts in line with the aspiration of the HS2 approach. Access should be facilitated throughout the supply chain.	Liase with Legal Services to revise construction T&Cs	By June 2023
5.	Guidance should be updated to make clearer the connections between fair work, sustainable procurement duties, community benefits and discretionary and mandatory exclusions. The guidance should support more use of discretionary exclusions when a contractor or subcontractor has breached its labour law obligations.	For Scottish Government to take forward	To be implemented once guidance received.
6	All contracting authorities should include adherence to relevant collectively bargained pay rates as a condition of contract. Introducing this clause within industry standard form contracts is an efficient, proportionate and transparent way to implement this and to ensure that it is applied throughout the supply chain.	Introduce appropriate clause within industry standard form contracts	February 2023 to be implemented
7.	In every contract in which fair work questions were asked at the framework stage, tender stage or both, effective contract management by the contracting authority must take place to ensure that the response provided by the contractor is delivered in practice.	Training, communication and guidance to be provided to project managers for construction contracts. Current Contract Management guidance to be updated	December 2023
8	All contracting authorities should be signatories to a Fair Work Charter collectively	August 2018, the Council adopted the	tbc

	agreed with employers and trade unions. The Scottish Government should also facilitate the appropriate industry leadership group/forum, in negotiation with trade unions, to develop a single charter that sets out principles for advancing fair work in the industry. The single Fair Work Charter should then be used as a pass/fail condition within all construction procurement exercises in Scotland to ensure appropriate fair work standards are applied throughout the supply chain.	Construction Charter Commitment. Any Fair Work Charter will be referred to Finance and Resources Committee before adoption.	
Fair Work and Procurement Motion of 15th December 2022			
9	Payment of the Real Living Wage	Begin mandating the RLW in Council tenders following approval by F&R Committee on 26/1/23	February 2023 to begin mandating RLW
10	A presumption against zero hours contracts	Amend standard terms and conditions	March 2023
11	Workers' rights, including Trade Union access to workplaces.	Amend standard terms and conditions Amend Contract Standing Orders	March 2023
12	Evidence of a commitment to minimising Pay Gaps for protected characteristics in companies contracted; and	Various including <u>Amend Tender documents</u> – include organisational statement by the Council; amended FWF question detailing pay gaps not restricted to gender; terms and conditions	April 2023
13	Evidence of a commitment to supporting the Council to meet climate targets as set out in the 2030 Climate	Various: Amendments to strengthen CSOs and Sustainable Procurement	Already ongoing, new targets will be reported as part of CERP

	Strategy and Council Emissions Reduction Plan	Strategy; Updated actions e.g. Use of SG Prioritisation tools; inclusion of requirement for carbon reduction plans in all key priority areas see CERP Annual Progress report 2022	Annual Progress report 2023.
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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Response to Motion by Councillor Mumford – Operation Unicorn

Executive/routine

Wards

Council Commitments

City Wide

1. Recommendations

- 1.1 The Committee is asked to note the information provided in response to part 5 of the adjusted motion by Councillor Mumford on Operation Unicorn (set out at paragraph 3.1.1 in this report) as approved by the Council on 27 October 2022.

Andrew Kerr

Chief Executive

Contact: Norma Cuthbertson, Executive Assistant to the Lord Provost and Clerk to the Lieutenancy

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Response to Motion by Councillor Mumford – Operation Unicorn

2. Executive Summary

- 2.1 Members of the Royal Family are frequent visitors to Edinburgh. When on official business in the capital city, their work is supported by the Lord Provost (ex officio the Lord Lieutenant of Edinburgh) and members of the staff in the Office of Lord Provost.
- 2.2 Much of the cost to the Council is therefore met from the Lord Provost's Office budget. This applies to the up and coming confirmed engagements involving HRH The Princess Royal.
- 2.3 The cost of any larger scale events involving HM The King and other members of the Royal Family can only be assessed on an event by event basis and primarily through the Council's EPOG (Events Planning and Operations Group) process. No such information is available at the present time.
- 2.4 Given the basis on which the Capital City Supplement (CCS) is included within the Local Government Finance Settlement, it is not possible to assess the adequacy of related funding received specifically in respect of royal events, other than noting that the overall additional funding received through the CCS is significantly less than relevant expenditure highlighted in the Council's original submission.

3. Background

- 3.1 On 27 October 2022, the Council approved the following element of the adjusted motion by Councillor Mumford on Operation Unicorn:
 - 3.1.1 Additionally calls for a report to Finance and Resources Committee within 3 cycles outlining the costs associated with future planned visits from Charles III or other members of the monarchy that will be incurred by the council over the next year and whether this is covered in full by the Capital City Supplement.
- 3.2 This report provides the information requested whilst acknowledging that certain requirements for confidentiality apply.

4. Main report

- 4.1 Official Royal engagements and visits to the city take place in the context of a constitutional monarchy and Edinburgh's role as the capital city of Scotland.
- 4.2 Palace notification of such events is primarily through the Lieutenancy which means the Office of Lord Provost in the City of Edinburgh's case. This relationship is set out in the Lieutenancies Act 1997 which specifies that the Lord Provosts of Aberdeen, Dundee, Glasgow and Edinburgh are ex officio the Lord Lieutenants of their respective cities. Elsewhere in Scotland, Lord Lieutenants are appointed directly by the Monarch.
- 4.3 The role of Lord Lieutenants is further described in the legislation which clarifies that key duties are to represent the Monarch and to support members of the Royal Family when on official business in their areas. The Act also contains provision for the appointment of a Clerk to the Lieutenancy whose role is to assist the Lord Lieutenant in fulfilling these duties. In Edinburgh this function is delegated by the Chief Executive to the lead officer in the Lord Provost's Office (who is both Executive Assistant to the Lord Provost and Clerk to the Lieutenancy).
- 4.4 This means that much of the cost to the Council of planned visits by members of the Royal Family work is contained within the budget for the Office of Lord Provost. The remuneration of the Lord Provost/Lord Lieutenant is included in this budget as are the salary costs of those staff who are engaged routinely in the planning and delivery of Royal events in the city.
- 4.5 A further in-kind contribution concerns the occasional loan of one of the Council's civic vehicles to Police Scotland as a key partner in this area of work. This provides a suitable car if necessary to the Police who are tasked with driver duties and with providing essential security to members of the royal family.
- 4.6 Looking ahead, the cost to the Council of known Royal visits will be met by the Lord Provost's Office budget as described above. At the time of writing, the only confirmed official engagements comprise 14 engagements by HRH The Princess Royal over the period January to June 2023. The visits in question reflect HRH's various patronages and key roles such as Chancellor of the University of Edinburgh.
- 4.7 In line with advice received from Police Scotland, no prior detail of these visits can be released to ensure the integrity of the security operation and to mitigate threat and risk. Any request for information relating to future Royal visits needs to be routed through the Royal Communications Office.
- 4.8 Future activity involving HM The King in Edinburgh is yet to be announced. This includes any plans to mark the Coronation of King Charles 111 and for 'Royal Week' (held traditionally late June/early July and based at the Palace of Holyrood House).
- 4.9 As and when information is released by the Royal Household, the Council's EPOG (Events Planning and Operations Group) process will be activated if necessary to deal with matters of public safety, road closures, policing and other issues.

Additional costs to the Council may then apply but these cannot be specified or quantified at this time and would be considered on a case by case basis.

- 4.10 Similarly, the requirement for any Impact Assessments to be carried out will be assessed and then implemented through the EPOG.

5. Next Steps

- 5.1 As in previous years, a summary of Lieutenancy activity in Edinburgh will be included in the annual report on the Office of Lord Provost to Full Council in June 2023. In the meantime, staff in the Lord Provost's Office will continue to liaise with the Palace on forthcoming events and support scheduled visits.

6. Financial impact

- 6.1 As stated above, much of the cost of Royal visits to the city is met from the Lord Provost's Office budget which amounts to £506,518 in the current financial year (with nearly 70% of spend on staffing costs). Where larger scale events (such as Operation Unicorn) take place, costs will be incurred across a wider range of service delivery areas. Any future events of this nature can only be costed as the necessary arrangements are put in place through the EPOG process.
- 6.2 At this stage in the Scottish Government budget process, Edinburgh's funding for 2023/24 includes a £3.9m Capital City Supplement payment. This funding has been provided in recognition of a number of factors outlined within the Council's submission in 2009, including the associated costs of royal visits, although is significantly less than the overall sum originally highlighted. Given this, it is not possible to assess the adequacy of funding received specifically in respect of royal events as requested by Councillor Mumford's motion.

7. Stakeholder/Community Impact

- 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 the organisers.
- 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 endeavours to mitigate carbon impacts by utilising public transport where and when appropriate, where any long-distance travelling is required.

- 7.5 The Office of Lord Provost contributes to the Climate Change (Scotland) Act 2009 public sector duties and contributes to the delivery of Sustainable Edinburgh 2020 objectives, the advancement of vibrant flourishing communities, social and economic wellbeing and an efficient and effectively managed city.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 None.

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Finance and Resources Committee

10am, Thursday, 26 January 2023

New Health and Safety Strategy 2023-28

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that Committee approve the new Health and Safety Strategy 2023-28.

Richard Carr

Interim Executive Director Corporate Services

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Legal and Assurance Division, Corporate Services Directorate

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New Health and Safety Strategy 2023-28

2. Executive Summary

- 2.1 The City of Edinburgh Council's current Health and Safety Strategy 2020-22 has been implemented and has reached the end of the period it was planned to cover. A new Strategy has been prepared covering the period 2023-28 for consideration and approval by the Finance and Resource Committee. The new Strategy seeks to build on the arrangements currently in place and to deliver an integrated health and safety management system.

3. Background

- 3.1 The Council's current Health and Safety Strategy has come to the end of the period over which it was due to be implemented. The Council Health and Safety Strategy and Plan 2020 – 22 was approved by the Finances and Resources Committee on 3 December 2020. The current Strategy comprised three key aims:

- Consolidation, Adaption and Renewal
- Leading, Comparing and Learning
- Embracing New Technologies and Information Systems

- 3.2 This Strategy was designed to be achievable within the constraints of both the pandemic and Corporate Health and Safety resources. These aims were designed to ensure that the Council is a learning organisation and a leader, sharing new ideas and information with our partner Councils. Section 3.3 - 3.5 sets out the action against each of the Strategy's strands during the time frame of the Strategy 2020-2022.

3.3 Consolidation, Adaption and Renewal

3.3.1 Delivery of an appropriately resourced Health and Safety team

The Health and Safety Team operated throughout 2021 with depleted staffing levels in its senior roles, including the Lead Trainer role. This has only been sustainable given the reduction in face-to-face training delivery, as a result of the pandemic, and through the suspension of the health and safety workplace audit programme. While it has been possible to work with a reduced staffing compliment for a period, this does have an impact on the overall capacity of the team. In 2022 the team

successfully recruited a new Principal Health and Safety Adviser. The recruitment to vacancies within the team will be completed at the start of 2023 with the appointment of a Senior Health and Safety Adviser and Lead Trainer post and two vacant Health and Safety Adviser posts arising from an internal promotion and an external promotion of team members.

3.3.2 Internal development and succession planning within CHS

A review of the Health and Safety System in operation within the City of Edinburgh Council has taken place. This review has been used to inform a revision of the staffing structure of the team to support the future strategic and operation needs of the Council. The revised structure was implemented in 2022 in line with the Service support requirements. This will create the ability for team members to develop and provide opportunities for staff to grow and progress into more senior roles within the team in the future.

3.3.3 Greater communication and collegiate working between CHS Directorates/divisions and trade union safety representatives

The Council Health and Safety Team are operating with Health and Safety Advisers being allocated as Service Leads to individual Council Directorates. This is enabling strong working relationships to be established and maintained between the Advisers, Service Managers and Trade Union Officials representing employees within the associated Directorate. This is evident in consistent officer attendance at Health and Safety Consultative forums and management meetings where health and safety matters are the focus.

3.3.4 Working with directorates/service areas to ensure that the Council's policies, procedures and activities remain fit for purpose

This is delivered through a combination of discussion on the application and impact of policies along with a focus on items which are resulting in higher levels of incident reporting by Service. This work has helped inform the review of the Council's Health and Safety Management System.

3.3.5 The review of the Council's Health and Safety Management system has in turn informed the areas for development in the new Health and Safety Strategy 2023-2028.

3.3.6 Fully operable, supportive, governance and assurance

The current model of testing assurance of health and safety arrangements in individual workplaces has been to carry out a programme of workplace health and safety audits. This programme was paused during the pandemic to create capacity for wider ranging COVID workplace inspections and to enable members of the Council Health and Safety team to respond promptly to COVID related enquires.

3.3.7 While planning has been taking place to resume audits/assurance work, the Council Health and Safety team carried out a review of the health and safety system in place against the regulatory framework the City of Edinburgh

Council operates within. Following this work, the team have been exploring ways of making greater use of the electronic health and safety management system in place to support the recording of key workplace activities in relation to health and safety obligations which will directly support the auditing process and streamline the face to face element of the audit approach. The further embedding of the Health and Safety Management System will be considered as part of the re-procurement process for the system in 2023.

3.4 Leading, Comparing and Learning

3.4.1 Subject to buy-in from other authorities, the formation of a Scottish Councils' Health and Safety Forum (or other like body), led by this Council initially

The Head of Health and Safety has sought through the Chair of the Society of Personnel Directors Scotland (SPDS) Health and Safety Forum to re-establish the local forum through which to drive forward health and safety benchmarking across Scotland's local authorities in the first instance. This work resumed in 2022 with benchmark data being captured across the East of Scotland SPDS group.

3.4.2 The establishment of consistent reporting data set and definitions

The Council Health and Safety team have produced health and safety dashboard reports for services throughout 2022 in a consistent manner. The dashboard information has been well received, recognising there is scope to develop active indicators in the future to create a balance between the activity to manage health and safety and the resultant incident figures. More detailed reporting has been generated for Education and Children's Services as part of the Directorate's management response to the number of violent incidents reported.

3.4.3 Consulting on consistent approaches to health and safety issues throughout Scotland

The Head of Health and Safety has engaged with the Chair of the local SPDS Health and Safety forum to re-establish the group with the purpose of discussing and sharing approaches to managing health and safety locally but also through the associated national forum. The SPDS Health and Safety forum has begun meeting on a regular basis in 2022.

3.4.4 Using Scottish Councils' data to compare performance with this Council

Ahead of the pandemic, the principle of comparing health and safety performance, reactive indicators, with other Councils to establish how the City of Edinburgh's Council's performance compared was reasonable. In the current climate where the routine of work has been so disrupted over the past 2 years that our own year on year performance comparison has more limited value the benefit to be gained by comparing with partners is also more limited at this time. This was progressed during 2022 as Service delivery in our own and other Councils stabilised.

3.4.5 Introducing identified best practices to directorates/service areas

The review of the Council's Health and Safety system against the regulatory framework it operates within has clarified areas where the Council have well established arrangements and areas where arrangements require to be refreshed. The refresh of subject specific arrangements from 2023 on will create the opportunity to reflect on current practice and apply best practice approaches taking account of legal requirements and industry standards.

3.5 Embracing New Technologies and Information Systems

3.5.1 Many areas of health and safety in the workplace could benefit from deploying new technologies. Areas such as communications with employees who work in isolation (lone working) access to onsite best practice information and guidance when needed, immediate reporting of accidents, production of suitable and sufficient risk assessment, etc. could have a profound effect on how the Council operates services.

3.5.2 During 2021 the City of Edinburgh Council made a number of enhancements to the system it uses to capture details of workplace accidents and incidents, 'SHE Assure'. These developments were made following consultation with trade union officials. The adaptations made in 2021 included, combining three forms and revising the listing for violence at work and harassment incidents. Reports of unidentified fire alarm signals (UFAS) and fire incidents are now captured on SHE Assure also.

3.5.3 It is recognised that technological advances in a wide range of areas and sectors have the potential to support managing workplace risk. The Council Health and Safety team continue to make use of the health and safety management information system to measure aspects of health and safety performance. Many of the strides forward in use of technology which impact employees on a day-to-day basis will come through assessment of workplace risk and deployment of workplace controls. In support of the wider application of the current platform a mobile app was introduced in 2022 making the system available to Services to deploy to those who are often out of the office.

4. Main report

4.1 Following a review of the Council's Health and Safety Management System, the Council's Health and Safety Team reported to the Council Leadership Team, The Council Health and Safety Group and the Council Health and Safety Forum.

4.2 The review of the Council's Health and Safety Management System reflected on the work undertaken to date to manage health and safety by the City of Edinburgh Council and highlights areas where the Council could build on the work previously undertaken, in order to more successfully manage all aspects of health and safety.

4.3 The report highlighted the need to enhance governance in response to the wide range of regulatory obligations placed on the Council and develop a range of tools to support implementation of agreed standards. The report also identified the need to enhance the monitoring of health and safety performance, with the development

of a range of active indicators in addition to the current lagging indicators used as part of quarterly dashboard reports and within the annual report.

- 4.4 In response to the above a medium-term approach was required to address the findings of the above review. Therefore, a new Health and Safety Strategy aimed at building on the progress to date has been developed.
- 4.5 The proposed strategy sets out 6 main objectives:
- To ensure that Health and Safety management is an integral part of managing resources and providing services.
 - To raise the profile of health and safety across the range of Council services, with the aim of further developing a positive safety culture.
 - To improve Health and Safety performance through the development and implementation of agreed standards.
 - To promote the occupational health of employees.
 - To improve the quality of information provided to management on Health and Safety performance, in order to drive a performance-based health and safety culture.
 - To support the individual development of employees to improve understanding and practice in matters relating to Health and Safety
- 4.6 This strategy will seek to build a health and safety management system-based approach for the City of Edinburgh Council, based around the Health and Safety Executive's model for successful health and safety management.
- 4.7 It is further proposed that this Strategy will be supported by an annual delivery plan which would be the subject of approval and oversight by the Finance and Resource Committee. This will run from the 1 April -31 March and will coincide with an annual health and safety reporting period which will cover the same period.

5. Next Steps

- 5.1 In line with the proposal at 4.7 above the Council Health and Safety Team would prepare an annual delivery plan for agreement by the Finance and Resources Committee covering the period 1 April 2023 – 31 March 2024.
- 5.2 The Strategy and delivery plan would then be promoted internally to ensure there was a clear understanding by stakeholders about how the Council's Health and safety Management System would be further developed through the years 2023-2028.

6. Financial impact

- 6.1 There is no additional financial impact associated directly with this Strategy; there will be management arrangements developed in response to legislative obligations which the City of Edinburgh Council operates within. Any financial impact associated with these will be highlighted individually as part of the management arrangement approval process.

7. Stakeholder/Community Impact

- 7.1 Directorate Health and Safety Committee presentations were provided as part of the Strategy Consultation process, in addition to consultation through the Council Health and Safety Group and Council Leadership Team. A Trade Union consultation meeting was held with the recognised trades unions. A presentation on the proposed strategy was provided along with the opportunity to provide feedback. Trade Union Representatives fed back on being keen that their role in supporting the effective management of health and safety management is clear. Therefore, as health and safety policies and management arrangements are reviewed and developed the trade union role will be clarified.

8. Background reading/external references

- 8.1 [Health and Safety Strategy 2020-2022](#)

9. Appendices

- 9.1 Appendix one - Health and Safety Strategy 2023-28

THE CITY OF EDINBURGH COUNCIL
HEALTH AND SAFETY STRATEGY
2023-2028

1. INTRODUCTION

- 1.1. In support of The City of Edinburgh Council's Health & Safety Policy, this Strategy ("Strategy") has been developed for years 2023 to 2028, with the aim of building on the current health, safety and wellbeing arrangements within the Council.
- 1.2. This Strategy demonstrates the Council's commitment to its employees and service users. The Strategy specifically recognises the important role managers and employees have to play in the Council's successful management of Health & Safety. While it is underpinned by legislation, primarily the Health, and Safety at Work Etc. Act 1974 and the Management of Health and Safety at Work Regulations 1999, the wider business benefits of managing health, safety and wellbeing effectively are widely recognised.

2. HEALTH AND SAFETY AIMS AND OBJECTIVES

- 2.1. The principal aim of the Council's Health and Safety Policy is to ensure the health, safety, wellbeing of employees at work and to ensure that services are provided to the citizens of Edinburgh in a manner that avoids or reduces the risk of injury or illness; damage to property/equipment; and financial loss, to the lowest level reasonably practicable.

Key Objectives

- 2.2. In support of the principal aim outlined in 2.1, the following key objectives have been set:
 - (a) To ensure that Health and Safety management is an integral part of managing resources and providing services.
 - (b) To raise the profile of health and safety across the range of Council services, with the aim of further developing a positive safety culture.
 - (c) To improve Health and Safety performance through the development and implementation of agreed standards.
 - (d) To promote the occupational health of employees.
 - (e) To improve the quality of information provided to management on Health and Safety performance, in order to drive a performance-based health and safety culture.
 - (f) To support the individual development of employees to improve understanding and practice in matters relating to Health and Safety

3. OBJECTIVES

3.1. Objective 1: To ensure that Health and Safety management is an integral part of managing resources and providing services

3.2. The management of Health, Safety & Wellbeing in the city of Edinburgh Council is the responsibility of all employees and managers and therefore forms an integral part of managing resources and providing services. The aim is to ensure the work of the Council is carried out in such a way that any risk to the Health, Safety & Wellbeing of employees, service users, visitors and others are avoided or reduced to the lowest level reasonably practicable. This will require:

- (a) The development and implementation of a framework for managers to demonstrate that they are working towards agreed standards; and
- (b) The development, review and revision of effective policies, procedures and guidance, which aim to ensure that the Council complies with all relevant Health, Safety & Wellbeing best practice and legislation as set out in appendix 1.

Performance Indicators

- Risk assessments identifying significant workplace hazards.
- Development and implementation of 'Health, Safety & Wellbeing arrangements' within defined timescales.
- Managers working within Health, Safety & Wellbeing management framework.
- Reduction in accident/Occupational ill-health rates.

3.3. Objective 2: To raise the profile of Health and Safety across the range of Council services, with the aim of further developing a safety culture.

3.4. The Health & Safety Consultative Groups will have a pivotal role in working towards meeting this objective. It will be necessary for these groups to develop clear strategies that aim to ensure that the health and safety message is communicated across relevant Services. In addition, employees will need to be provided with improved information on safety and wellbeing measures and encouraged to maintain standards through increased publicity. Specific measures will include:

- (a) A review of the functions/terms of reference for Consultative Groups, with the aim of ensuring their role is clearly defined, in-line with the safety Representatives and Safety Committee Regulations 1977 & the Health and Safety (Consultation with Employees) Regulations 1996 and Council requirements.

- (b) Encouraging employees, as stakeholders, to adopt safe approaches to work, through the provision of information relating to Health, Safety & Wellbeing matters.
- (c) Participation in the European Agency for Safety & Health at Work, European Health and Safety Week (annual event), supported by HSE, which is aimed at promoting Health, Safety & Wellbeing in the workplace.

Performance Indicators

- Health & Safety Consultative Groups meeting and operating in-line with agreed constitution, within Council wide framework.
- Increased awareness of stakeholders indicated by attitude surveys.
- Reduction in accident/Occupational ill health rates.

3.5. Objective 3: To improve Health and Safety performance through the development and implementation of agreed standards.

3.6. In the current climate of Best Value, performance management is a key component in seeking to attain a high standard of service delivery. The standards relating to Health, Safety & Wellbeing are founded in legislation and interpreted into Council policy, management arrangements and guidance. The aim is to ensure that workplaces are maintained in a safe condition; work equipment is suitable and maintained in a safe condition; and safe working practices are developed, implemented and followed by employees, adopting the risk control measures identified through the systematic risk assessment of work activities.

3.7. The contribution each employee makes towards meeting this objective is crucial. It is therefore important to ensure that they are aware of the need to meet organisation, team and individual objectives. Managers, therefore, will need to consider the following elements:

- (a) Ensure employees understands the Council's Health, Safety & Wellbeing aims and objectives;
- (b) Set out clear team and individual objectives, taking into account levels of competency when allocating tasks to ensure they are within the individual's capabilities;
- (c) Support employee personal development, ensuring alignment with the Health, Safety & Wellbeing needs of the organisation; and
- (d) Provide constructive feedback to employees on the standards achieved.

3.8. It will clearly be important for managers to ensure that Health, Safety and Wellbeing performance in their operational area is monitored. This will require regular workplace inspections by line managers and observations of working practices.

3.9. Similarly, measuring the performance of the health and safety management system, through systematic auditing is an essential part of the Council's strategy for seeking continuous improvement of Health, Safety and Wellbeing arrangements. In addition, it provides a format in which the Council can demonstrate to stakeholders, including the Health and Safety Executive, as the enforcing authority, the measures being taken that aim to ensure the Council, and its officers, are complying with the statutory duties placed on them by legislation. This will require:

- (a) Further development of the health and safety auditing system based on the Council's current Health & Safety Policy, together with supporting management arrangements.
- (b) The implementation of a planned programme of audits, undertaken by the Council's Health & Safety Team with reporting to the Corporate Management Team and Corporate Health & Safety Consultative Committee.

Performance Indicators

- Development of Employee Health and Safety Competency Framework
- A minimum of one workplace inspection carried out annually by managers; accompanied by Trade Union appointed Safety Representatives/representatives for employees where practicable.
- Implementation of health and safety review programme, aligned to Management Arrangement application, with agreed completion targets. (Cross reference with Objective 5)
- Overall improvement of Directorate and Service Health and safety review results
- Reduction in accident/occupational ill health rates.

3.10. Objective 4: To promote the occupational health of employees

It is recognised that employee health and wellbeing is equally as important as their safety in terms of legislative compliance and best practice and, similarly, this should not be compromised as a result of work. The Health and Safety Executive's strategy document '*The Health and Safety of Great Britain \ Be part of the solution*' endorses this view and encourages employers to ensure that, through risk assessment, health and wellbeing risks are identified and controlled. In working towards this aim, the following actions have been identified:

- (a) The development of a management arrangement aimed at controlling the health risks associated with hand/arm, whole body vibration, noise and hazardous substances

- (b) The development and implementation of a management arrangement relating to safe manual handling practices, which supports the adoption of the Scottish Manual Handling Passport scheme.
- (c) The review of policy and guidance relating to occupational stress.

Performance Indicators

- Implementation of Management Arrangements for the management of vibration and noise.
- Implementation of manual handling and display screen equipment Management Arrangements.
- Attendance levels.
- Health surveillance programme is implemented & monitored in each Directorate/Service.

3.11. Objective 5: To improve the quality of information provided to management on Health and Safety performance, in order to drive a performance based health and safety culture.

- 3.12. The provision of accurate information on the Health, Safety & Wellbeing performance of the Council is an important part of the decision-making process, particularly in the allocation of resources. This will include:
- (a) Feedback on monitoring and auditing safety and wellbeing performance, seeking to inform senior management of short falls in the agreed standards for ensuring Health, Safety & Wellbeing, in order that these can be modified prior to there being any detriment.
 - (b) Analysis of incident data providing information regarding the incidence, type and severity of incidents, which have occurred, and are likely to be as a result of failings in the system of work and as a consequence, may have resulted in a loss to the Council or the individual.
 - (c) The number and effectiveness of development programmes provided and those proposed for the ensuing period. (Cross – reference with Objective 6)
 - (d) Information regarding the performance of the employee health support services
 - (e) The Council's Health & Safety team will continue to develop the reporting arrangements with the aim of providing useful information for the management teams on a quarterly basis. In addition, the Corporate Health & Safety Adviser will provide an annual report to the Corporate Management Team.

Performance Indicators

- Production of regular performance reports summarising the findings of health and safety reviews.
- Production of quarterly health and safety performance dashboard reports, incorporating employee health surveillance findings.
- Production of reports relating to the effectiveness of training provided.

3.13. **Objective 6: To support the individual development of employees to improve understanding and practice in matters relating to Health and Safety**

3.14. A major component of successful Health, Safety & Wellbeing management is ensuring that managers and employees have the necessary competencies to undertake the tasks allocated to them. One way of improving competence is through the provision of health and safety training in line with both Service and employee needs, as expressed through the Performance Management Framework. This will require:

- (a) An analysis of health and safety development needs, with the aim of developing a coherent strategic approach to the provision of health and safety training. This will be carried out in conjunction with the Council's Organisational Development professionals.

Performance Indicator

- Development and implementation of health and safety training to meet service needs.
- Evaluation of training provided.
- Effectiveness of the training i.e. transfer of skills into the workplace.
- Reduction in accident/Occupational ill health rates.

4. PLAN OF WORK

- 4.1. A detailed work plan will be developed for the Health & Safety Team and will be revised annually to ensure progress is made towards achieving each of the strategic objectives detailed in section 3 above.
- 4.2. The Corporate Health & Safety Adviser will liaise with Service Management Teams in relation to the implementation of the plan and the integration of Council Health, Safety & Wellbeing objectives into Service Plans and performance indicators to be used.

5. ROLE OF THE HEALTH & SAEFTY TEAM

- 5.1. The aims and objectives of the Health & Safety Team are to contribute to the Council's aims and strategic objectives by:

- Providing a professional occupational health and safety advisory and support service;
- Encouraging managers to adopt a risk management approach to health and safety management, which aims to ensure the Services are provided in a manner that reduces risk, to the lowest level reasonably practicable; and
- Encouraging managers to support employee wellbeing initiatives.

5.2. In seeking to achieve these aims, it is necessary to outline some key service objectives:

- Development of health and safety management arrangements, which aim to ensure that the Council complies with all relevant legislation.
- Provide advice and support to managers on health and safety matters affecting their particular Service.
- Promote health and safety across the range of Council Services, with the aim of encouraging a safety and wellbeing culture.
- Delivery of Health and Safety Management and assessment based training.
- Assist in the provision of health and safety training.
- Monitor health and safety performance in Services, actively by reporting on service progress across a range of metrics, carrying out audits of health and safety arrangements and reactively through incident investigation (in conjunction with line management).
- Provide information to senior management teams on the health and safety performance of the Council Services and strategies to tackle the causes of incidents.

6. MANAGEMENT ROLE

6.1. As stated in 3.2, the management of Health, Safety & Wellbeing in The City of Edinburgh Council is the responsibility of each and every employee, manager and supervisor. Therefore, this must form an integral part of managing resources and providing services. The aim is to ensure that the work of the Council is carried out in such a way that risks to the Health, Safety & Wellbeing of employees, service users and others are avoided or reduced to the lowest level reasonably practicable.

7. PERFORMANCE INDICATORS

7.1. A set of key performance indicators will be used to confirm the measures taken by the Council to achieve the required outcome, to prevent unwanted losses. These KPIs are set out below:

- The City of Edinburgh Council's compliance with applicable Health & Safety legislation
- Accident/ill health levels reduced to as low a level as reasonably practicable and low in comparison to benchmarking groups
- Action by external enforcement bodies (HSE, Fire & Rescue Service), target no formal enforcement action.

8. REVIEW

- 8.1. The Health and Safety Strategy will be kept under review annually by the Corporate Leadership Team and revised as required.
- 8.2. An annual progress report on the implementation of the strategy will be provided to the Health and Safety Group by the Head of Health & Safety.

Management Arrangements for Review/Development
1. Asbestos
2. Confined Spaces
3. Construction (Design and Management)
4. Control of Lead at Work
5. Control of Electromagnetic Fields at Work
6. Control of Substances Hazardous to health
7. Control of Vibration
8. Display Screen Equipment
9. Driving
10. Electricity at Work
11. Fire Safety
12. First Aid
13. Gas Safety
14. Health and Safety Consultation
15. Health and Safety (Safety Signs and Signals)
16. Health Surveillance
17. Incident reporting, investigation and response
18. The Ionising Radiations
19. Lifting Operations and Lifting Equipment
20. Lone Working
21. Manual Handling
22. New and Expectant mothers
23. Noise
24. Personal Protective Equipment
25. Pressure Systems Safety
26. Provision and Use of Work Equipment
27. Risk Assessment
28. Smoke Free
29. Violence and Aggression
30. Working at Height
31. Workplace safety
32. Water Safety – Legionella
33. Young Persons

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Scottish Crown Estate net revenue allocation

Executive/routine Wards Council Commitments	Executive 14 – Craiginny / Duddingston
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1. Recommendations

- 1.1 Finance and Resources Committee is asked to:
 - 1.1.1 Note that the Council has been allocated £79,283.58 from the Scottish Crown Estate for expenditure in financial year 2022/23;
 - 1.1.2 Note that this funding is required to be utilised to deliver benefits for coastal communities;
 - 1.1.3 Agree that this funding be utilised to deliver the Seafield Development Framework; and
 - 1.1.4 Note that a follow-up report will be brought to Committee regarding options for the usage of future allocations.

Paul Lawrence

Executive Director of Place

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Scottish Crown Estate net revenue allocation

2. Executive Summary

- 2.1 The Council has received £79,283.58 from the Scottish Crown Estate for expenditure in financial year 2022/23, which is ring fenced to deliver benefits for coastal communities. It is proposed to utilise this funding towards the delivery of the Seafield Development Framework. A further report will be brought to the Committee concerning the use of future funding for 2023/24.

3. Background

Scottish Crown Estate net revenue

- 3.1 The Scottish Crown Estate comprises various land and property assets in Scotland held in right of the Crown. These include the seabed, foreshore, fishing rights, and rural estates. These assets are managed by Crown Estate Scotland, which generates an income from rents and other sources.
- 3.2 In recent years, net revenue from marine assets within 12 nautical miles held by the Scottish Crown Estate has been distributed to local authorities to deliver benefits for coastal communities. The current methodology was agreed between Marine Scotland and COSLA in 2021/22. A further revision to this methodology is planned to be applied in 2023/2024.
- 3.3 In prior years, funding received by the Council has been utilised as follows:
- 2019/20 (share of revenue from 2017/18) – £5,408.52: utilised for the Granton Waterfront regeneration programme;
 - 2020/21 (share of revenue from 2018/19) – £7,291.25: utilised for the Granton Waterfront regeneration programme; and
 - 2021/22 (share of revenue from 2019/20) – £83,207.22: utilised for repair works to Granton Castle Walled Garden.
- 3.4 This report has been prepared to seek approval for the utilisation of the funding for 2022/23.

Seafield Development Framework

- 3.5 On [22 February 2022](#), the Policy and Sustainability Committee agreed “...to proceed with a partnership between the Council and the local community in order to prepare a masterplan for the Seafield redevelopment opportunity, as identified in City Plan 2030”. The Committee further agreed to the use of up to £50,000, and a further £80,000 contingency, from the City Strategic Investment Fund (CSIF) for the project and preapproved the procurement of consultants to take forward this work.

4. Main report

- 4.1 On 12 December 2022, Marine Scotland advised that a total of £11m would be distributed to Scottish local authorities in 2022/23. This fund must be utilised to deliver benefits for coastal communities. The Council’s share of the funding is £79,283.58, which must be spent or contractually committed during 2022/23.
- 4.2 Following a competitive tender, utilising the Council’s Professional Services Framework, the Council appointed 7N Architects LLP to lead on the preparation of the Seafield Development Framework. Work is set to complete in Q2-Q3 2023.
- 4.3 This report seeks approval to utilise the £79,283.58 towards the delivery of the Seafield Development Framework.
- 4.4 Utilising the funding for the Seafield Development Framework will deliver significant community benefits by supporting the preparation of a community-driven masterplan for the comprehensive regeneration of the area. It will also reduce calls on the Council’s CSIF thereby allowing that fund to be utilised elsewhere.
- 4.5 The funding for 2022/23 has been advised at a relatively late point in the financial year. Once funding for 2023/24 is confirmed, it is proposed that consultation would be undertaken with coastal communities to inform a decision by the Committee on how this future funding should be utilised.

5. Next Steps

- 5.1 Officers will progress the delivery of the Seafield Development Framework. If Committee agree that the Scottish Crown Estate funding can be used to deliver the Seafield Development Framework, this will reduce the funding required from the CSIF.
- 5.2 A follow-up report will be presented to Committee concerning the utilisation of the Council’s funding allocation for 2023/24. As noted, a revised methodology is planned to disburse the Crown Estate funding in future years and so it is currently unclear if Edinburgh’s share of funding is likely to increase or decrease. Once the outcome of this is known, a report on the future utilisation of any funding allocated will be prepared for Committee.

6. Financial impact

- 6.1 The total cost of delivering the Seafield Development Framework is £128,110.
- 6.2 The Scottish Government has allocated up to £30,000 from its Community Partnership Master Planning budget towards the Framework.
- 6.3 The Scottish Crown Estate funding of £79,283.58 would give a total available budget of £109,283.58.
- 6.4 As noted, the Policy and Sustainability Committee has agreed to the use of up to £50,000 from the CSIF for the Seafield Development Framework. The use of the £109,283.58 would reduce the ask of the CSIF to £18,826.42, leaving additional funds in reserve for other projects.

7. Stakeholder/Community Impact

- 7.1 The Seafield Development Framework is being delivered on the basis of a partnership with the local community, which has input into the brief for the project and the selection of a supplier. A Seafield Sounding Board has been convened as a forum for inputting into the Framework. The project costs include the appointment of an architectural adviser to the community.
- 7.2 It is anticipated that consultation would be undertaken with coastal communities to inform future usage of the Scottish Crown Estate funding.

8. Background reading/external references

- 8.1 "[Seafield Masterplan Approach](#)" – report to the Policy and Sustainability Committee, Tuesday, 22 February 2022

9. Appendices

- 9.1 None.

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Award of Intelligent Infrastructure Contract

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee notes the award of a contract for the provision of the delivery of the Intelligent Infrastructure project to Yunex Limited, at a total value of £1,034,568. This contract was awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Place, in consultation with the Convenor of Finance and Resources Committee.

Paul Lawrence

Executive Director of Place

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Award of Intelligent Infrastructure Contract

2. Executive Summary

- 2.1 This report details the award of the contract for the delivery of the Intelligent Infrastructure project to Yunex Limited at a total value of £1,034,568. This contract was awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Place, in consultation with the Convener of the Finance and Resources Committee.

3. Background

- 3.1 The Traffic Management Act 2004 (TMA) places a duty on local authorities to ensure that traffic moves freely and quickly on their roads and the roads of nearby authorities.
- 3.2 Traffic congestion means increased fuel consumption, increased emissions from combustion engines and increased travel times for commuters.
- 3.3 To fulfil duties as mandated in the TMA and help achieve the Scottish Government's commitment to net zero carbon emissions and the Councils' commitment to reducing carbon usage, an Urban Traffic Management (UTMC) system is required to optimise the flow of traffic on the city's road network.

4. Main report

UTMC Capabilities

- 4.1 The overall aim of the Intelligent Infrastructure project, and the delivery of the UTMC system, is to aid and optimise traffic flow, minimising the impact of large events, roadworks and environmental conditions on the road network.
- 4.2 The UTMC system will enable the Council to:
- 4.2.1 Manage traffic flow by changing signal timings at key junctions on the network before and after large events such as concerts, and sporting events;

- 4.2.2 To optimise traffic flows where roadworks and associated diversions are affecting traffic patterns across the city; and
- 4.2.3 To react to incidents on the surrounding trunk roads to take pre-emptive action and manage excess traffic diverting onto the local road network.
- 4.3 The system also includes the installation of air quality monitoring sensors as part of the contract to detect densities of traffic related pollutants such as Nitrogen Dioxide, and Particulate Matter (PM2.5 and PM10). Where high densities of pollutants are detected, a traffic management control strategy will be automatically introduced to expediate traffic in the area.

UTMC Contract

- 4.4 In order to appoint a competent Service Provider to deliver and maintain a UTMC system, Commercial and Procurement Services (CPS) published a Prior Information Notice (PIN) in Public Contracts Scotland (PCS) on 26 November 2021 to determine interest from potential Service Providers and inform the market of the Intelligent Infrastructure contract.
- 4.5 On 15 September 2022, CPS published a Contract Notice, under Open Procedure, on PCS as set out in the Public Contracts (Scotland) Regulations 2015, with a tender submission deadline of 24 October 2022.
- 4.6 To identify Service Providers offering Best Value the tender evaluations included an emphasis on quality as well as price and submissions were assessed on the basis of the most economically advantageous tender.
- 4.7 A cost/quality ratio of 40/60 was applied to ensure that quality was of a high standard and encourage competitive submissions. The 60% quality was split into two sections; tender questions at 40% and a technical compliance matrix at 20%. To further protect the quality element a minimum quality threshold of 60 marks out of 100 was included, with the Council having discretion to disqualify tenders which did not achieve this threshold.
- 4.8 A summary of the tender process is attached at Appendix 1.
- 4.9 Two tender returns were received and assessed. On the basis of this assessment the contract was awarded as an urgent decision, in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Place, in consultation with the Convener of the Finance and Resources Committee, to enable the contract to commence on 23 December 2022 for an initial period of five years with two optional extensions of three years (5+3+3).
- 4.10 The contract will be managed by the Council's Network Management and Enforcement team in accordance with our Contract Management arrangements, who will track community benefits and monitor Key Performance Indicators (KPIs).

5. Next Steps

- 5.1 The benefits derived from the Intelligent Infrastructure project and particularly the UTMC system will be measured in terms of reductions in vehicular delay and congestion on the road network.
- 5.2 The success of the contract will be measured against the KPIs set out in the contract.
- 5.3 The KPIs will ensure that strict contract management and performance monitoring is maintained for all maintenance and improvement works carried out on behalf of the Council, a range of KPIs include:
 - 5.3.1 Commercial Compliance;
 - 5.3.2 Health and Safety Compliance;
 - 5.3.3 Technical/Quality and Defects Correction; and
 - 5.3.4 Programming.
- 5.4 The Contract and Grants Management Team (CAGM) will engage with the Network Management and Enforcement team to support implementation and contract management delivery throughout the contract lifecycles. All efficiencies identified in the procurement process should be delivered by the service area through proactive contractor engagement monitoring of management information, application of KPIs and tracking of relevant budgets.

6. Financial impact

- 6.1 The cost for the delivery of the UTMC system, as part of the Intelligent Infrastructure project, has a total value of £1,034,568. The contract commenced on 23 December 2022 and installation will be complete by June 2023.
- 6.2 A successful European Regional Development Fund (ERDF) bid, as part of the 8th City Programme, obtained funding of £297,000 from the programme. The remaining capital project expenditure is funded from the Council's existing capital budgets and other contributions.
- 6.3 The capital cost associated with the provision and installation of the UTMC system is £703,737.
- 6.4 There are no UTMC system maintenance costs for the initial contract term of five years. Thereafter, maintenance costs will be funded from the Council's revenue budget and will continue for the life of the contract and any extension periods, potentially to financial year 2034/35.
- 6.5 It is anticipated that maintenance costs for the UTMC system will equate to £330,831, across the potential contract extension periods of three years plus three years, which equates to £55,138.50 per annum.

- 6.6 Revenue savings which will be realised by the delivery of the Intelligent Infrastructure project for the Council, include:
- 6.6.1 The collection of classified traffic data, via the Edinburgh Operations Centre's CCTV video analytics platform, will save the Council approximately £64,500 per annum because traffic count companies will no longer be required to collect data; and
 - 6.6.2 Current tasks being undertaken manually by the Network Management team will be automated and optimised by the introduction of a new UTMC system, delivering more effective use of Council resources and providing savings of approximately £6,000 per annum.
- 6.7 The savings on collection of traffic data and staff time costs combined are predicted to save the Council approximately £350,000 over the initial contract term of five years.

7. Stakeholder/Community Impact

- 7.1 This project was selected and approved for inclusion within a wider ERDF Operation, by both the 8th City Advisory Group and 8th City Strategic Board. These partnership structures (which includes representation from all Scottish cities and Scottish Government) were established as part of the governance arrangements that have been put in place for the 8th City Programme.
- 7.2 Consultation and engagement was undertaken with the supply market, in the form of a virtual awareness event on 16 December 2021. Extensive stakeholder engagement has been carried out and is fully detailed within Appendix 2 of this report.
- 7.3 Significant work has been undertaken to align several strands of 'smart city' workstreams spanning diverse groups of teams and departments towards infrastructure upgrade and integration. The intention of which will offer easier access to data and the ability to visualise and analyse that data to enable better decision-making, both for real-time management of the city and for longer term planning.
- 7.4 The TMA places duties on the local authorities to monitor levels of vehicular traffic, a duty which the Council is currently not fulfilling satisfactorily. The UTMC system will deliver classified vehicular traffic counts at 29 sites (using 35 cameras) on key arterial routes.
- 7.5 Not approving the award of the contract could result in the Council not being able to adequately meet its agreed commitments and statutory duties.
- 7.6 The UTMC system will also assist the Council in delivering air quality improvements across the city, as it provides the capability to respond to congestion and poor air quality by improving traffic flow, thereby reducing fuel usage and local emissions from vehicle exhausts.

- 7.7 Providing reliable journey time information and the ability to prioritise public transport and active travel will facilitate more informed travel choices by visitors, residents and those who work in the city. In addition, reduced journey times will promote increased economic activity within the city.
- 7.8 The arrangements described in this report could contribute to the public sector general equality duty to advance equality of opportunity. An Integrated Impact Assessment (IIA) has been completed for the Intelligent Infrastructure Project and no equalities or right impacts have been identified in relation to this report.

Environmental Benefits

- 7.9 The UTMC system will help to reduce the incidences of congestion on the city's road network, thereby reducing fuel consumption and vehicle exhaust emissions.
- 7.10 The UTMC system will also help to reduce the incidences of congestion on the city's road network, thereby reducing fuel consumption and vehicle exhaust emissions.
- 7.11 The UTMC system will provide the capability to quickly and easily schedule multiple Urban Traffic Control (UTC) and Split Cycle Offset Optimisation Technique (SCOOT) parameter changes to occur simultaneously without manual user input, for example making signal control changes to accommodate international rugby crowds leaving Murrayfield Stadium. This optimisation of traffic flow will bring local air quality benefits in the streets surrounding large sports stadia across the city.
- 7.12 These strategies which improve traffic flow and reduce local air pollutants will also be applied to any other event, such as roadworks or incidents on the city bypass, which cause drivers to reroute and overload certain sections the road network.
- 7.13 The installation of an initial 10 IoT air quality sensors around the city will measure Nitrogen Dioxide (NO₂) and Particulate Matter (PM₁₀ and PM_{2.5}), which are the most problematic pollutants emitted from vehicle exhausts. These sensors will feed real time data on these pollutants back to the UTMC system to make automated traffic management decisions to improve traffic flow in the most polluted areas. The contract provides the mechanism to expand this network of air quality sensors, supplying granular, comprehensive air quality data and providing environmental scientists with a much richer source to combine with the smaller number of existing DEFRA monitoring stations.

Community Benefits

- 7.14 The Service Provider will deliver 270 Community Benefit Points (CBP) for this contract with a range of benefits on offer including:
- 7.14.1 Employment opportunities; and
 - 7.14.2 School workshops.

Fair Work Practices

- 7.15 The Service Provider is a Living Wage employer and does not use zero hours contracts.
- 7.16 The Service Provider exceeds maternity, paternity and sick leave statutory minimums and operates a flexible working policy to promote healthy work life balance.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes.
- 9.2 Appendix 2 – Extensive stakeholder engagement.

Appendix 1: Summary of Tendering and Tender Evaluation Processes

Process

Contract	Intelligent Infrastructure
Contract period (including any extensions)	11 years
Contract value	£1.035m
EU Procedure chosen	Open
Register of interest noted	34
Recommended supplier	Yunex Limited
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department
Evaluation criteria and weightings	<p>60% Quality, 40% Price</p> <p>Tender Questions (40%)</p> <p>UTMC Project delivery experience - 25%</p> <p>Contract delivery methodology – 25%</p> <p>Maintenance & support/ service levels -10%</p> <p>Innovation and future proofing – 5%</p> <p>Business Continuity - 5%</p> <p>Air quality monitoring units – 10%</p> <p>Cyber security - 10%</p> <p>Community Benefits – 5%</p> <p>Fair Work Practises – 5%</p> <p>Technical Compliance Matrix (20%)</p> <p>16x Technical questions covering software (15%)</p> <p>2x Technical questions covering service (5%)</p>
Evaluation Teams	Evaluation Teams will consist of suitably qualified Council Officers including Engineers, Senior Engineers and Transport Managers

Appendix 2: Extensive stakeholder engagement

<u>Date</u>	<u>Project Element</u>	<u>Stakeholders</u>
19/02/2021	Air Quality	Eurotech
23/02/2021	Journey Time	Renwicks UK
01/03/2021	Cycle Priority	Active travel team
08/03/2021	Integration of Just Eat data	Transport for Edinburgh (TfE)
08/03/2021	Common database	Swarco
11/03/2021	Air Quality	Spatial planning team
12/03/2021	Cycle Priority	Active travel team
15/03/2021	Cycle Priority	DYNNIQ
16/03/2021	Cycle/ Pedestrian Priority	Transport for Edinburgh (TfE)
16/03/2021	Common database	Siemens
17/03/2021	VMS/ Pedestrian priority	Living Streets
18/03/2021	Integration of Just Eat data	Cycling Scotland
14/04/2021	Bus Priority	Bus Operators
22/04/2021	Common database	Idox
22/04/2021	Bus Priority	Lothian Buses/ ITS team
04/05/2021	Integration of Just Eat data	Transport for Edinburgh (TfE)
12/05/2021	Common database	Osprey/ Mott Mac
13/05/2021	Cycle Priority	Aecom
19/05/2021	Common database	DYNNIQ
24/05/2021	Autonomous Bus and V2X	Transport Scotland
28/05/2021	Cycle Priority	Active Travel Team
08/06/2021	Cycle Priority	q-free
08/06/2021	Air Quality	Spatial planning team
09/06/2021	Traffic/ people Counters	Vivacity
10/06/2021	ATC	Planning/ Traffic signals
18/06/2021	Driver communications	One Network
22/06/2021	Air Quality	LEZ - George King
29/06/2021	VMS	St James quarter
08/08/2021	Public route/ travel info	One Network
13/07/2021	Traffic/ people Counters	Vivacity
29/07/2021	VMS/ Air quality	St James quarter developer
03/08/2021	Air Quality	LEZ
23/08/2021	Common database	Tyne & Wear Authority
07/10/2022	UTMC and SI360 platform	CGI
27/10/2022	UTMC Events Management	Easter Road (Hibernian) Zone X
15/11/2022	UTMC Events Management	Events Team at CEC

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Procurement of Edinburgh’s Christmas

Executive/routine Wards Council Commitments	Routine All, particularly City Centre
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee notes:
 - 1.1.1 That the procurement approach for events differs, depending on the circumstances and the governance arrangements in place;
 - 1.1.2 The process for procuring Edinburgh’s Christmas to date has primarily sought to balance creative content with financial return;
 - 1.1.3 The review carried out on the process for awarding the contract for Edinburgh’s Christmas in 2022;
 - 1.1.4 The options which are currently being investigated for Edinburgh’s Christmas in future years in terms of alternative procurement approaches and best practice from other public bodies; and
 - 1.1.5 That a report will be prepared for Culture and Communities Committee with recommendations for future delivery of Edinburgh’s Christmas by the end of May 2023.
- 1.2 Finance and Resources Committee is asked to refer this report to Governance, Risk and Best Value Committee for noting.

Paul Lawrence

Executive Director of Place

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Procurement of Edinburgh's Christmas

2. Executive Summary

- 2.1 This report responds to an action agreed by Finance and Resources on 10 October 2022 in respect of the procurement process for events.

3. Background

- 3.1 On [10 October 2022](#), Finance and Resources Committee considered a request to put in place an Emergency Contract Award for Edinburgh's Christmas, as Angels Events Experience (Limited) had notified the Council that it was not able to deliver the contract as awarded in June 2022, and had asked to be released from the contract.
- 3.2 This report focuses on the following element of the adjusted amendment by Councillor Macinnes which was approved on 10 October 2022: To request a report in two cycles in respect of the procurement process for events, highlighting what alternative approaches were available, what was best practice and what changes would be made to the Council procedures in light of this experience.
- 3.3 The procurement approach for the award of the contract for Edinburgh's Christmas was reported to Finance and Resources Committee on [16 June 2022](#). Following the issues with contract delivery, a report was presented to Governance, Risk and Best Value Committee on [22 November 2022](#) outlining the procurement approach.
- 3.4 On [22 November 2022](#), it was requested that this report be referred to Governance, Risk and Best Value Committee.

4. Main report

Procurement of Events

- 4.1 There is no single approach for commissioning events which has proven to be best practice. Within the Public Sector, a number of different approaches are utilised depending on the circumstances of each event (or group of events).
- 4.2 If an external contractor model is used, the routes to market via procurement include:

- 4.2.1 A Contract Notice to invite competitive tenders with or without prior market engagement; and
 - 4.2.2 A Future Contract Notice/Prior Information Notice (PIN) as a call for competition, setting out at an early stage the intention to engage with the market leading to an invitation to tender without a further Contract Notice.
- 4.3 The approach to procurement depends on the elements of delivery which are being procured (e.g. some organisations will advertise for the creative production of all aspects of the event, while others will procure individual elements depending on the nature of the event and the governance arrangements in place).
- 4.4 PINs are often utilised to alert the market to potential opportunities (e.g. The Royal Parks recently published a [PIN notice](#) for Hyde Park Winter Wonderland, to invite potential strategic partners who may be interested in operating the event in future years to visit the 2022 festival while it was open between 18 November 2022 and 2 January 2023. This is in advance of an expected procurement exercise commencing in Summer 2023 to commence delivery in late 2024). As shown in The Royal Parks example, the timescale from an initial PIN notice to conclusion of a contract award can be extended over a number of years.
- 4.5 In addition, some public bodies choose to proceed utilising grant funding agreements, in-house or partnering arrangements. In most cases, in-house and partnering arrangements also include (at least) some commissioning or procurement.

Edinburgh's Christmas

- 4.6 The approach taken to procure Edinburgh's Winter Festivals is primarily based on balancing the creative offering with securing income for the Council.
- 4.7 From 1992 to 2009, the Council delivered Edinburgh's Winter Festivals in-house (with an external partner procured to curate the creative content and to deliver some aspects of the programme), and from 2010 onwards the Winter Festivals have been procured using an Open Procurement approach.
- 4.8 The review of recent experience recognises the need to ensure that, whatever the circumstances of commissioning Edinburgh's Christmas in the future, the feedback received during the consultation in 2021 must be at the core of the Council's approach going forward.
- 4.9 It is important to note that there is significant logistical cross-over between Edinburgh's Christmas and Edinburgh's Hogmanay, which means that there is a dependency of Edinburgh's Christmas taking place successfully in order to ensure that Edinburgh's Hogmanay can also go ahead. In recent years, there has also been a significant financial contribution from Edinburgh's Christmas to support the delivery of Edinburgh's Hogmanay, in the region of £200,000 per annum.

Recap of Procurement in 2022

- 4.10 As previously reported to this Committee and to Governance, Risk and Best Value Committee, Edinburgh's Christmas formed part of a dual lotted tendering process

from March 2022 for Edinburgh's Winter Festivals, whereby responsibility for the provision and management of Edinburgh's Christmas was awarded to a single company.

- 4.11 This followed the same approach as the previous procurements of Edinburgh's Winter Festivals. However, in preparing for this procurement, there was greater Elected Member oversight of the process than in previous commissions, with Elected Members being involved in both the development of the consultation that informed the specification for the tender, in approving the tendering specification (through the Festivals and Events All Party Oversight Group) and receiving a briefing on the outcome of the tendering process on 9 June 2022 in advance of this being reported to Finance and Resources Committee on 16 June 2022.
- 4.12 The potential procurement procedures considered for tendering the current Winter Festivals were outlined in Appendix 1 of the report to Governance, Risk and Best Value Committee on 22 November 2022.

Lessons Learned

Time

- 4.13 While the approach to this procurement was based on the experience of previous tenders and awards, the primary factor in determining the most appropriate route to market for tendering Edinburgh's Christmas as an Open procurement procedure was the period of time available.
- 4.14 The Procedure:
 - 4.14.1 Enabled feedback from the Winter Festivals consultation to be built into the tender documentation and in the key principles for what was expected from the successful contractor;
 - 4.14.2 Recognised that this route to market built on existing good practice, where there are a limited number of bidders and there is a short amount of time available, and minimised the demand on both officers and bidders; and
 - 4.14.3 Ensured that a contract would be in place for Christmas 2022.
- 4.15 Although time was a significant factor in the approach taken, the tender documentation was published on 3 March 2022 and was advertised for six weeks, during which time bidders were given the opportunity to raise questions, to seek clarification and/or to express any concerns about deliverability based on the information provided. Council officers responded to all of the questions asked and note that there were no questions raised about deliverability within the timeframe set out in the tender documents. The outcome was reported to Committee on 16 June 2022.

Governance

- 4.16 The governance arrangements for this contract were strengthened to reflect previous feedback. As noted in paragraph 4.11, there was greater Elected Member oversight than in previous iterations of this tender process.

- 4.17 In addition, additional oversight of the procurement process was introduced, with the Service Director - Culture and Wellbeing monitoring the evaluation process and reviewing the outcomes of the tender evaluation.
- 4.18 Recognising that the tender was revised from previous years as a result of feedback received during consultation and the clear key principles, the contract awarded also included a break-clause at the end of year one in order to allow the Council to terminate the contract should the delivered service not meet the needs of the Council nor address the key principles contained within the specification.
- 4.19 It is also recognised that there was a narrow timescale between contract award and delivery of Edinburgh's Christmas in 2022. However, the contractor only raised concerns about its ability to deliver the agreed outcomes following the award of the contract. In addition, there were some challenges within the internal governance arrangements between the contractor and its partner organisations which may have also contributed to these difficulties.

Creative Content

- 4.20 While the tenders received included details of the proposed creative content for Edinburgh's Christmas, it is clear that the full creative content from the original AEE tender submission was unlikely to be delivered in 2022 due to the limited timescale between the award of the contract and the contract delivery dates.
- 4.21 In future, irrespective of the approach to delivery, officers will ensure that the creative content is confirmed in detail before any contracts are awarded.

Income Recovery

- 4.22 The fixed fee rental income model (whereby the contractor would be charged daily rental for sites utilised) for this contract was introduced a number of years ago to address concerns that the Council was being denied the opportunity to secure income from this contract. Previous contracts had included a profit share model with the producer that had resulted in a return of £32,000 to the Council across the life of the contract. A fixed fee rental income guarantees the Council a much higher return.
- 4.23 However, as with any financial model, officers recognise that the rental income model can lead to challenges in financial deliverability, create economic pressures for both the contractor and, ultimately, the public as consumers. It is difficult to balance this with a profit share which may not offer best value to the Council.

- 4.24 As reported previously on the most recent Edinburgh's Christmas contract, the procurement approach used includes a comprehensive financial assessment of the information provided within tender submissions. However, this procurement approach offers limited opportunity for officers to interrogate the deliverability of tender submissions.

Options for Future Delivery

- 4.25 In advance of a report to Culture and Communities Committee later in 2023, officers are currently investigating options for future delivery of Edinburgh's Christmas.

- 4.26 The options being considered build on the learning from 2022 and previous procurement exercises, the Council's experience of delivering Edinburgh's Winter Festivals in-house prior to 2010, and best practice from other public sector organisations.
- 4.27 To ensure that the options considered deliver on the feedback from the Winter Festivals consultation, ensure that the event promotes Edinburgh's cultural and local offer, is affordable, and offers sufficient flexibility. The options being explored include (but may not be limited to):
- 4.27.1 An in-house delivery model. The Council previously had an in-house delivery model for Edinburgh's Winter Festivals so officers will review this approach, recognising that it is likely that any in-house model would significantly increase the financial and reputational risk for the Council, and that additional support would be required on the creative content (as the Council does not currently have this expertise in-house). In addition, it is likely that the Council would not be able to directly deliver all aspects of Edinburgh's Christmas without support from external organisations/sub-contractors due to the significant up-front capital investment which would be required for some aspects of service delivery or significant capital and revenue funding investment; and
- 4.27.2 Alternative procurement approaches to identify a delivery partner. Officers have received early feedback that the market would prefer that any future procurement to be dialogue based following a Future Contract Notice/PIN. This would allow the Council to set clear parameters based on the consultation feedback (including but not limited to): defining the locations, timescales, operational constraints and financial arrangements). However, as noted above, if this approach is progressed, it can take a protracted period of time, so it is important to begin early dialogue with potential partners as soon as possible.
- 4.28 The investigation will also consider financial, reputational, legal, governance and wider risks for the Council as well as considering any feedback from other local authorities and public sector organisations.
- 4.29 The option to deliver a single Edinburgh's Winter Festival contract (combining the existing Edinburgh's Christmas and Hogmanay commissions) will also be considered, recognising that the contract for Edinburgh's Hogmanay is in place until the end of 2024/25 (with the option to extend for two further periods of 12 months). While this approach will be reviewed again, officers note that this had previously been discounted as it is likely to restrict the market and the opportunity for Small and Medium sized Enterprises (SMEs) to tender.

5. Next Steps

- 5.1 A report on the outcome of delivery of Edinburgh's Christmas 2022 will be reported to Culture and Communities Committee on 7 March 2023, with a recommendation

on next steps. Finance and Resources Committee will also be kept updated on this.

- 5.2 As agreed by the Council on 27 October 2022, a report on the options for delivering Edinburgh's Christmas in future will be presented to Culture and Communities Committee by the end of May 2023. This will build on the information provided in this report will ensure the Council's commitments to quality, reliability, community engagement, supporting local traders and sharing the celebrations around the city are properly reflected in any plans and future procurement programmes. The Festivals and Events APOG will be kept updated on progress with this, and input from suppliers, local traders, community groups and ward councillors will be sought at the appropriate time.

6. Financial impact

- 6.1 There are no direct financial impacts arising from the recommendations in this report.
- 6.2 The report to Culture and Communities Committee will set out the financial implications of the options for delivering Edinburgh's Christmas in the future.

7. Stakeholder/Community Impact

- 7.1 The results of a consultation on Edinburgh's Winter Festivals were reported to Policy and Sustainability Committee on [30 November 2021](#).
- 7.2 These results were used to form the basis of the tender which was issued for delivery of the two Lots of the Winter Festivals contract. The award of contracts for Edinburgh's Christmas and Hogmanay were approved by Finance and Resources Committee on 16 June 2022.
- 7.3 It is essential that the future commission for Edinburgh's Christmas reflects the feedback received to the Winter Festival's consultation, as reported in November 2021.

8. Background reading/external references

- 8.1 None.

9. Appendices

None.

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Award of Framework Agreement to support development and operation of Communal Heating Systems in Council Homes

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 Approve the award of a framework agreement to support development, operation and maintenance of communal heating systems in Council homes to Easy Heat Systems Ltd, Pinacple Power Ltd, Switch2 Ltd and Vital Energi Utilities Ltd; and
 - 1.1.2 Note that the framework has an estimated value of £4,000,000 over the maximum four-year term, however, the value above is reflective of estimated future pipeline of works and that the scope of works may fluctuate subject to demand and budget availability.

Paul Lawrence

Executive Director of Place

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Award of Framework Agreement to support development and operation of Communal Heating Systems in Council Homes

2. Executive Summary

- 2.1 This report seeks approval to award a framework agreement to support development, operational management and maintenance of communal heating systems in Council homes to Easy Heat Systems Ltd, Pinacclle Power Ltd, Switch2 Ltd and Vital Energi Utilities Ltd.
- 2.2 The framework agreement is for two years with the option to extend annually for a further two years with an estimated value of £4,000,000 over the full four-year duration.

3. Background

- 3.1 The Council currently own and operate seven communal heating systems and small-scale heat networks throughout the city and is actively developing new local heat networks as part of its development plan for delivering net zero carbon affordable housing. Current systems are maintained by the in-house workforce with metering and billing services provided by an external provider.
- 3.2 Design, development and management of communal heating systems is a growing and complex area of work which is changing and evolving rapidly.
- 3.3 In order to support the Council in achieving its ambition of net zero carbon by 2030 and recognising the complexity and fast changing technology in this area, it is proposed to set up a framework of experienced organisations to support the Council in the development of design guidance, advice and support to ensure that the approach to metering, billing, routine and cyclical maintenance of both new and existing homes.
- 3.4 The framework providers will help guide the Council in meeting its obligations as a supplier of heat services through the delivery of metering and billing services, tariff setting advice, system performance reviews and support through the design process for new systems. The framework providers can also be called upon to provide operational and reactive maintenance to existing communal heating systems and life cycle replacement; as needed, to supplement in-house resources.

- 3.5 It is intended that, over the course of this Framework, the Council will undertake training and development for in-house teams in order to reduce the reliance on external support for these activities in the future.

4. Main report

- 4.1 Council officers have been working on a procurement process for the establishment of the framework agreement.
- 4.2 Commercial and Procurement Services (CPS) placed a Contract Notice via Public Contract Scotland (PCS) on 26 September 2022 inviting interested suppliers to submit a Tender. Tenderers were required to submit the Single Procurement Document (SPD) to assess the bidders' financial capacity and business probity, a response to the Qualitative Award Criteria (see Appendix 1) and a cost to deliver metering and billing, annual maintenance costs, a cost for common installations and repairs alongside hourly rates and a percentage mark up on materials and plant.
- 4.3 On 5 October 2022, five tenderers submitted a tender response. The submissions were initially evaluated to ensure that they met the minimum compliance checks in terms of business probity, criminal history, and legal requirements such as Health and Safety Policy. All tenderers were then evaluated by a technical evaluation panel. This part of the tender evaluation placed an emphasis on quality, as well as price, with the aim of selecting the most economically advantageous tenders based on organisations tendering on a quality/cost ratio of 70% quality and 30% price. The quality/cost ratio was determined due to a need for suppliers to provide quality service at the most economical price.
- 4.4 The quality analysis was based on weighted award criteria questions, which were scored using a 0 to 10 matrix. Following completion of the quality analysis, tenders that passed the minimum threshold of 50% of the available quality marks were then subject to cost analysis.
- 4.5 The price was sub divided across the various services required within the framework with 20% allocated to design services, 40% allocated to metering and billing services, 35% allocated to maintenance services and the remaining 5% allocated to life cycle replacement costs.
- 4.6 As the 40% final price score is made up of several component parts (i.e. not a single price) it is unlikely that a single supplier would be lowest cost across the board, therefore no supplier achieves the full 40% price assessment.
- 4.7 Where organisations have a "0.0" score for price this is due to their quality bid failing to achieve the pre-set quality threshold of 50%. Organisations failing to achieve the 50% threshold were not considered further for appointment and their fee proposal was not reviewed.
- 4.8 The tender results, combining the quality scores and the price evaluation to derive an overall score for each supplier out of a maximum of 100, are:

Tenderer	Price Score	Quality Score	Total Score
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Vital Energi Utilities Ltd	25.77	57.40	83.17
Switch2 Energy Ltd	21.33	54.95	76.27
Easy Heat Systems Ltd	23.66	47.95	71.61
Pinacple Power Ltd	23.78	44.80	68.58
Tenderer 5		32.90	32.90

- 4.9 As the top four scoring providers have submitted the four most economically advantageous tenders, they are therefore recommended for appointment.
- 4.10 The call off methodology provides the Council with the opportunity to place call offs with the top ranked provider without further competition utilising the rates in the framework. There is also the opportunity to run mini competitions between all framework providers at any value where the Council deems it necessary to demonstrate best value.

5. Next Steps

- 5.1 Subject to Committee approval, the framework agreement will commence on 1 March 2023.
- 5.2 Once established, the framework agreement will be managed by the Housing Operations Team and the Contract Manager will ensure that effective contract management is delivered throughout the contract lifecycle. A Contract Management and Handover Report, detailing the necessary steps and measures, will be produced and agreed.
- 5.3 It is envisaged that proactive contract management, to include robust monitoring of all appropriate management information, key performance indicators and budget/savings tracking) will assist in the delivery of an effective and efficient service.

6. Financial impact

- 6.1 The estimated contract value being taken forward is reflective of estimated spend and the scope of works may fluctuate subject to demand. Contract spend will be monitored on an ongoing basis to ensure that the costs submitted as part of any call off are within the allocated budget and demonstrate best value to the Council.
- 6.2 The costs associated with procuring this contract are estimated to be between £10,001 and £20,000.
- 6.3 The framework, including extensions, has an estimated value of £4,000,000.

7. Stakeholder/Community Impact

- 7.1 The framework mandates that the suppliers will provide a community benefit from the community benefit menu for every service order commissioned.
- 7.2 The framework utilises the Council's menu of community benefits which currently lists available benefits each with a point value associated. Every supplier is committed to this system. The value of the call off pre-determines the amount of points that the supplier is required to spend, this will occur for every call off. Each community benefit offer will be monitored on the Council's community benefits platform by the Council's contract manager and reported annually.
- 7.3 The providers have committed to paying the Real Living Wage and have committed to signing the Council's Construction Charter.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Summary of Tendering and Tender Evaluation Process.

Appendix 1 - Summary of Tendering and Tender Evaluation Process

Contract	Operation, Management and Maintenance Requirements for Communal Heating Systems in Council Homes	
Contract period (including any extensions)	2 years with the option to extend annually for 2 further years	
Estimated Contract Value (including extensions)	£4,000,000	
Procurement Route Chosen	Open	
Tenders Returned	5	
Name of Recommended Supplier(s)	Easy Heat Systems Ltd Pinacple Power Ltd Switch2 Ltd Vital Energi Utilities Ltd	
Price / Quality Split	Price (30%)	Quality (70%)
Evaluation Criteria and Weightings	Question	Weighting
	Experience	20%
	Framework Delivery Team	15%
	Delivery Approach and Methodology	25%
	Health and Safety	10%
	The Environment	10%
	Fair Work Practices	10%
	Fair Work Management Information	Not scored
	Community Benefits	10%
Evaluation Team	Programme Manager, Place Senior Construction Project Manager, Place Senior Housing Development Officer, Place External Advisors – Blackwood Partnership	

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Land at Newcraighall, Edinburgh - Proposed Lease Variation

Executive/routine Wards Council Commitments	Routine 17 – Portobello/Craigmillar
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve the variation of the lease to South Yorkshire Pension Authority at Newcraighall, Edinburgh on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Land at Newcraighall, Edinburgh - Proposed Lease Variation

2. Executive Summary

- 2.1 Approval has been previously granted to lease land at Newcraighall to South Yorkshire Pensions Authority to undertake the development of industrial accommodation. Due to current economic conditions, the tenant is seeking to vary the lease terms to allow the proposed development to proceed. This report seeks approval to vary the lease to the terms and conditions outlined in the report.

3. Background

- 3.1 On [23 May 2019](#), the Finance and Resources Committee approved a 175-year ground lease of 1.90 hectares (4.69 acres) of development land at Newcraighall to South Yorkshire Pensions Authority (SYPA), as shown outlined in red on the attached plan. SYPA currently hold a long lease from the Council of the adjoining Eastern Industrial Estate, shaded blue on the plan.
- 3.2 The approval was for a ground lease for 175-years at an initial rent of £1 per annum until such time as the property is developed. When complete, the Council would receive 15% of all rents received by SYPA.
- 3.3 The contract for the lease was conditional on SYPA submitting, and achieving a consent for, a planning application for the redevelopment of the site. The application in principle was submitted on 9 November 2022 under reference [22/05666/PPP](#) for a proposed development of three industrial units totalling 6,570 sq m (70,728 sq ft).

4. Main report

- 4.1 The viability of the development, which is expected to cost circa £12m to build, has been adversely impacted by current economic conditions. Due to the recent and sustained market volatility, industrial real estate pricing and investment yields have drifted. The combination of rising costs and lower value on completion has resulted in the previously projected profit being eroded and the previously approved proposed development rendered unviable.

- 4.2 Whilst SYPA have value engineered the proposed scheme, there is still a shortfall in the required profit level in the short term. Consequently, the Council have been asked to reduce the percentage of rent receivable from the development over the first 10 years of the ground lease. As opposed to receiving 15%, the proposal is as follows:
- 4.2.1 Years 1 to 5: 10% of rents received payable to the Council;
 - 4.2.2 Year 6: 12.5% of rents received payable;
 - 4.2.3 Year 7: 13% of rents received payable;
 - 4.2.4 Year 8: 13.5% of rents received payable;
 - 4.2.5 Year 9: 14% of rents received payable; and
 - 4.2.6 Year 10 onwards: 15% of rents received payable.
- 4.3 To put the above figures in context, at the time the original committee report was approved, it was estimated that the rent receivable to the Council would be in the region of £75,000 per annum once the development was fully let.
- 4.4 SYPA are in advanced negotiations with tenants to take a prelet on each unit with an estimated total initial annual rent of circa £900,000. On that basis, over the first five year of the lease, the income to the Council would be circa £90,000 per annum, eventually rising to circa £135,000 per annum by year 10.
- 4.5 By allowing SYPA to develop the units, all construction and letting risk is passed on with the Council benefiting from a future income albeit reduced to reflect the ratio of risk/reward. Despite the proposed reduction in rent in the initial years of the lease, this position remains unchanged and agreeing to the amended percentage profile will allow the development to proceed.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for lease variation.

6. Financial impact

- 6.1 There has been an improvement to the forecast rental income which the Council can expect to receive, despite the reduced percentage payable in the initial years of the lease, from up to £75,000 per annum to £90,000 rising to £135,000 per annum in year 10.

7. Stakeholder/Community Impact

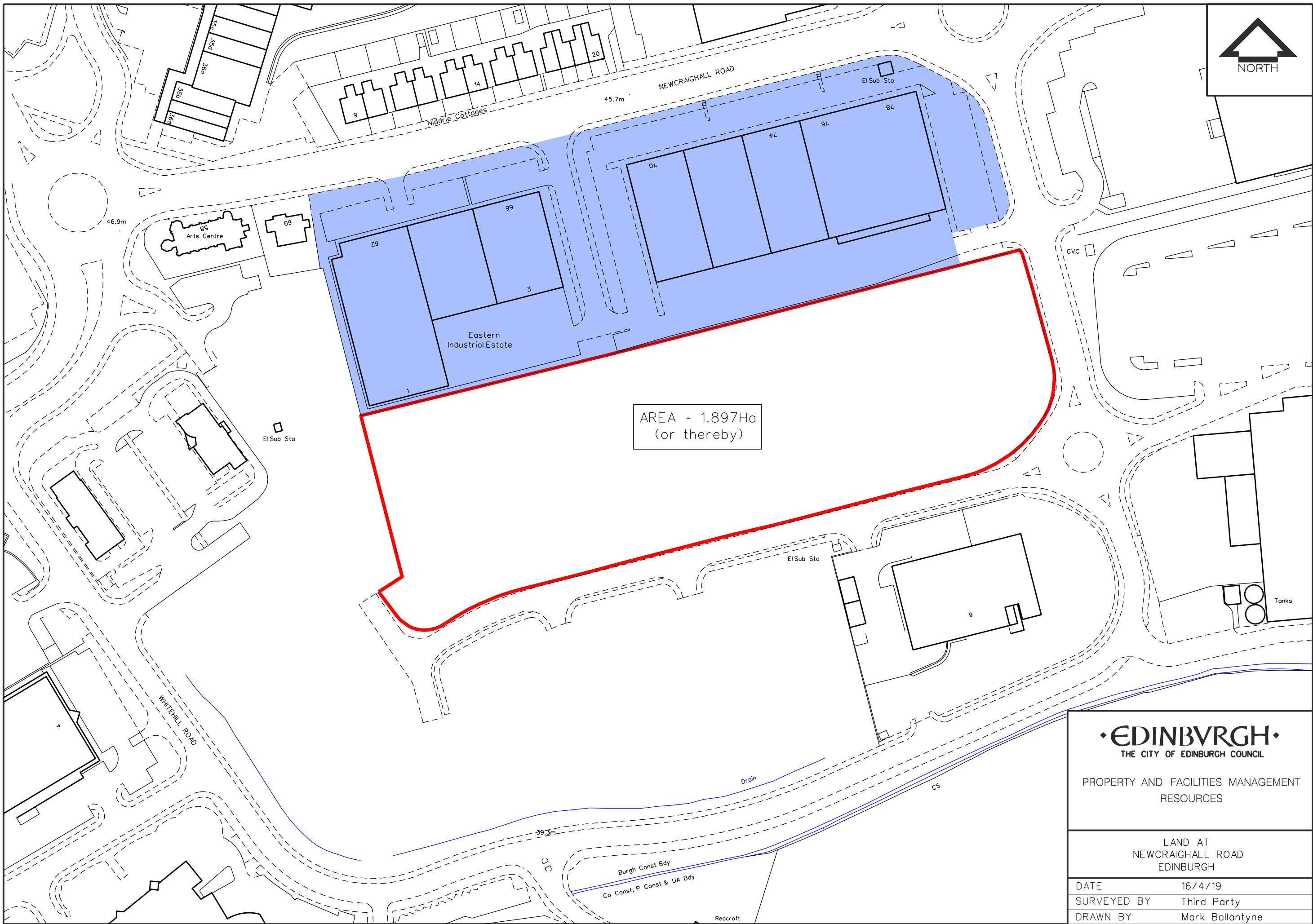
- 7.1 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 [Land at Newcraighall - Proposed Lease](#) - Finance and Resources Committee, 23 May 2019.

9. Appendices

- 9.1 Appendix 1 – Location Plan.



• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
LAND AT NEWCRAIGHALL ROAD EDINBURGH	
DATE	16/4/19
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1818

SITE PLAN

SCALE 1:1250

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

20 West Shore Road, Edinburgh - Proposed Lease Variation

Executive/routine Wards Council Commitments	Routine 4 – Forth
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves the variation of the lease to Edinburgh Palette at 20 West Shore Road, Edinburgh on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

20 West Shore Road, Edinburgh - Proposed Lease Variation

2. Executive Summary

- 2.1 The property at 20 West Shore Road is let to Edinburgh Palette (EP). The tenant is seeking to vary the lease to extend the area occupied and amend the permitted use. This report seeks approval to vary the lease to the terms and conditions outlined in the report.

3. Background

- 3.1 On [20 May 2021](#), the Finance and Resources Committee approved the purchase of the ground lease interest at 20 West Shore Road and a subsequent 15-year lease to EP.
- 3.2 The lease terms allowed the tenant a 12-month rent free period from the date of entry with the rent £95,000 per annum thereafter. The permitted use approved by Committee was the creation of sustainable creative studio and business incubation space. The area of land included in the lease is shown outlined and hatched in red on the plan at appendix 1.
- 3.3 EP subsequently submitted a planning application for a mixed-use development comprising creative studio and business incubation space, workshop manufacturing and storage with ancillary retail, events space, indoor and outdoor food market, food outlets, leisure uses and associated landscaping. The application was approved on 8 December 2022.
- 3.4 Following approval of the planning application, EP has requested a variation to the lease terms to widen the use clause and include a strip of land to the north of the property within the leased area.

4. Main report

- 4.1 The proposed redevelopment of the property includes landscaping of the strip of land to the north of the property which adjoins the Granton Waterfront path to improve connectivity to the property and enhance the public realm. This area is within the ownership of the Council and was not included in the original leased area.

- 4.2 EP have requested that this area, shown outlined in red on the plan at Appendix 2, and extending to circa 700 sq m, is included within the lease. This will allow EP to carry out the landscape works that form part of the consented scheme and maintain the area thereafter.
- 4.3 In addition, EP has requested a revision to the permitted use to include additional uses being as a bakery, café, restaurant and/or licenced premises including a public house; space for independent food service vendors; retail units serving the public; and for any club or group set up to achieve, provide or intend to provide public benefit in relation to one of the 16 charitable purposes set out in section 7(2) of the Charities and Trustees Investments (Scotland) Act 2005.
- 4.4 Both variations are acceptable in the context of the wider regeneration of Granton.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for lease variation.

6. Financial impact

- 6.1 There is no change to the rental income received from the property. The inclusion of a strip of non-operational land next to the Granton Walkway removes a maintenance liability from the Council and improves the public realm in the area.
- 6.2 The variation of the use clause will enhance the facilities to achieve the desired provision of a vibrant creative and community hub serving the wider Granton regeneration area.

7. Stakeholder/Community Impact

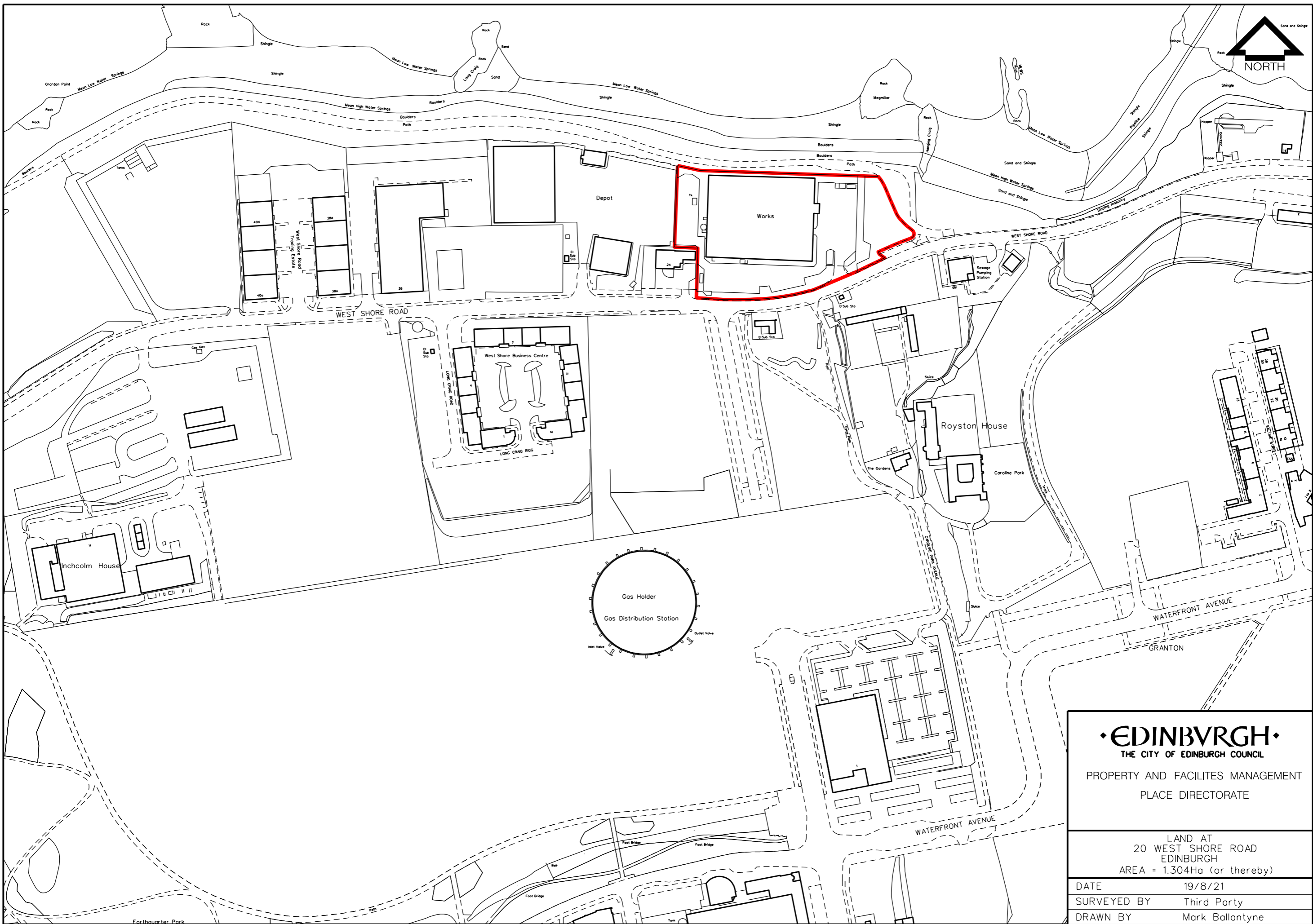
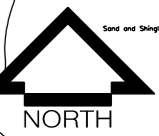
- 7.1 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 [20 West Shore Road, Granton, Edinburgh – Proposed Ground Lease Acquisition and New Lease](#) – Finance and Resources Committee, 20 May 2021.

9. Appendices

- 9.1 Appendix 1 – Original lease plan.
- 9.2 Appendix 2 – Proposed additional leased area.



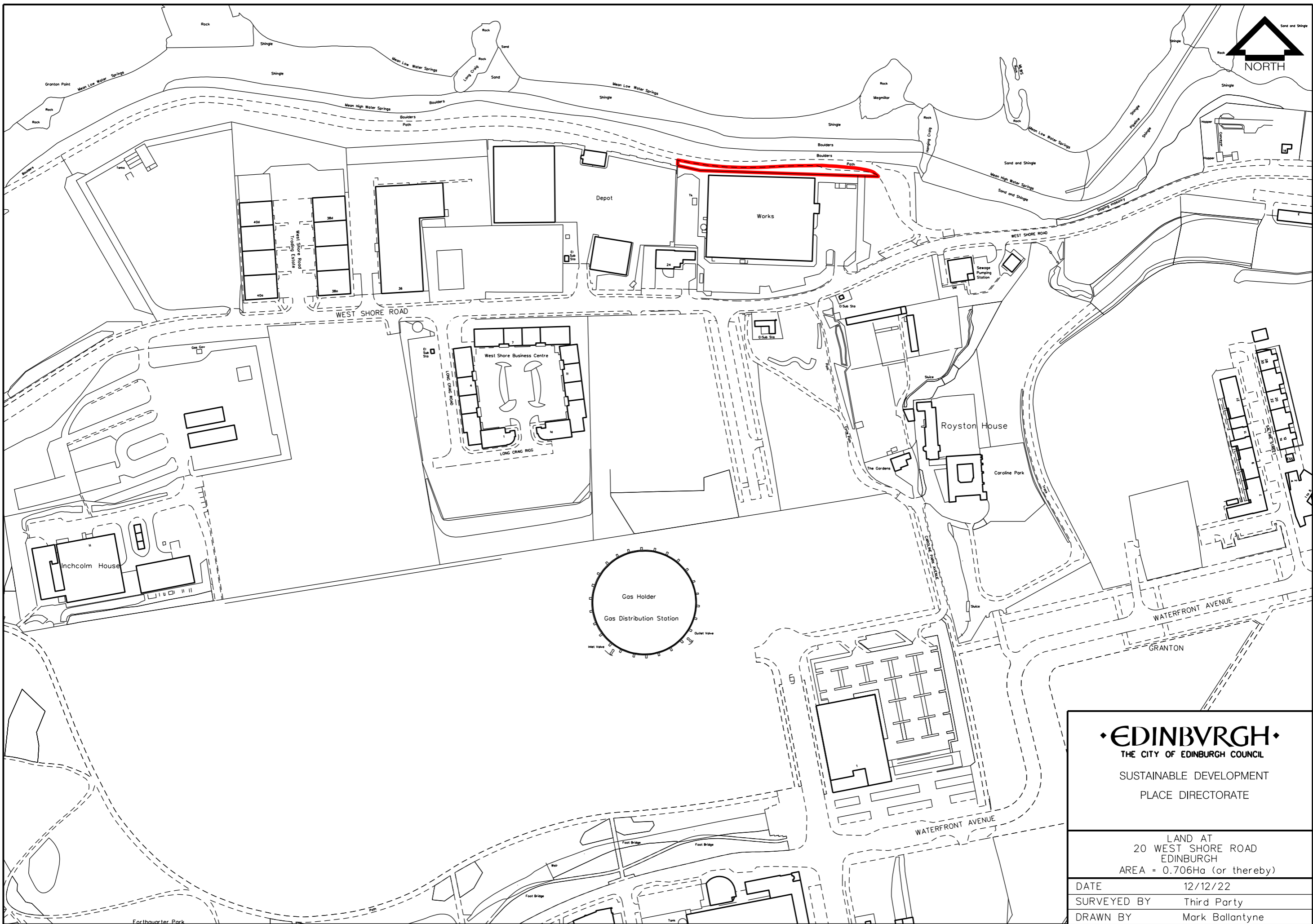
• EDINBURGH •
 THE CITY OF EDINBURGH COUNCIL
 PROPERTY AND FACILITIES MANAGEMENT
 PLACE DIRECTORATE

LAND AT 20 WEST SHORE ROAD EDINBURGH AREA = 1.304Ha (or thereby)	
DATE	19/8/21
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:2500 @ A3 SIZE
NEG. NO.	A3/1420a

LOCATION PLAN

SCALE 1:2500

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2013 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.



LOCATION PLAN

SCALE 1:2500

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
LAND AT 20 WEST SHORE ROAD EDINBURGH AREA = 0.706Ha (or thereby)	
DATE	12/12/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:2500 @ A3 SIZE
NEG. NO.	A3/1420

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

WHALE Arts Centre 30 Westburn Grove Edinburgh – Community Asset Transfer

Executive/routine	Routine
Wards	2
Council Commitments	

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve the disposal of WHALE Arts Centre, 30 Westburn Grove, Edinburgh on the terms set out in this report and on such other terms and conditions to be agreed by Executive Director of Place.

Paul Lawrence

Executive Director of Place

Contact: Brian Paton, Senior Estates Surveyor

E-mail: brian.paton@edinburgh.gov.uk | Tel: 0131 469 5228

WHALE Arts Centre 30 Westburn Grove Edinburgh – Community Asset Transfer

2. Executive Summary

- 2.1 This report seeks authority to dispose of the WHALE Arts Centre to WHALE Arts on terms as specified in the Community Asset Transfer (CAT) request which are outlined in this report. The proposed sale is a CAT under Part Five of the Community Empowerment (Scotland) Act 2015.

3. Background

- 3.1 WHALE Arts Centre, 30 Westburn Grove Edinburgh is occupied by WHALE Arts. The land, on which their building is built, is leased from the Council on a peppercorn rent of £1 per annum until 2024. They wish to purchase the Council's leasehold interest in order to access other funding opportunities that are not currently available.
- 3.2 WHALE Arts run a purpose built creative and community venue with associated land in Wester Hailes. Since being set up by local people in 1992, WHALE Arts has firmly established itself as the cultural anchor organisation for Wester Hailes. As a community-led charity and social enterprise, WHALE Arts' mission is to be the creative heart of a vibrant, thriving community.
- 3.3 The organisation is a building and place-based community-led charity and social enterprise which acts as a conduit between the community and creative opportunities through the delivery of projects, programmes and events and by connecting the community with city and national partners.
- 3.4 WHALE Arts works with their partners to develop community, creative and cultural projects that builds upon successes to inspire and empower residents, workers, artists and designers to continue to demonstrate the power of creativity as a driver of social change.

4. Main report

- 4.1 WHALE Arts submitted a valid CAT request, under Part Five of the Community Empowerment (Scotland) Act 2015, to purchase the property. In accordance with

Council policy on CAT, a panel was convened to consider WHALE Arts' expression of interest. The panel's recommendation was for WHALE Arts to develop their stage 2 (Sustainable Business Case) submission, which involves the development of a business case, valuation, development plans, and evidencing need through community consultation.

- 4.2 The stage 2 application was received, and the proposal was assessed by the Council using the CAT policy scoring matrix. The result was a strong submission.
- 4.3 The provisionally agreed terms for the disposal are as follows: -
 - 4.3.1 Purchaser: WHALE Arts Limited;
 - 4.3.2 Price: £125,000; and
 - 4.3.3 Costs: Each party to meet their own costs.
- 4.4 The applicant obtained an opinion on market value, on the special assumption of outright ownership of the heritable interest with vacant possession of 30 Westburn Grove, at £395,000. This market value has been verified by the Council's RICS registered valuers. Given WHALE Art's alignment to Council commitments and the significant community benefit the scheme will offer on completion, it is considered that a sale price of £125,000 for the leasehold interest is justified in this instance.
- 4.5 The proposed sale price has also been considered in relation to The Disposal of Land by Local Authorities (Scotland) Regulations 2010, which provides that where the disposal (or lease) is for a consideration less than the best that can reasonably be obtained, a Local Authority can dispose of the asset, provided it follows certain steps:
 - 4.5.1 It appraises and compares the costs and dis-benefits of the proposal with the benefits;
 - 4.5.2 It satisfies itself the proposed consideration for the disposal in question is reasonable; and
 - 4.5.3 It determines that the disposal is likely to contribute to the promotion or improvement of any one of: economic development or regeneration, health, social well-being, or environmental well-being, of the whole or any part of the area of the local authority or any person in the local authority area.
- 4.6 The proposals align with Council commitments and contributes to these criteria and therefore it is considered that the proposed sale price is justifiable in this instance.

5. Next Steps

- 5.1 Should Committee approve the transfer request, a decision notice will be issued in accordance with the terms of the Community Empowerment (Scotland) Act 2015, setting out the terms noted above and inviting WHALE Arts to offer to purchase the property on the agreed terms. The applicant is then afforded a minimum statutory period of at least six months in which to make their offer.

- 5.2 Should Committee determine to reject the asset transfer request or significantly alter the terms of the request, the applicant has a statutory right to have the decision reviewed by the Council and, should that review be unsuccessful, a subsequent right of appeal to Scottish Ministers.

6. Financial impact

- 6.1 A capital receipt of £125,000 will be received in financial year 2023/24.

7. Stakeholder/Community Impact

- 7.1 Consultation was undertaken through the CAT advisory panel. The panel consisted of various stakeholders, councillors and community groups which ensured broad analysis and guidance and eventual approval of the application.
- 7.2 As part of the CAT Stage 2 Business Case Submission, WHALE Arts have consulted widely in the community with regards to the future use of their building. Detail on the consultations undertaken can be found in the WHALE Arts Business Case which is available for reading using the link at 8.1 below.
- 7.3 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 Whale Arts Centre - [CAT Stage 2 Submission](#)
- 8.2 Community Asset Policy – [Community Asset Transfer Policy](#)

9. Appendices

- 9.1 Appendix 1 – Location plan.

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

10 Wardieburn Road, Edinburgh – Community Asset Transfer

Executive/routine Wards Council Commitments	Routine 4 – Forth
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves the disposal of 10 Wardieburn Road, Edinburgh, to Granton Community Gardeners, on the terms set out in this report and on such other terms and conditions to be agreed by Executive Director of Place.

Paul Lawrence

Executive Director of Place

Contact: Brian Paton, Senior Estates Surveyor

E-mail: brian.paton@edinburgh.gov.uk | Tel: 0131 469 5228

10 Wardieburn Road, Edinburgh – Community Asset Transfer

2. Executive Summary

- 2.1 This report seeks authority to dispose of 10 Wardieburn Road, Edinburgh to Granton Community Gardeners on terms as specified in the Community Asset Transfer (CAT) request which are outlined in this report. The proposed sale is a CAT under Part Five of the Community Empowerment (Scotland) Act 2015.

3. Background

- 3.1 The Council owns land at 10 Wardieburn Road, which formerly was part of the curtilage of Granton Early Years Centre. It extends to 1,022 sq m, as shown in red on the attached indicative plan, and has been informally occupied by Granton Community Gardeners (GCG) since 2018.
- 3.2 The land is used as a garden for growing food, community events, workshops, hosting nursery, school and youth groups, and for providing resources, training, encouragement and gardening advice. It has therefore become a much-valued local community space.
- 3.3 GCG are a Scottish Charitable Incorporated Organisation (SCIO) and have submitted a CAT request under Community Empowerment legislation.
- 3.4 The anticipated main outcome of the CAT is that there will be long term security for the Granton community and GCG at the Wardieburn site. This will result in increased community ownership and decision making about the site use and how to maximise the benefits for the local community, along with providing the ability to fundraise for capital costs to improve the site facilities.
- 3.5 The main driver for the CAT is for GCG to be able to:
- 3.5.1 Continue the work they are doing with a greater confidence that their role in the community is secured for the long term; and
 - 3.5.2 Be able to grow food, harvest food, learn about and share food with everyone in their community in a way that is safe, accessible, healthy and hygienic.

4. Main report

- 4.1 GCG submitted a valid CAT request under Part Five of the Community Empowerment (Scotland) Act 2015 to purchase the property. The application required the submission of a business case, valuation, development plans, and evidencing need through community consultation.
- 4.2 The stage 2 application was received, and the proposal was assessed by the Operational Estates Service using the CAT policy scoring matrix. The outcome was a strong submission.
- 4.3 The provisionally agreed terms for the disposal are as follows: -
 - 4.3.1 Purchaser: Granton Community Gardeners;
 - 4.3.2 Price: £40,000; and
 - 4.3.3 Costs: each party to meet their own costs.
- 4.4 The applicant obtained an opinion of market value on the heritable interest, with vacant possession, in the amount of £55,000. The market value figure has been verified by one of the Council's registered RICS valuers. Given GCGs alignment to Council commitments, and the significant community benefit the scheme will offer on completion, it is considered that a sale price of £40,000 for the heritable interest is justified in this instance.
- 4.5 The proposed sale price has also been considered in relation to The Disposal of Land by Local Authorities (Scotland) Regulations 2010, which provides that where the disposal (or lease) is for a consideration less than the best that can reasonably be obtained, a Local Authority can dispose of the asset, provided it follows certain steps:
 - 4.5.1 It appraises and compares the costs and dis-benefits of the proposal with the benefits;
 - 4.5.2 It satisfies itself the proposed consideration for the disposal in question is reasonable; and
 - 4.5.3 It determines that the disposal is likely to contribute to the promotion or improvement of any one of: economic development or regeneration, health, social well-being, or environmental well-being, of the whole or any part of the area of the local authority or any person in the local authority area.
- 4.6 The proposals align with Council commitments and contributes to these criteria therefore the proposed sale price of £40,000 is recommended in this instance.

5. Next Steps

- 5.1 Should Committee approve the transfer request, a decision notice will be issued in accordance with the terms of the Community Empowerment (Scotland) Act 2015, setting out the terms noted above and inviting GCG to offer to purchase the

property on the agreed terms. The applicant is then afforded a minimum statutory period of at least six months in which to make their offer.

- 5.2 Should Committee determine to reject the asset transfer request or significantly alter the terms of the request, the applicant has a statutory right to have the decision reviewed by the Council and, should the review be unsuccessful, a subsequent right of appeal to Scottish Ministers.

6. Financial impact

- 6.1 A capital receipt of £40,000 will be received. The receipt will be received in financial year 2023/24.

7. Stakeholder/Community Impact

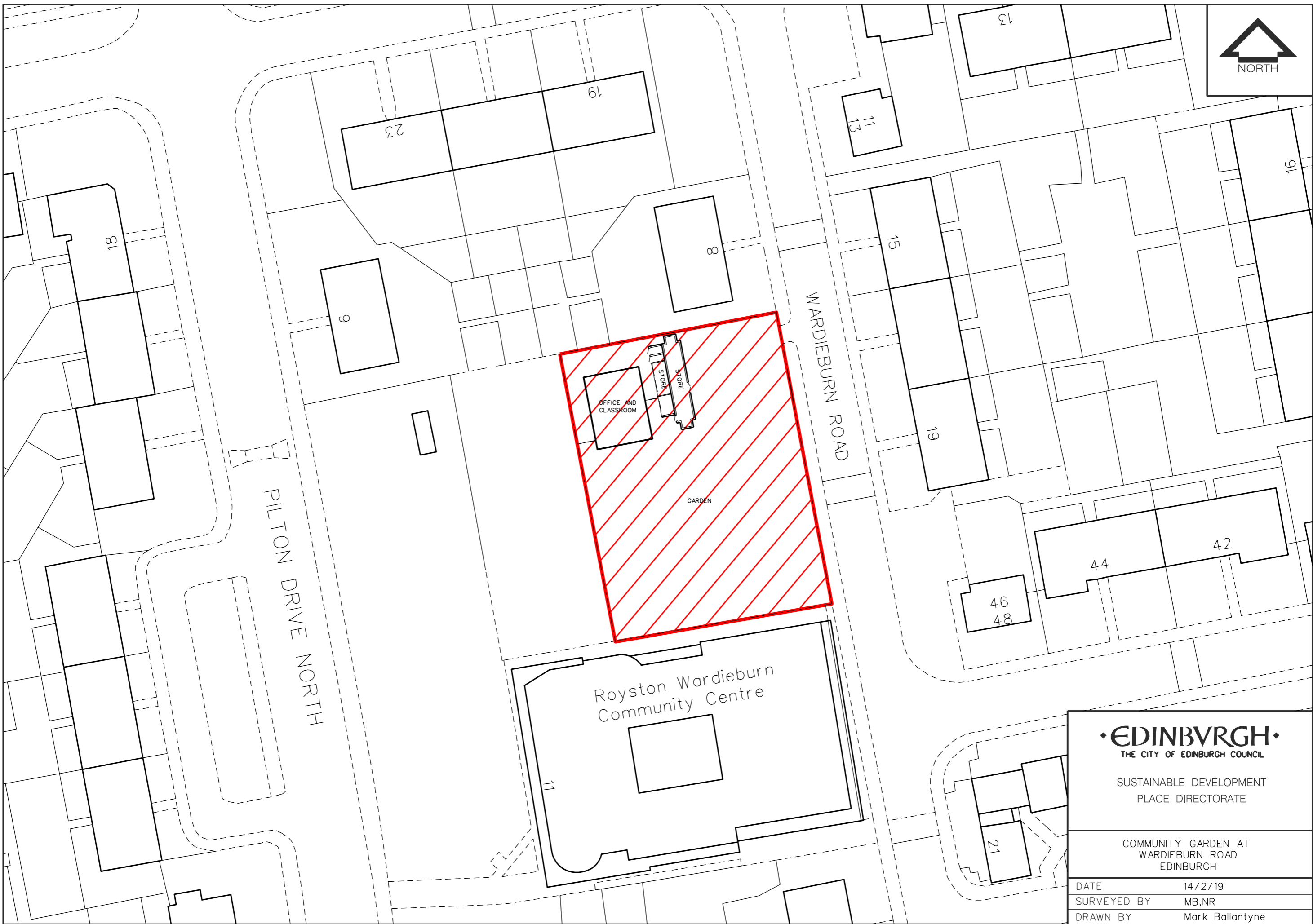
- 7.1 Consultation was undertaken through the CAT advisory panel. The panel consisted of various stakeholders, councillors and community groups which ensured broad analysis and guidance and eventual approval of the application.
- 7.2 As part of the CAT Stage 2 Business Case Submission, GCG have consulted widely in the community with regards to the future use of their site. Detail on the consultations undertaken can be found in the GCG Business Case which is available for reading using the link at 8.1 below.
- 7.3 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 [10 Wardieburn Road Edinburgh, Granton Community Gardeners](#) - CAT Stage 2 Submission.
- 8.2 [Community Asset Policy](#) - Community Asset Transfer Policy.

9. Appendices

- 9.1 Appendix 1 – Location plan.



SITE PLAN

SCALE 1:500

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
COMMUNITY GARDEN AT WARDIEBURN ROAD EDINBURGH	
DATE	14/2/19
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/2077

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2013 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

248 Canongate, Edinburgh - Proposed Lease Extension

Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve a 10-year lease extension to Tribal Body Arts Limited, 248 Canongate, Edinburgh on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Iain Lamont, Senior Estates Surveyor

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 5871

248 Canongate, Edinburgh - Proposed Lease Extension

2. Executive Summary

- 2.1 The property at 248 Canongate is let to Tribal Body Arts Limited. The existing lease expires on 31 March 2023 and the tenant has requested to extend the agreement. This report seeks approval to grant a 10-year lease extension on the terms and conditions outlined in the report.

3. Background

- 3.1 The property known as 248 Canongate extends to 103.34 sq m (1,112sq ft) and is shown outlined in red on the attached plan.
- 3.2 Tribal Body Arts Limited have been in occupation since April 2006 and operate a Tattoo and Body Piercing Studio. The current rent is £21,200 per annum.
- 3.3 The existing lease expires on 31 March 2023 and the tenant has requested a 10-year lease extension until 31 March 2033.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 248 Canongate, Edinburgh;
 - 4.1.2 Tenant: Tribal Body Arts Limited;
 - 4.1.3 Lease extension: 10 years from 31 March 2023;
 - 4.1.4 Rent: £26,500 per annum;
 - 4.1.5 Rent review: 1 April 2028;
 - 4.1.6 Repair: tenant full repairing liability;
 - 4.1.7 Use: tattoo and body piercing studio; and
 - 4.1.8 Costs: tenant responsible for all the Councils legal costs.
- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the lease extension.

6. Financial impact

- 6.1 Effective from 1 April 2023, the annual rent will be increased from £21,200 per annum to £26,500 per annum credited to the General Property Account.

7. Stakeholder/Community Impact

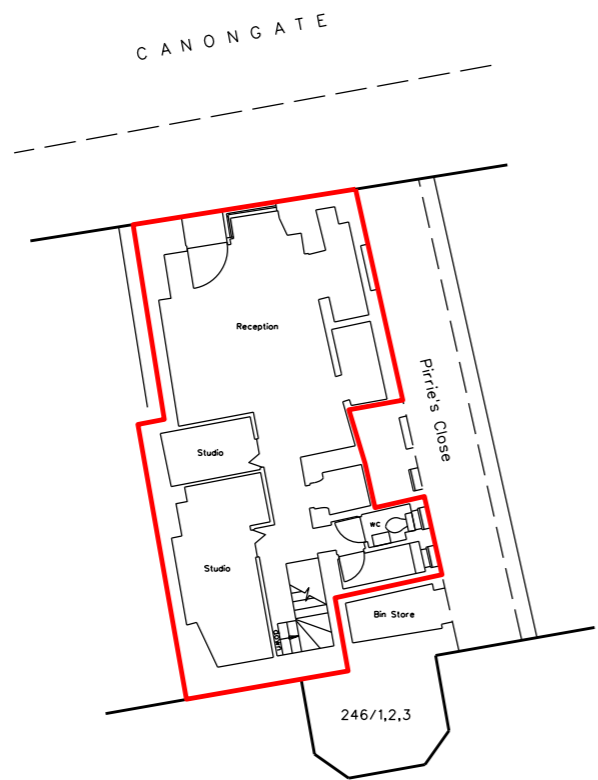
- 7.1 Ward members have been made aware of the recommendations of this report.

8. Background reading/external references

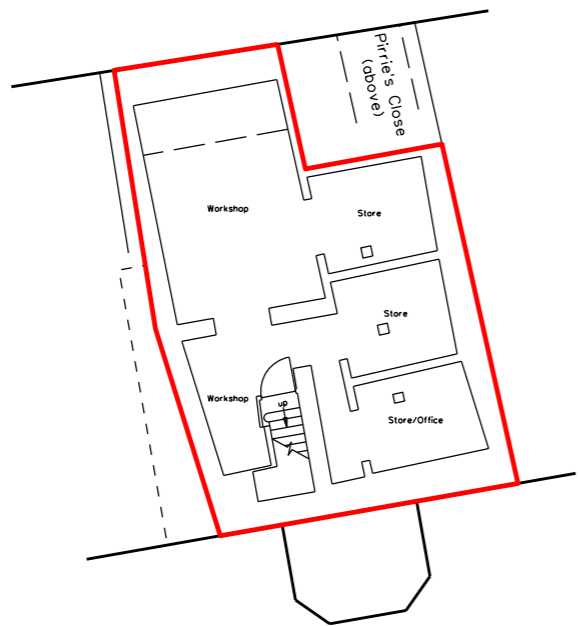
- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location plan.



GROUND FLOOR

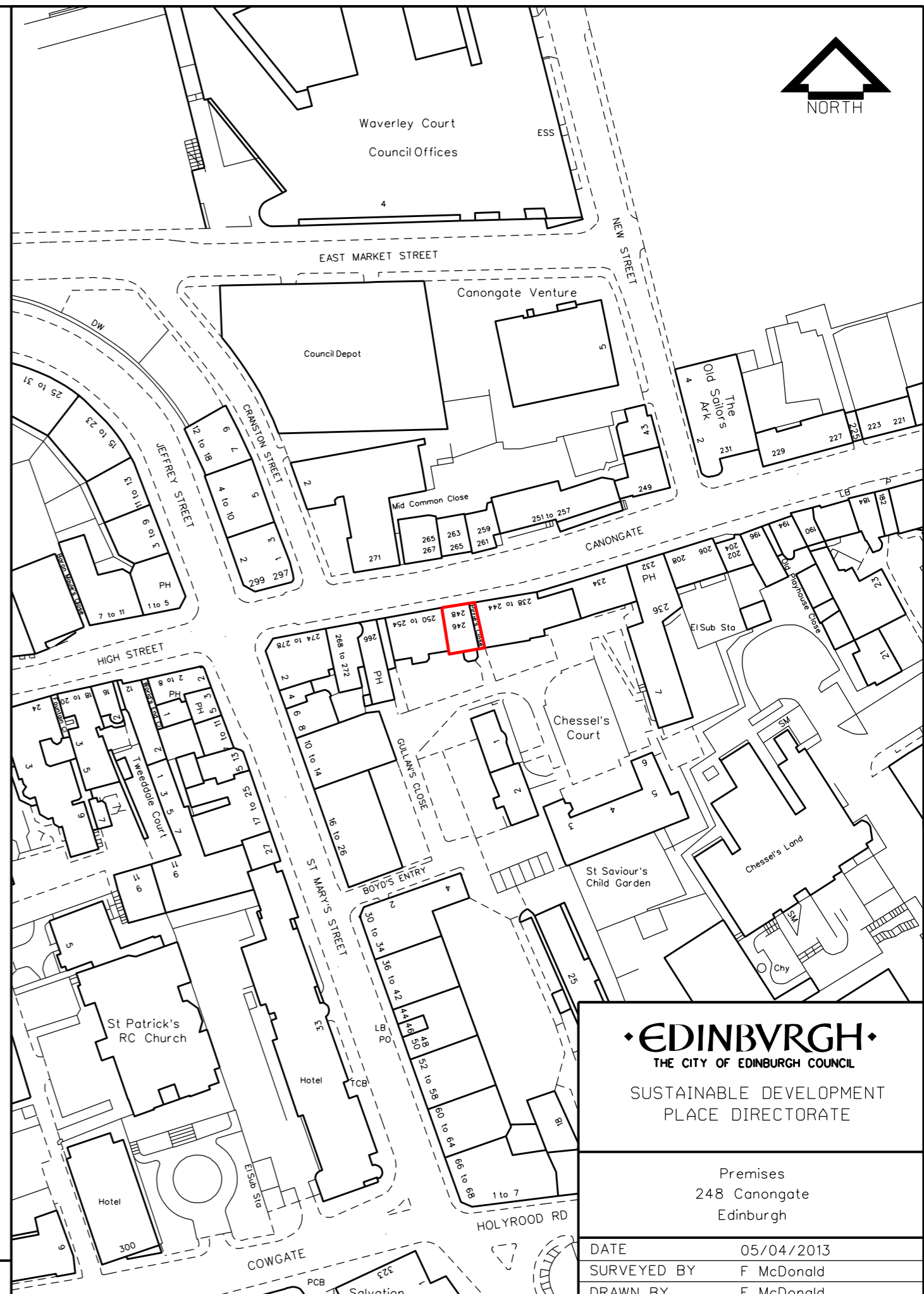


BASEMENT

AREA OF LEASE SHOWN DELINEATED RED

SITE PLAN

SCALE 1:200



LOCATION PLAN

SCALE 1:1250

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT
PLACE DIRECTORATE

Premises
248 Canongate
Edinburgh

DATE	05/04/2013
SURVEYED BY	F McDonald
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT 2573/A3/1360

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Land at Sighthill Crescent, Edinburgh - Proposed Disposal

Executive/routine Wards Council Commitments	Routine 7 – Sighthill/Gorgie
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve the disposal of 553 sq m of land at Sighthill Crescent, Edinburgh to EJ Manufacture Limited (Edinburgh Sash & Case) on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Land at Sighthill Crescent, Edinburgh - Proposed Disposal

2. Executive Summary

- 2.1 To protect access to their business premises, EJ Manufacture Limited are seeking to purchase an area of Council land located within a former car park on Sighthill Crescent. This report seeks approval to sell 553 sq m of land on the terms and conditions outlined in the report.

3. Background

- 3.1 The subjects form part of the former Westburn Primary School car park area, which was transferred to the Housing revenue Account (HRA) in 2018 to be included within part of the Council's house building programme.
- 3.2 EJ Manufacture Limited, trading as Edinburgh Sash & Case (ES&C), is a window manufacturing business located adjacent to the site at Sighthill Crescent, as shown shaded blue on the attached plan. Since developing land in front of their workshop they have used the former car park on an informal basis for parking and unloading. Subsequently, a licence has been put in place to regulate the use on a short-term and covers an area of approximately 553 sq m shown outlined in red on the plan.
- 3.3 If the former car park site is redeveloped in its entirety, removing the access, all parking and loading operations will move to the street, which will cause significant traffic and road safety issues.

4. Main report

- 4.1 The Council has worked with ES&C to determine if there were relocation opportunities within the wider Wester Hailes area which would allow the Council to purchase their site and include it in the car park development. However, this was not considered to be financially viable to the Council.
- 4.2 Consequently, the redevelopment plans for the car park will be amended to leave the small strip of land for access to the ES&C premises. To protect the long-term access to the property, ES&C has requested to purchase the area of land.

- 4.3 The following terms have been provisionally agreed for the disposal:
- 4.3.1 Site: 553 sq m as shown outlined in red on the attached plan;
 - 4.3.2 Purchaser: EJ Manufacture Limited;
 - 4.3.3 Price: £85,000 inclusive of costs; and
 - 4.3.4 Phased payment: 50% of the purchase price will be paid on the date of entry with the remainder after payable after 12 months.
- 4.4 The Council instructed an independent market valuation of the area of land based on the land value for the development of affordable housing. The agreed purchase price is based on this valuation and is comparable to similar disposals in Edinburgh.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the disposal.

6. Financial impact

- 6.1 The capital receipt will be received in two equal payments, the first in financial year 2022/23. The receipt will be credited to the HRA.
- 6.2 The receipt will be reinvested in the delivery of new Council homes in West Edinburgh through the Council's affordable housebuilding programme

7. Stakeholder/Community Impact

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

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location Plan.



LOCATION PLAN

SCALE 1:1250

EDINBURGH THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
LAND AT SIGHTHILL CRESCENT EDINBURGH	
DATE	15/12/22
SURVEYED BY	Third Party
DRAWN BY	Mark Baillantlyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2484

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Land at Eyre Place, Edinburgh - Proposed Disposal

Executive/routine	Routine
Wards	5 - Inverleith
Council Commitments	

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve the disposal of 552 sq m of land at Eyre Place, Edinburgh to Eyre Place Properties Limited on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Land at Eyre Place, Edinburgh - Proposed Disposal

2. Executive Summary

- 2.1 The Council owns 552 sq m (0.137 acres) of land at 49-51 Eyre Place. An approach was made, from a developer of an adjoining site, to purchase the Council's land to facilitate a larger development. This report seeks approval to sell the land on the terms and conditions outlined in the report.

3. Background

- 3.1 The subject site extends to 552 sq m (0.137 acres) of land at 49-51 Eyre Place, as shown outlined in red on the attached indicative plan. It comprises the solum of a former residential tenement, which was demolished several years ago and is held on the Housing Revenue Account (HRA).
- 3.2 To the west of the site is the former Smithies Ale House, which has recently been marketed for residential development. The site, in part, adjoins the boundary of the Council owned land. Property developer Eyre Place Properties Limited (EPPL) has secured a legal position to acquire the former public house for development.
- 3.3 Subsequently, due to their adjacent owner status, EPPL has approached the Council with an offer to purchase the subject site for the purposes of land assembly. This will permit the larger site to be developed in a single project thereby delivering a more coherent residential scheme.

4. Main report

- 4.1 The subject site is too small to be considered suitable for stand-alone development by the HRA and therefore its marriage with the adjacent site adds to the viability for development. Initial discussions between the planning service and EPPL suggest a low-rise development of 11 units in total would be the best option for the combined sites. An affordable housing contribution will not be required under the terms of the Council's Affordable Housing Policy.
- 4.2 The following terms have been provisionally agreed for the disposal:

- 4.2.1 Site: 552 sq m as shown outlined in red on the attached indicative plan at 49-51 Eyre Place, Edinburgh;
 - 4.2.2 Purchaser: Eyre Place Properties Limited;
 - 4.2.3 Price: £505,000 inclusive of costs and legal fees; and
 - 4.2.4 Conditions: the disposal is conditional on i) site surveys, ii) all necessary consents including Full Planning Permission, Demolition Warrant, Building Warrant and Sewer Connection Permit for the construction of a Development of 11 residential properties on the assembled property.
- 4.3 The Council instructed an independent valuation of the area of land based on the proposed development. The agreed purchase price is based on this valuation.
- 4.4 The principals of EPPL have over 40 years combined experience as architect, main contractor, and property developer. As developers, they have completed over 40 residential properties in the past 10 years, over 35 of which are in Edinburgh.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the disposal.

6. Financial impact

- 6.1 The capital receipt of £505,000, inclusive of costs, will be credited to the HRA once the suspensive conditions have been purified. It is estimated that the transaction will complete in Quarter 3 of 2023.
- 6.2 The receipt will be reinvested in the delivery of new Council homes in North Edinburgh through the Council's affordable housebuilding programme.

7. Stakeholder/Community Impact

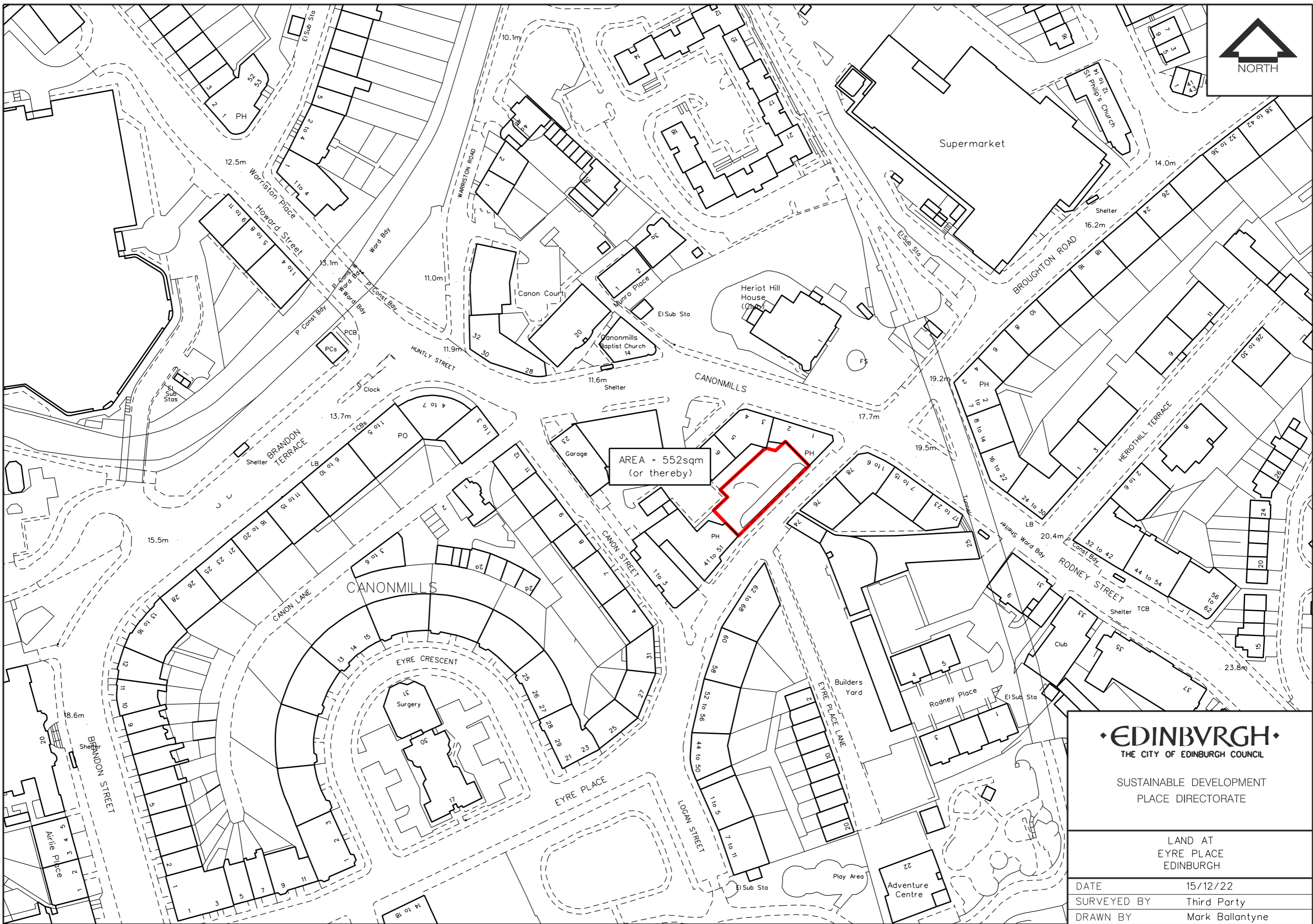
- 7.1 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location Plan.



EDINBURGH THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
LAND AT EYRE PLACE EDINBURGH	
DATE	15/12/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2286

LOCATION PLAN

SCALE 1:1250

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Ground (Part of Cavalry Park), Duddingston Road West, Edinburgh – Proposed Lease

Executive/routine	Routine
Wards	14 – Craigentenny/Duddingston
Council Commitments	

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves a new 40-year lease to Portobello Former Pupils Rugby Club of ground in Cavalry Park, Duddingston Road West, Edinburgh on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Report

Ground (Part of Cavalry Park), Duddingston Road West, Edinburgh – Proposed Lease

2. Executive Summary

- 2.1 Portobello Former Pupils Rugby Club (PFPRC) currently lease ground within Cavalry Park, Duddingston Road West from the Council on which they erected a club house. The existing lease expired in April 2017 and is currently running on a year-to-year basis. The tenant has requested a new lease to provide greater security of tenure. This report seeks approval to grant a 40-year lease to PFPRC on the terms and conditions outlined in the report.

3. Background

- 3.1 PFPRC has occupied ground at Cavalry Park, on which the tenant has built a clubhouse, since May 1977.
- 3.2 The ground, which is leased, extends to 428 sq m (0.106 acres) and is shown outlined in red on the attached plan.
- 3.3 The original lease was for a term of 40-years from 1977 and expired in April 2017. It has been running on a year-to-year basis since that time, at a rent of £900 per annum.
- 3.4 To provide increased security of tenure PFPRC has requested a new 40-year lease to be put in place.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: ground within Cavalry Park, Duddingston Road West, extending to 428 sq m or thereby;
 - 4.1.2 Tenant: Portobello Former Pupils Rugby Club;
 - 4.1.3 Lease term: 40 years from date of entry (to be agreed following Committee);
 - 4.1.4 Rent: £1,000 per annum;

- 4.1.5 Rent review: five yearly linked to RPI;
 - 4.1.6 Repair: tenant full repairing liability;
 - 4.1.7 Use: ground for clubhouse; and
 - 4.1.8 Costs: both parties responsible for their own costs.
- 4.2 The longer lease will allow PFPRC to seek funding for investment in the clubhouse and promote the facility as a wider sports hub to include e.g. cricket and football.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the new lease.

6. Financial impact

- 6.1 Effective from the lease start date, the annual rent will increase from £900 per annum to £1,000 per annum credited to the General account.

7. Stakeholder/Community Impact

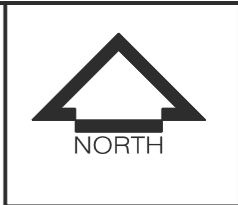
- 7.1 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

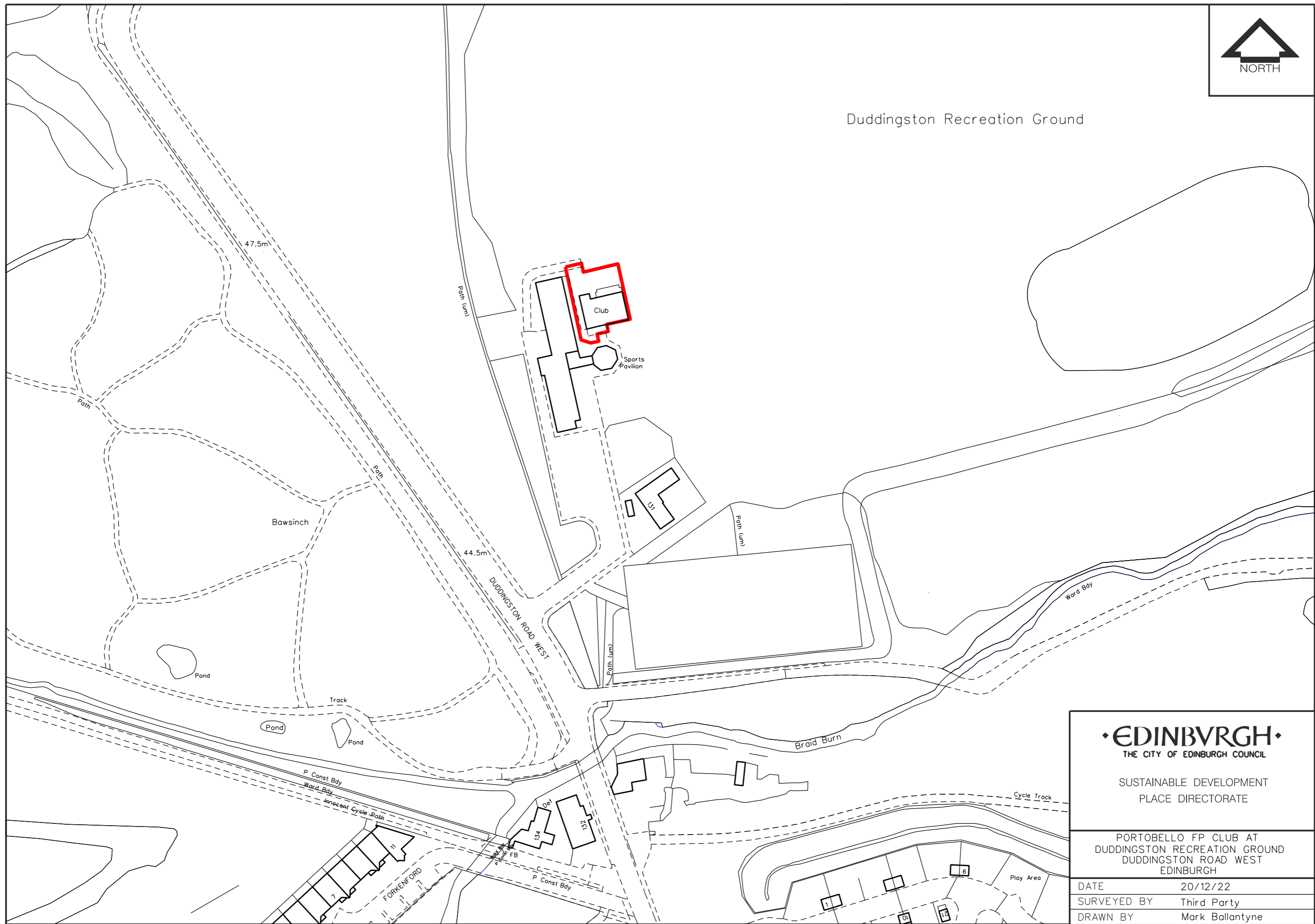
- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location plan.



Duddingston Recreation Ground



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SUSTAINABLE DEVELOPMENT
PLACE DIRECTORATE

PORTOBELLO FP CLUB AT
DUDDINGSTON RECREATION GROUND
DUDDINGSTON ROAD WEST
EDINBURGH

DATE	20/12/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2486

SITE PLAN

SCALE 1:1250

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Dreghorn Estate, Edinburgh – Proposed Acquisition of Surplus Houses

Executive/routine Wards Council Commitments	Routine 8 – Colinton/Fairmilehead
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves the purchase of 23 surplus homes at Dreghorn Barracks, Edinburgh from the Defence Infrastructure Organisation, Ministry of Defence on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: graeme.mcgartland@edinburgh.gov.uk | Tel: 0131 529 5956

Dreghorn Estate, Edinburgh – Proposed Acquisition of Surplus Houses

2. Executive Summary

- 2.1 On 27 July 2022, the Defence Infrastructure Organisation, Ministry of Defence (DIO) notified the Scottish Government of the intention to dispose of 23 surplus houses within the Dreghorn Estate. The Council noted interest in the acquisition of these properties and this report seeks approval to acquire the houses on the terms and conditions outlined in the report.

3. Background

- 3.1 On [1 December 2022](#), the Housing, Homelessness and Fair Work Committee approved the Housing Land Strategy Report. This set out a revised approach to securing land whereby, for suitable opportunities, the Council would offer to either buy land, completed homes, or work in partnership with landowners and RSL partners to develop sites and additional affordable housing.
- 3.2 In July 2022, the DIO notified the Scottish Government of the intention to dispose of surplus housing units within the Dreghorn Estate using the Scottish Government Trawl process.
- 3.3 The Trawl procedure provides a mechanism for the transfer, at market value, of property held within the Scottish public sector. Where another body, which is party to The Trawl, expresses an interest to acquire the asset, the transfer should be undertaken following the [Guidelines for the Transfer of Property](#) within the Scottish Public Sector. The Council noted interest in the surplus properties.
- 3.4 Dreghorn Estate is largely owned by the DIO and consists of 78 houses and 77 garages. The intention of the DIO is to dispose of the houses, on a phased basis, when they are vacated and become surplus to requirements. The first phase of surplus properties consists of 23 houses, with garages situated across the estate in Dreghorn Drive and Dreghorn Place. The units are shown outlined in red on the plan at Appendix 1 with a list of addresses included at Appendix 2.

3.5 The housing can be summarised as follows (each with a garage in a separate block):

Type	Size
Mid terraced 2 bed	75 sq m
End terraced 2 bed	75 sq m
End terraced 3 bed	86 sq m
Mid terraced 4 bed	105 sq m
End terraced 4 bed	105 sq m

4. Main report

- 4.1 Once it was established that the Council was the only public body to note an interest in the acquisition, work commenced with the DIO to progress the transaction.
- 4.2 The District Valuer (DV) was appointed, on a joint commission basis, to undertake a valuation of the surplus properties. To assist with the valuation, each party was entitled to submit supporting evidence to the DV. Consequently, the Council undertook condition surveys and the DIO submitted Home Reports.
- 4.3 The condition reports showed the properties, overall, to be in reasonable condition with minor works required prior to habitation. The exception was two units where some additional work would be required.
- 4.4 The DV reported a combined valuation figure of £5,723,750 (five million seven hundred and twenty-three thousand seven hundred and fifty pounds). This figure reflects the condition of the properties as per the information provided and an allowance for a bulk purchase by the Council.
- 4.4 As the DIO will retain ownership over most units within the estate, a Deed of Conditions for the maintenance of the common areas, play parks etc will be established to which the Council will contribute a pro rata share.
- 4.5 It is the intention of the DIO to vacate other units in the future and the Council will seek to acquire further tranches as and when they become available. The Deed of Conditions will be managed by the DIO until such time as the Council becomes the majority owner within the estate when the arrangement will reverse.
- 4.6 As part of the due diligence undertaken, a building survey has identified key areas of work to be carried out over the next 10 years. This has been considered while assessing the viability of the purchase and, as such, further improvement works will be carried out as part of the ten-year plan to bring all Council homes up to the Energy Efficiency Standard for Social Housing 2 (EESH2).

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the completion of the purchase of the properties. The homes will be let by the Council for social rent to people in housing need; including homeless households.

6. Financial impact

- 6.1 The net purchase price of £5,723,750 (plus Land and Buildings Transactions Tax (LBTT) will be funded from the approved 2022/23 Housing Revenue Account (HRA) capital investment programme (£4,049,570) and Scottish Government grant funding from the Affordable Housing Supply Programme (£1,674,180).

7. Stakeholder/Community Impact

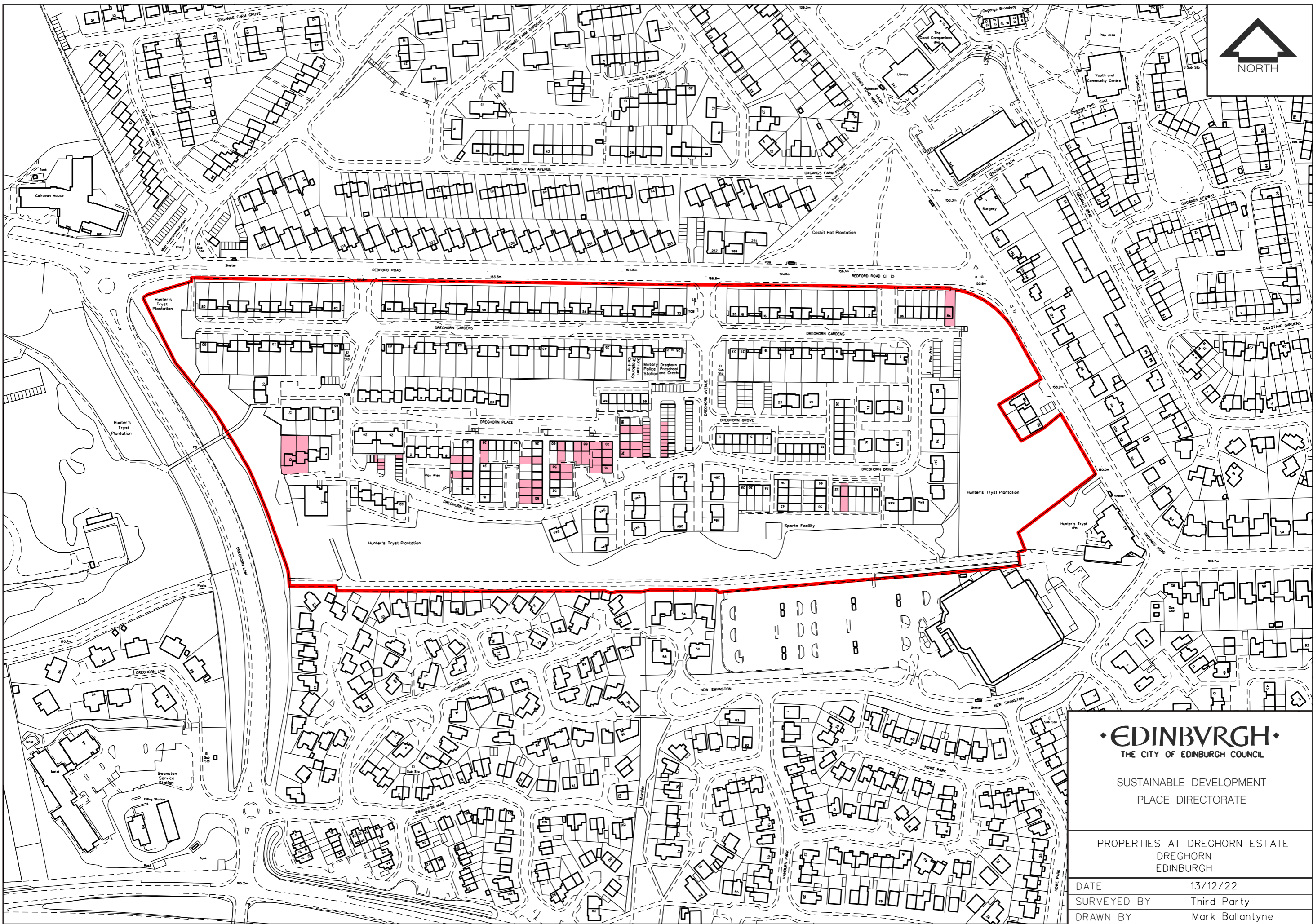
- 7.1 Local members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 [Housing Land Strategy Report](#) – report to Housing Homelessness and Fair Work Committee 1 December 2022.

9. Appendices

- 9.1 Appendix 1 – Location plan.
9.2 Appendix 2 – Property addresses.



EDINBURGH
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT
PLACE DIRECTORATE

PROPERTIES AT DREGHORN ESTATE
DREGHORN
EDINBURGH

DATE	13/12/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:2500 @ A3 SIZE
NEG. NO.	A3/2483

LOCATION PLAN

SCALE 1:2500

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Dreghorn Estate – Address list of properties to be acquired

8 Dreghorn Drive EH13 9NX
10 Dreghorn Drive EH13 9NX
54 Dreghorn Drive EH13 9PD
84 Dreghorn Drive EH13 9PF
6 Dreghorn Place EH13 9NU
10 Dreghorn Place EH13 9NU
26 Dreghorn Place EH13 9NU
40 Dreghorn Place EH13 9NU
46 Dreghorn Place EH13 9NU
48 Dreghorn Place EH13 9NU
50 Dreghorn Place EH13 9NU
56 Dreghorn Place EH13 9NU
58 Dreghorn Place EH13 9NU
62 Dreghorn Place EH13 9NU
66 Dreghorn Place EH13 9NU
68 Dreghorn Place EH13 9NU
70 Dreghorn Place EH13 9NU
72 Dreghorn Place EH13 9NU
74 Dreghorn Place EH13 9NU
76 Dreghorn Place EH13 9NU
78 Dreghorn Place EH13 9NU
80 Dreghorn Place EH13 9NU
84 Dreghorn Place EH13 9NU

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Walled Garden and Stable Block at Gracemount Mansion, Gracemount House Drive, Edinburgh – Proposed New Lease

Executive/routine	Routine
Wards	16 – Liberton/Gilmerton
Council Commitments	

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves a 40-year lease to Transition Edinburgh South (Scotland) Ltd Limited of the walled garden and stable block at Gracemount Mansion, Gracemount House Drive, Edinburgh on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Brian Paton, Senior Surveyor

E-mail: brian.paton@edinburgh.gov.uk | Tel: 0131 469 5228

Walled Garden and Stable Block at Gracemount Mansion, Gracemount House Drive, Edinburgh – Proposed New Lease

2. Executive Summary

- 2.1 Transition Edinburgh South (Scotland) Limited (TES) have occupied the walled garden at Gracemount Mansion on an informal basis since 2013. To formalise occupation and explore options for the regeneration of the derelict stable block to provide a community café, a longer lease has been requested. This report seeks approval to grant a 40-year lease to TES on the terms and conditions outlined in the report.

3. Background

- 3.1 The walled garden and stable block occupy a site which extends to approximately 0.244 hectares (0.80 acres), as shown outlined red on the plan at Appendix 1.
- 3.2 The site forms part of the grounds of Gracemount Mansion, which was run as a community centre since the 1950's. The building closed in 2018 due to ceiling collapses, leaving the interior of the building in a dangerous condition. The mansion remains unoccupied and has suffered vandalism since closure.
- 3.3 TES is part of the national transition movement created by people working together in local communities towards transformative change that significantly reduces carbon emissions, meets social needs, enables sustainable lifestyles, and creates new forms of collaborative democracy and decision making.
- 3.4 TES has occupied the walled garden on an informal basis since 2013. To formalise occupation and explore options for the regeneration of the derelict stable, a long lease has been requested.
- 3.5 The adjacent mansion and surrounding grounds are currently being considered as a community asset transfer (CAT) with feasibility studies being prepared by Gracemount Mansion Development Trust, with a view to submit a formal CAT request in due course. Representatives of TES sit on the Trust's steering committee.

- 3.6 The granting of a lease for the walled garden does not impact the desire to conclude a successful CAT request for the mansion and surrounding grounds and the Council will continue to support community groups to achieve this outcome.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: Walled Garden and Stable Block at Gracemount Mansion, Gracemount House Drive, Edinburgh;
 - 4.1.2 Tenant: Transition Edinburgh South (Scotland) Ltd;
 - 4.1.3 Lease term: 40 years from 1 April 2023;
 - 4.1.4 Break Option: the tenant will have the benefit of a break option, on each 5th anniversary of the date of entry on serving not less than six months written notice on the Council to this effect;
 - 4.1.5 Rent: £100 per annum;
 - 4.1.6 Repair: the tenant will accept a full repairing liability for the subjects and walls/fences which enclose the perimeter;
 - 4.1.7 Use: as a growing garden which will encourage and support other community use, raise awareness of environmental impact of food and contribute to community cohesion and resources; and
 - 4.1.8 Costs: both parties responsible for their own costs.
- 4.2 The longer lease will allow TES to explore options for the regeneration of the derelict stable block to provide a community cafe and enhance the work they are currently undertaking in the community.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the new lease.

6. Financial impact

- 6.1 The rent under the proposed lease is £100 per annum which reflects the liabilities which TES will inherit. As a result of the lease, there will be a substantial cost saving to the Council in terms of ongoing future maintenance liabilities.

7. Stakeholder/Community Impact

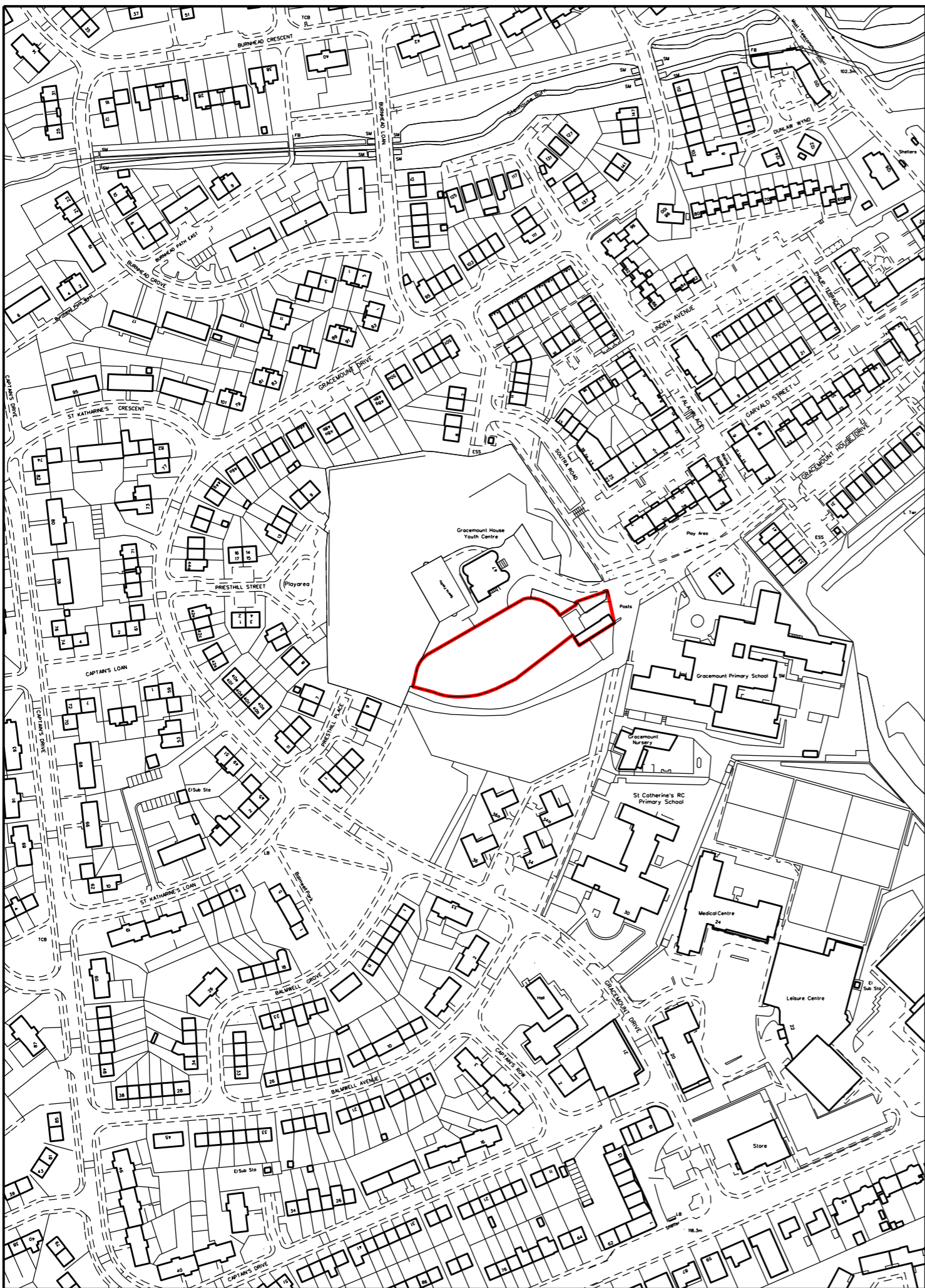
- 7.1 Ward members have been made aware of the recommendations of this report.

8. Background reading/external references

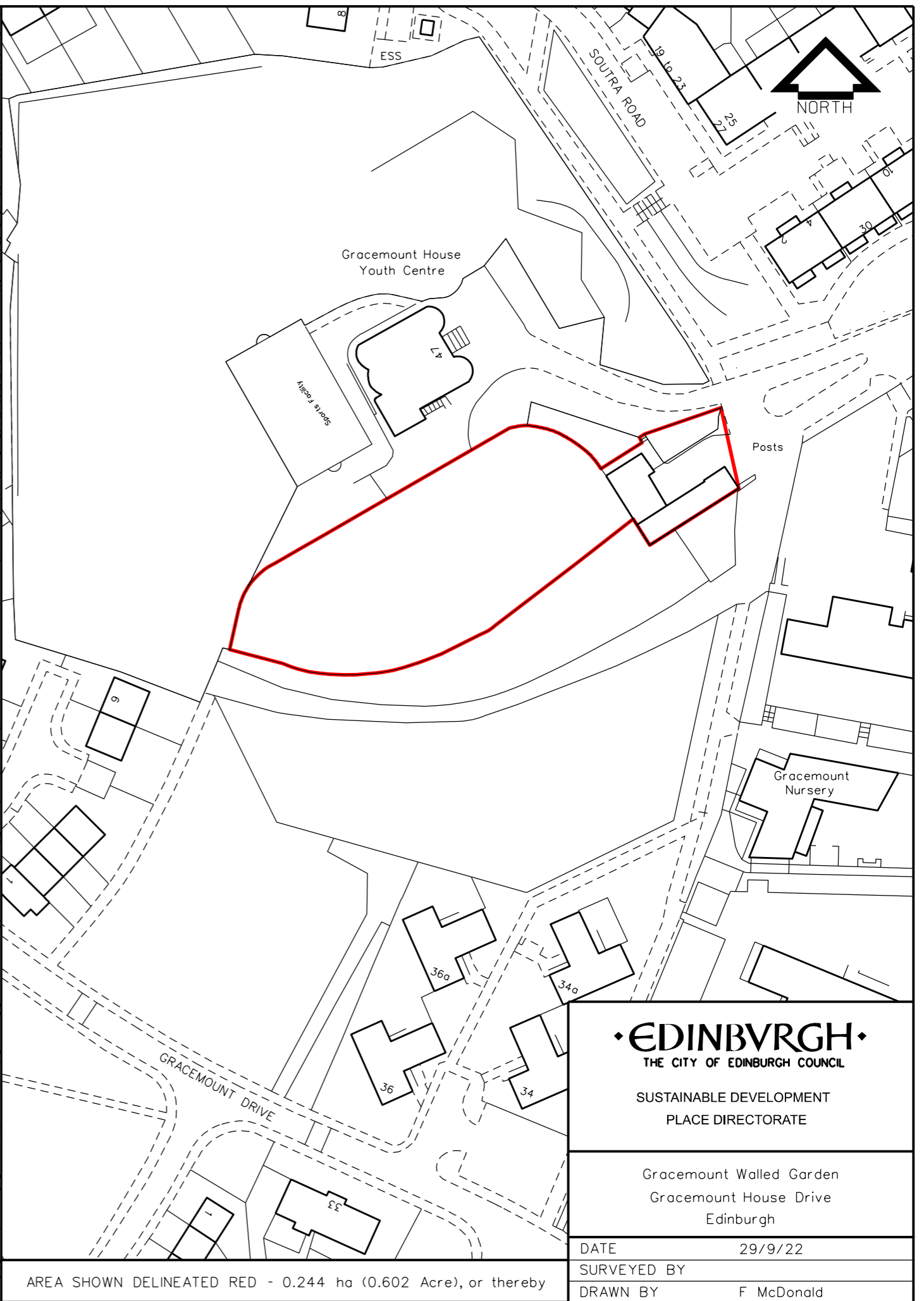
8.1 None.

9. Appendices

9.1 Appendix 1 – Location plan.



LOCATION PLAN SCALE 1:2500



SITE PLAN SCALE 1:1000

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
Gracemount Walled Garden Gracemount House Drive Edinburgh	
DATE	29/9/22
SURVEYED BY	
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT2768/A3/2144

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

7 Arboretum Place, Edinburgh – Proposed New Lease

Executive/routine Wards Council Commitments	Routine 5 – Inverleith
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve a new 15-year lease to WellnessBrandsEurope Limited at 7 Arboretum Place, Edinburgh, on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Mark Bulloch, Investment Portfolio Manager

E-mail: mark.bulloch@edinburgh.gov.uk | Tel: 0131 529 5991

7 Arboretum Place, Edinburgh – Proposed New Lease

2. Executive Summary

- 2.1 Following public consultation, a conceptual masterplan was produced for Inverleith Park that showed the Council owned building at 7 Arboretum Place becoming a publicly accessible community hub for the benefit of park users. Following marketing of the opportunity, several proposals were received. This report seeks approval to grant a new 15-year lease to WellnessBrandsEurope Ltd on the terms and conditions outlined in this report.

3. Background

- 3.1 7 Arboretum Place, Edinburgh is located at the southeast entrance to Inverleith Park and is currently used as a sports pavilion and bowling green.
- 3.2 The pavilion and bowling green were held on a ground lease by Ferranti Recreation Club from 1 June 1972 to 31 May 2022. The demise of the ground lease site is approximately 0.30 hectares (0.741 acres) with the pavilion extending to 242 sqm (2,605 sq ft) as shown outlined in red on the plan at Appendix 1.
- 3.3 Following extensive public consultation, a conceptual [masterplan](#) was produced to develop a holistic vision for the park, with a particular focus on improvement to the south east entrance at Arboretum Place.
- 3.2 It is proposed that the subject premises become a publicly accessible facility for parks users – a community hub – including meeting space for local groups, accessible public toilets and baby changing facilities, storage for park activity/sports groups and café space.
- 3.3 The property was placed on the open market for lease in March 2022 with nine offers received at the closing date in May.
- 3.4 Following a detailed review, officers raised concerns around the understanding of what was required and expected of bidders in relation to public accessibility and provision of public toilets. Consequently, a second closing date was set for September 2022 with additional details provided and clarification sought around those issues. Five offers were received at the second closing date.

4. Main report

- 4.1 Following assessment of the bids received at the second closing date, WellnessBrandsEurope Ltd is being recommended as the preferred bidder for property. The following terms have been provisionally agreed:
- 4.1.1 Subjects: 7 Arboretum Place, Edinburgh;
 - 4.1.2 Tenant: WellnessBrandsEurope Ltd;
 - 4.1.3 Lease term: 15 years from date of entry;
 - 4.1.4 Rent: The higher of 8% of net sales or £20,000 per annum year 1, £22,000 per annum year 2, £24,200 per annum year 3, £26,2200 year 4 onwards;
 - 4.1.5 Rent review: 5 yearly;
 - 4.1.6 Break Option: tenant break option on the 10th anniversary;
 - 4.1.7 Repair: tenant full repairing liability;
 - 4.1.8 Use: community hub including café (subject to change of use);
 - 4.1.9 Costs: each party responsible for their own costs; and
 - 4.1.10 Rent free: during planning application and fit out phase up to a maximum of 6 months rent free will be granted.
- 4.2 The existing ground lease was terminated on 31 May 2022 however, the previous tenant (Ferranti Recreation Club) remains in occupation on a rolling flexible arrangement. Other sports clubs including rugby, hockey and pétanque also use the property. The existing sports club users have not submitted a bid and are supporting the preferred bidder.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the lease extension.

6. Financial impact

- 6.1 A minimum rent of £20,000 per annum will be generated to the Parks and Greenspace Account.

7. Stakeholder/Community Impact

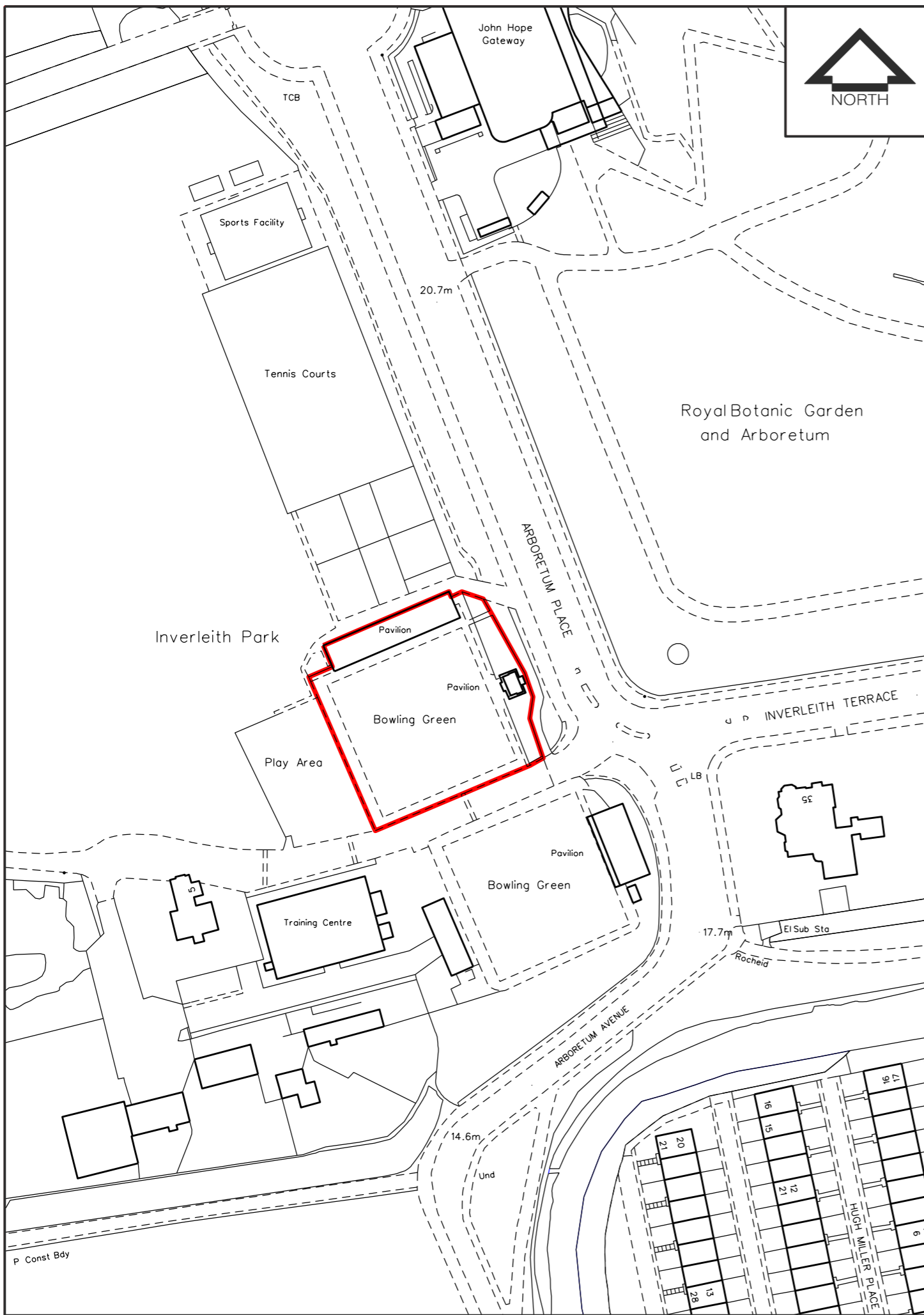
- 7.1 Ward members have been made aware of the recommendations of this report.

8. Background reading/external references

8.1 [Inverleith Concept Masterplan](#).

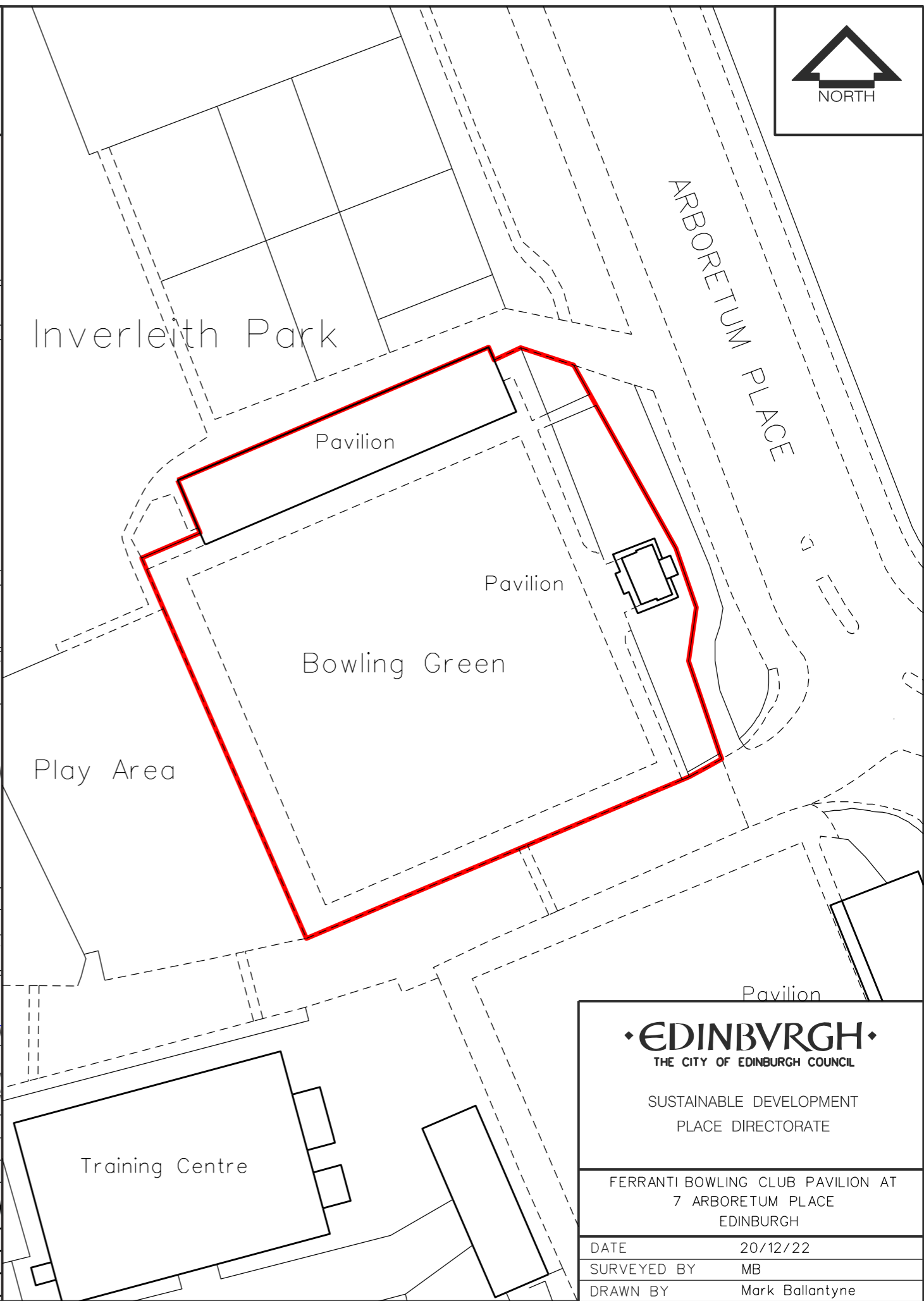
9. Appendices

9.1 Appendix 1 – Location plan.



LOCATION PLAN

SCALE 1:1250



FLOOR PLAN

SCALE 1:200

EDINBURGH THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
FERRANTI BOWLING CLUB PAVILION AT 7 ARBORETUM PLACE EDINBURGH	
DATE	20/12/22
SURVEYED BY	MB
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2433a

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Block 1 Unit 2 Pennywell Town Centre, Edinburgh – Proposed New Lease

Executive/routine Wards Council Commitments	Routine 1 – Almond
---	-----------------------

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve a new 15-year lease to Ladbrokes Betting and Gaming Limited at Block 1 Unit 2 on the terms and conditions outlined in the report.

Paul Lawrence

Executive Director of Place

Contact: Andrew McCurrach, Senior Estates Surveyor

E-mail: andrew.mccurrach@edinburgh.gov.uk | Tel: 0131 529 4682

Block 1 Unit 2 Pennywell Town Centre, Edinburgh – Proposed New Lease

2. Executive Summary

- 2.1 The Pennywell/Muirhouse Civic Centre Redevelopment is a three-phase project providing new ground floor retail accommodation with residential uses above. To facilitate the redevelopment, an existing tenant, Ladbrokes, are required to relocate to the new Block 1 Unit 2. This report seeks approval to grant a new 15-year lease to Ladbrokes Betting and Gaming Limited on the terms and conditions outlined in the report.

3. Background

- 3.1 Pennywell/Muirhouse is a major Council led regeneration project delivering 196 affordable homes around a new civic square with retail outlets. The development of the civic centre involves the demolition of 48 flatted properties, 25 commercial units and existing public realm delivered over three phases.
- 3.2 Block 1 forms part of the second phase of the town centre redevelopment and will consist of eight retail premises on the ground floor, with 40 residential properties above.
- 3.3 Block 1 Unit 2 Pennywell Town Centre extends to 127 sq m (1,367 sq ft) or thereby and is shown outlined in red on the attached plan.
- 3.4 As part of the management of the development delivery process, it was agreed that former occupiers would be relocated within the new development. Consequently, Ladbrokes would relocate to a unit within the new scheme when complete. The purpose of this report is to seek approval to the terms and conditions of the new lease.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: Block 1 Unit 2 Pennywell Town Centre, Edinburgh;

- 4.1.2 Tenant: Ladbrokes Betting and Gaming Limited;
 - 4.1.3 Lease term: 15 years;
 - 4.1.4 Rent: £22,685 per annum;
 - 4.1.5 Rent review: 5 yearly
 - 4.1.6 Break Option: tenant break option on tenth anniversary;
 - 4.1.7 Repair: tenant full repairing liability;
 - 4.1.8 Use: retail use;
 - 4.1.9 Costs: each party responsible for their own costs; and
 - 4.1.10 Rent free; as the unit is in a shell condition a six-month rent-free period will be granted
- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the previous lease for the former unit where the rent was £15,000 per annum.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the lease.

6. Financial impact

- 6.1 A rent of £22,685 per annum will be received from a new unit for a 15-year term. The income contributes to the previously approved business case for the civic centre redevelopment.

7. Stakeholder/Community Impact

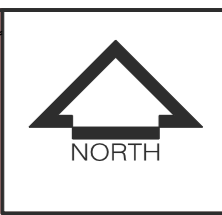
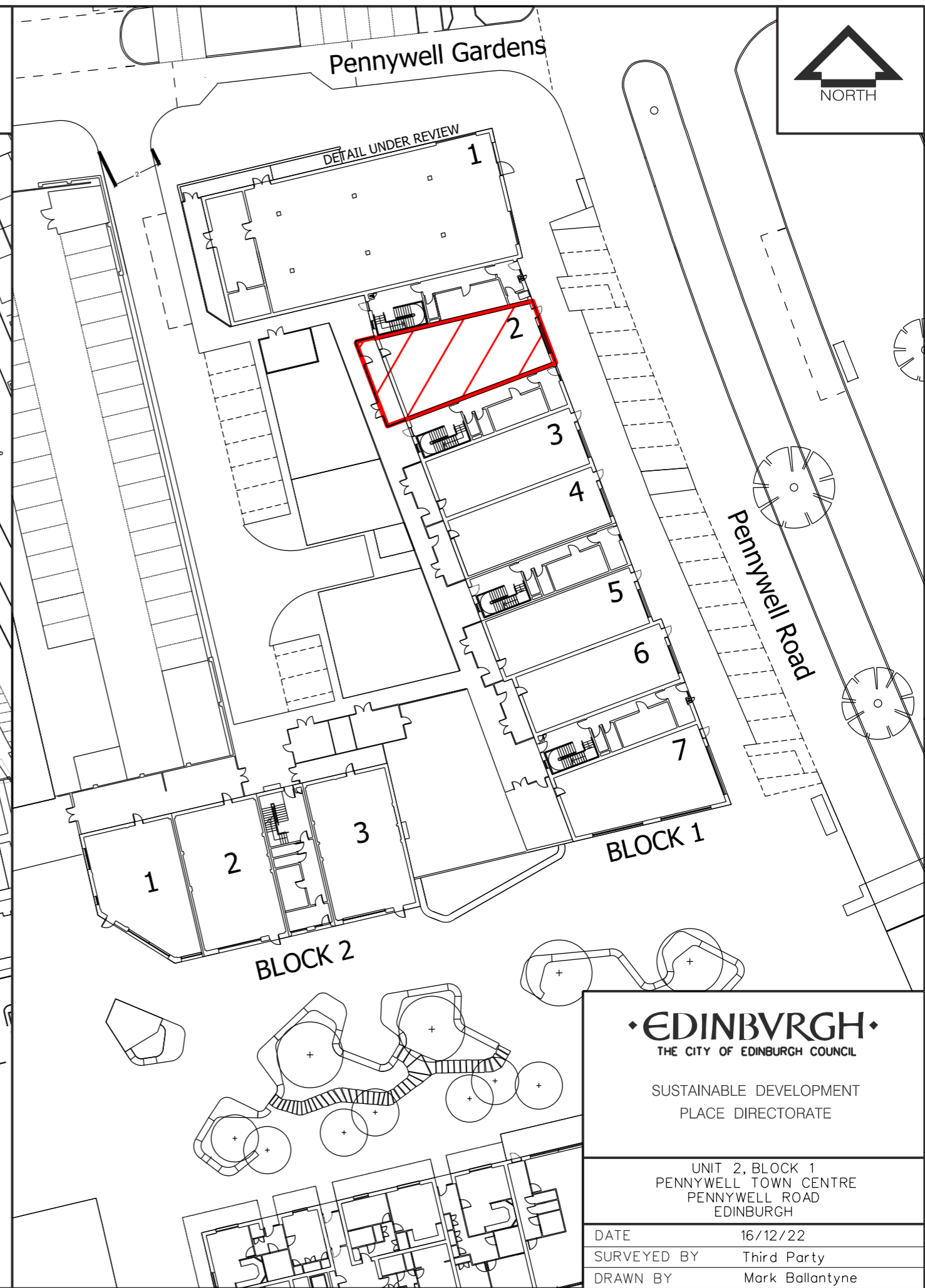
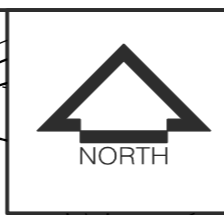
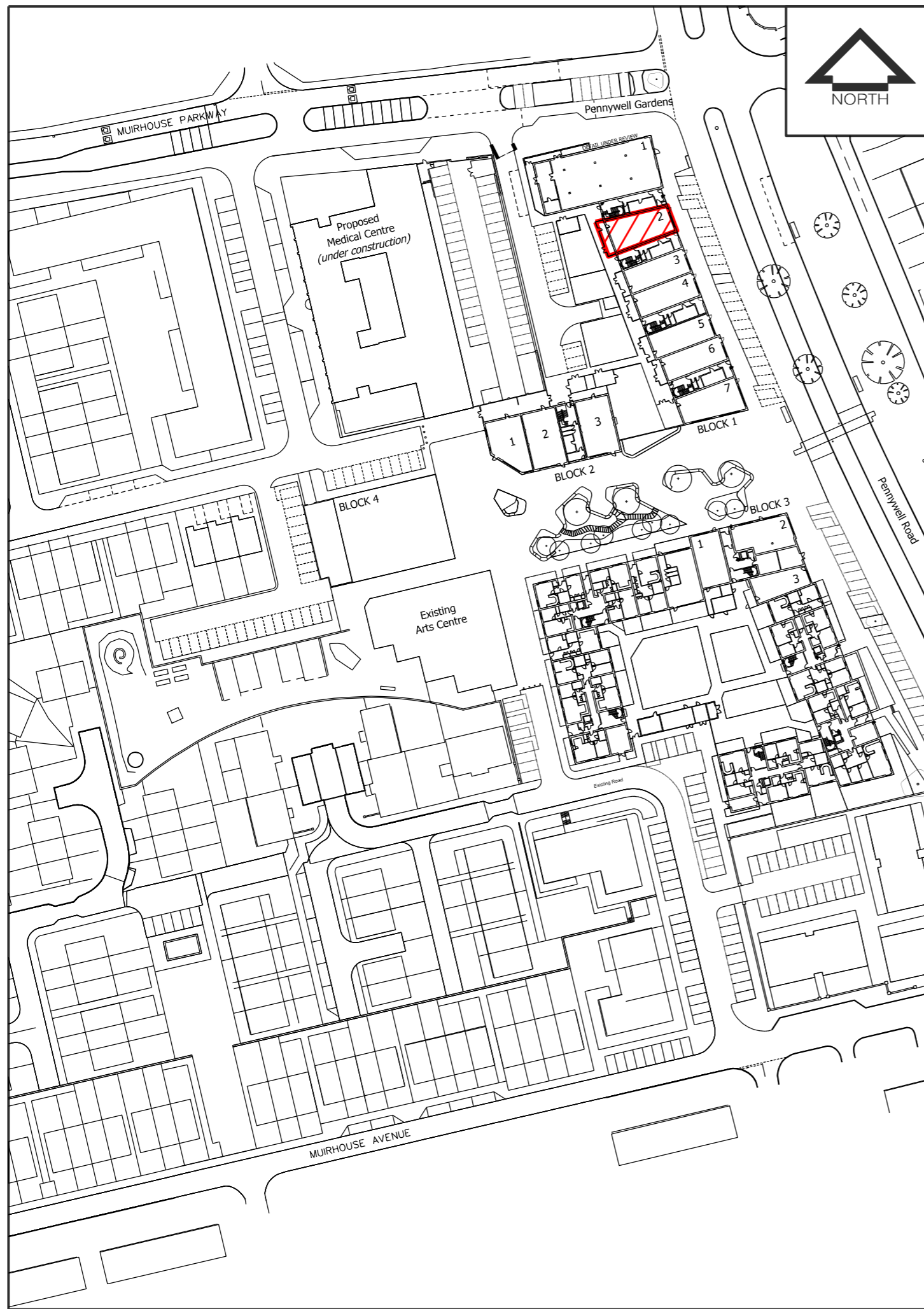
- 7.1 Ward members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location plan.



LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:500

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
UNIT 2, BLOCK 1 PENNYWELL TOWN CENTRE PENNYWELL ROAD EDINBURGH	
DATE	16/12/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2086a

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Block 1 Unit 7 Pennywell Town Centre, Edinburgh – Proposed New Lease

Executive/routine Wards Council Commitments	Routine 1 – Almond
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve a new 15-year lease to Greggs PLC at Block 1 Unit 2 on the terms and conditions outlined in the report.

Paul Lawrence

Executive Director of Place

Contact: Andrew McCurrach, Senior Estates Surveyor

E-mail: andrew.mccurrach@edinburgh.gov.uk | Tel: 0131 529 4682

Report

Block 1 Unit 7 Pennywell Town Centre, Edinburgh – Proposed New Lease

2. Executive Summary

- 2.1 The Pennywell/Muirhouse Civic Centre Redevelopment is a three-phase project providing new ground floor retail accommodation with residential uses above. To facilitate the redevelopment, an existing tenant, Greggs Plc, are required to relocate to the new Block 1 Unit 7. This report seeks approval to grant a new 15-year lease to Greggs PLC on the terms and conditions outlined in the report.

3. Background

- 3.1 Pennywell/Muirhouse is a major Council led regeneration project delivering 196 affordable homes around a new civic square with retail outlets. The development of the new civic centre involves the demolition of 48 flatted properties, 25 commercial units and existing public realm delivered over three phases
- 3.2 Block 1 forms part of the second phase of the town centre redevelopment and will consist of 8 retail premises on the ground floor with 40 residential properties above
- 3.3 Block 1 Unit 7 Pennywell Town Centre extends to 127 sq m (1,367 sq ft) or thereby and is shown outlined in red on the attached plan.
- 3.4 As part of the management of the development delivery process, it was agreed that former occupiers would be relocated within the new development. Consequently, Greggs would relocate to a unit within the new scheme when complete. The purpose of this report is to seek approval to the terms and conditions of the new lease.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: Block 1 Unit 2 Pennywell Town Centre, Edinburgh;
 - 4.1.2 Tenant: Greggs Plc;
 - 4.1.3 Lease term: 15 years;

- 4.1.4 Rent: £22,685 per annum;
 - 4.1.5 Rent review: 5 yearly;
 - 4.1.6 Break Option: tenant break option on 10th anniversary;
 - 4.1.7 Repair: tenant full repairing liability;
 - 4.1.8 Use: retail use;
 - 4.1.9 Costs: each party responsible for their own costs; and
 - 4.1.10 Rent free: as the unit is in a shell condition a six-month rent-free period will be granted.
- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the previous lease for the former unit where the rent was £12,000 per annum. Greggs has taken occupation of the unit on a shorter lease under delegated authority powers while approval for a longer-term lease is sought.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the lease.

6. Financial impact

- 6.1 A rent of £22,685 per annum will be received from a new unit for a 15-year term. The income contributes to the previously approved business case for the civic centre redevelopment.

7. Stakeholder/Community Impact

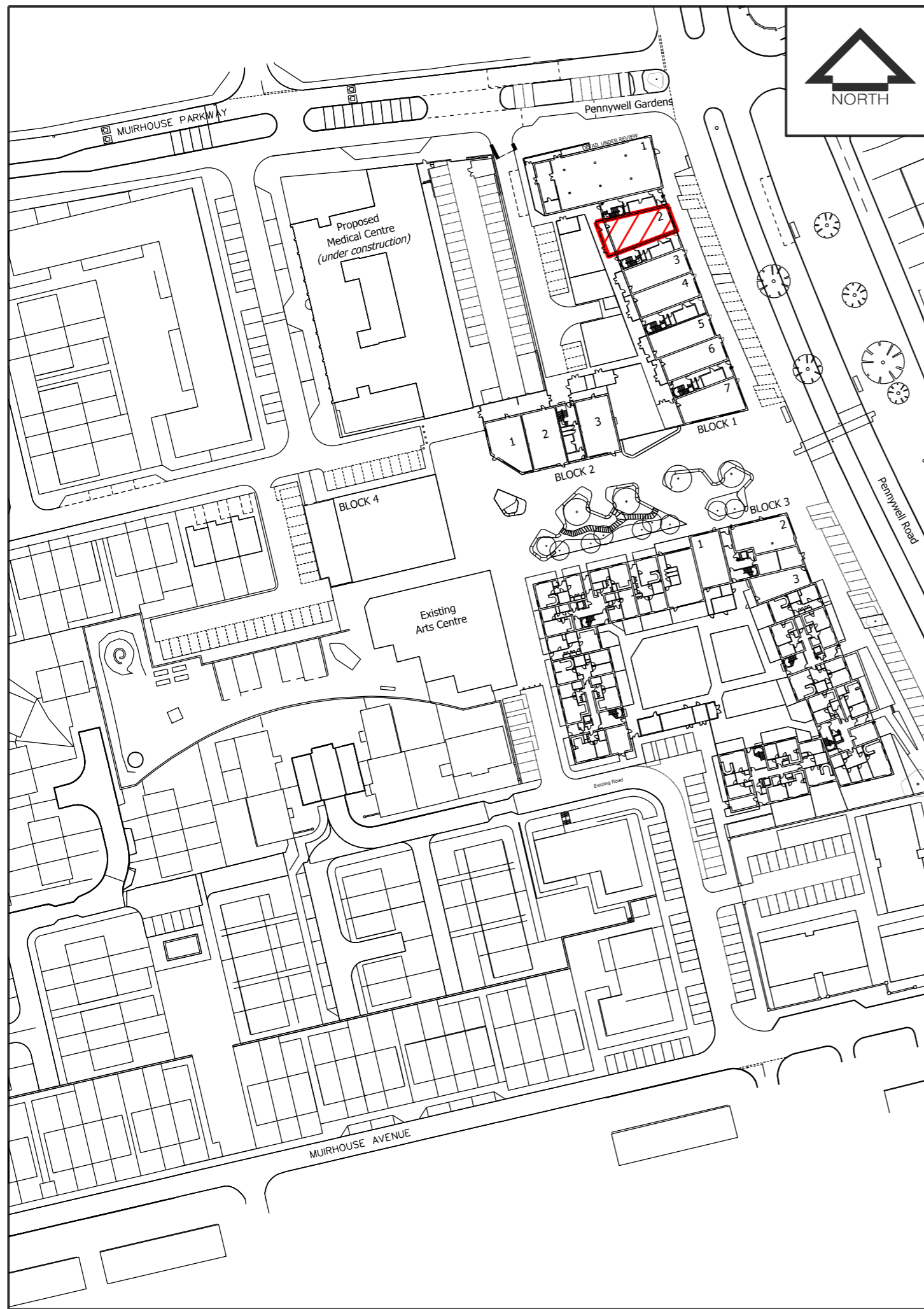
- 7.1 Ward members have been made aware of the recommendations of this report.

8. Background reading/external references

- 8.1 None.

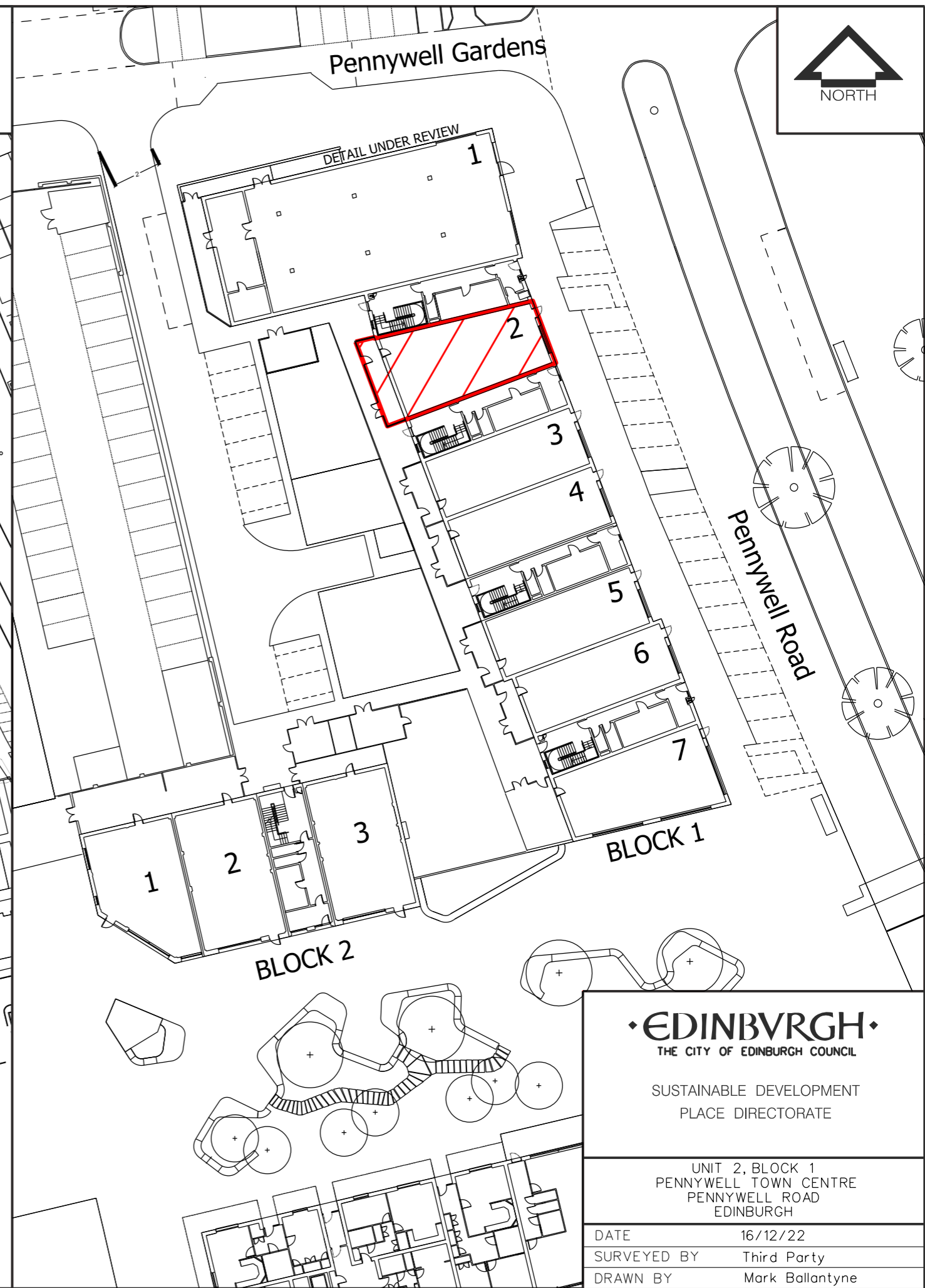
9. Appendices

- 9.1 Appendix 1 – Location plan.



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:500

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
UNIT 2, BLOCK 1 PENNYWELL TOWN CENTRE PENNYWELL ROAD EDINBURGH	
DATE	16/12/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2086a

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

367 High Street, Edinburgh - Proposed Lease Extension

Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve a 25-year lease extension to Kiltane Retail Limited, 367 High Street, Edinburgh on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Iain Lamont, Senior Estates Surveyor

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 5871

367 High Street, Edinburgh - Proposed Lease Extension

2. Executive Summary

- 2.1 The property at 367 High Street is let to Kiltane Retail Limited. The existing lease expires on 12 June 2023 and the tenant has requested to extend the agreement. This report seeks approval to grant a 25-year lease extension on the terms and conditions outlined in the report.

3. Background

- 3.1 The property at 367 High Street comprises a retail unit extending to 52.97m² (570sq ft) as shown outlined in red on the attached plan at Appendix 1.
- 3.2 Kiltane Retail Limited have occupied the property since March 2017 and operate a retail clothing business. The current passing rent is £33,900 per annum.
- 3.3 The existing lease expires on 12 June 2023 and the tenant has requested a 25-year lease extension until 12 June 2048.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 367 High Street, Edinburgh;
 - 4.1.2 Tenant: Kiltane Retail Limited;
 - 4.1.3 Lease extension: 25 years from 13 June 2023;
 - 4.1.4 Rent: £41,000 per annum;
 - 4.1.5 Rent review: 13 June 2028 and five yearly thereafter;
 - 4.1.6 Repair: tenant full repairing liability;
 - 4.1.7 Use: clothing retailer; and
 - 4.1.8 Costs: tenant responsible for all the Councils legal costs.
- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the lease extension.

6. Financial impact

- 6.1 Effective from 1 April 2023, the annual rent will be increased from £33,900 per annum to £41,000 per annum credited to the General Property Account.

7. Stakeholder/Community Impact

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

8. Background reading/external references

- 8.1 None.

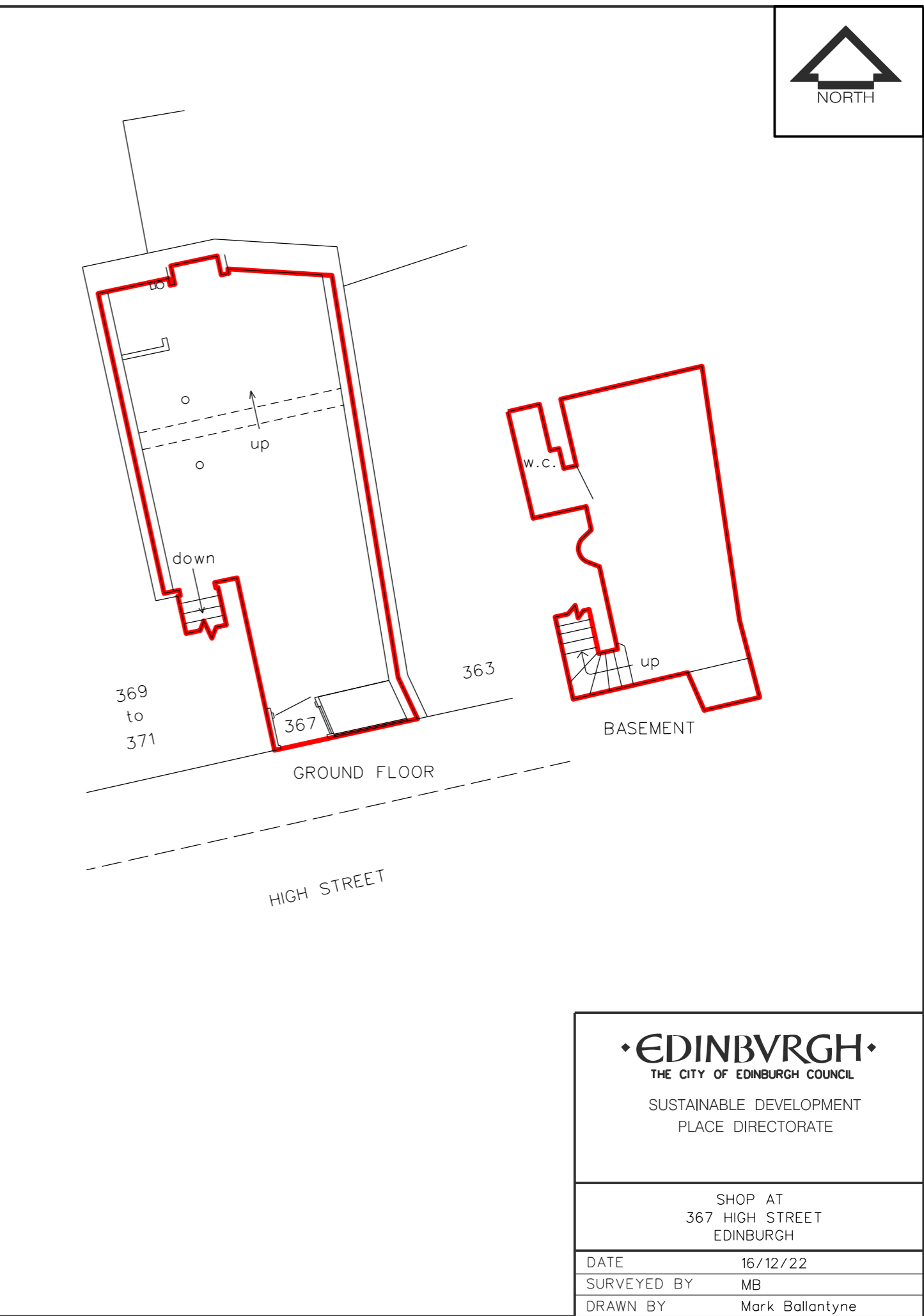
9. Appendices

- 9.1 Appendix 1 – Location plan.



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:100

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
SHOP AT 367 HIGH STREET EDINBURGH	
DATE	16/12/22
SURVEYED BY	MB
DRAWN BY	Mark Ballantyne
SCALE	1:100 @ A3 SIZE
NEG. NO.	A3/1758

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Land at 83 Craighall Road, Edinburgh - Proposed Disposal

Executive/routine Wards Council Commitments	Routine 4 - Forth
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves the disposal of 0.11 hectares (0.27 acres) of land at 83 Craighall Road, Edinburgh to Mindhack Limited on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

Contact: Craig Dalgliesh, Development & Disposals Manager

E-mail: craig.dalgliesh@edinburgh.gov.uk | Tel: 07725 648157

Land at 83 Craighall Road, Edinburgh - Proposed Disposal

2. Executive Summary

- 2.1 The Council owns 0.11 hectares (0.27 acres) of land at 83 Craighall Road. An approach was made, from the owner of an adjoining site, to purchase the Council's land to facilitate a larger development. This report seeks approval to sell the land on the terms and conditions outlined in the report.

3. Background

- 3.1 The subjects extends to 0.11 hectares (0.27 acres) of land at 83 Craighall Road, as shown outlined in red on the attached plan. It comprises a section of former railway embankment at Newhaven Station. The area has been unused for several years.
- 3.2 The building to the north adjoining the subjects is owned by Mindhack Limited and leased to Sainsburys. There is a storage building to the rear of the retail unit that is underutilised by the owner. The intention is to convert this building, in conjunction with the council site, to develop 14 apartments.
- 3.3 Subsequently, due to their adjacent owner status, Mindhack Ltd has approached the Council with an offer to purchase the subject site for the purposes of land assembly. This will permit the larger site to be developed in a single project thereby delivering a more coherent residential scheme.

4. Main report

- 4.1 The subjects are located at the bottom of a steep embankment with limited access and therefore would be difficult to develop in isolation. Combining both sites provide a viable small-scale development which will deliver 14 apartments.
- 4.2 The following terms have been provisionally agreed for the disposal:
- 4.2.1 Site: 0.11 hectares as shown outlined in red on the attached indicative plan at 83 Craighall Road, Edinburgh;
- 4.2.2 Purchaser: Mindhack Limited;

- 4.2.3 Purchase Price: £115,000;
 - 4.2.3 Costs: Purchaser will reimburse our reasonable legal fees and will pay 2% corporate property fee; and
 - 4.2.5 Conditions: the disposal is conditional on necessary statutory consents including Full Planning Permission
- 4.3 The Council instructed the District Value to undertake an independent valuation of the area of land based on the proposed development. The agreed purchase price is based on that valuation.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the disposal.

6. Financial impact

- 6.1 The capital receipt of £115,000 will be credited to the General Fund once the suspensive conditions have been purified. It is estimated that the transaction will complete in 2023.

7. Stakeholder/Community Impact

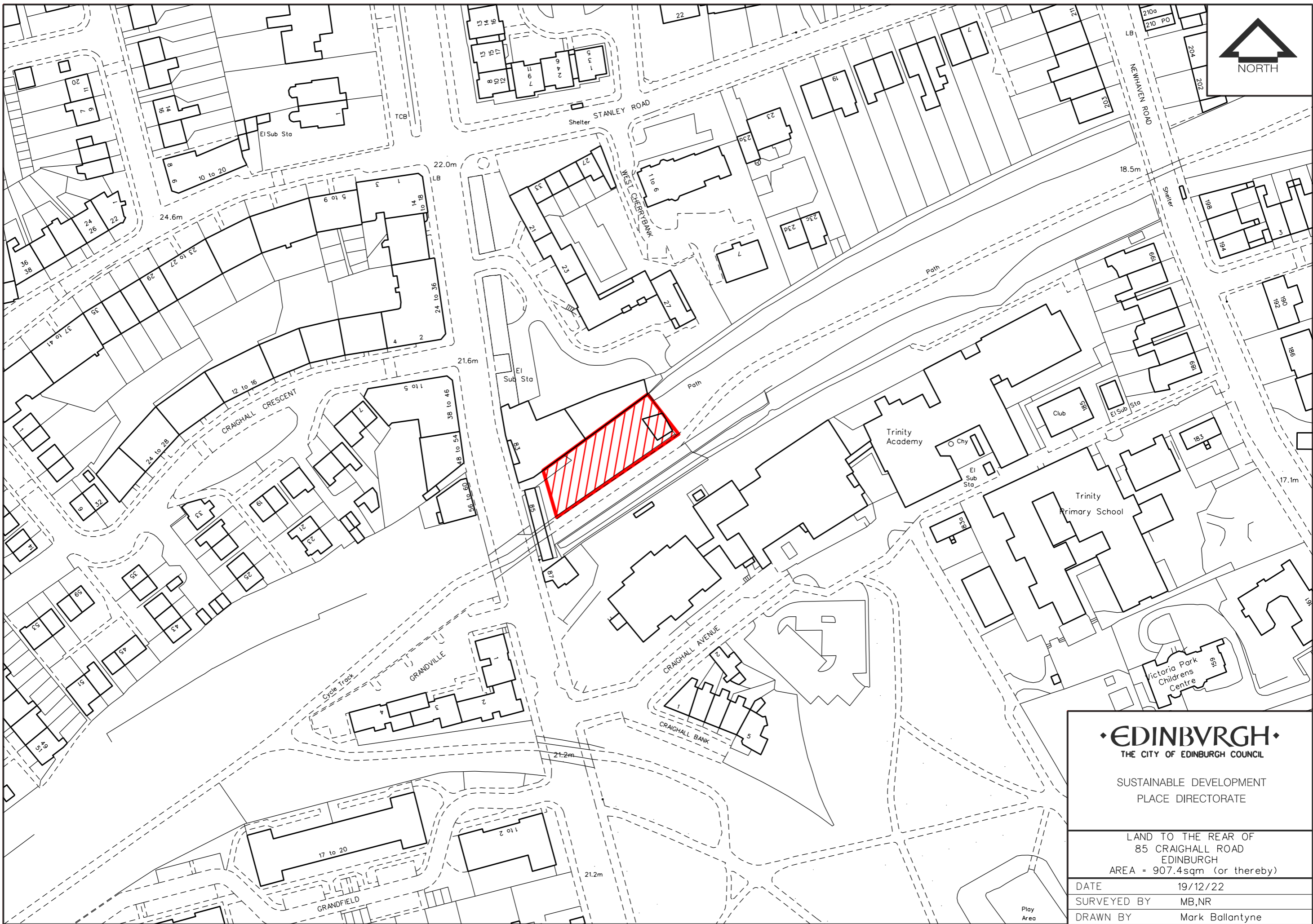
- 7.1 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location Plan.



• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
LAND TO THE REAR OF 85 CRAIGHALL ROAD EDINBURGH AREA = 907.4sqm (or thereby)	
DATE	19/12/22
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2487

LOCATION PLAN

SCALE 1:1250

THIS MAP IS REPRODUCED FROM ORDNANCE SURVEY MATERIAL WITH PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONARY OFFICE CROWN COPYRIGHT. UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT LICENCE NUMBER 100023420. CITY OF EDINBURGH 2013 AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.

Finance and Resources Committee

10,00am, Thursday, 26 January 2023

Homelessness Services – Contract Extensions Agreed under Urgency Provisions for Visiting Housing Support Services, Housing First and Street-based Outreach and Support Hub Service for Rough Sleepers

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee notes:
- 1.1.1 That the following contract extensions were awarded as an urgent decision in accordance with section 4.1 of the Council’s Committee Terms of Reference and Delegated Functions by the Executive Director of Place in consultation with the Convenor, for the extension of contract provisions for:
- 1.1.1.1 General visiting housing support, young person’s visiting housing support services, complex needs visiting housing support, housing first services; and
- 1.1.1.2 Services for street-based outreach including the support hub for rough sleepers.
- 1.1.2 That this arrangement covers the period 1 April 2023 to 31 March 2024, to the value of £5,042,295.

Paul Lawrence

Executive Director of Place

Contact: Jill Thomson, (Interim) Head of Homelessness

E-mail: jill.thomson@edinburgh.gov.uk

Homelessness Services – Contract Extensions Agreed under Urgency Provisions for Visiting Housing Support Services, Housing First and Street-based Outreach and Support Hub Service for Rough Sleepers

2. Executive Summary

- 2.1 This report notes the approval given under urgency provisions (through four separate waivers of the Council's Contract Standing Orders (CSOs)) under urgency, to extend the current contracts for the provision of visiting housing support services, housing first and the street-based outreach service including the support hub for the period 1 April 2023 to 31 March 2024, up to a value of £5,042,295.
- 2.2 These waivers were approved under urgency provision to ensure Council that contract termination notices were not issued which would have resulted in staff employed by the services being placed on notice of redundancy.

3. Background

- 3.1 The Homelessness Prevention Commissioning Plan was approved by the Policy and Strategy Committee on [6 September 2011](#). This Commissioning Plan set out the need to prevent homelessness wherever possible and where people do become homeless, for services to help people to resolve their homelessness as quickly and effectively as possible.
- 3.2 The Commissioning Plan also set out the requirement to provide support that is flexible and effective for people with a range of needs.
- 3.3 In 2018, the Council awarded a range of contracts following a successful procurement exercise to Link Living, Your Home and Four Square to provide visiting housing support services to vulnerable service users at risk of homelessness in order support them to sustain their accommodation and develop independent living skills.
- 3.4 The contract term, including extensions, for each service, is 1 April 2018 - 31 March 2023.
- 3.5 A contract was also awarded to Simon Community Scotland in 2018 following a competitive tender. The contract includes a "complex needs" visiting housing

support service, a support hub, and a street-based outreach service. The contract term, including extensions, is also for 1 April 2018 - 31 March 2023.

- 3.6 In addition, since the 1 October 2021, Simon Community Scotland have been delivering the Council's housing first service. The current contract term is to 31 March 2023.
- 3.7 A delay in proceeding with a timely re-tender of all four contracts has been due to the adverse impact of COVID-19 on co-production schedules and to allow for a review of the support hub and outreach services.
- 3.8 It is envisaged that the complex and multiple needs visiting housing support and housing first elements of the original contract for the support hub and street-based outreach service will transfer into a wider visiting housing support service with one point of access as set out in the [Rapid Rehousing Transition Plan](#) (RRTP). The proposed waiver period will allow sufficient time to further develop this one-point of access model.
- 3.9 Furthermore, a review of the support hub for rough sleepers and street-based outreach service is underway to determine the level and type of service required in the coming years. By extending the contracts for an additional year, the Council can monitor the impact of the transition out of COVID-19 and determine whether this will have an impact on the number of rough sleepers in Edinburgh.

4. Main report

- 4.1 This report notes the approval to continue the existing contracts for locality visiting housing support services including the young person's visiting housing support service, complex needs visiting housing support service, housing first and the contract for street-based outreach and support hub for rough sleepers' service for an additional year (1 April 2023 to 31 March 2024).

- 4.2 This will allow sufficient time to develop service models set out in the RRTP and facilitate a future procurement exercise based on need. It will also ensure that a comprehensive coproduction exercise with potential suppliers can be undertaken.

Visiting Housing Support

- 4.3 The locality visiting housing support services provides early intervention and prevention services working with anyone aged 16 years or over in Edinburgh who has been assessed as homeless or is at risk of becoming homeless.
- 4.4 Services provide support with regards to advice on housing options, providing welfare advice as well as assistance with applying for welfare benefits, mediation, help to open personal bank accounts, help to complete relevant online forms (including GP registration) and assistance with referrals to specific services including those that provide harm reduction support.
- 4.5 The locality services are currently delivered by Four Square, which is a partnership between Four Square and CHAI and works with service users in the South West

locality of the city. The value of this contract for the period 1 April 2023 to 31 March 2024 is £542,244.

- 4.6 Your Home supports service users in the North East, North West and South West localities. The value of this contract for the period 1 April 2023 to 31 March 2024 is £1,599,266.

Young People's Visiting Housing Support

- 4.7 Link Living provides specialist visiting housing support across all localities specifically to young people (16-25) who are homeless or at risk of homelessness.
- 4.8 The service seeks to provide support at the earliest opportunity and offer mediation services to help the young person to return to the family home where it is safe and possible to do so. If this is not possible they support the young person to:
- 4.8.1 Find, set up, and maintain appropriate accommodation;
 - 4.8.2 Develop independent living skills to maintain a home successfully;
 - 4.8.3 Provide training to enable the young person to further their educational attainment and improve their employability prospects; and
 - 4.8.4 Offer befriending support, mentoring, and volunteering opportunities that are provided by their partner Move on.
- 4.9 The value of this contract for the period 1 April 2023 to 31 March 2024 is £511,561.

Complex Needs Visiting Housing Support, Housing First and Street-based Outreach and Support Hub for Rough Sleepers

- 4.10 Simon Community Scotland deliver this service providing a visiting housing support service to people with complex needs. This is defined as two or more support needs such as mental health and addiction issues. The service was commissioned in one lot with the support hub and street-based outreach and support hub for rough sleepers. The annual value of this contract is £1,564,059.
- 4.11 They also deliver Housing First Services. Housing First provides mainstream, settled housing with wrap around support for people with the most complex needs, who are predominantly people with a history of rough sleeping.
- 4.12 The Council took over funding responsibilities for Housing First on 1 October 2021 and the service has been delivered by Streetwork Simon Community by way of a contract variation to their existing contract (delivering visiting housing support to people with complex needs and services for rough sleepers).
- 4.13 The costs for 2022/23 are £825,154 and this is the value requested to maintain existing services for 2023/24.
- 4.14 The service is currently supporting approximately 185 clients and has scope to scale up to 250 clients at an annual cost of £1,258,195. The financial implications of increasing capacity to this level will be considered through the 2023/24 budget process.
- 4.15 The current Housing First service achieves 75% (excluding deaths) tenancy sustainment (maximum support cases of 185). This is a noteworthy success given

that Housing First service users tend not to engage with mainstream services. Specialist support services which are designed for very vulnerable people with complex and multiple needs tend to maintain contact and deliver more effective support than mainstream stream services.

- 4.16 They also deliver the street-based outreach service and the support hub for rough sleepers. The support hub provides access to various drop in clinics, laundry facilities, access to showers and to support workers on site.
- 4.17 The support hub and street-based outreach service ensure that some of the most vulnerable people in the city can access support on the same the day, including access to Rapid Access Accommodation.
- 4.18 From April 2022 to July 2022, the street-based outreach team completed an average of 151 engagements a week. Over the same period, the hub has supported an average of 139 unique individuals per week, with an average of 300 presentations recorded per week.
- 4.19 During the pandemic the number of rough sleepers on any given night has fallen from between 80-120 to between 11-17. A review is underway to ascertain the required service provision going forward.
- 4.20 The value of these contracts for the period 1 April 2023 to 31 March 2024 is £2,389,214.

5. Next Steps

- 5.1 Officers will continue to liaise with partners to monitor demand for services and plan future service provisions via co-production.

6. Financial impact

- 6.1 The annual value requested is £5,042,295 as set out in the table below:

Provider	2023/2024 contract value
Foursquare	£542,244
YourHome	£1,599,276
Visiting Housing Support (Link living)	£511,561
Simon Community	£2,389,214
Total	£5,042,295

- 6.2 This cost remains unchanged from the 2022/23 contract values and the financial implications were reflected in the 2023/24 financial planning assumptions reported to Finance and Resources Committee on [10 November 2022](#).

7. Stakeholder/Community Impact

- 7.1 These services support the actions outlined in the Edinburgh Poverty Commission report – [A Just Capital Actions to End Poverty in Edinburgh](#) by making day-to-day experiences, connections, and relationships for people and make the experience of seeking help less painful, less complex, more humane and more compassionate.
- 7.2 They support the Council's priorities to End Poverty by 2030 and Wellbeing and Equalities. The services play a key part in delivering the RRTP.
- 7.3 All services are engaged in delivering community benefits.

8. Background reading/external references

- 8.1 [Award of Contract for Homelessness Prevention: Street Outreach, Support Hub and Complex Needs Visiting Housing Support Services](#)
- 8.2 [Award of Contract for Homelessness Prevention: Visiting Support for Young People Contract Ref: CT2196](#)
- 8.3 [Homelessness Prevention – Locality Support Services – Contract Ref: CT 0266](#)

9. Appendices

- 9.1 None.

Finance and Resource Committee

10.00am, Thursday, 26 January 2023

Award of Contracts for the Provision of Services for Women, Children and Young People who have experienced Domestic Abuse

Executive/routine Wards Council Commitments	Routine All
---	----------------

1. Recommendations

- 1.1 It is recommended that Finance and Resource Committee approve the appointment of three Service Providers to provide Domestic Abuse Support Services with maximum estimated contract value of £11,068,675. Should Committee agree this report, contracts will commence on 1 April 2023 for an initial period of five years, with the option to extend for a further period of up to 36 months plus an additional 24 months.

Paul Lawrence

Executive Director of Place

Contact: Jill Thomson, (Interim) Head of Homelessness

E-mail: jill.thomson@edinburgh.gov.uk

Award of Contracts for the Provision of Services for Women, Children and Young People who have experienced Domestic Abuse

2. Executive Summary

- 2.1 The Council funds established Domestic Abuse Support Services for women, children and young people recovering from trauma including domestic abuse, forced marriage, human trafficking, female genital mutilation and other forms of gender-based abuse in Edinburgh.
- 2.2 Eleven bids were received across eight lots and, following evaluation, 10 bids are recommended to be awarded contracts. Contracts will commence on 1 April 2023 for an initial period of five years, with the option to extend for a further period of up to 36 months and a further 24 months. The maximum value of the contract (including extensions) is estimated to be £11,068,675.

3. Background

- 3.1 The Council has a statutory requirement to accommodate and support people who are homeless, or to prevent homelessness where possible.
- 3.2 Domestic abuse remains one of the top reasons for homelessness for women and their children.
- 3.3 In [January 2016](#) the Corporate Policy and Strategy Committee agreed the Domestic Abuse Re-design Project – to develop a coordinated community response to domestic abuse in Edinburgh including a city-wide review of all statutory agencies and commissioned services.
- 3.4 Co-production from this project resulted in Edinburgh's Domestic Abuse Strategy and Improvement Plan, which was noted by the Corporate Policy and Strategy Committee in [February 2017](#). This also led to the formation of the City of Edinburgh Council's Domestic Abuse Collaborative Partnership made up of all commissioned services working in partnership to meet the needs of Edinburgh's Service Users.
- 3.5 On [28 September 2017](#), Finance and Resource Committee agreed to contract with four main Service Providers from November 2017 onwards: Edinburgh Women's Aid; Shakti Women's Aid; Four Square; and Comas to provide various refuges,

support and advocacy services for women, children and young people, and community-based support services.

- 3.6 Comas went into liquidation in 2018 and Four Square took over the Womanzone contract by mutual agreement within the Collaborative Partnership to ensure continuity of service for women with complex needs.
- 3.7 The COVID-19 pandemic, and subsequent imposing and easing of lock down restrictions from the Scottish Government led to two subsequent contract extensions being granted.
- 3.8 These contracts, which will end on 31 March 2023, have provided these services to approximately 1,500 women and children annually over the past five years.
- 3.9 The COVID-19 pandemic affected many women's abusive situations and mental health and therefore the need for these services is expected to continue or, more likely, increase.

4. Main report

- 4.1 There was extensive co-production in 2017 as part of the re-development of Domestic Abuse services. The aim was for the services involved in the Domestic Abuse Collaborative Partnership to work together to align where possible and share best practice. There has been a significant increase in the requirement for Domestic Abuse services during the COVID-19 pandemic.
- 4.2 A Prior Information Notice (PIN) was published on 6 May 2022 to begin engagement with interested Domestic Abuse Service Providers. Service Providers were advised to register for webinars on the supplier development programme portal, to help with the tender process.
- 4.3 A briefing and training session took place in June 2022 via Microsoft teams to help Service Providers understand the open procurement process, which included handy hints for tendering and an estimated timeline. All power point presentations were shared with the Service Providers who attended the session.
- 4.4 Further co production has taken place by utilising stakeholder and service user questionnaires as in-person events were still not available, or preferred, due to Scottish Government COVID-19 restrictions. Additional information taken from the following also helped to shape and develop the services:
 - 4.4.1 Equally Safe Edinburgh Committee, which incorporates viewpoints from multiple agencies;
 - 4.4.2 Monitoring data - up to four years of contractual data which evidences the demand for these services within the city; and
 - 4.4.3 Integrated Impact Assessment (IIA) – which was completed with current Service Providers.
- 4.5 Key outcomes were determined and included with the service specifications. Both the service specifications and the pricing schedules were streamlined where

possible, taking into consideration learnings from providing the service during COVID-19.

- 4.6 Further consultation was carried out regarding the service specifications as they were sent out to all interested parties for comment before publication of the open tender.
- 4.7 Following the co-production exercise, the Council undertook a Competitive Procedure with Negotiation in accordance with the Public Contracts (Scotland) 2015 Regulations with the Light Touch Regime applied.
- 4.8 A cost:quality ratio of 20:80 was applied as quality was considered to be of higher importance.
- 4.9 Pricing Schedules stipulated the maximum budget available per annum and requested that bidders confirm what they could supply (refuge and service) within the commercial envelope.
- 4.10 The tender process allowed for negotiations with Service Providers should their quality or commercial bid require it. Further due diligence was undertaken but this did not impact the scoring.
- 4.11 Eleven bids were received across the eight lots and following evaluation 10 bids are recommended to be awarded contracts.
- 4.12 It is anticipated that contracts will commence on 1 April 2023 for an initial period of five years, with the option to extend for a further period of up to 36 months and a further 24 months.
- 4.13 A summary of the tendering and the tender evaluation process is attached at Appendix 1.

4.14 All Service Providers recommended for award are detailed below:

Refuge Accommodation with Support.	
Lot 1	Final score
Edinburgh Women's Aid	88.2
Four Square	67.6

Refuge Accommodation for Women from BAME Communities.	
Lot 2	Final score
Shakti	81.4

Refuge Accommodation for Women with 24 hour support on site.	
Lot 3	Final score
Edinburgh Women's Aid	88.2
Four Square	80.6

Support & Advocacy for Women.	
Lot 4	Final score
Edinburgh Women's Aid	84.6

Support & Advocacy for Women with Complex Needs.	
Lot 5	Final score
Edinburgh Women's Aid	83.6

Support & Advocacy for Women from BAME Communities.	
Lot 6	Final score
Shakti	79.6

Support & Advocacy for Children and Young People.	
Lot 7	Final score
Edinburgh Women's Aid	90.6

Support & Advocacy for Children & Young People from BAME Communities.	
Lot 8	Final score
Shakti	79.6

5. Next Steps

- 5.1 Should Committee agree this report contracts will be awarded to the named Service Providers and will be monitored and managed by Council officers.

6. Financial impact

- 6.1 The proposed annual service costs are within the existing 2022/23 contract values.
- 6.2 The annual budget requirement of £1,106,867.50 has been reflected in the financial planning framework for 2023/24 financial year.

- 6.3 This equates to the following maximum contract values for each organisation as:
- 6.3.1 Edinburgh Women's Aid at a maximum value of £582,173.50 per annum;
 - 6.3.2 Four Square at a maximum value of £245,592 per annum; and
 - 6.3.3 Shakti Women's Aid at a maximum value of £279,102 per annum.
- 6.4 The maximum cost of the contract is expected to be £11,068,675.
- 6.5 The annual contract values are fixed for the duration of the contract period, subject to any nationally agreed changes to social care hourly rates funded by the Scottish Government.
- 6.4 All Service Providers have passed financial assessments and agreed to Terms and Conditions which minimises the risk to the Council.
- 6.5 The Service Providers are all committed to continuing with the Domestic Abuse Collaborative Partnership Agreement which means that they can share resources where appropriate.

7. Stakeholder/Community Impact

- 7.1 All Service Providers pay the Scottish Real Living Wage (or above) and confirmed that they are committed to becoming members of the Scottish Business Pledge.
- 7.2 These contracts will support Small to Medium Sized Enterprises (SME's) as all three proposed Service Providers are classed as such.
- 7.3 The recommended contracts will also include Community Benefits such as the combined creation of a minimum of 18 placements for students in social work, counselling and business marketing. The creation of two volunteering placements for peer mentoring, three support worker apprenticeships, community engagement and education workshops, community impact projects and pledges to spend funding within local supply chains.
- 7.4 There were also commitments to Net Zero by 2030 initiatives to invest funds to ensure that buildings are insulated, double glazed and have efficient boilers. This also comprises schemes such as re-using all furniture; parking for bicycles; use of environmentally friendly cleaning products and recycling of waste. In addition, one Service Provider is an early adopter of the "Shifting Gears" programme which provides free upcycled bikes to women and children.
- 7.5 An Integrated Impact Assessment was completed in conjunction with the current Service Providers and the Equally Safe Edinburgh Committee Lead Officer. The results were as follows:
- 7.5.1 Awarding these contracts will provide women and children who have experienced domestic abuse with refuge accommodation and trauma recovery support to lead lives independent of abuse;
 - 7.5.2 The Council does not currently commission any services for male victims however other services are available within the city; and

7.5.3 Lack of accommodation may have a negative impact however additional resources have been utilised such as Private Sector Leasing and Home Share.

7.6 A Data Sharing Agreement will be in place with all Service Providers.

8. Background Reading / External References

- 8.1 Domestic Abuse Service Redesign: Developing a Coordinated Community Response - Corporate Policy and Strategy Committee, [January 2016](#)
- 8.2 Domestic Abuse Service Redesign Update: Developing a Coordinated Community Response - Corporate Policy and Strategy Committee, [February 2017](#)
- 8.3 Award of Contracts for the Provision of Domestic Abuse Services – Finance and Resources Committee, [September 2017](#)
- 8.4 Contract Extensions for Domestic Abuse Contracts – Finance and Resources Committee, [August 2020](#)
- 8.5 Waiver to Extend Contracts for Domestic Abuse – Finance and Resources Committee, [August 2021](#)

9. Appendices

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

Appendix 1

Summary of Tendering and Tender Evaluation Process

Contract	CT1059 Services for Women, Children and Young People who have Experienced Domestic Abuse	
Contract Period	60 months with the option to extend for a further 36 months and then a further 24 months	
Maximum Total Contract Value (including extensions)	£11,068,675	
Procurement Route Chosen	Competitive Procedure with Negotiation	
Contracts to be Awarded	Three Service Providers across eight Lots	
Price / Quality Split	Quality 80	Price 20
	Criteria	Weighting (%)
Information Only	Q1. Individual / Organisation	None
	Q2. Name	None
	Q3. Years of Operation	None
	Q4. Service Users	None
	Q5. Service Delivery Stream	None
Evaluation Criterion and Weightings – ALL Lots Common Questions	Q6. Health and Safety	5%
	Q7. Business Continuity	5%
	Q8. Fair Work Practices	5%
	Q9. Community Benefits	5%
	Q10. Added Value	5%
	Q11. Zero Hours Contracts & the Living Wage	n/a
Question Weightings – ALL LOTS but answered in Lot Specific	Q12. Service Delivery	30%
	Q13. Multi-Agency Partnership Working and Communication	15%
	Q14. Service User Support	15%
	Q15. Local and National Context	10%
	Q16. Service Delivery Team	5%

Finance and Resources Committee

10:00am, Thursday, 26 January 2023

Award of Contract: Independent Advocacy Services

Routine	
Wards	All
Council Commitments	12,13 and 14

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Approves the award of Independent Advocacy Services contracts to
 - 1.1.1.1 Lot 1: people with mental health issues to AdvoCard Ltd
 - 1.1.1.2 Lot 2: people with problematic substance use issues to AdvoCard Ltd
 - 1.1.1.3 Lot 3: people with a learning/intellectual disability, autistic people, older people, people with dementia and people with a physical disability to Partners In Advocacy Ltd
 - 1.1.1.4 Lot 4: adult unpaid carers to Voiceability Ltd
 - 1.1.2 Approves the commencement of the contract on 1 July 2023 for an initial period of five years with the option to extend for a further 12 months plus 12 months, with a total estimated value of £7,378,942.

Judith Proctor

Chief Officer, Edinburgh Health and Social Care Partnership

Contact: Cathy O'Mahony, Strategic Planning and Commissioning Officer Mental Health

E-mail: Cathy.OMahony@edinburgh.gov.uk | Tel: 0131 553 8321



Award of Contract: Independent Advocacy Services

2. Executive Summary

- 2.1 This report seeks approval to award contracts to AdvoCard Ltd (Lots 1 and 2), Partners in Advocacy Ltd (Lot 3) and Voiceability Ltd (Lot 4) to deliver independent advocacy services. The service is to commence on 1 July 2023 for an initial period of five years with the option to extend for a further two 12 months, at an estimated total cost of £7,378,942.

3. Background

- 3.1 The City of Edinburgh Council (the Council) and NHS Lothian, through the Edinburgh Health and Social Care Partnership (EHSCP), have a statutory duty to provide access to independent advocacy services to people who meet the requirement of the Mental Health (Care and Treatment) (Scotland) Act 2003, the Adults with Incapacity (Scotland) Act 2000, the Adult Support and Protection (Scotland) Act 2007, the Carers (Scotland) Act 2016 and the Children (Scotland) Act 1995.
- 3.2 The current contracts for this requirement have been extended until 30 June 2023, the replacement contracts are required from 1 July 2023. A three-month extension was executed in order to allow sufficient time for implementation of this contract.
- 3.3 Currently, this requirement is met through two contracts (CT0173):
- 3.3.1 Lot 1: Independent Advocacy for People with Mental Health Support Needs and Unpaid Carers
 - 3.3.1.1 Service Provider(s): AdvoCard in partnership with Edinburgh Carers Council and the Royal Edinburgh Hospital Patients Council
 - 3.3.2 Lot 2: Independent Advocacy for People with Learning Disabilities, Adults with Autistic Spectrum Condition, Older People and Adults with Physical Disabilities.
 - 3.3.2.1 Service Provider(s): Partners in Advocacy subcontracting part of their Contract to People First Scotland

- 3.4 The Council undertook extensive consultation on this project, which started in September 2020. First, internal consultation across the EHSCP staff. Next, formal public consultation was held between 5th January 2021 to 15th March 2021 via the Councils Consultation hub. The independent advocacy organisations provided collective responses from their members and collated individual responses to the consultation. In addition, AdvoCard and Partners in Advocacy provided responses from their own staff. In total 186 people provided responses to the consultation.
- 3.5 The consultation looked at what was working well, what wasn't working so well and if there were any gaps or areas for improvement. There were several key insights from the consultation, and this gave rise to a series of recommendations to be taken forward by the co-production group.
- 3.6 Following consultation and co-production, it was proposed that going forward the Contract would be divided into four services.
 - 3.6.1 Lot 1: Independent advocacy services for people with mental health issues.
 - 3.6.2 Lot 2: Independent advocacy service for people with problematic substance use issues.
 - 3.6.3 Lot 3: Independent advocacy services for people with a learning/intellectual disability, autistic people, older people, people with dementia and people with a physical disability.
 - 3.6.4 Lot 4: Independent advocacy services for adult unpaid carers.
- 3.7 The co-production outcomes also recommended that longer-term Contracts of up to seven years (five plus one plus one) were created. This would create stability for providers and service continuity for service users. It should also be noted any changes come with a need for extensive consultation and co-production with Service Providers and Service Users which is costly and time intensive.

4. Main report

- 4.1 The Council and NHS Lothian, through the EHSCP, have a statutory duty to provide access to independent advocacy services. Independent advocacy services should be delivered in line with the requirements of the Scottish Independent Advocacy Alliance (SIAA) principles.
- 4.2 This is a social care service the tender was published in accordance with the Public Contracts (Scotland) Regulations 2015 with the Light Touch Regime applied, allowing additional flexibility to the procurement approach.
- 4.3 A Prior Information Notice as a call for competition was issued on the 23 May 2022. 13 organisations noted interest in the opportunity and received a notification of Expressions of Interest. Five organisations submitted a response to the Expressions of Interest.

- 4.4 The five organisations completed a submission to ensure they met the mandatory requirements, two organisations did not meet the minimum requirements. The remaining three organisations were invited to submit an Invitation to Tender.
- 4.5 The Invitation to Tender included a set of standard or common questions relating to how tenderers would deliver the requirement followed by a further case study evaluation. Each Lot received two submissions.
- 4.6 The Evaluation was based on the Most Economically Advantageous Tender (MEAT) with a weighting of 20% Price / 80% Quality. Details of the evaluation can be found in Appendix 1.
- 4.7 The following tenderers are recommended as the respective Lot award for this contract:
 - 4.7.1 Lot 1: AdvoCard in consortium with CAPS Independence Advocacy and Royal Edinburgh Hospital Patients Council achieved overall score of 95.15%,
 - 4.7.2 Lot 2: AdvoCard in consortium with CAPS Independent Advocacy and Royal Edinburgh Hospital Patients Council achieved overall score of 91.15%
 - 4.7.3 Lot 3: Partners in Advocacy in consortium with People First Scotland and Edinburgh Carers Council achieved an overall score of 80.44%
 - 4.7.4 Lot 4: Voiceability achieved an overall score of 82.20%

5. Next Steps

- 5.1 Subject to approval, implementation of the new contracts will take place before June 2023. The new contracts will commence on the 1 July 2023.
- 5.2 The contract will be handed over to Edinburgh Health and Social Care Partnership Contracts Team for contract monitoring and management.

6. Financial impact

- 6.1 The total cost of the contract including any extensions will be £7,378,942 against a budget of £7,387,982.
- 6.2 A forecast saving of £9,040 is anticipated against service budget.
- 6.3 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

7. Stakeholder/Community Impact

- 7.1 An Integrated Impact Assessment (IIA) was completed in April 2021 Appendix 2.

- 7.2 This procurement has been taken forward in accordance with the Council's Sustainable Procurement Strategy.
- 7.3 No significant environmental impacts are expected to arise from this contract.
- 7.4 Provider to Provider TUPE may apply to these contracts.
- 7.5 AdvoCard, Partners in Advocacy, and Voiceability are Real Living Wage Accredited employers and have provided evidence for Fair Work Practices in line with the Scottish Government Fair Work Practice Framework.

8. Background reading/external references

- 8.1 None.

9. Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Process

Appendix 2 – Integrated Impact Assessment

Appendix 1 – Summary of Tendering and Tender Evaluation Process

Expression of Interest	5
Invited to ITT	3

Contract	Lot 1: Independent Advocacy Services for people with mental health issues																			
Contract period (including any extensions)	1 July 2023 – 30 June 2028 (with the option to extend for a further two twelve months)																			
Estimated contract value	£3,781,834																			
Procurement Route chosen	PIN as a Call for Competition - Light Touch Regime																			
Tenders returned	2																			
Name of Recommended supplier/s	AdvoCard Ltd																			
Price / Quality ratio	20%/80%																			
Evaluation criteria and weightings	<table border="1"> <thead> <tr> <th>Question</th> <th>Max Score</th> </tr> </thead> <tbody> <tr> <td>Common Questions*</td> <td>58%</td> </tr> <tr> <td>Case Study Question</td> <td>20%</td> </tr> <tr> <td>Implementation</td> <td>14%</td> </tr> <tr> <td>The Team</td> <td>8%</td> </tr> <tr> <td>Total Quality</td> <td>100%</td> </tr> <tr> <td>Weighted Quality</td> <td>80%</td> </tr> <tr> <td>Price Score</td> <td>20%</td> </tr> <tr> <td>Total Score</td> <td>100%</td> </tr> </tbody> </table>		Question	Max Score	Common Questions*	58%	Case Study Question	20%	Implementation	14%	The Team	8%	Total Quality	100%	Weighted Quality	80%	Price Score	20%	Total Score	100%
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Weighted Quality	80%																			
Price Score	20%																			
Total Score	100%																			
Evaluation Team	Council Officers																			

Contract	Lot 2: Independent Advocacy Services for people with problematic substance use issues	
Contract period (including any extensions)	1 July 2023 – 30 June 2028 (with the option to extend for a further two twelve months)	
Estimated contract value	£322,399	
Procurement Route chosen	PIN as a Call for Competition - Light Touch Regime	
Tenders returned	2	
Name of Recommended supplier/s	AdvoCard Ltd	

Price / Quality ratio	20%/80%																			
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	Price Score	20%																		
Total Score	100%																			
Evaluation Team	Council Officers																			

Contract	Lot 3: Independent Advocacy Services for people with a learning/intellectual disability, autistic people, older people, people with dementia and people with a physical disability																			
Contract period (including any extensions)	1 July 2023 – 30 June 2028 (with the option to extend for a further two twelve months)																			
Estimated contract value	£2,015,013																			
Procurement Route chosen	PIN as a Call for Competition - Light Touch Regime																			
Tenders returned	2																			
Name of Recommended supplier/s	Partners in Advocacy Ltd																			
Price / Quality ratio	20%/80%																			
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	Price Score	20%																		
Total Score	100%																			
Evaluation Team	Council Officers																			

Contract	Lot 4: Independent Advocacy Services for Unpaid Carers																			
Contract period (including any extensions)	1 July 2023 – 30 June 2028 (with the option to extend for a further two twelve months)																			
Estimated contract value	£1,259,696																			
Procurement Route chosen	PIN as a Call for Competition - Light Touch Regime																			
Tenders returned	2																			
Name of Recommended supplier	Voiceability Ltd																			
Price / Quality ratio	20%/80%																			
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Evaluation Team	Council Officers																			

* Common questions breakdown

Question	Maximum score
Management Information	10%
Complaints and Quality Assurance	14%
Collaboration and Partnership Working	20%
Equalities	14%
Community Benefits	9%
Business Continuity	14%
Data Protection	5%
Fair Work Practices	14%
Total	100%

Appendix 2 – Integrated Impact Assessment

Link to the published IIA.

[Integrated Impact Assessments – Commissioning of independent advocacy services - Edinburgh Health & Social Care Partnership \(edinburghhsc.scot\)](#)

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Finance and Resources Committee

10:00am, Thursday, 26 January 2023

Award of Contract: Care and Repair Service

Routine	
Wards	All
Council Commitments	4, 9, 12, 13 &14

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 Approves the award of a contract for Care and Repair Service.
 - 1.1.2 Approves the commencement of the contract on 1 April 2023 for an initial period of four years with the option to extend for a further 24 months plus 24 months, with a total estimated value of £2,045,320.

Judith Proctor

Chief Officer, Edinburgh Health and Social Care Partnership

Contact: Sarah Bryson, Planning & Commissioning Officer

E-mail: Sarah.Bryson@edinburgh.gov.uk | Tel: 0131 469 3887



Award of Contract: Care and Repair Services

2. Executive Summary

- 2.1 This report seeks approval to award a contract to Care and Repair Edinburgh (CRE) to deliver a care and repair service to properties within Edinburgh. The contract seeks to adhere to the terms set out in The Housing Scotland Act (2006). The service is to commence on 1 April 2023 for an initial period of four years with the option to extend for a further two 24 months, at an estimated total cost of £2,045,320.

3. Background

- 3.1 The Housing (Scotland) Act 2006 created a new Scheme of Assistance for housing purposes, based on the principle that individual owners have primary responsibility for maintaining their properties in good condition, but with assistance available where necessary.
- 3.2 Local Authorities in Scotland are obliged to maintain a care and repair type service for owner occupiers and tenants of private landlords under the Housing Scotland Act 2006 Part 2. A Statement of Assistance (section. 72 Housing Scotland Act 2006) must be published detailing what services will be provided and how they will be delivered.
- 3.3 The City of Edinburgh Council currently contracts with CRE to deliver the care and repair services to enable older people and people with a disability to live safely at home for as long as possible, avoiding hospital admission and support hospital discharge. This provision provides a range of practical services that support their safety and wellbeing in their own homes.
- 3.4 The service is required under legislation and therefore a long-term contract is proposed to create a partnership with the provider in order to enhance the lives of people within Edinburgh's homeowners' population, reduce short termism, and create stability for this provision.
- 3.5 The service is delivered in through two main areas; employed joiner and skilled workers, and volunteers.

4. Main report

- 4.1 The current contract was last tendered in 2017 with the contract in place from 2018 for a period of two years. Since 2020 the contract has been extended annually through the use of direct awards. The contract is due to end on the 31 March 2023.
- 4.2 The aim of this procurement is to create a sustainable contract that enhances the service already available to members of the public. This service is designed to ensure people can stay at home for longer in a property that is maintained and safe for the individual.
- 4.3 The council issued a Prior Information Notice (PIN) on the 6 June 2022. Organisations wishing to note interest were requested to do so by 20 June 2022. Nine Organisations noted interest.
- 4.4 Given the level of interest from the PIN, a provider event was held on the 30 June 2022, of which two organisations attended.
- 4.5 An Invitation to Tender was published on Public Contracts Scotland Tender and one tender was received. Evaluation was based on a weighting of 20% Price 80% Quality. This weighting was chosen due to the need to have quality service provided and the budget being fixed.
- 4.6 To ensure the tender was considered by those who would refer to the service, the evaluation panel included Council Officers and representatives from Occupational Health and Assistive Technology Enable Care Services (ATEC24), Edinburgh Health and Social Care Partnership.
- 4.7 CRE achieved a score of 87.00% and are recommended for the award of the contract. More detail on the on the evaluation process can be found in appendix 1.

5. Next Steps

- 5.1 Subject to approval, the new contract will commence on the 1 of April 2023
- 5.2 The contract will be handed over to Edinburgh Health and Social Care Partnership Contracts team and will be added to Public Contracts Scotland tender for contract monitoring and management.

6. Financial impact

- 6.1 The total cost of the contract including any extensions will be £2,045,320 against a budget of £2,045,320. The budget is fixed for the duration of the contract.
- 6.2 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

7. Stakeholder/Community Impact

- 7.1 The service will support the following Council outcomes as detailed in the Our Future Council, Our Future City: Council Business Plan;
- 7.1.1 Ending poverty by 2023 – 4. Intervene before the point of crisis to prevent homelessness.
 - 7.1.2 Becoming a sustainable and net zero city - 9. Citizens are engaged and empowered to respond to the climate emergency.
 - 7.1.3 Wellbeing and Equalities – 12. People can access the support they need in the place they live and work. 13. Improved safety and wellbeing for vulnerable citizens. 14. Core services are maintained or improved.
- 7.2 This procurement has been taken forward in accordance with the Council's Sustainable Procurement Strategy.
- 7.3 The service from CRE has been able to develop added value through the partnership working with Trusts, Amazon, Home Energy Scotland, and the Scottish Government. With this they have been able to develop an Independent Living Advisor Service where they have an advisor review a home and offer advice on how to improve the suitability of the environment.
- 7.4 CRE is a subsidiary of Age Scotland, and in 2017 was able to move to shared premises, sharing back-office equipment and staff, management and telephone lines, allowing the service to operate on a much wider scale.
- 7.4 No significant environmental impacts are expected to arise from this contract
- 7.5 CRE provided evidence of Fair Work Practice in line with the Scottish Government Fair Work Practice Framework and became an accredited Real Living Wage employer on 4 March 2022.
- 7.6 An Integrated Impact Assessment was undertaken in July 2022 and is attached as Appendix 2. The IIA identified that as the tender was subject to open competition there was the possibility that costs to the customer may increase. Pricing within the winning tender will mean that the handyman service will remain free to the customer, as will advice on major adaptations. A moderate increase will occur at the beginning of the contract for the key safe fitting and minor adaptation work. It has been agreed that prices to the customer will not increase again for the first 2 years of the contract. Thereafter any cost increases required shall be linked to the level of Scottish Living Wage. Contract monitoring will highlight any impact this might have on demand.

8. Background reading/external references

- 8.1 None.

9. Appendices

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Appendix 2 - Integrated Impact Assessment

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Care and Repair Services																													
Contract period (including any extensions)	1 April 2023 – 31 March 2027 (with the option to extend for a further two 24 months)																													
Estimated contract value	£2,045,320																													
Procurement Route chosen	open procedure with Light Touch Regime.																													
Tenders returned	1																													
Name of Recommended supplier/s	Care and Repair Edinburgh Ltd																													
Price / Quality ratio	20/80																													
Evaluation criteria and weightings	<table border="1"> <thead> <tr> <th>Question</th> <th>Max Score</th> </tr> </thead> <tbody> <tr> <td>Implementation and Delivery of the Contract</td> <td>12</td> </tr> <tr> <td>Delivery of the Contract</td> <td>16</td> </tr> <tr> <td>Staff and Volunteer Training</td> <td>4</td> </tr> <tr> <td>Volunteers</td> <td>8</td> </tr> <tr> <td>Collaboration and Awareness Raising</td> <td>8</td> </tr> <tr> <td>Meeting Key Performance Indicators & Continuous Improvement</td> <td>4</td> </tr> <tr> <td>Business Continuity</td> <td>4</td> </tr> <tr> <td>Data Protection</td> <td>4</td> </tr> <tr> <td>The Environment</td> <td>4</td> </tr> <tr> <td>Fair Work Practices</td> <td>8</td> </tr> <tr> <td>Fair Work Management Information</td> <td>0</td> </tr> <tr> <td>Community Benefits/Added Value</td> <td>8</td> </tr> <tr> <td>Weighted</td> <td>80%</td> </tr> </tbody> </table>		Question	Max Score	Implementation and Delivery of the Contract	12	Delivery of the Contract	16	Staff and Volunteer Training	4	Volunteers	8	Collaboration and Awareness Raising	8	Meeting Key Performance Indicators & Continuous Improvement	4	Business Continuity	4	Data Protection	4	The Environment	4	Fair Work Practices	8	Fair Work Management Information	0	Community Benefits/Added Value	8	Weighted	80%
Question	Max Score																													
Implementation and Delivery of the Contract	12																													
Delivery of the Contract	16																													
Staff and Volunteer Training	4																													
Volunteers	8																													
Collaboration and Awareness Raising	8																													
Meeting Key Performance Indicators & Continuous Improvement	4																													
Business Continuity	4																													
Data Protection	4																													
The Environment	4																													
Fair Work Practices	8																													
Fair Work Management Information	0																													
Community Benefits/Added Value	8																													
Weighted	80%																													
Evaluation Team	Council Officers and Occupational Health Officers																													

Integrated Impact Assessment – Summary Report

Each of the numbered sections below must be completed

Please state if the IIA is interim or final

Final Report

1. Title of proposal:

Procurement of Care and Repair Service for Edinburgh

2. What will change as a result of this proposal?

A Care and Repair service has operated in Edinburgh for over 30 years and has been provided by Care & Repair Edinburgh, originally through a grant and then a direct award contract. An open tender process will take place for the contract from April 2023 for up to 8 years.

The service is for older people and people with a disability and is to provide practical services which will help them stay safely in their own home for longer and help enable hospital discharge.

It is envisaged that the current service provision will continue i.e.:

- 1) Small repairs and minor adaptations – eliminate trip hazards by repairing thresholds etc, preventing falls by fitting handrails, grab-rails etc.
- 2) Keysafes supplied and fitted to allow carers access to the home.
- 3) Handyperson Service - a wide range of practical assistance around the home including changing a lightbulb, fitting door chains, setting up digital services, online shopping etc. The Handyperson Service is carried out by volunteers.
- 4) Trade referral service for larger jobs.
- 5) Assistance with Major Adaptations including assistance with grant applications, selecting suppliers, monitoring the building work and completing a building warrant.

Finance and Resources Committee 26 January 2023

It is envisaged that the Handyman service provided by volunteers will be expanded, to carry out a wider range of tasks which can help enable hospital discharge. There is currently no charge to the customer for labour through the Handyman service although the cost of materials may be charged

Charges currently apply to the customer for the provision of the small repairs and minor adaptations. The cost of materials may be charged to the customer.

There is a fixed charge for the supply and fitting of Keysafes. Where it is identified that a customer cannot pay then a hardship fund is currently in place to accommodate works required

The customer is not charged for the handyperson service although they will be charged for materials– the handyperson service is carried out by volunteers organised through Care & Repair Service.

There is no charge to the customer for the use of the trade referral service and assistance with major adaptations.

As the new contract is through open tender, we do not currently know if there will be any change in costs to the customer.

3. Briefly describe public involvement in this proposal to date and planned

A survey was issued to occupational therapists, social workers, community care assistants, locality hub managers, cluster managers, locality mental health and Home Care who have a remit for reablement, Transformation Team and ATECH 24 and Place department.

The aim of the survey was to determine awareness, quality and effectiveness of the current service and to determine if there are any gaps in the current provision or improvements which could be made within the new contract going forward.

In total 25 completed surveys were received. Overall, feedback was very positive and supported the need for ongoing provision of the care and repair service. Several responses included suggestions to widen the roles carried out by volunteers.

In addition, the incumbent provider issues feedback questionnaires with every invoice, donation and telephone contact. Feedback is measured in three ways: the quality of the work; the interaction with the person; and, the overall service. Feedback is measured on a 1-5 scoring from the citizen: 1 being very dissatisfied, and 5 being very satisfied. The incumbent has maintained an average score of 4.9 over the past 2 years. A total of 372

service feedback forms have been received in 2020/21 and 641 service feedback forms were received 2021/22.

4. Is the proposal considered strategic under the Fairer Scotland Duty?

No

5. Date of IIA

21 July 2022

6. Who was present at the IIA? Identify facilitator, lead officer, report writer and any employee representative present and main stakeholder (e.g. Council, NHS)

Name	Job Title	Date of IIA training
Sarah Bryson (Facilitator and notes)	Strategic Planning and Commissioning Officer (Older People)	November 2017
Marc Long	Contracts Assistant	
Jayne Kemp	Strategic Planning and Commissioning Officer (Learning Difficulties)	
Susan Robertson	Strategic Planning and Commissioning Officer (Physical Difficulties)	
Sara Belhawla	Trainee Personal Assistant (Older People)	

7. Evidence available at the time of the IIA

Evidence	Available – detail source	Comments: what does the evidence tell you with regard to different groups who may be affected and to the environmental impacts of your proposal
Data on populations in need	Edinburgh by Numbers	The Care & Repair service is available to all older or disabled Edinburgh residents who live in privately owned/rented accommodation. The data shows that the number of people over 65 increased by 17% between 2010 and 2020. The number is expected to continue to grow at approx. 2% each year over the next 5 years.
Data on service uptake/access	Contract monitoring information	There are approx. 4,493 jobs carried out each year through the contract
Data on socio-economic disadvantage e.g. low income, low wealth, material deprivation, area deprivation.	No	This data is not available for the service. During the year, the current provider raised £10,000 for Hardship funds to be able to provide free services to citizens for whom payment would cause financial difficulties (keysafes)
Data on equality outcomes	No	This service is for those older people or those with a disability
Research/literature evidence	Edinburgh Integration Joint Board's Strategic Plan and the National Health and Wellbeing Outcomes /	Research shows that Independent living is key to improving health and wellbeing and timely provision of equipment, repairs and minor adaptations can help vulnerable citizens live in their own home, independently, for as long as possible; avoid hospital admission; and support hospital discharge. Enabling Independent Living and Early Intervention and Prevention are key themes of the Edinburgh Integration Joint Board's Strategic Plan. The provision of the care and repair service will also help deliver on the following National Health and Wellbeing Outcomes: Outcome 2: People, including those with disabilities or long-term conditions, or who are frail, are able to live, as far

		<p>as reasonably practicable, independently and at home or in a homely setting in their community.</p> <p>Outcome 3: People who use health and social care services have positive experiences of those services, and have their dignity respected.</p> <p>Outcome 4: Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services</p>
Public/patient/client experience information	<p>Result from service users' feedback questionnaires</p> <p>Review with EHSCP staff</p>	<p>The incumbent provider issues feedback questionnaires with every invoice, donation and telephone contact. Feedback is measured in three ways: the quality of the work; the interaction with the person; and, the overall service. Feedback is measured on a 1-5 scoring from the citizen: 1 being very dissatisfied, and 5 being very satisfied. The incumbent has maintained an average score of 4.9 over the past 2 years. A total of 372 service feedback forms have been received in 2020/21 and 641 service feedback forms were received 2021/22.</p> <p>A review of the service was also carried out with EHSCP staff to determine awareness, quality and effectiveness of the current service and to determine if there are any gaps in the current provision or improvements which could be made within the new contract going forward.</p> <p>Overall, feedback was very positive and supported the need for ongoing provision of the care and repair service. Several responses included suggestions to widen the roles carried out by volunteers</p>
Evidence of inclusive engagement of people who use the service and involvement findings	Service review	Good communication was highlighted as part of the staff review

Evidence of unmet need		There is currently no evidence of unmet need for the service – i.e., there is currently no waiting list for the service. (this however could be due to a lack of awareness for some potential customers although there is no evidence to support this)– actions are delivered timeously to those that request a service
Good practice guidelines	Good Practice Guide 2018	The guide presents the best policy, planning and practice material available, to allow Care and Repair services in Scotland to continuously improve and build capacity to achieve the vision of a <i>Scotland where all older and disabled people can access Care and Repair services to enable them to continue living in their own home for as long as it is safe and practical for them to do so.</i>
Carbon emissions generated/reduced data	n/a	
Environmental data	n/a	
Risk from cumulative impacts		There may be more demand on service as more people are staying at home longer
Other (please specify)		
Additional evidence required		

8. In summary, what impacts were identified and which groups will they affect?

Equality, Health and Wellbeing and Human Rights	Affected populations
<p>Positive</p> <p>The re-tender of the contract for up to 8 years will help ensure the sustainability and efficiency of the Care & Repair service and help ensure the continuation of the service.</p> <p>There is an opportunity to increase awareness of the service to all protected characteristic groups and in particular ensure awareness to the Provider that all forms of disability meet the service criteria</p>	<p>Older people and people with disabilities</p> <p>All groups</p>

Equality, Health and Wellbeing and Human Rights	Affected populations
There is opportunity to ensure that information supplied to the service user by the Provider is in an appropriate format	All groups
Negative	

Environment and Sustainability including climate change emissions and impacts	Affected populations
<p>Positive There are opportunities to discuss with the successful Provider measures to reduce carbon emissions, for example, by reducing travel by co-ordinating volunteers so that they volunteer close to their own homes.</p> <p>Provider will be made aware of the Council's 2030 Net Zero plans/strategies.</p>	
Negative	

Economic	Affected populations
<p>Positive As the tender is subject to competition there is the possibility that costs to the customer may reduce.</p>	All Groups
<p>Negative Proportion of costs covered by the successful service provider may change</p> <p>There is a risk that the provider will not be able to provide the current level of hardship fund - more people may be requiring this due to cost-of-living crisis.</p>	All Groups

9. Is any part of this policy/ service to be carried out wholly or partly by contractors and if so how will equality, human rights including children’s rights, environmental and sustainability issues be addressed?

Yes, contractors will carry out the works – the contract documents will include conditions to help ensure that equality, human rights, environmental and sustainability issues are addressed will form part of the contract documents

10. Consider how you will communicate information about this policy/ service change to children and young people and those affected by sensory impairment, speech impairment, low level literacy or numeracy, learning difficulties or English as a second language? Please provide a summary of the communications plan.

Inclusive communication is included in the service specification and the potential providers should also indicate how this is to be achieved in their tender bids which will be assessed as part of the tender evaluation process.

11. Is the plan, programme, strategy or policy likely to result in significant environmental effects, either positive or negative? If yes, it is likely that a Strategic Environmental Assessment (SEA) will be required and the impacts identified in the IIA should be included in this. See section 2.10 in the Guidance for further information.

No

12. Additional Information and Evidence Required

If further evidence is required, please note how it will be gathered. If appropriate, mark this report as interim and submit updated final report once further evidence has been gathered.

No further evidence is required

13. Specific to this IIA only, what recommended actions have been, or will be, undertaken and by when? (these should be drawn from 7 – 11 above) Please complete:

Specific actions (as a result of the IIA which may include financial implications, mitigating actions and risks of cumulative impacts)	Who will take them forward (name and job title)	Deadline for progressing	Review date
Include section in service specification to highlight to Providers that disability covers a range of disabilities and not just physical disabilities	Sarah Bryson	27 July 2022	Completed 1 August 2022
The Service specification includes awareness raising however also include reference to ongoing discussion between successful Provider and Council re opportunities to raise awareness/promote the service to relevant groups and through third sector newsletters etc to ensure access to the service from all eligible groups to ensure continuous improvement	Sarah Bryson	27 July 2022	Completed 1 August 2022
The costs charged to the customer will be an aspect for consideration as part of the tender evaluation. Further discussion with procurement will take place to consider if any further actions can be taken to reduce risk of costs to customers increasing e.g., consider shifting the quality/cost ratio	Sarah Bryson/Anna Penman	27 July 2022	Completed 1 August 2022
Consider with Procurement Team how the potential Hardship Fund can be assessed as part of the tender evaluation	Sarah Bryson/Anna Penman	27 July 2022	Completed 1 August 2022
Ensure that tender documents refer to Council's 2030 Net Zero plans and strategies	Sarah Bryson/Anna Penman	27 July 2022	Completed 1 August 2022

14. Are there any negative impacts in section 8 for which there are no identified mitigating actions?

As the tender is subject to open competition there is the possibility that costs to the customer may increase.

15. How will you monitor how this proposal affects different groups, including people with protected characteristics?

Customer evaluation will be carried out

16. Sign off by Head of Service

Name TONY DUNCAN



Date 13 December 2022

17. Publication

Completed and signed IIAs should be sent to:

integratedimpactassessments@edinburgh.gov.uk to be published on the Council website www.edinburgh.gov.uk/impactassessments

Edinburgh Integration Joint Board/Health and Social Care

sarah.bryson@edinburgh.gov.uk to be published at www.edinburghhsc.scot/the-ijb/integrated-impact-assessments/

Finance and Resources Committee

10:00am, Thursday, 26 January 2023

Use of H1 Agency staff to support Care Homes

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee notes the contract extension awarded to H1 Healthcare, via a waiver of Contract Standing Orders (CSOs), for the continuing provision of care staff to Council Care Homes, undertaken as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Chief Officer, Edinburgh Health & Social Care Partnership, in consultation with the Convenor of Finance and Resources Committee.

Judith Proctor

Chief Officer, Edinburgh Health and Social Care Partnership

Contact: Jane Brown, Senior Care Home Manager (Acting), Edinburgh Health & Social Care Partnership

E-mail: J.brown@edinburgh.gov.uk | Tel: 0131 658 5000

Provision of Agency Care Staff to support 7 Care Homes

2. Executive Summary

- 2.1 It is recommended that the Finance and Resources Committee notes the contract extension awarded to H1 Healthcare, via a waiver of Contract Standing Orders (CSOs), for the continuing provision of care staff to Council Care Homes, undertaken as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Chief Officer, Edinburgh Health & Social Care Partnership, in consultation with the Convenor of Finance and Resources Committee. The value of this waiver will be a maximum of £300,000 for an expected four month period.

3. Background

- 3.1 Care Homes have been subject to a process of significant change following COVID pandemic and the impact that this has had on the staffing markets.
- 3.2 Due to the pandemic, recruitment was put on hold, with no active recruitment taking place from March 2020 until October 2021, which has had an impact on the staffing numbers in the Care Homes.
- 3.3 Regular recruitment has taken place since this date, but the numbers of staff applying is poor (average of 12 applicants per advert), around 50% being interviewed and the subsequent numbers of staff successful is around 25% of those interviewed.
- 3.4 H1 Healthcare were initially engaged to provide additional agency staff support to ensure adequate cover in place within Council Care Homes as the current Agency providers on the Scotland Excel (SXL) Framework are unable to fulfil the current requirements.
- 3.5 This report notes the requirement to extend this provision to ensure continuity of care to residents while the current staff vacancies are recruited to. While several appointments have been made, there is still a large number of vacancies within the Care Homes.

- 3.6 The extension was also required as the current SXL Framework, due to be updated at end of July 2022, which was delayed and projected to start on 1 November 2022. A new projected start date of 16th January 2023 has now been given but may be subject to further delays. The current Recruitment Agencies on the contract are unable to supply staff to the cover the level of staff vacancies within the Homes.

4. Main report

- 4.1 On 23 May 2022 a Waiver of Contract Standing Orders (CSOs) was agreed to the value of £100,000 and a further Waiver to CSOs was agreed to the value of £150,000 on 23 August 2022, both of which have now been exhausted.
- 4.2 There is an active recruitment programme which has been ongoing since October 2021 which has provided a small number of staff for the Care Homes.
- 4.3 Whilst Care Homes have recruited a Business Staff member to process all adverts/successful applicants the recruitment process entails many timely delays which in turn impact upon the start dates for successful candidates. Each process means contact with HR and being placed on a waiting list, taking up to 14 days for a reply. Furthermore, these roles are now not on a pre-approved list which means that they now have to go through the approval process further delaying the adverts going live.
- 4.4 We have been actively involved in Recruitment Fairs across the city to promote the benefits of working with the Council Care Homes and are supporting attendees to apply to these roles.
- 4.5 A recruitment drive for Casual staff took place in December 2021 to provide support. Although there were a number of applicants, 33, across Care Homes and Home Care, with 6 staff now working within Homes, providing adhoc shift cover when they are available.
- 4.6 Regular meetings are being held with ASA Recruitment the main provider of Care Staff to Care Homes to try to improve their job fill rates (they are currently sitting at around a 72% fill rate).
- 4.7 There is current recruitment for staff via the NHS Staff Bank that would be recruited to work solely in Care Homes, this recruitment is ongoing, with 51 staff now recruited and another 25 successful for interview, going through recruitment checks. Further adverts are being placed at two weekly intervals to increase the availability of staff, which will reduce our reliance on Agencies.
- 4.8 Had the support from H1 staff been withdrawn there is was a risk that:
- 4.8.1 Continuity on staff providing personal care and support to residents would be compromised.
- 4.8.2 Care Home staffing levels would be compromised.

4.8.3 The high level of care provision to residents within the Homes would be affected and, potentially, put residents at risk from harm.

4.8.4 The wellbeing of current staff members, who have already worked tirelessly through the pandemic, would be affected.

4.8 In the circumstances, it was necessary to seek approval to extend this contract via a waiver of CSOs under Urgency Provision to the end of January 2023 at a cost of up to £800,000 (this was requested under 2 amounts £300,000 on 10/11/22 and a further £500,00 on 25/11/22).

5. Next Steps

5.1 The contract with H1 Healthcare will be extended to end of January 2023 to support the delivery care to residents within the Council Care Homes.

5.2 This will enable a transition stage of three months to allow the implementation of the next SXL Framework and for Homes to build relationships with these Agencies and their staff members

5.3 Working with colleagues in Commercial and Procurement Services we will seek to fully identify forward staffing needs and review options for compliant sourcing were there to be an ongoing shortfall once the new SXL Framework is in place, which remains a possibility but cannot be fully ascertained at this stage until the new Framework is live.

6. Financial impact

6.1. The total cost of this contract extension is up to £800,000 and will be met from each Care Home Staffing budgets for financial year 2022/23.

7. Stakeholder/Community Impact

7.1 There are no equalities impacts arising from this contract extension.

8. Background reading/external references

8.1 None.

9. Appendices

9.1 Appendix 1 – Hourly charge rates for each of the Agencies used to provide Care staff to Care Homes.

10. Appendix 1 – Hourly Pay Rates for Agencies

Detailed below are the Hourly Pay Rates for the Agencies currently supplying Care staff to Care Homes

Agency	Current Hourly Pay Rate
ASA **	Mon-Fri (Days) - £14.68 Mon-Fri (Nights) - £19.05 to £20.96 Weekend (Days) - £18.04 Weekend (Nights) - £22.39 to £26.07
Reed	Days - £15.64 Nights - £17.96
Randstad	£17.44
TSCCP	Days - £17.55 Nights - £18.51
Newcross	£24.30 - £28.84
Scottish Nursing Guild	Days - £35.76 (plus mileage) Nights - £49.50 (plus mileage)
H1	£21.30

** - ASA charge different rates of pay overnight dependent on what time it is.

All Planned Shifts for Agency Care Staff are sent to ASA initially, up to 6 weeks before they are required, and cover staff who are off on Long Term Sick, on Annual Leave, on Maternity Leave or Vacant posts. 5 days before the shifts are due to commence for the following week a check is made on what ASA has filled on the Planned shifts and if any are unfilled, contact is then made with other Agencies to fill these, starting with the contracted suppliers. Contact is made with uncontracted suppliers when the other Agencies cannot fill the required shifts.

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Finance and Resources Committee

10.00am, Thursday 26 January 2023

Capital Monitoring 2022/23 – Month Five Position – referral from the Governance, Risk and Best Value Committee

Executive/routine	Routine
Wards	
Council Commitments	

1. For Decision/Action

- 1.1 The Governance, Risk and Best Value Committee has referred the Capital Monitoring 2022/23 – Month Five Position report to the Finance and Resources Committee for information.

Richard Carr
Interim Executive Director of Corporate Services

Contact: Emily Traynor, Assistant Committee Officer
Legal and Assurance Division, Corporate Services
emily.traynor@edinburgh.gov.uk

Referral Report

Capital Monitoring 2022/23 – Month Five Position

2. Terms of Referral

- 2.1 The Finance and Resources Committee considered the Month Five Capital Monitoring report at its meeting on 10 November 2022 and referred it to the Governance, Risk and Best Value Committee.
- 2.2 The Governance, Risk and Best Value Committee considered the report on 22 November 2022. Recommendation 1.3 of the report asked the Finance and Resources Committee to “note it has been agreed that the Finance and Resources Committee has oversight for and approval of the whole Capital Investment Programme.”
- 2.3 The GRBV Committee noted while the Finance and Resources Committee has an oversight role of the Capital Investment Programme, approval of the programme is a matter reserved to Council. The Governance, Risk and Best Value Committee agreed to refer the report back to the Finance and Resources Committee to highlight this for information.

3. Background Reading/ External References

- 3.1 Minute of the Governance, Risk and Best Value Committee – 22 November 2022
- 3.2 [Governance, Risk and Best Value Committee – 22 November 2022 Webcast](#)

4. Appendices

Appendix 1 – Capital Monitoring 2022/23 – Month Five Position – referral from the Finance and Resources Committee

Governance, Risk and Best Value Committee

10.00am, Tuesday 22 November 2022

Capital Monitoring 2022/23 – Month Five Position – referral from the Finance and Resources Committee

Executive/routine Wards Council Commitments	Executive All
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1. For Decision/Action

- 1.1 The Finance and Resources Committee has referred a report on the Capital Monitoring 2022/23 – Month Five Position to the Governance, Risk and Best Value Committee as part of its work programme.

Richard Carr
Interim Executive Director of Corporate Services

Contact: Taylor Ward, Assistant Committee Officer
Legal and Assurance Division, Corporate Services Directorate
Email: taylor.ward@edinburgh.gov.uk

Referral Report

Capital Monitoring 2022/23 – Month Five Position – referral from the Finance and Resources Committee

2. Terms of Referral

- 2.1 On 10 November 2022, the Finance and Resources Committee considered the Capital Monitoring 2022/23 – Month Five Position report. The report provided capital expenditure and funding position at month five, full-year outturn projections for the 2022/23 financial year and provided explanations for key variances.
- 2.2 The Finance and Resources Committee agreed:
 - 2.2.1 To note the capital monitoring position for the General Fund and Housing Revenue Account at month five of the 2022/23 financial year.
 - 2.2.2 To note the Prudential Indicators in appendix 3 to the report.
 - 2.2.3 To note that it had been agreed that the Finance and Resources Committee had oversight for and approval of the whole Capital Investment Programme.
 - 2.2.4 To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.

3. Background Reading

- 3.1 [Finance and Resources Committee – 10 November 2022 - Webcast](#)
- 3.2 Minute of the Finance and Resources Committee – 10 November 2022

4. Appendices

- 4.1 Appendix 1 – report by the Interim Executive Director of Corporate Services

Finance and Resources Committee

10.00am, Thursday, 10 November 2022

Capital Monitoring 2022/23 - Month Five Position

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

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

Richard Carr

Interim Executive Director of Corporate Services

Contact: Matt Jones, Senior Accountant,

Finance and Procurement, Corporate Services Directorate

E-mail: Matt.Jones@edinburgh.gov.uk | Tel: 07863 561145

Capital Monitoring 2022/23 - Month Five Position

2. Executive Summary

- 2.1 The report provides the 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.
- 2.2 At month five, the General Fund is projecting capital expenditure of £225.999m and capital income of £114.560m, resulting in a net requirement of £111.439m in loans fund advances. This is £2.809m lower than the revised budget update provided in month three due to updated cashflows across the programme.
- 2.3 At month five, the Housing Revenue Account (HRA) is projecting capital expenditure of £118.108m and capital income of £38.992m, resulting in a net requirement of £79.116m in loans fund advances.
- 2.4 An additional report is brought to the Finance and Resources Committee on this agenda assessing the significant financial pressure faced by the capital programme due to by 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.

3. Background

- 3.1 The Sustainable Capital Budget Strategy 2022-2032 was approved by Council on 24th February 2022. This report detailed priorities for council capital investment of £1,459.874m, in alignment with the Council Business Plan, over the medium to long-term and set out a plan on how they could be funded.
- 3.2 The Capital Strategy - Annual Report was approved by Council on 17th March 2022. This report sets out the proposed capital strategy, which provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens.
- 3.3 The month three capital monitoring position and the revised 2022/23 capital budget strategy position was reported to Finance and Resources Committee on 8th September 2022. This report incorporated outturn slippage from 2021/22 and rolled forward the capital investment programme for the period 2022-2032 to create the

revised capital budget. In creating the revised budget, realignments were made between financial years to reflect the most up to date cash flow projections available. The budget was also adjusted to reflect funding received since the Council set its budget in February.

4. Main report

Capital Monitoring 2022/23 – Month Five Position

General Fund Capital

- 4.1 At month five, general fund expenditure is projected to be £225.999m, compared against a budget of £228.988m, resulting in projected capital expenditure slippage of £2.989m. Grants and other capital income are forecast to be £114.560m with the remaining expenditure being funded by loans fund advances of £111.439m. This is £2.809m lower than the revised budget update provided in month three reflecting updated cashflows received across the programme. A breakdown by directorate is provided in Appendix 1, with additional commentary provided in sections 4.2 to 4.7.
- 4.2 Within Education and Children's Services, there has been capital expenditure of £19.490m as at month five. Expenditure relates primarily to Early Years projects, Boroughmuir High School, Trinity Academy and Wester Hailes Education Centre. There is also now forecast slippage of £12.526m in the year, which relates predominantly to Rising School Rolls. The Learning Estate 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.
- 4.3 Within Place, there has been capital expenditure of £30.609m as at month five. Expenditure relates primarily to North Bridge £5.652m, Carriageways and Footways £6,161m, City Centre West East Link (CCWEL) Active Travel project £2.259m and the spending of the Development Funding Grant £3.669m. The projected outturn variance of £3.969m for the year primarily relates to;
- Housing and Regeneration slippage of £2.143m due to construction industry materials and labour shortages affecting the Granton Station Town Centre and Powderhall Stables programmes;
 - Depot Review slippage of £1.859m and Roads and Footways slippage of £1.008m both due to construction delays for the reasons noted above; and
 - North Bridge budget acceleration of £1.203m in line with latest forecasts.
- 4.4 Within Place – Trams to Newhaven, the project is forecasting in line with budget and is expected to complete on time in Spring 2023, within the approved budget of £207.3m.
- 4.5 Within Place - Lending there has been capital expenditure of £3.096m as at month five for completed units which have transferred to Edinburgh Living LLP.

- 4.6 Within Asset Management Works Programme, there has been capital expenditure of £4.143m as at month five across various projects, with outturn slippage of £8.973m against a budget of £22.102m. This is due to delays to the Enerphit programme £4.275m and general slippage £4.698m due to the shared experience of shortages in materials and labour in the construction industry.
- 4.7 An additional report is brought to the Finance and Resources Committee on this agenda assessing the significant financial pressure faced by the capital programme 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.

Housing Revenue Account (HRA) Capital

- 4.8 The month five monitoring shows HRA capital expenditure of £28.535m for the financial year to date across various programmes and workstreams relating to the Council housebuilding programme and improvements to existing council homes and estates, with forecast capital expenditure slippage of £0.647m in the year. A breakdown by programme is provided in Appendix 2, with additional commentary provided in sections 4.9 to 4.13.
- 4.9 The forecast capital expenditure outturn on the Council Housebuilding Programme is acceleration of £1.383m which is primarily due to the rephasing of Western Villages development stages.
- 4.10 The forecast capital expenditure outturn on the Land element of the Council Housebuilding Programme is in line with budget, with the purchase of Liberton Hospital expected to complete within the year.
- 4.11 The forecast capital expenditure outturn against Improvements to Council Homes and Estates is slippage of £1.989m primarily due to supply chain disruption, including shortages of materials and contractor availability.
- 4.12 Previously, delays were reported in the Improvements to Council Homes and Estates programme because of the refusal of tenants to allow access to properties because of Covid concerns. Although this remains to some extent, the impact on the programme is much reduced.
- 4.13 The month five monitoring shows HRA capital income of £6.794m for the financial year so far, primarily from capital receipts from sales to Edinburgh Living LLP and additional disposals through the Acquisitions and Disposals Programme. The projected Capital income is £38.992m, which is £2.567m more than the revised budget, reflecting these additional disposals. The amount to be funded through the Loans Fund Advance is projected to be £79.116m, a reduction of £3.214m in line with overall HRA programme slippage and the additional income.

5. Next Steps

- 5.1 This report will be referred to Governance, Risk and Best Value Committee to consider as part of its programme of work.
- 5.2 Finance staff will continue work with project and programme managers to monitor capital budgets.
- 5.3 Further reports will be presented to Finance and Resource Committee at month 8 and month 12 showing the position against the revised 2022/23 capital budget.

6. Financial impact

- 6.1 The 2022/23 General Fund projected outturn outlines loans fund advances of £111.439m. The overall loan charges associated with this over a 30-year period would be a principal amount of £111.439m, interest and expenses of £85.291m, resulting in a total cost of £196.731m based on a loans fund interest rate of 4.00%. The average annual cost would be £6.558m for 30 years.
- 6.2 The 2022/23 HRA projected outturn outlines loans fund advances of £79.116m. The overall loans charges associated with this over a 30-year period would be a principal amount of £79.116m, interest of £64.855m, resulting in a total cost of £143.971m based on a loans fund rate of 4.25%. The average annual cost would be £4.799m for 30 years.
- 6.3 Borrowing required is carried out in line with the Council's approved Treasury Management Strategy.
- 6.4 The loan charge costs outlined above will be met from the general fund and HRA revenue budgets for loan charges.

7. Stakeholder/Community Impact

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

8. Background reading/external references

- 8.1 [Sustainable Capital Strategy 2022-32 – Annual Report](#), Finance and Resources Committee, 3 March 2022
- 8.2 [2022-32 Sustainable Capital Budget Strategy – Outturn 2021/22 and Revised Budget 2022/23](#), Finance and Resources Committee, 8 September 2022

9. Appendices

- 9.1 Appendix 1 – 2022/23 Capital Monitoring Month Five – General Fund
- 9.2 Appendix 2 – 2022/23 Capital Monitoring Month Five – HRA

Appendix 1 - 2022/23 Capital Monitoring

General Fund Summary

Period 5

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£000	£000	£000	£000	£000	£000	%
Education and Children's Services	33,040	15,722	48,762	19,490	36,236	12,526	25.69%
Place	104,983	(1,454)	103,529	30,609	99,560	3,969	3.83%
Place - Lending	16,972	3,057	20,029	3,096	20,029	-	0.00%
Place - Tram York Place to Newhaven	39,503	15,197	54,700	21,733	55,238	(538)	-0.98%
Place - Asset Management Works	29,425	(7,323)	22,102	4,143	13,129	8,973	40.60%
Corporate Services	807	469	1,276	228	1,524	(247)	-19.39%
Edinburgh Health and Social Care Partnership	-	284	284	160	284	-	0.00%
Contingency	-	-	-	-	-	-	0.00%
Slippage Assumption	(21,694)	-	(21,694)	-	-	(21,694)	100.00%
Total Gross Expenditure	203,036	25,952	228,988	79,459	225,999	2,989	1.31%
Funding	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£000	£000	£000	£000	£000	£000	%
<i>Capital Receipts</i>							
General Asset Sales	3,000	16,391	19,391	946	19,391	-	0.00%
Ringfenced Asset Sales	-	-	-	122	122	122	N/A
Capital from Current Revenue	-	2,670	2,670	1,170	2,670	-	0.00%
Less Fees Relating to Receipts	-	-	-	-	-	-	N/A
Less Fees Relating to General Receipts	-	-	-	-	-	-	N/A
Total Capital Receipts from Asset Sales	3,000	19,061	22,061	2,238	22,183	122	0.55%
<i>Drawdown from/ (to) Capital Fund</i>	-	-	-	-	-	-	N/A
<i>Developer Contributions</i>							
Developers Contributions Transferred to Investments	-	1,133	1,133	7,907	-	(1,133)	0.00%
Total Developer Contributions	-	1,133	1,133	7,907	-	(1,133)	N/A
Total Capital Receipts and Contributions	3,000	20,194	23,194	10,144	22,183	(1,011)	-4.36%
<i>Grants</i>							
Scottish Government General Capital Grant	40,221	-	40,221	17,089	40,221	-	0.00%
Other Grants and Contributions	-	-	-	1,373	1,373	1,373	N/A
Cycling, Walking and Safer Streets	2,310	1,068	3,378	-	3,378	-	0.00%
Town Centre Funding / Place Based Investment Programme	1,735	-	1,735	2,223	2,223	488	28.13%
Transfer of Management of Development Funding (TMDF)	45,182	-	45,182	1,118	45,182	-	0.00%
Early Years and Childcare - Expansion	-	-	-	-	-	-	N/A
Regeneration Funding - Powderhall Stables	-	-	-	-	-	-	N/A
Other Government Grants	-	-	-	(1,234)	-	-	N/A
Capital Grants Unapplied Account Drawdown	-	-	-	-	-	-	0.00%
Total Grants	89,448	1,068	90,516	20,569	92,377	1,861	2.06%
Total Funding	92,448	21,262	113,710	30,713	114,560	850	0.75%
<i>Borrowing</i>							
New Prudential Borrowing in Year	9,340	4,270	13,610	-	5,765	(7,845)	-57.64%
New On-Lending in Year	16,972	3,057	20,029	-	20,029	-	0.00%
New Capital Advance - Trams to Newhaven	39,503	15,197	54,700	-	55,238	538	0.98%
New Capital Advance - General Fund	44,773	(18,864)	25,909	48,746	30,407	4,498	17.36%
Balance to be funded through Loans Fund Advance	110,588	3,660	114,248	48,746	111,439	(2,809)	-2.46%

Appendix 2 - 2022/23 Capital Monitoring

Housing Revenue Account

Period 5

Expenditure	Approved Budget £000	Adjustments £000	Revised Budget £000	Actual to Date £000	Projected Outturn £000	Projected Outturn Variance	
						£000	%
New Homes Development	43,332	(5,608)	37,724	7,807	39,107	1,383	3.7%
New Homes Land Costs	16,800	(2,456)	14,344	46	14,303	(41)	-0.3%
Improvement to Council Homes and Estates	66,687	-	66,687	20,683	64,698	(1,989)	-3.0%
Total Gross Expenditure	126,819	(8,064)	118,755	28,535	118,108	(647)	-0.5%

Income	Approved Budget £000	Adjustments £000	Revised Budget £000	Actual to Date £000	Projected Outturn £000	Projected Outturn Variance	
						£000	%
Capital Receipts and Other Contributions	-	-	-	2,567	2,567	2,567	0.0%
Capital Funded from Current Revenue	23,300	(2,456)	20,844	-	20,844	-	0.0%
Receipts from LLPs	6,444	-	6,444	3,042	6,444	-	0.0%
Scottish Government Subsidy	4,137	-	4,137	1,185	4,137	-	0.0%
Specific Capital Grant	5,000	-	5,000	-	5,000	-	0.0%
Total Income	38,881	(2,456)	36,425	6,794	38,992	2,567	7.0%

Balance to be funded through Loans Fund Advance	87,938	(5,608)	82,330	21,741	79,116	(3,214)	0%
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2022/23 Revised Budget Prudential Indicators**Indicator 1 - Estimate of Capital Expenditure**

The actual capital expenditure that was incurred in 2021/22 and the estimates of capital expenditure to be incurred for the current and future years:

	Capital Expenditure - General Services					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Rolled Forward Capital Investment Programme						
Education and Children's Services	95,726	36,236	71,215	103,555	83,314	31,563
Place	176,181	99,560	130,679	79,059	75,997	20,223
Place - Lending	4,167	20,029	62,413	70,500	41,793	10,804
Place - Trams to Newhaven	68,486	55,238	3,507	0	0	0
Place - Asset Management Works	23,236	13,129	26,441	33,677	31,484	20,473
Corporate Services	3,155	1,524	4,091	1,597	669	678
Edinburgh Health and Social Care Partnership	164	284	0	0	0	0
Contingency	0	0	0	0	5,000	5,000
General Slippage in Programme	0	0	-18,660	-5,573	4,574	17,928
Total General Services Capital Expenditure	371,115	225,999	279,685	282,814	242,831	106,669

The Place - Trams to Newhaven figures include capitalised interest following a change in accounting policy approved by Finance and Resources Committee on 21 January 2021. Note that the 2022-2027 Capital Investment Programme includes slippage / acceleration brought forward based on projected capital expenditure reported at the month three stage.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Rolled Forward Capital Investment Programme						
Housing Revenue Account	64,850	118,108	174,587	266,705	512,713	515,030

Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years and the actual figures for 2021/22 are:

	Ratio of Financing Costs to Net Revenue Stream					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
General Services	6.8%	12.8%	8.1%	8.2%	8.2%	8.2%
Housing Revenue Account (HRA)	32.0%	35.7%	37.7%	40.5%	44.2%	47.9%

Note: Figures for 2023/24 onwards are indicative at this stage as the Council has not set a General Services or HRA budget for these years. The figures for General Services are based on the current long term financial plan. HRA figures are based on the business plan which was reported to Finance and Resources Committee on 2 February 2021.

The estimates of financing costs include current commitments in the capital plans set out in Appendices 3 and 4.

Indicator 3 - Capital Financing Requirement

Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31 March 2022 are:

	Capital Financing Requirement					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
General Services (including Finance Leases)	1,411	1,450	1,501	1,546	1,579	1,546
Housing Revenue Account (HRA)	394	458	542	646	788	941
NHT LLPs	56	32	15	15	0	0
Edinburgh Living LLPs	42	61	123	192	234	244
Total Capital Financing Requirement	1,903	2,001	2,180	2,400	2,601	2,731

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequences of all of the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to borrow for a capital purpose.

The capital financing requirement for the NHT LLPs includes an estimate for repayments of advances. Exit strategies are still to be finalised for the remaining three LLPs, however four have repaid their loans in full.

CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence.

In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	Gross Debt and the Capital Financing Requirement					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Gross Debt	1,780	1,720	1,670	1,622	1,548	1,474
Capital Financing Requirements	1,903	2,001	2,180	2,400	2,601	2,731
(Over) / under limit by:	123	282	510	778	1,052	1,257

The authority does not currently envisage borrowing in excess of its capital financing requirement over the next few years. This takes into account current commitments, existing plans and assumptions around cash balances and the proposals in this budget. The figures do not include any expenditure and associated funding requirements, other than projects specifically approved by Council, for the Local Development Plan (LDP) or City Deal.

In 2022/2023, the Authority will apply IFRS 16 Leases as adopted by the Code of Accounting Practice. This will subsequently have an impact on the Capital Financing Requirement (CFR) as from the 2022/23 financial year. Therefore, it should be expected to see an increase in the CFR in future years. This will similarly have an impact on the authorised limit and operational boundary for external debt.

Indicator 4 - Authorised Limit for External Debt

The authorised limit should reflect a level of borrowing which, while not desired, could be afforded, but may not be sustainable. "Credit Arrangements" as defined by Financial Regulations, has been used to calculate the authorised and operational limits requiring both the short and long term liabilities relating to finance leases and PFI assets to be considered. In respect of its external debt, the following authorised limits for its total external debt gross of investments for the next four financial years was approved in February 2022. These limits separately identify borrowing under credit arrangements including finance leases and PFI assets. Council have approved these limits and to delegate authority to the Service Director for Finance and Procurement, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and credit arrangements, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its meeting following the change.

	Authorised Limit for External Debt					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
Borrowing	1,690	1,919	2,256	2,708	3,194	3,613
Credit Arrangements (including leases)	289	284	279	274	268	262
Authorised Limit for External Debt	1,980	2,203	2,535	2,982	3,462	3,875

These authorised limits are consistent with the authority's current commitments, existing plans and the proposals in this budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of most likely (but not worst case) scenario with sufficient headroom to allow for operational treasury management. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

Indicator 5 - Operational Boundary for External Debt

The Council has also approved, in February 2022, the following operational boundary for external debt for the same period. The proposed operational boundary equates to the estimated maximum of external debt. It is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and credit arrangements are separately identified. The Council has also delegated authority to the Service Director for Finance and Procurement, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and credit arrangements, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	Operational Boundary for External Debt					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
Borrowing	1,640	1,869	2,206	2,658	3,144	3,563
Credit Arrangements (including leases)	289	284	279	274	268	262
Operational Boundary for External Debt	1,930	2,153	2,485	2,932	3,412	3,825

The Council's actual external debt at 31 March 2021 was £1,347m of borrowing (including sums repayable within 12 months).

Indicator 6 - Loans Charges Associated with net Capital Investment expenditure plans

Under the changes to the Prudential Code which came into force in December 2017, the requirement to measure and report on the incremental impact on the Council Tax / rents was removed from the Code. The authority can set its own local indicators to measure the affordability of its capital investment plans. The Service Director for Finance and Procurement considers that Council should be advised of the loans charges cost implications which will result from the spending plans being considered for approval. These cost implications have been included in the Council's Revenue and HRA budgets for 2022/23 and for future years will be considered as part of the longer term financial frameworks.

	Loans Charges Liability					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £001
General Services (excluding On-Lending and Tram to Newhaven) - New Loans Fund Advances						
Loans Fund Advances in year	147,789	35,119	101,942	109,404	104,655	41,977
Year 1 - Interest Only	2,997	712	2,067	2,218	2,122	851
Year 2 - Interest and Principal Repayment	8,597	2,043	5,930	6,364	6,088	2,442
Housing Revenue Account (HRA) - New Loans Fund Advances						
Loans Fund Advances in year (excl. LLP programme *)	35,364	82,330	104,216	127,158	167,115	182,537
Year 1 - Interest Only	761	1,772	2,243	2,737	3,597	3,929
Year 2 - Interest and Principal Repayment	2,120	4,935	6,247	7,622	10,017	10,941

* The loans charges associated with the borrowing required for the house building programme for onward transferred to the LLPs will be met from the LLPs and does therefore not have a net impact on the HRA or General Services revenue budget. Tram repayments are based on the income model and will commence in 2023/24 when the line to Newhaven becomes operational.

Consideration of options for the capital programme

In considering its programme for capital investment, Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax or house rents;
- prudence and sustainability, e.g. implications for external borrowing;
- value for money, e.g. option appraisal;
- stewardship of assets, e.g. asset management planning;
- service objectives, e.g. strategic planning for the authority;
- practicality, e.g. achievability of the forward plan.

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Finance and Resources Committee

10.00am, Thursday, 26 January 2023

Performance Update Report – referral from the Policy and Sustainability Committee

Executive/routine
Wards
Council Commitments

1. For Decision/Action

- 1.1 The Policy and Sustainability Committee has referred the Performance Update Report to relevant Executive Committees for scrutiny on Business Plan Key Performance Indicators (KPIs) where a red RAG status had been noted. The report has been referred to the Finance and Resources Committee in relation to:
Edinburgh's economy recovers from recession and supports businesses to thrive: % EH procurement spend.

Richard Carr

Interim Executive Director of Corporate Services

Contact: Jamie Macrae, Committee Services, Legal and Assurance Division

E-mail: jamie.macrae@edinburgh.gov.uk

Referral Report

End Poverty in Edinburgh Annual Report 2022 – referral from the Policy and Sustainability Committee

2. Terms of Referral

2.1 On 17 November 2022 the Policy and Sustainability Committee considered the Performance Update Report by the Interim Executive Director of Corporate Services. The report provided information to enable Elected Members to scrutinise performance in a structured way. This followed the approach as set out in the Planning and Performance Framework report which Elected Members approved on 10 June 2021. This was the first performance report focusing on the 2022/23 reporting year. The information included in the report was the latest available data and reflected the current position at the time of publication.

2.2 Within the report, a RAG status, which compared performance against the target, had been assigned to the indicators:

- Green – Performance was on or ahead of target
- Amber – Performance was behind target by 5% or less
- Red – Performance was behind target by more than 5%
- Grey – this RAG was used for indicators that were for monitoring purposes only and consequently no target had been set for these.
- Blue – this RAG is used for: new indicators where a baseline is required before a target can be set; indicators with a year-end target so a RAG status was not appropriate currently.

2.3 The Policy and Sustainability Committee agreed:

Motion

- 1) To note the Performance Update Report in Appendix A of the report by the Interim Executive Director of Corporate Services.
- 2) To approve the KPIs and targets for 2022/23 set out in Appendix B of the report by the Interim Executive Director of Corporate Services.
- 3) To approve the amendments to the KPIs for 2022/23 set out in Appendix C of the report by the Interim Executive Director of Corporate Services.
- 4) To refer the report to the relevant Executive Committee where a red RAG status had been noted.

- moved by Councillor Day, seconded by Councillor Watt

Amendment

- 1) To note the Performance Update Report in Appendix A of the report by the Interim Executive Director of Corporate Services.
- 2) To approve the KPIs and targets for 2022/23 set out in Appendix B of the report by the Interim Executive Director of Corporate Services.
- 3) To approve the amendments to the KPIs for 2022/23 set out in Appendix C of the report by the Interim Executive Director of Corporate Services.
- 4) To note the KPIs did not cover all the services Council provided.
- 5) To note the KPIs covered some functions of Council as an employer and some as a service provider.
- 6) To request a further report to this Committee in one cycle that ensured the measurement of all service provision within KPIs.
- 7) To recommend a separate report to Finance and Resources Committee within one cycle setting out the KPIs appropriate to the Council's responsibilities as an employer.

- moved by Councillor Doggart, seconded by Councillor Whyte

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 Day:

- 1) To note the Performance Update Report in Appendix A of the report by the Interim Executive Director of Corporate Services.
- 2) To approve the KPIs and targets for 2022/23 set out in Appendix B of the report by the Interim Executive Director of Corporate Services.
- 3) To approve the amendments to the KPIs for 2022/23 set out in Appendix C of the report by the Interim Executive Director of Corporate Services.
- 4) To refer the report to the relevant Executive Committee where a red RAG status had been noted.
- 5) To note the KPIs did not cover all the services Council provided.
- 6) To note the KPIs covered some functions of Council as an employer and some as a service provider.
- 7) To request a further report to this Committee in one cycle that ensured the measurement of all service provision within KPIs.
- 8) To recommend a separate report to Finance and Resources Committee within two cycles setting out the KPIs appropriate to the Council's responsibilities as an employer.

3. Background Reading/ External References

Minute of the Policy and Sustainability Committee of 17 November 2022.

4. Appendices

Appendix 1 – Report by the Interim Executive Director of Corporate Services

Policy and Sustainability Committee

10:00am, Thursday, 17 November 2022

Performance Update Report

Executive Executive
Wards
Council Commitments

1. Recommendations

That members of the Policy and Sustainability Committee:

- 1.1 note the Performance Update Report in Appendix A.
- 1.2 approve the KPIs and targets for 2022/23 set out in Appendix B.
- 1.3 approve the amendments to the KPIs for 2022/23 set out in Appendix C.

Richard Carr

Interim Executive Director of Corporate Services

Contact: Edel McManus, Change & Delivery Manager

Strategic Change and Delivery Team, Corporate Services Directorate

E-mail: edel.mcmanus@edinburgh.gov.uk

Performance Update Report

2. Executive Summary

- 2.1 The purpose of this report is to provide information so that Elected Members can scrutinise performance in a structured way. This follows the approach as set out in the [Planning and Performance Framework](#) report which Elected Members approved on 10 June 2021.
- 2.2 This is the first performance report focusing on the 2022/23 reporting year. The information included in the report is the latest available data and reflects the current position at the time of publication.

3. Background

- 3.1 The Council's [Planning and Performance Framework](#) was approved by the Policy and Sustainability Committee on the 10 June 2021. The framework set out a new approach to planning and performance and how the Council measures the delivery of the priorities and outcomes in the [Council's Business Plan: Our Future Council, Our Future City](#).
- 3.2 Performance reports are submitted to the Policy and Sustainability Committee three times a year:
 - two Performance Update Reports providing updates on progress during the year
 - one Annual Performance Report which provides a summary of performance covering the whole reporting year.
- 3.3 As set out in the Planning and Performance Framework we have undertaken the annual review of the KPI's and targets to ensure that they remain relevant and reflect the deliverables in the Business Plan. Appendix B (Data Dictionary (revised KPIs including targets for 22/23)) of this report sets out a full list of all the indicators and the targets for 2022/23. Appendix C of the report provides an overview of any KPIs/milestones that have been added/removed or amended and the rationale for those changes.

- 3.4 Whilst the Business Plan (BP) is being refreshed, the Performance Update reports will continue to be aligned to the current [Council's Business Plan: Our Future Council, Our Future City.](#)

4. Main report

Performance Update

- 4.1 The Performance Update report (Appendix A) provides an update on 37 out of 89 Business Plan Key Performance indicators (KPIs). This report is focused on only the indicators with data available after 1 April 2022. The remainder of the indicators are not included as they do not have updates because, for example, they are annual indicators and so there is no new data since we published the Annual Performance report for 2021/22 (submitted to Policy & Sustainability in September 2022).
- 4.2 The report is divided into 3 sections:
- **High level overview (page1):** overview of the 37 measures with updates for 2022 including their RAG status and direction of travel. There are 34 indicators and 3 milestones. The RAG status reflects our performance against the updated targets for 2022/23 (Appendix B)
 - **KPI Scorecard (page 2):** progress overview of the 37 measures that have been updated since the Annual Performance Report for 2021/22 which was reported to Policy & Sustainability Committee in September and where there is data currently available for 2022/23.
 - **Dashboard (pages 3 - 13):** more detail on the 37 measures including the relevant chart, RAG status, direction of travel indicator and narrative on performance.
- 4.3 Within the report, a RAG status, which compares performance against the target, has been assigned to the indicators:
- Green – Performance is on or ahead of target
 - Amber – Performance is behind target by 5% or less
 - Red – Performance is behind target by more than 5%
 - Grey – this RAG is used for indicators that are for monitoring purposes only and consequently no target has been set for these.
 - Blue – this RAG is used for:
 - new indicators where a baseline is required before a target can be set
 - indicators with a year-end target so a RAG status is not appropriate currently.

- 4.4 The only exception to the above RAG rules are the two pupil low attendance indicators where the threshold between red and amber RAG status has been set at 1.5% by the service.
- 4.5 The three milestones included in the update are shown with Green RAG statuses as actions are in progress to deliver each milestone.
- 4.6 The direction of travel is based on a comparison between current and previous performance:
- Improving (greater than 2% improvement in performance)
 - Maintaining (within 2% change in performance)
 - Declining (greater than 2% decline in performance)
- 4.7 Appendix B is a data dictionary which provides descriptive information for all indicators to be used to monitor progress throughout 2022/23 (including the target and target rational for 2022/23).
- 4.8 Appendix C of this report provides a list of all amended/updated KPIs highlighting the changes between the suite of BP KPIs for 2021/22 and 2022/23.

Planning and Performance Framework – Implementation update

- 4.9 Currently work is underway to update the Councils Business Plan. Once completed we will update the Planning and Performance Framework measures/milestones to align to the plan.

5. Next Steps

- 5.1 The Planning and Performance framework will be reviewed following the refreshed Business Plan approval including:
- a review of the BP KPIs and monitoring regime
 - alignment of the Directorate and Divisional Service plans with the refreshed BP.

6. Financial impact

- 6.1 The Planning and Performance Framework has been designed within the available capacity and resource of the Strategic Change and Delivery Team and supporting resource available from Directorate Management Teams. There are therefore no further financial implications at this stage.

7. Stakeholder/Community Impact

- 7.1 The team continue to engage on the development of the PPF and data with key stakeholders including: Elected Members, The Community Planning Partnership (The Edinburgh Partnership), Corporate Leadership Team and Directorate Senior

Management Teams, as well as the Edinburgh Health and Social Care Partnership and other agencies.

8. Background reading/external references

- 8.1 [Council Business Plan](#)
- 8.2 [Planning and Performance Framework](#)
- 8.3 [Annual Performance report 2021/22](#)

9. Appendices

- 9.1 Appendix A - Performance Update Report
- 9.2 Appendix B – Data Dictionary (revised KPIs including targets for 22/23)
- 9.3 Appendix C - Updates to Key Performance Indicators and Targets



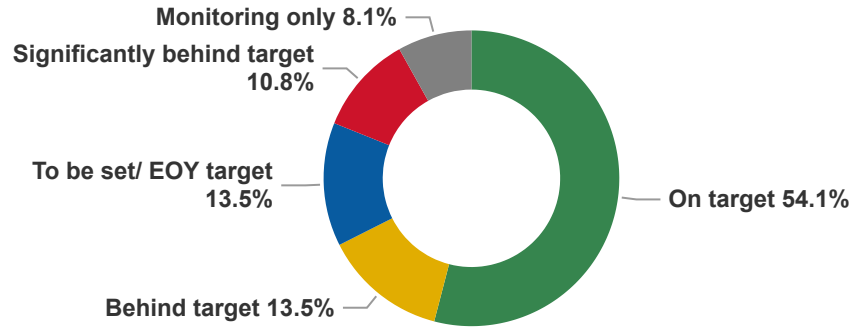
Summary of updated indicators (including milestones)

Click on a priority to see indicators updated since last publication

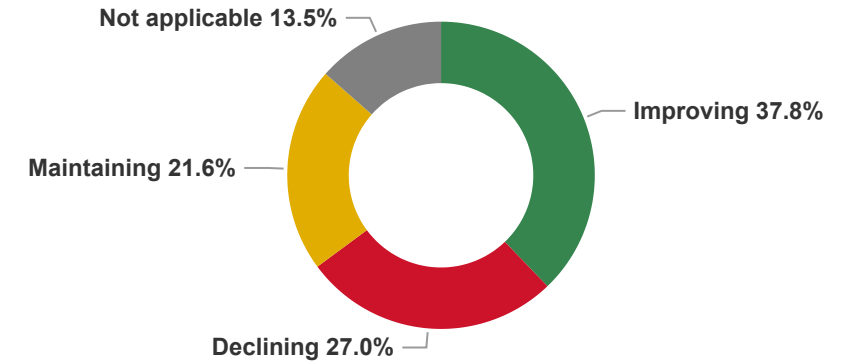
- Ending Poverty by 2030
- Becoming a sustainable and net zero city
- Wellbeing and Equalities

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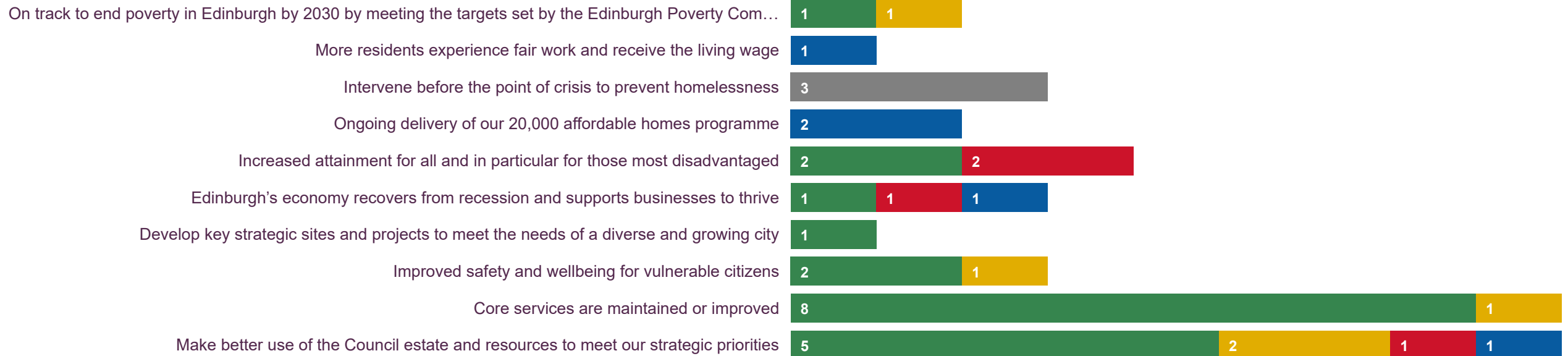
Performance against target (RAG)



Current performance compared to previous (Direction of Travel)



Number of KPIs by RAG and Outcome





Ending poverty by 2030 (P1)	Direction of travel	Target	Latest Figure	RAG
On track to end poverty in Edinburgh by 2030 by meeting the targets set by the Edinburgh Poverty Commission				
% children in families on income below poverty threshold	Improving ↑	17.0%	17.2%	!
A new approach to Advice Service is agreed with partners	Not applicable			█
More residents experience fair work and receive the living wage				
Nº: Living wage employer	Improving ↑	603	568	█
Intervene before the point of crisis to prevent homelessness				
Nº: Households assessed as homeless	Declining ↓		233	○
Nº: Housing advice only presentations	Improving ↑		104	○
% households in unsuitable temp accom	Declining ↓		25.6%	○
Ongoing delivery of our 20,000 affordable homes programme				
Nº: Affordable homes approved	Declining ↓	1,186	51	█
Nº: Affordable homes completed	Declining ↓	1,290	261	█
Increased attainment for all and in particular for those most disadvantaged				
% teachers meeting Charter Standard	Not applicable	20.0%	20.0%	✓
% schools achieving Digitals Schools Award	Not applicable	5.0%	5.6%	✓
% primary pupils with low attendance	Improving ↑	9.0%	12.2%	✗
% secondary pupils with low attendance	Improving ↑	16.0%	18.5%	✗
Edinburgh's economy recovers from recession and supports businesses to thrive				
No: engagements via Business Gateway	Declining ↓	3,728	1,255	█
% EH procurement spend	Declining ↓	50.0%	44.9%	✗
Progress the Economy Strategy Implementation Plan	Not applicable			█

Becoming a sustainable and net zero city (P2)	Direction of travel	Target	Latest Figure	RAG
Develop key strategic sites and projects to meet the needs of a diverse and growing city				
Complete procurement for new Bio Quarter health innovation district	Not applicable			█

Wellbeing and Equalities (P3)	Direction of travel	Target	Latest Figure	RAG
Make better use of the Council estate and resources to meet our strategic priorities				
% revenue spend with contracted suppliers	Maintaining →	93.0%	90.9%	!
% of Business Rates collected	Improving ↑	31.0%	38.4%	✓
% of Council Tax collected	Declining ↓	43.4%	46.6%	✓
% invoices paid (30days)	Maintaining →	95.0%	96.2%	✓
Approved budget savings	Improving ↑	90.0%	92.0%	✓
% Sickness absence	Declining ↓	4.0%	5.8%	!
% Revenue outturn	Maintaining →	100.0%	100.5%	✓
% Hub satisfaction	Declining ↓	75.0%	66.5%	✗
% iPADs issued: P6-S6	Improving ↑	100.0%	89.1%	█
Core services are maintained or improved				
% street lighting (5 days)	Improving ↑	50.0%	58.9%	✓
% street lighting repairs (24hrs)	Improving ↑	75.0%	90.0%	✓
% emergency street lighting repairs (4 hrs)	Maintaining →	95.0%	97.1%	✓
% Cat 3 Road Defects (60 days)	Maintaining →	85.0%	98.0%	✓
% Cat 2 Road Defects (5 days)	Declining ↓	85.0%	94.6%	✓
% emergency Cat 1 Road Defects (24 hrs)	Maintaining →	100.0%	100.0%	✓
% waste recycled	Maintaining →	45.0%	41.7%	!
Full Bin Requests (Communal)	Improving ↑	1,770	1,637	✓
Missed Bin Requests (Domestic)	Improving ↑	1,793	1,534	✓
Improved safety and wellbeing for vulnerable citizens				
Looked after children (per 1K population)	Improving ↑	12.90	11.70	✓
% community justice orders successfully completed	Maintaining →	75.0%	73.8%	!
Nº: Children on Protection Register (per 1K population)	Improving ↑	2.30	1.20	✓

Charts legend 2019-2020 2020-2021 2021-2022 2022-2023 Target

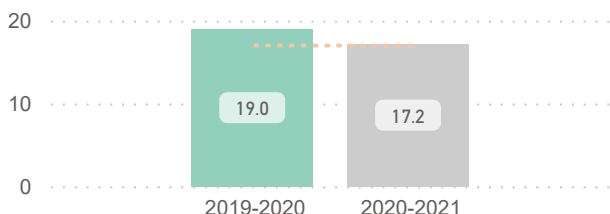
On track to end poverty in Edinburgh by 2030 by meeting the targets set by the Edinburgh Poverty Commission

% children in families on income below poverty threshold

17.2% Current value
19.0% Previous value
17.0% Target



Improving



Newly published poverty figures for 2020/21 show a decrease in number of children living in families on incomes below the poverty threshold. Research by Loughborough University, on behalf of the End Child Poverty coalition, shows that the headline rate of child poverty across the UK fell during 2020/21, primarily as a result of the temporary £20 a week uplift to universal credit brought in during the pandemic. Therefore, the full impact of the cost of living crisis on people in poverty is not reflected in the latest data shown. However, a separate report providing the annual detailed update on all actions being actioned in the End Poverty Delivery plan is submitted to this P&S Committee.

On track to end poverty in Edinburgh by 2030 by meeting the targets set by the Edinburgh Poverty Commission

A new approach to Advice Service is agreed with partners

Milestone deadline

TBC

Independent review of advice services across the Edinburgh Partnership has been completed. The Edinburgh Partnership is considering the findings and work has started on taking forward some of the recommendations whilst a full implementation plan is being developed.

Milestone

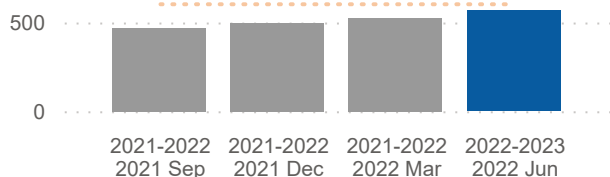
More residents experience fair work and receive the living wage

Nº: Living wage employer

568 Current value
526 Previous value
603 Target



Improving



The number of Living Wage employers in Edinburgh continues to gradually increase and is 568 at Jun 2022. This increase means we continue to achieve the target of increase by 100 per annum which was set as part of receiving living wage accreditation in November 2021.

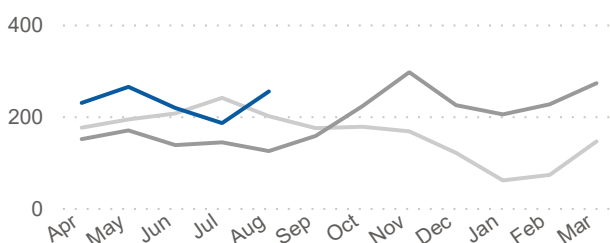
Intervene before the point of crisis to prevent homelessness

Nº: Households assessed as homeless

233 Current value
139 Previous value
Target



Declining



The number of households assessed as homeless has continued to show an increase, with a 67% increase for the average 12 month period Sep 21 to Aug 22 in comparison to Sep 20 to Aug 21. However this is still below the levels observed pre-covid.

* This is a demand led service and this indicator allows us to monitor changes over time therefore no target can be set and this indicator is for monitoring only.

Intervene before the point of crisis to prevent homelessness

Nº: Housing advice only presentations

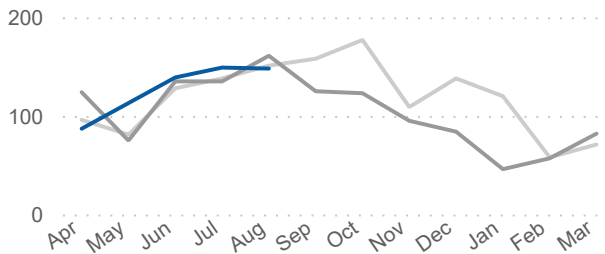
104
Current value

122
Previous value

Target



Improving



The number of housing advice only presentations is following a similar pattern in 2022/23 as observed in previous years, when there is an increase in presentations in late summer.

* This is a demand led service and this indicator allows us to monitor changes over time therefore no target can be set and this indicator is for monitoring on

Intervene before the point of crisis to prevent homelessness

% households in unsuitable temp accom

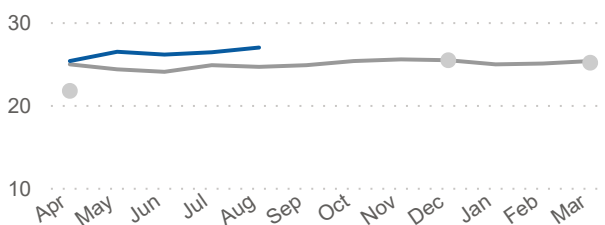
25.6%
Current value

24.4%
Previous value

Target



Declining



There has been a month on month increase in the % of households accommodated in unsuitable accommodation rising to a high of 26.9% in August 2022. We have continued to accommodate all households who require temporary accommodation, regardless of their eligibility status, including people who may have No Recourse to Public Funds as part of the ongoing Public Health requirements as a response to covid-19.

Ongoing delivery of our 20,000 affordable homes programme

Nº: Affordable homes approved

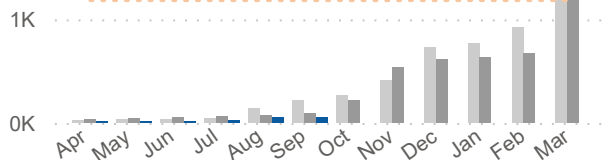
51
Current value

93
Previous value

1,186
Target



Declining



Approvals are facing ongoing delays, as many development partners are delaying procuring new contracts due to cost inflation. Uncertainty in the wider market due to rises in interest rates and risks to rental income streams due to the wider cost of living crisis has resulted in RSLs not bringing forward projects previously earmarked for approval this financial year. Also the impact on mortgage products has resulted in limited uptake of low cost home ownership. It is unlikely that the approvals target will be met this financial year, the majority of projects are expected to slip into next financial year. The remaining expected approvals are from three large projects expected in the final quarter of the year.

Ongoing delivery of our 20,000 affordable homes programme

Nº: Affordable homes completed

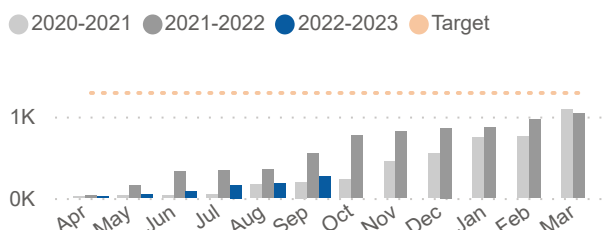
261
Current value

547
Previous value

1,290
Target



Declining



Projects that have been delayed over the last few years a result of the pandemic are reaching completion. Completions across the grant funded programme are progressing well, with the vast majority expected to take place before the end of the financial year. Whilst there have been delays in the non-grant funded programme(as set out above) overall the completion target is expected to be met this financial year.

Increased attainment for all and in particular for those most disadvantaged

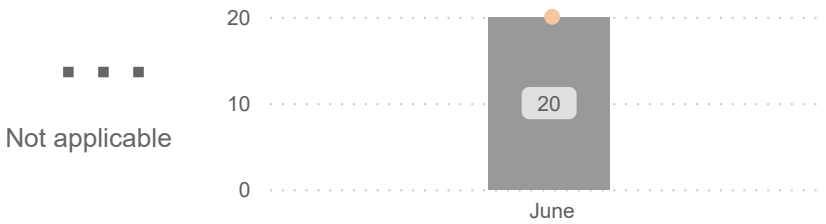
% teachers meeting Charter Standard



20.0%
Current value

Previous value

20.0%
Target



By the end of academic year 2021/22, we had met our target of 20% of teachers meeting the Teaching, Learning & Assessment Charter standard. This training continues in the new academic year (2022/23) and we making progress towards our new target of 40% for this year.

Increased attainment for all and in particular for those most disadvantaged

% schools achieving Digitals Schools Award



5.6%
Current value

Previous value

5.0%
Target



By the end of academic year 2021/22, 5.6% of schools achieved Digitals School awards and so we were ahead of our target of 5%. Work on enabling other schools to achieve this award continues in the new academic year (2022/23) and we making progress towards our new target of 20% for this year.

Increased attainment for all and in particular for those most disadvantaged

% primary pupils with low attendance

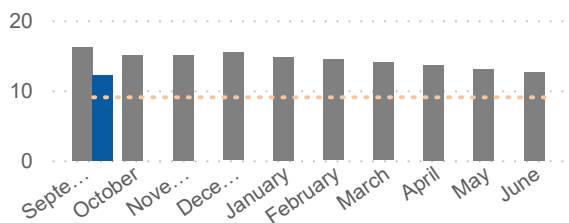


12.2%
Current value

16.2%
Previous value

9.0%
Target

Improving



Primary pupils with low attendance is lower this year (12.2% at Sept 22) compared to the same time last year (16.2% at Sept 21) but still behind our target of 9% and remains an area of significant challenge for us. Our aim is to have every child at school every day and for them to thrive in school. We are working hard to put the right support around individual families to make this happen at a pace that makes this sustainable and achievable for all. This includes making encouraging schools to pool PEF to appoint Pupil Support Officers - a resource proven to improve attendance. Covid has impacted significantly on attendance in our schools so research based approaches are even more necessary. Our objective is to continue to focus on our recovery to not only get back to where we were pre-Covid but improve further.

Increased attainment for all and in particular for those most disadvantaged

% secondary pupils with low attendance

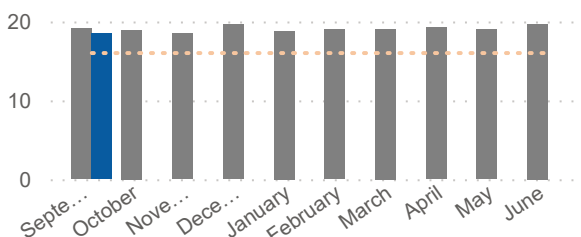


18.5%
Current value

19.1%
Previous value

16.0%
Target

Improving



Secondary pupils with low attendance is slightly lower this year (18.5% at Sept 22) compared to the same time last year (19.1% at Sept 21) but still behind our target of 16% and remains an area of challenge for us. Our aim is to have every young person at school every day and for their curriculum offer to be a major incentive for attendance. We are working hard to improve the secondary curriculum by developing appropriate pathways suitable for all learners. These include many more Foundation Apprenticeships delivered in partnership with Edinburgh College and employers.

Edinburgh's economy recovers from recession and supports businesses to thrive

No: engagements via Business Gateway



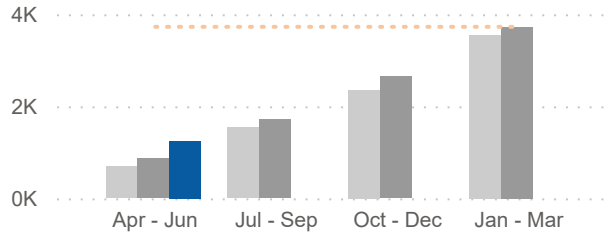
1,255
Current value

866
Previous value

3,728
Target



Declining



Over 1,000 business gateway engagements occurred between Apr - Jun 2022 which is higher than the number for the first quarter of the two previous years. Our advisors continue to offer one to one support as well as deliver specific programmes such as Digital Boost (support for expanding businesses' online presence) and Gateway to Investment (ensuring businesses are accessing investment and funding opportunities).

Edinburgh's economy recovers from recession and supports businesses to thrive

% EH procurement spend



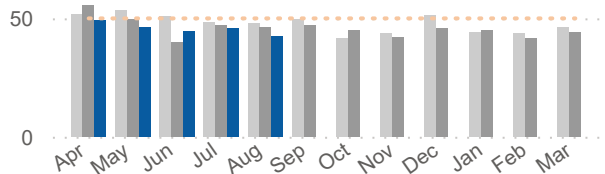
44.9%
Current value

46.6%
Previous value

50.0%
Target



Declining



Actual spend within the EH postcode has shown a decreasing trend to date in 2022/23, continuing the trend from 2021/22. While this reduction is attributable to a number of factors, the percentage is influenced by high and increasing spend on construction work, where for larger projects, it is likely that only larger national contractors are able to deliver the outcome the Council is seeking.

Edinburgh's economy recovers from recession and supports businesses to thrive

Progress the Economy Strategy Implementation Plan



Milestone deadline

March 2023

Implementation plan being progressed with an update on progress to be reported to P&S Committee annually.

Milestone

Develop key strategic sites and projects to meet the needs of a diverse and growing city

Complete procurement for new Bio Quarter health innovation district



Milestone deadline

March 2023

The business case has been agreed and the Edinburgh BioQuarter has formally launched its public procurement process to appoint a private sector partner by late 2022

Milestone 

Improved safety and wellbeing for vulnerable citizens

Nº: Children on Protection Register (per 1K population)



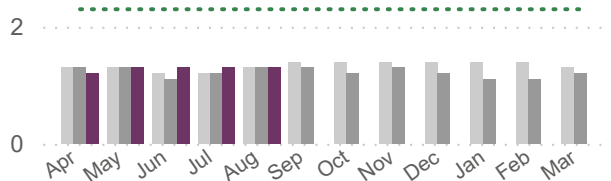
1.20
Current value

1.30
Previous value

2.30
Threshold



Improving



The rate of child protection registrations per 1,000 population remains steady at around 1 and is below the national rate. We use the national rate as a threshold which allows us to monitor our level of Child Protection registrations against the national context. These levels of registration are monitored by the Child Protection Committee on a regular basis and we also undertake quality assurance activity to deliver additional scrutiny and provide assurance that the planning undertaken to protect Edinburgh's children is robust.

* Whilst there is no specific target, the national rate of 2.3 children on the Child Protection Register per 10,000 population is used as the threshold to provide context to the ongoing level.

Improved safety and wellbeing for vulnerable citizens

% community justice orders successfully completed



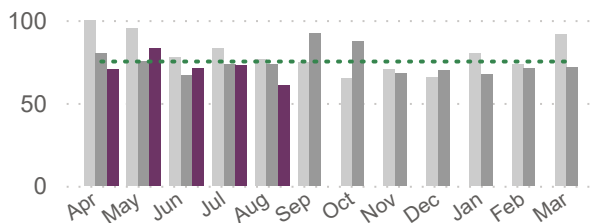
73.8%
Current value

74.0%
Previous value

75.0%
Target



Maintaining



Following the reset of the target in April 2022 to 75%, performance has been just below this since March 2022. This percentage of successfully completed Community Payback Orders has been impacted by the increased activities in the Courts, as breaches that have been submitted in previous months are being dealt with where the outcome of the order is revocation.

Improved safety and wellbeing for vulnerable citizens

Looked after children (per 1K population)



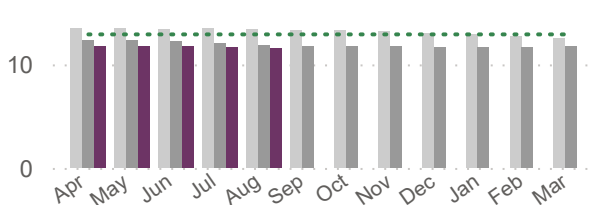
11.70
Current value

12.60
Previous value

12.90
Threshold



Improving



The number of children requiring to be Looked After has declined steadily over the last two years and continues to be below the national rate and in line with the national policy direction.

* Whilst there is no specific target, the national rate of 12.9 looked after children per 1,000 population is used as the threshold to provide context to the ongoing level.

Core services are maintained or improved

Missed Bin Requests (Domestic)



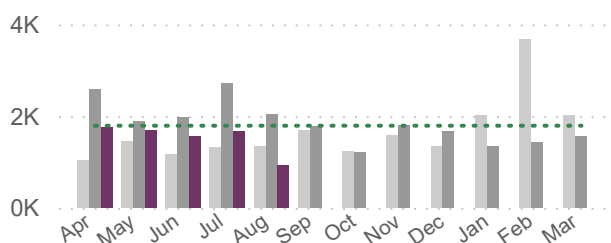
1,534
Current value

2,062
Previous value

1,793
Target



Improving



The number of kerbside missed bin service requests shows a decrease, with a 12 month rolling average of 1,534 for the period Sep 21 to Aug 22 in comparison to 2,062 for Sep 20 to Aug 21. The low figure shown for August 2022 is due to the closure of the service request line during the recent strike.

Charts legend ● 2020-2021 ● 2021-2022 ● 2022-2023 ● Current target

Core services are maintained or improved

Full Bin Requests (Communal)



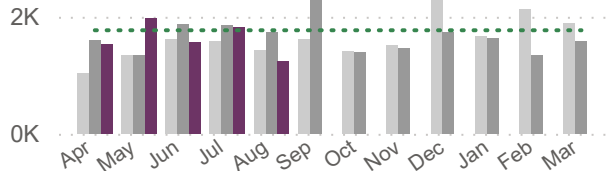
1,637
Current value

1,742
Previous value

1,770
Target



Improving



The number of communal bin full or missed bins service requests shows similar performance to last year, with a 12 month rolling average of 1678 for the period Sep 21 to Aug 22 in comparison to 1716 for Sep 20 to Aug 21. The low figure shown for August 2022 is due to the closure of the service request line during the recent strike.

Core services are maintained or improved

% waste recycled



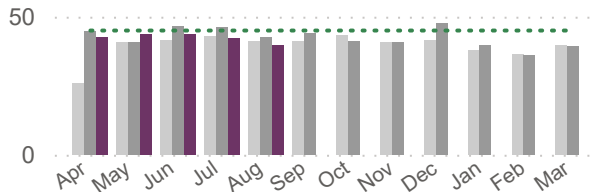
41.7%
Current value

41.8%
Previous value

45.0%
Target



Maintaining



Between Apr – Jul 22, performance has been just behind our target of 45%, with Aug 22 showing the lowest level this year. The August figure shows the impact of the strikes when we saw more waste going for Energy from Waste (Incineration at Millerhill) as a result of overflow leading to contamination of waste which had to be treated as general waste.

Core services are maintained or improved

% emergency Cat 1 Road Defects (24 hrs)



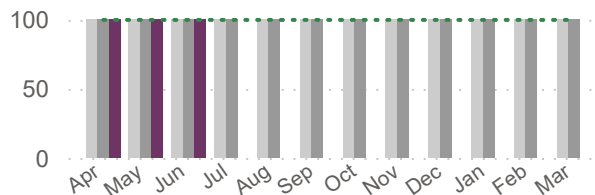
100.0%
Current value

100.0%
Previous value

100.0%
Target



Maintaining



Performance has consistently been at 100% in the last 18 months and the number of Category 1 emergency defects detected on Edinburgh's roads is decreasing. There were no emergency repair requests in July or August.

Core services are maintained or improved

% Cat 2 Road Defects (5 days)



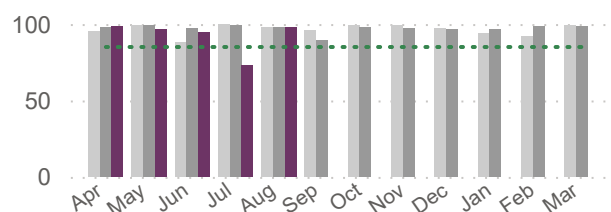
94.6%
Current value

97.3%
Previous value

85.0%
Target



Declining



Performance has been consistently high for this indicator with only July 2022 dropping below these high levels. Performance reduced in July 2022 month due mainly to a complex repair that required more permanent work to be carried out on a number of individual defects which took longer to repair.

Charts legend ● 2020-2021 ● 2021-2022 ● 2022-2023 ● Current target

Core services are maintained or improved

% Cat 3 Road Defects (60 days)



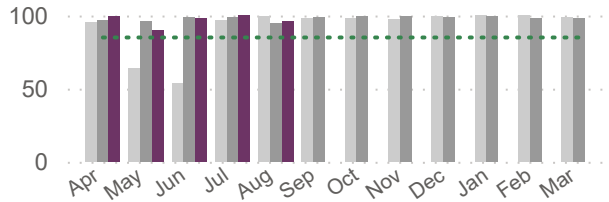
98.0%
Current value

98.2%
Previous value

85.0%
Target

Performance continues to be high with most Category 3 road defects repaired within 60 days.

Maintaining



Core services are maintained or improved

% emergency street lighting repairs (4 hrs)



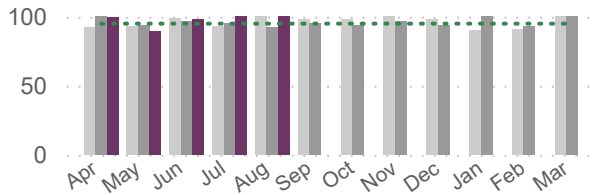
97.1%
Current value

96.1%
Previous value

95.0%
Target

Performance continues to be high with Emergency street lighting repairs completed within 4 hours with performance remaining in the high 90s%.

Maintaining



Core services are maintained or improved

% street lighting repairs (24hrs)



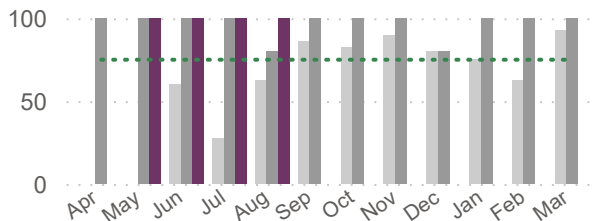
90.0%
Current value

87.4%
Previous value

75.0%
Target

Performance continues to be high with street lighting repairs completed within 24 hours with performance consistently around 90% and ahead of our target.

Improving



Core services are maintained or improved

% street lighting (5 days)



58.9%
Current value

39.3%
Previous value

50.0%
Target

Performance for street lighting repairs completed within 5 days, with the rolling 12 month average at 58.9%, is ahead of target and is higher than the 12 month rolling average for last year, 39.3%.

Improving



Charts legend ● 2020-2021 ● 2021-2022 ● 2022-2023 ● Current target

Make better use of the Council estate and resources to meet our strategic priorities

% iPADs issued: P6-S6



89.1%
Current value

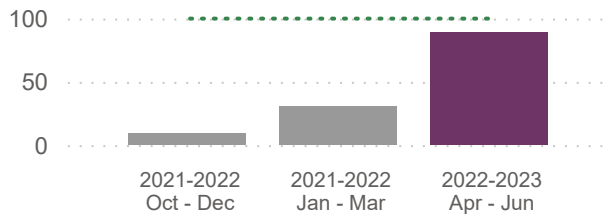
30.7%
Previous value

100.0%
Target

Progress with issuing ipads to pupils is on track with 89.1% (or 24,505 out of 27,500) distributed by the end of the 2021/22 academic year. The rollout continues now we are into the new academic year, 2022/23, and should be completed by December 2022.



Improving



Make better use of the Council estate and resources to meet our strategic priorities

% Hub satisfaction



66.5%
Current value

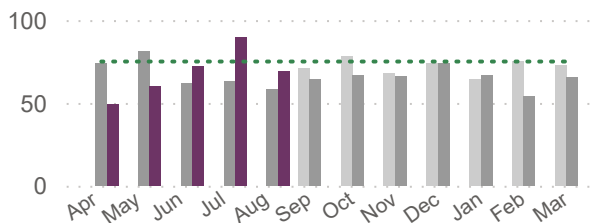
70.1%
Previous value

75.0%
Target

Customer hub satisfaction has declined compared to last year and remains behind target. To some degree this performance has been impacted by the low volumes of phone surveys completed. As a result the service teams have begun onboarding other surveys platforms to gain a perception of customer satisfaction across the different methods of contact they use. Surveys issued through online forms have had a considerably higher uptake and are providing good insight to Contact Centre.



Declining



Make better use of the Council estate and resources to meet our strategic priorities

% Revenue outturn



100.5%
Current value

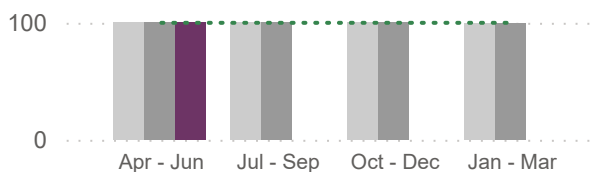
99.9%
Previous value

100.0%
Target

The month three-based forecast to be reported to the Finance and Resources Committee on 8 September shows an overall projected overspend of £5.6m, representing the net impact of the unfunded element of the employee pay award for 2022/23 and unmitigated pressures in service areas, particularly in Homelessness Services. Options to mitigate these pressures will be presented to the Committee's meeting in November.



Maintaining



Make better use of the Council estate and resources to meet our strategic priorities

% Sickness absence



5.8%
Current value

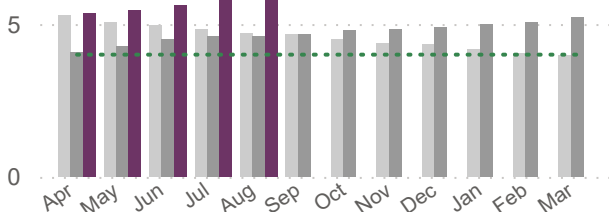
4.6%
Previous value

4.0%
Target

Sickness absence levels are increasing, with a rolling 12 month average of 5.8% for Sep 21 to Aug 22. Since the start of the pandemic, covid absences (of all types) have been monitored separately and were not included in sickness absence figures up until now. Covid 19 absences are in the process of being incorporated as a regular sickness absence and this is contributing to the rise in absence levels seen.



Declining



Make better use of the Council estate and resources to meet our strategic priorities

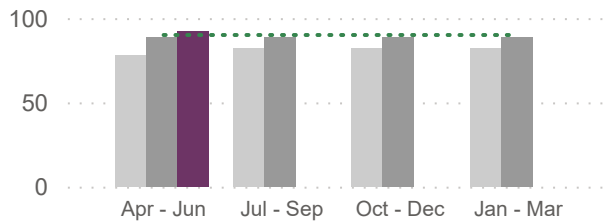
Approved budget savings

92.0%
Current value

89.0%
Previous value

90.0%
Target

As at the end of Jun 2022, 92% of savings are assessed as green, with the majority of the remainder rated amber, with actions to facilitate their delivery being identified.



Make better use of the Council estate and resources to meet our strategic priorities

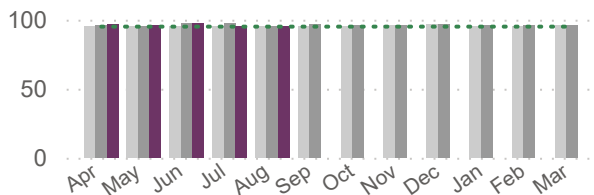
% invoices paid (30days)

96.2%
Current value

95.9%
Previous value

95.0%
Target

The percentage of invoices paid within 30 days continues to be very high and above our 95% target.



Make better use of the Council estate and resources to meet our strategic priorities

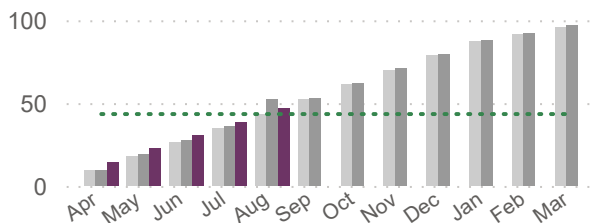
% of Council Tax collected

46.6%
Current value

52.1%
Previous value

43.4%
Target

Council Tax collection reflects the inclusion of the Scottish Government "Cost of Living Payment" from Apr 22. While it is positive to see the actual collection figure continue to track ahead of our interim target, the impact of cost of living on people's ability to pay going forward may result in lower collection rates in the near future. For this indicator, we are tracking our performance against interim monthly targets that grow over the year to reach our year end target of 94.46% which allows us to see any changes to collection rates quicker. We continue to work with citizens with emerging arrears who would normally progress to the next stage of the debt recovery process. This action avoids fees and charges being added and allows realistic payment plans to be agreed to prevent accounts falling further into arrears. We also ensure that appropriate discounts/exemptions are in place, whilst also signposting debt and welfare advice.



Make better use of the Council estate and resources to meet our strategic priorities

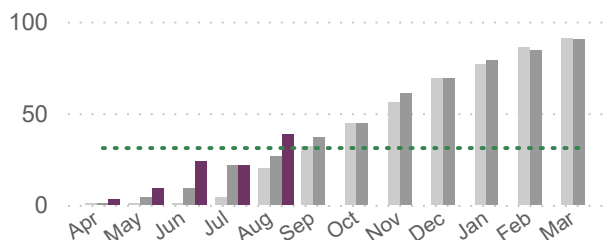
% of Business Rates collected

38.4%
Current value

26.5%
Previous value

31.0%
Target

The change in legislation from 1/4/22 for business rates has had a positive effect on collection. Businesses previously were not reminded about non-payment of bills until Autumn each year and now follow the same path as Council Tax, which can be from the end of May. It is positive to see the collection of business rates figure tracking ahead of our interim target and higher than last year. However the impact of rising energy prices and other costs on businesses' ability to pay going forward may result in lower rates in the near future. For this indicator, we are tracking our performance against interim monthly targets that grow over the year to reach our year end target of 96% which allows us to see any changes to collection rates quicker.



Make better use of the Council estate and resources to meet our strategic priorities

% revenue spend with contracted suppliers



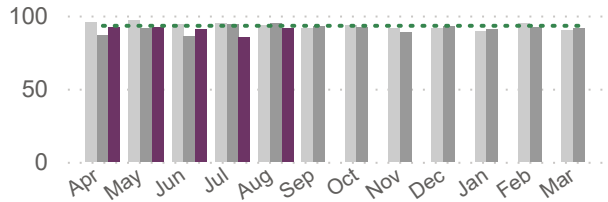
90.9%
Current value

91.0%
Previous value

93.0%
Target



Maintaining



The cumulative target for the year to date was missed due to continuing higher relative levels of non-contracted spend within Health and Social Care. It is anticipated that the on-going Home-Based Care procurement will lead in due course to a significant shift in providers being brought into the 'contracted' category.

Data Dictionary for the City of Edinburgh Council Business Plan

Data Dictionary

This Data Dictionary is intended to provide a fuller understanding of the metrics, i.e. the Key Performance Indicators (KPIs) and Milestones, that are included in the Council's Business Plan, 'Our Future Council, our Future City'. It contains the following data items for each metric.

Data item	Description
Performance Indicator	The wording of the metric as presented in the Business Plan suite of metrics
Description	The detailed description of the metric
Source	Where the data or information used to derive the metric comes from. It may be a specific council system or service area or an external source. Multiple sources may be used in the creation of a metric. For milestones this will be '-'
Type	The type of value the metric is. Options are: Number; Percentage; Rate; Financial; Milestone.
Frequency	The frequency of availability for updates for the metric. Options are: Monthly, Quarterly, Annually, Biennially. For milestones this will be 'One-off'.
Target rationale	The rationale that the target is based on. Options are: No target possible at this stage – new metric; No target possible at this stage – new baseline to be set; Benchmarked with national or equivalent; Previous performance and/or service improvement capacity; Interim derived from longer term target; Budget dependent; For monitoring, no target to be set. For milestones this will be 'Milestone completed'

The metrics are presented in the order of the Outcomes set out in the plan and the Actions associated with these.

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Percentage of people living on incomes below the poverty threshold	Estimated percentage of people living in relative poverty, i.e. households with the household income, after housing costs, less than 60% of the UK median income level	Scottish Government's Poverty and Income Inequality in Scotland dataset	Percentage	Annually	14%	Interim derived from longer term target (0% by 2030%)
Percentage of children living in families on incomes below the poverty threshold	Estimated percentage of children (aged 0 to 17 inclusive) living in relative poverty, i.e. households with the household income, after housing costs, less than 60% of the UK median income level	DWP/HMRC estimates of Children in low income families dataset	Percentage	Annually	17%	Interim derived from longer term target (0% by 2030%)
Percentage of people living in destitution	The percentage of people falling into very low income groups, or who are experiencing 'material deprivation' (below the more stringent 'severe poverty' threshold - 50% of median incomes)	Scottish Government's Poverty and Income Inequality in Scotland dataset	Percentage	Annually	4%	Interim derived from longer term target (0% by 2030%)
A new city wide approach to commissioned advice services is agreed with partners	New approach to commissioned advice services is created and agreed with Partners (Edinburgh Partnership members)	-	Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered
Number of people supported with welfare rights queries by the Advice Shop	The number of households who contact the council's Advice Shop regarding their welfare rights and are provided with impartial information, advice, and advocacy to assist them maximise their income and secure their full entitlements.	Social Work system SWIFT	Number	Annually	5,400	Previous performance and/or service improvement capacity
Scottish Welfare Fund payments	The total amount paid in Community Care Grants and Crisis Grants	Northgate - Local Welfare Provision report	Financial	Monthly	n/a	For monitoring, no target to be set

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Discretionary Housing payments	The total amount paid in Discretionary Housing payments for applications from people with a variety of circumstances including: those seeking more affordable accommodation and requiring assistance with a deposit; rent in advance or removal costs; those affected by benefit changes; or have higher living costs because they are sick or disabled	Returns to the Scottish Government provided by the council's Income and Benefits team	Financial	Annually	n/a	For monitoring, no target to be set
New long term plan for delivery of a prevention based Council service model approved and in implementation	Plan for a new model of prevention services developed along with an implementation plan	-	Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered
Positive Destinations for School Leavers	The percentage of students leaving secondary school whose initial destination (within three months of leaving school) is 'positive', i.e. includes work, training, or further study	Scottish Government Insight	Percentage	Annually	Tbc once new baseline is set	No target possible at this stage - new baseline to be set
Number of new council apprenticeships	The number of new apprenticeships employed by the Council.	Internal Records of Skills Development Scotland Funding	Number	Annually	60	Previous performance and/or service improvement capacity
Percentage of suppliers committed to paying the living wage	The percentage of Council suppliers of regulated tendered contracts that are committed to paying real living wage in delivering Council services	Contracts Register held by the Procurement Service	Percentage	Annually	72%	Previous performance and/or service improvement capacity

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Living wage employer accreditation	The Council retains its accreditation as a living wage employer from the Living Wage Foundation	-	Milestone	One off	Ongoing accreditation	Achievement is based on retaining accreditation
Number of living wage employers	The number of living wage accredited employers known to the Living Wage Foundation	The Living Wage Foundation	Number	Quarterly	603	Previous performance and/or service improvement capacity
Number of households assessed as homeless	The total number of homeless assessments completed in the period where the assessment outcome is homeless	Housing system Northgate	Number	Monthly	n/a	For monitoring, no target to be set
Number of Housing Advice Only presentations	The total number of presentations in the period who receive housing advice only and do not go on to make a homeless application	Housing system Northgate	Number	Monthly	n/a	For monitoring, no target to be set
Percentage of households in unsuitable temporary accommodation.	The percentage of households in temporary accommodation classed as unsuitable under the terms of the Unsuitable Accommodation Order	Northgate housing system & returns from the various accommodation providers	Percentage	Monthly	n/a	For monitoring, no target to be set
Number of affordable homes approved	The total number of homes given approval for construction in Edinburgh through all affordable home initiatives	Internal Affordable Housing Supply Programme Transfer of Management Development Funding records	Number	Monthly	1,186	Previous performance and/or service improvement capacity

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Number of affordable homes completed	The total number of homes with construction complete in Edinburgh through all affordable home initiatives	Internal Affordable Housing Supply Programme Transfer of Management Development Funding records	Number	Monthly	1,290	Previous performance and/or service improvement capacity
Percentage of teachers who have met the Teaching, Learning & Assessment "Charter" standard	The percentage of teachers engaging with courses on the four aspects of the Teaching Charter	Edinburgh Learns Teaching and Learning Team - collation of course attendance	Percentage	Annually	40%	Previous performance and/or service improvement capacity
Percentage of schools that have achieved the Digital Schools Award Scotland	The percentage of Primary and Secondary schools achieving the national award to promote, recognise and encourage a whole school approach to the use of digital technology	Edinburgh Learns Teaching and Learning Team - Quality Improvement Education Officer (Digital Learning)	Percentage	Annually	20%	Previous performance and/or service improvement capacity
Percentage of Primary pupils achieving literacy	The percentage of Primary 1, 4 & 7 pupils achieving their expected Curriculum for Excellence level in literacy (achieved in all of Reading, Writing, Listening & Talking)	Pupil assessments within individual schools and collated centrally. Data extracted from SEEMiS Progress + Achievement module	Percentage	Annually	78.5%	Previous performance and/or service improvement capacity

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Percentage of Primary pupils from deprived areas achieving literacy	The percentage of Primary 1, 4 & 7 pupils, living in quintile 1 (20% most deprived) of the Scottish Index of Multiple Deprivation (SIMD), achieving their expected Curriculum for Excellence level in literacy (achieved in all of Reading, Writing, Listening & Talking)	Pupil assessments within individual schools and collated centrally. Data extracted from SEEMiS Progress + Achievement module	Percentage	Annually	65.0%	Previous performance and/or service improvement capacity
Percentage of Primary pupils who are Looked After achieving literacy	The percentage of Primary 1, 4 & 7 pupils, who were Looked After, achieving their expected Curriculum for Excellence level in literacy (achieved in all of Reading, Writing, Listening & Talking)	Pupil assessments within individual schools and collated centrally. Data extracted from SEEMiS Progress + Achievement module	Percentage	Annually	increase	Previous performance and/or service improvement capacity^
Percentage of Primary pupils achieving numeracy	The percentage of Primary 1, 4 & 7 pupils achieving their expected Curriculum for Excellence level in numeracy	Pupil assessments within individual schools and collated centrally. Data extracted from SEEMiS Progress + Achievement module	Percentage	Annually	84.5%	Previous performance and/or service improvement capacity
Percentage of Primary pupils from deprived areas achieving numeracy	The percentage of Primary 1, 4 & 7 pupils, living in quintile 1 (20% most deprived) of the Scottish Index of Multiple Deprivation (SIMD), achieving their expected Curriculum for Excellence level in numeracy	Pupil assessments within individual schools and collated centrally. Data extracted from SEEMiS Progress + Achievement module	Percentage	Annually	74.0%	Previous performance and/or service improvement capacity

^ due to the small population specific targets set for individual learners rather than at citywide level

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Percentage of leavers with SCQF level 5 in literacy and numeracy	The percentage of all leavers in S4, S5, S6 who have achieved at least level 5 at SCQF (the Scottish Credit and Qualifications Framework) or higher in literacy or numeracy	Scottish Government Insight	Percentage	Annually	73%*	Previous performance and/or service improvement capacity
Percentage of leavers from deprived areas with SCQF level 5 in literacy and numeracy	The percentage of all leavers in S4, S5, S6, living in quintile 1 (20% most deprived) of the Scottish Index of Multiple Deprivation (SIMD), who have achieved at least level 5 at SCQF (the Scottish Credit and Qualifications Framework) or higher in literacy or numeracy	Scottish Government Insight	Percentage	Annually	52%*	Previous performance and/or service improvement capacity
Percentage of all leavers achieving 1 or more awards at SCQF Level 6 or higher	The percentage of all leavers in S4, S5, S6 who have gained 1 or more award at level 6 SCQF (the Scottish Credit and Qualifications Framework) or higher	Scottish Government Insight	Percentage	Annually	73%*	Previous performance and/or service improvement capacity
Percentage of all leavers from deprived areas achieving 1 or more awards at SCQF Level 6 or higher	The percentage of all leavers in S4, S5, S6, living in quintile 1 (20% most deprived) of the Scottish Index of Multiple Deprivation (SIMD), who have gained 1 or more awards at level 6 at SCQF (the Scottish Credit and Qualifications Framework) or higher	Scottish Government Insight	Percentage	Annually	53%*	Previous performance and/or service improvement capacity
Percentage of parents receiving funded Early Learning and Childcare through their preferred location	The percentage of parents who are allocated a place at the nursery or Early Years centre that was their first choice	Early Years team and Nursery application process	Percentage	Annually	95%	Previous performance and/or service improvement capacity

Data Dictionary for the City of Edinburgh Council Business Plan

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Percentage of parents receiving funded Early Learning and Childcare through their preferred model of delivery	The percentage of parents who are allocated a place at the nursery or Early Years centre which meets their preferred selection of delivery, i.e. full-day / part-day, term-time only etc.	Early Years team and Nursery application process	Percentage	Annually	85%	Previous performance and/or service improvement capacity
Capital spend on the Learning Estate new projects	Spending on new projects for the council's Learning Estate. New projects being those that provide additional accommodation, for example new schools aligned to city growth; rising rolls extensions or annexes; or is a full scale replacement/refurbishment project.	The Schools Estate team and Finance section	Financial	Annually	£25,000,000	Based on Council budget
Percentage of Primary pupils with low attendance	The percentage of P1 to P7 pupils in Primary schools whose year to date attendance is less than 85%	Daily attendance recorded by individual schools and collated via SEEMiS Warehouse	Percentage	Monthly	9%	Previous performance and/or service improvement capacity
Percentage of Secondary students with low attendance	The percentage of S1 to S4 students in Secondary schools whose year to date attendance is less than 85%	Daily attendance recorded by individual schools and collated via SEEMiS Warehouse	Percentage	Monthly	16%	Previous performance and/or service improvement capacity
Business births per 10,000 residents	Business births is a count of enterprises added to the Inter-Departmental Business Registration (IDBR) in terms of registration for VAT and PAYE	Business demography, UK - Office for National Statistics	Number	Annually	n/a	For monitoring, no target to be set
Progress the Economy Strategy Implementation Plan			Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered

Data Dictionary for the City of Edinburgh Council Business Plan

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Employed residents as a percentage of all residents	Employed residents (full-time or part-time) as a percentage of all residents aged 16-64	NOMIS Labour Market Profile - Source: ONS annual population survey	Percentage	Annually	n/a	For monitoring, no target to be set
Total number of clients supported by employability and skills services	People who are registered and accessing support from council funded employability services	Employability Information System Caselink	Number	Annually	3,842	Previous performance and/or service improvement capacity
Number of engagements through business gateway	The total number of engagements carried out with Edinburgh clients of the business gateway service through webinars and individual appointments	CRM / Internal customer dashboard	Number	Quarterly	3,728	Previous performance and/or service improvement capacity
Percentage of Procurement Spend via SMEs	The percentage of procurement spend that is with SMEs (Small to Medium Enterprises)	Spikes Cavell annual report from Procurement Team	Percentage	Annually	52%	Benchmarked with national or equivalent
Percentage of Procurement spend in EH postcode	The percentage of procurement spend for all invoices created where the invoice address postcode is EH.	Procurement system Frontier	Percentage	Monthly	50%	Previous performance and/or service improvement capacity
Investment in supporting the arts and cultural sector in the city	The combined funds allocated to arts and culture sector each year in the Council budget	Council Budget	Financial	Annually	£5,600,000	Based on the Council budget

Data Dictionary for the City of Edinburgh Council Business Plan

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
City's emissions (in MtCO ₂ e)	Estimated Carbon Dioxide emissions within the City of Edinburgh (MtCO ₂ e - Million tons of CO ₂ equivalent)	Internal calculation based on several datasets (Link to detailed methodology)	Number	Annually	25% reduction from 2018/19 figures	Interim derived from longer term target
Council's emissions (in ktCO ₂ e)	Estimated Carbon Dioxide emissions by the City of Edinburgh Council (tCO ₂ e - tons of CO ₂ equivalent)	Internal calculation based on several datasets (Link to detailed methodology)	Number	Annually	189.6 (cumulative 3 year target – 2020/23)	Interim derived from longer term target
Installed Solar Photovoltaic capacity across the Council's operational estate (kWp)	Count of solar photovoltaic capacity installed across the Council's estate	Facilities management	Number	Annually	2,642	Interim derived from longer term target
Percentage of new builds in delivery to PassivHaus standard	Percentage of new builds where design/construction meets the PassivHaus standard	Facilities management	Percentage	Annually	n/a	For monitoring, no target to be set
Number of traffic related Air Quality Management Areas	A count of the number of designated Air Quality Management Areas in the city which require to be monitored for pollutants	air quality monitoring data	Number	Annually	5	Interim derived from longer term target
Percentage of Consultation Advisory Panel (CAP) approved consultations with 'you said, we did' published within three months of closing date	Proportion of formal consultations where a 'you said, we did' report published within three months of consultation closing	Consultation hub	Percentage	Annually	100%	Previous performance and/or service improvement capacity

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Percentage of annual discretionary budget allocated through participatory budgeting	Proportion of discretionary budget that was allocated through participatory budgeting processes	Finance system	Percentage	Annually	1%	Benchmarked with national or equivalent
Percentage of respondents who believe that climate change is an immediate and urgent problem	Proportion of Edinburgh residents who responded that climate change was an immediate and urgent problem for the question on climate change in the Scottish Household Survey.	Scottish Household Survey	Percentage	Annually	65%	Benchmarked with national or equivalent
Formal adoption of City Plan	The City Plan (Local Development Plan) is formally adopted by the Scottish Government	-	Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered
Outline business case for the West Edinburgh Active Travel and Public Transport infrastructure agreed	The outline business case for the West Edinburgh Active Travel and Public Transport infrastructure is formally agreed by the Transport and Environment Committee	-	Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered
Complete procurement with prospective bidders for a private sector partner for the new Bio Quarter health innovation district	Completion of the procurement process for a private sector partner to further develop the new Bio Quarter health innovation District		Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered
Completion of Tram line to Newhaven	Construction of the Tram line extension to Newhaven is completed	-	Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered

Data Dictionary for the City of Edinburgh Council Business Plan

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Annual traffic kms by cars and taxis in the City of Edinburgh	The estimated no. of kms driven by cars and taxis on Edinburgh roads in a calendar year	Department for Transport traffic counters	Number	Annual	reduce	Interim derived from longer term target (30% reduction by 2030)
Number of multimodal interchanges	The number of multimodal interchanges, i.e. where people can switch between public transport services or from one mode of travel to another, in the city	Internal records held by Transport Services	Number	Annually	increase	Interim derived from longer term target
Tram passengers	The total number of Tram customer journeys taken	Edinburgh Trams Ltd	Number	Annually	increase	Previous performance and/or service improvement capacity
Implementation of the Workplace Parking Levy	Proposals for the adoption of a Workplace Parking Levy in Edinburgh are agreed by the relevant committee	-	Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered
Develop initial delivery plans to reimagine at least two town centres by the end of March 2023	Develop initial delivery plans to reimagine at least two town centres as part of the strategy to implement 20 Minute Neighbourhoods		Milestone	One off	Milestone completed	Achievement is based on the stated milestone activity being delivered
Children on the Child Protection Register as a rate per 1,000 population	The number of children aged 0 to 15 who are placed on the Child Protection Register expressed as a rate per 1,000 population of those aged 0 to 15 in Edinburgh (latest mid-year estimate)	Social Work system SWIFT	Rate	Monthly	Threshold 2.3	Benchmarked with national or equivalent

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Adult protection investigations started per 100,000 adults in population	The number of adult protection investigations, known as IRDs (Inter-agency referral discussions), carried out per 100,000 population of those over 16 each year	Social Work system SWIFT and multi-agency eIRD (investigation) system	Rate	Annually	Threshold 118	Benchmarked with national or equivalent
Number of situations affected by domestic abuse where support was offered through new delivery model	The number of incidents of domestic abuse reported to the police and the local authority where, after screening by a multi-agency group, plans are made of how best to support and make contact with the victim and the perpetrator	Social Work system SWIFT	Number	Monthly	n/a	No target possible at this stage - new metric
Percentage of community justice orders successfully completed	The proportion of community justice orders with an end date in the month where the outcome was 'successfully completed'	Social Work system SWIFT	Percentage	Monthly	75%	Previous performance and/or service improvement capacity
Looked After Children as a rate per 1,000 population	The number of children and young people aged 0 to 17 who are Looked After by the Local Authority expressed as a rate per 1,000 population of those aged 0 to 17 in Edinburgh (latest mid-year estimate)	Social Work system SWIFT	Rate	Monthly	Threshold 12.9	Benchmarked with national or equivalent
Domestic kerbside missed bin service requests	The number of service requests relating to the non-collection of domestic kerbside bins	Waste Customer Relationship Management system Confirm	Number	Monthly	21,518 for full year (1,793 per month)	Previous performance and/or service improvement capacity

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Communal domestic full bin service requests	The number of service requests relating to full domestic communal bins or banks	Waste Customer Relationship Management system Confirm	Number	Monthly	22,020 per full year (1,770 monthly target set for Jul-Sept)	Previous performance and/or service improvement capacity
Percentage of domestic waste recycled	The percentage of domestic waste collected that is recycled	Waste and Cleansing service collation	Percentage	Monthly	45%	Previous performance and/or service improvement capacity
Percentage of Emergency Cat 1 Road Defects made safe within 24 hours	The proportion of road defects, raised either by inspectors or the public, that are Category 1 - emergency (i.e. likely to cause harm to vehicles or individuals) that are made safe within 24 hours	Roads Customer Relationship Management system Confirm	Percentage	Monthly	100%	Previous performance and/or service improvement capacity
Percentage of Cat 2 Priority Road Defects repaired within 5 working days	The proportion of road defects, raised either by inspectors or the public, that are Category 2 - higher priority (i.e. not likely to cause harm to vehicles or individuals but still deemed to be a priority) that are repaired within five working days	Roads Customer Relationship Management system Confirm	Percentage	Monthly	85%	Previous performance and/or service improvement capacity
Percentage of Cat 3 Priority Road Defects repaired within 60 working days	The proportion of road defects, raised either by inspectors or the public, that are Category 3 - lower priority (i.e. not likely to cause harm to vehicles or individuals) that are repaired within sixty working days, i.e. approximately 3 months	Roads Customer Relationship Management system Confirm	Percentage	Monthly	85%	Previous performance and/or service improvement capacity

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Percentage of emergency street lighting repairs completed within 4 hours	The proportion of street lighting defects, raised either by inspectors or the public, categorised as Emergency (i.e. likely to cause harm to vehicles or individuals) that are repaired within four hours	Street Lighting Customer Relationship Management system Confirm	Percentage	Monthly	95%	Previous performance and/or service improvement capacity
Percentage of street lighting urgent 24 hour repairs completed in time	The proportion of street lighting defects, raised either by inspectors or the public, categorised as Urgent (i.e. more than 5 consecutive dark lights, not likely to cause harm to vehicles or individuals but with aim to resolve as soon as practically possible) that are repaired within twenty-four hours	Street Lighting Customer Relationship Management system Confirm	Percentage	Monthly	75%	Previous performance and/or service improvement capacity
Percentage of street lighting 5-day repairs completed in time	The proportion of street lighting defects, raised either by inspectors or the public, categorised as 5 day repair (e.g. single dark lamp) that are repaired within the five day timescale	Street Lighting Customer Relationship Management system Confirm	Percentage	Monthly	50%	Previous performance and/or service improvement capacity
Roads annual capital and revenue investment	All capital and revenue investment in new roads and renewals to the road network in the city	The approved Council Budget	Financial	Annually	£22,160,000	Budget dependent
Number of parks with the Green Flag Award	The number of council owned parks which have been awarded green flag status by Keep Scotland Beautiful	Keep Scotland Beautiful	Number	Annually	36	Previous performance and/or service improvement capacity

Data Dictionary for the City of Edinburgh Council Business Plan

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Litter Monitoring System Score	Street cleanliness score from local environmental quality surveys undertaken by Keep Scotland Beautiful	Litter Monitoring System - Keep Scotland Beautiful	Number	Annually	93%	Previous performance and/or service improvement capacity
Number of active library users	Edinburgh Library members that have used their card in the last year	Library management system	Number	Annually	85,303	Previous performance and/or service improvement capacity
Library digital use – downloads and streaming	Number of downloads and streaming including ebooks, eaudio, magazines and newspapers	Library management system	Number	Annually	3,131,012	No target possible at this stage - new baseline to be set
Proportion of schools in good or satisfactory condition	The percentage of schools (Primary, Secondary and Special) where the physical condition is graded as good or satisfactory by the council property inspection team	Annual property team inspection of schools	Percentage	Annually	94.85%	Previous performance and/or service improvement capacity
Percentage of P6 to S6 pupils with issued iPad	The percentage of P6 to S6 pupils that have been issued with an iPad by the council (includes pupils in primary, secondary and special schools).	iPad Project team	Percentage	Quarterly	100%	Previous performance and/or service improvement capacity
Customer Hub satisfaction	The percentage of sampled respondents who have recently contacted the Council and were satisfied with the service received	Survey data held by Customer division in Resources	Percentage	Monthly	75%	Previous performance and/or service improvement capacity

Performance Indicator	Description	Source	Type	Frequency	22-23 Target / Threshold (* 21-22 Target for Academic year)	Target rationale
Council's projected Revenue outturn	The percentage of revenue spend compared to expected position at each point in time	Finance Division of Resources	Percentage	Quarterly	100%	Based on the Council budget
Sickness absence	Sickness absence percentage based on employee's hours worked over previous 12 months, currently excludes COVID related absence	Council HR system iTrent	Percentage	Monthly	4%	Benchmarked with national or equivalent
Council gender pay gap	The difference between the average gross hourly earnings of men and women expressed as a percentage of the average gross hourly earnings of men	iTrent	Percentage	Annually	3%	Benchmarked with national or equivalent
Progress against delivery of Council's current year's approved budget savings	The percentage of approved budget savings achieved compared to expected position at each point in time	Finance Division of Resources	Percentage	Quarterly	90%	Previous performance and/or service improvement capacity
Percentage of invoices paid within 30 days	The percentage of invoices received by the council from suppliers that are paid within 30 days.	Income and Benefits Team sourced from Oracle invoicing system	Percentage	Monthly	95%	Previous performance and/or service improvement capacity
Proportion of Council Tax collected	The percentage of Council Tax collected from Edinburgh residents	Returns to Scottish Government from Income and Benefits Team	Percentage	Monthly	94.46% full year (interim monthly targets set)	Previous performance and/or service improvement capacity
Proportion of Business Rates collected	The percentage of Business Rates collected from Edinburgh businesses	Returns to Scottish Government from Income and Benefits Team	Percentage	Monthly	96% full year (interim monthly targets set)	Previous performance and/or service improvement capacity

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Percentage of revenue spend placed with contracted suppliers	The percentage of revenue spend for the supply of goods or services that is placed with a contracted supplier to the council	Procurement service contracts register	Percentage	Annually	93%	Previous performance and/or service improvement capacity
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Appendix C – Amendments and Clarifications to KPIs and Milestones

New KPIs/Milestones

KPI/Milestone	Reason for addition
Annual traffic kms by cars and taxis in the City of Edinburgh	Transport & Environment Committee agreed this new KPI as part of City Mobility Plan monitoring in November 2021.
Complete procurement with prospective bidders for a private sector partner for the new Bio Quarter health innovation district	This is added as the next project milestone to expand the Bio Quarter health innovation district.
Develop initial delivery plans to reimagine at least two town centres by the end of March 2023	This is added as the next project milestone in developing 20 Minute Neighbourhoods in the City.
Progress the Economy Strategy Implementation Plan	This is added as the next project milestone in delivering the new Economy Strategy.

Removed KPIs/Milestones

KPI/Milestone	Reason for removal
Percentage of homes that meet EESSH 2	Remove whilst this is being reviewed by the Scottish Government. May be reintroduced at a later date once review is complete.
Number of community hubs in place	To be removed until further work is carried out by the 20 Minute Neighbourhood Team on how to monitor the roll-out of the concept.
Annual Council internal floor area agreed to undergo low energy retrofit works	Planning for this work continues but work will not start until 23/24. This indicator will remain at 0 until that time so not suitable as a performance indicator at this time – so removed.
Proportion of people travelling to work by active and sustainable means	Replaced with 'Number of kilometres driven by private cars on Edinburgh's roads' as per the City Mobility plan and as agreed by Transport and Environment Committee in November 2021.
Proportion of people travelling to work by foot and bike for journeys up to 2 miles	Replaced with 'Number of kilometres driven by private cars on Edinburgh's roads' as per the City Mobility plan and as agreed by Transport and Environment Committee in November 2021.
Proportion of trips to school by active and sustainable modes	Replaced with 'Number of kilometres driven by private cars on Edinburgh's roads' as per the City Mobility plan and as agreed by Transport and Environment Committee in November 2021.

Edinburgh Talks Climate engagement levels	This measure will fluctuate due to the level of budget allocated to engagement campaigns and so doesn't reflect performance against actual levels of engagement with residents. Therefore this indicator has been removed.
Conversion rate between Adult Protection Contacts and 'Duty to Enquire' carried out	To be removed as this is a measure of how well an activity is recorded on Swift rather than how well the process is being delivered. It does not give insight to adult support and protection activities in a way that is possible from other measures.
Edinburgh City achieves accreditation as a living wage city	This milestone has been achieved
Review of Economy strategy completed	This milestone has been achieved
Outline business case for the new Bio Quarter health innovation district agreed	This milestone has been achieved
20 Minute neighbourhood strategy finalised	This milestone has been achieved
South West Pilot action plan finalised	To be removed as a standalone milestone as this is now being progressed through creation of the Wester Hailes Master Plan.

by virtue of paragraph(s) 8, 9 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

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