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Notice of meeting and agenda

Housing, Homelessness and Fair Work Committee

10.00am, Thursday 1 December 2022

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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.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

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5. Forward Planning

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7.10 Living Hours City – Response to a motion from Councillor Campbell – Report by the Interim Executive Director of Corporate Services 367 - 374

7.11 Appointments to the Homelessness Task Force – Report by the Interim Executive Director of Corporate Services 375 - 378

8. Routine Decisions

8.1 Accessible Housing Study – Report by the Executive Director of Place 379 - 404

8.2 Empty Homes Annual Report – Report by the Executive Director of Place 405 - 410

8.3 Place Directorate - Revenue Budget Monitoring 2022/23 - Month Five Forecast – Report by the Executive Director of Place 411 - 418

8.4 Housing Land Audit and Completions Programme 2022 – referral from the Planning Committee 419 - 468

9. Motions

9.1 If any.

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 1, 12 and 15 of Part 1 of Schedule 7A of the Act.

11. Private Reports

11.1 No Recourse to Public Funds - Update – Report by the Executive Director of Place 469 - 474

11.2	Major Investigation Outcome Report (MCEC-19-19) - referral from the Governance, Risk and Best Value Committee	475 - 610
11.3	Whistleblowing Major Investigation –MCEC-19-19 –further information - referral from the Governance, Risk and Best Value Committee	611 - 620

Nick Smith

Service Director, Legal and Assurance

Committee Members

Councillor Jane Meagher (Convener), Councillor Graeme Bruce, Councillor Jack Caldwell, Councillor Kate Campbell, Councillor Stuart Dobbin, Councillor Pauline Flannery, Councillor Simita Kumar, Councillor Ben Parker, Councillor Susan Rae, Councillor Mandy Watt and Councillor Iain Whyte

Information about the Housing, Homelessness and Fair Work Committee

The Housing, Homelessness and Fair Work Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council.

This meeting of the Housing, Homelessness and Fair Work 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 Jamie Macrae, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 553 8242, email jamie.macrae@edinburgh.gov.uk / emily.traynor@edinburgh.gov.uk.

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

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Minutes

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 29 September 2022

Present

Councillors Meagher (Convener), Bruce, Caldwell (items 1-11), Campbell, Dobbin, Flannery, Kumar, Miller (substituting for Rae, items 12-15), Osler (substituting for Caldwell, items 12-15) Parker, Rae (items 1-11), Watt and Whyte.

1. No Recourse to Public Funds

a) Deputation – JustRight Scotland

The deputation advised the Committee that COSLA guidance to Local Authorities on benefits and entitlements of Migrants in Scotland was out of date and that an update was expected in early 2023. The understanding of who could be categorised as 'No Recourse to Public Funds' was little understood, but could be described as a condition on someone's current migration status for example a student studying in Scotland. Taking public funds as described in the immigration legislation, without having the right to these funds would be deemed as a breach of contract and would result in those individuals being removed from the UK. NRPF was also used to describe people who did not have current 'Leave to Remain' or no current immigration status, as well as women who left domestic violence.

People described as NRPF would be entitled to access legal aid, primary and secondary education, free transport for under 22's and over 60's etc. It did not mean the prohibition of all public funds.

The deputation encouraged the Council to consider individual assessments of need for the people whose support was being withdrawn.

Shakti Women's Aid, supporting black, minority ethnic women, children and young people who experience domestic abuse in Edinburgh and the Lothians, provided a note that from January to September 2022 the service supported 120 with NRPF, a significant increase in comparison to the number of people they supported before COVID. More women felt empowered to come forward and escape situations of domestic abuse when the Council's position to support people without detailed assessments on migration status was offered.

It was important that Councillors were confident in their understanding of NRPF, and how damaging it could be to withdraw services to people who had access to these funds during COVID as a result of Council policy.

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraph 12 of Part 1 of Schedule 7A of the Act.

b) Report by the Executive Director of Place

A report on No Recourse to Public Funds was considered by committee.

Decision

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

2. Minutes

Decision

To approve the minute of the Housing, Homelessness and Fair Work Committee of 4 August 2022 as a correct record.

3. Work Programme

The Housing, Homelessness and Fair Work Committee Work Programme for September 2022 was presented.

Decision

To note the Work Programme.

(Reference – Work Programme, submitted.)

4. Housing, Homelessness and Fair Work Committee Rolling Actions Log

The Housing, Homelessness and Fair Work Committee Rolling Actions Log for September 2022 was presented.

Decision

1) To agree to close the following actions:

- Action 2 – Community Led Factoring
- Action 3 – Rent Collection and Assistance for Council Tenants
- Action 4 – 2022/23 Housing Revenue Account (HRA) Capital Programme
- Action 6 – Business Bulletin

2) To keep action 7(2) open and to request a verbal briefing/workshop.

(Reference – Rolling Actions Log, submitted.)

5. Business Bulletin

The Business Bulletin for September 2022 was presented.

Decision

1) To request further briefing providing more detail on Housing Need and Demand Assessments/housing supply targets.

2) To otherwise note the Business Bulletin.

(Reference – Business Bulletin, submitted.)

6. Homelessness Services' Performance Dashboard

The Council's Internal Audit service recommended that Homelessness Services, in addition to providing an annual report on the service's statutory returns, would provide additional performance information to Committee.

Decision

1) To note the content of the performance dashboard for Quarter 1 2022/23 (attached in Appendix 1 of the report by the Executive Director of Place).

2) To note the next Performance Dashboard would be presented to Committee in March 2023.

3) To note that figures from 2019/20 would be added in future reports to allow a comparison of pre-pandemic figures.

4) To note that an overall figure of people who moved into Housing First tenancies would be included in future reports.

(References – Report by the Executive Director of Place, submitted.)

7. Capital City Partnership – Progress Update

An update was provided on progress against the objectives and targets detailed within the Service Level Agreement (SLA) between the Council and Capital City Partnership (CCP). Details were provided of ongoing changes in the strategic and operational employability environment at national and local level that would require the terms of the SLA to be kept under review and adapted, if necessary, to ensure it continued to strategically fit with local need and provides value for money for the Council.

Motion

1) To note the progress made by Capital City Partnership (CCP) against their Service Level Agreement (SLA) objectives and targets.

2) To note circumstances around Covid-19 had a major impact on the results for 2021/22 and on the employment landscape as a whole, with corresponding changes in the strategic and operational landscape at national and local level (e.g. Edinburgh Economy Strategy, City Region Deal, Scottish Government Employability Services).

3) To refer this report to the Governance, Risk and Best Value Committee.

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment

1) To note the progress made by Capital City Partnership (CCP) against their Service Level Agreement (SLA) objectives and targets.

2) To note circumstances around Covid-19 had a major impact on the results for 2021/22 and on the employment landscape as a whole, with corresponding changes in the strategic and operational landscape at national and local level (e.g. Edinburgh Economy Strategy, City Region Deal, Scottish Government Employability Services).

3) To refer this report to the Governance, Risk and Best Value Committee.

4) To encourage CCP to review its memorandum and articles of association, especially to consider more detail of priority groups including an evidence-based approach to who experiences disadvantage in terms of skills and the job market, and that this should be regularly reviewed.

5) To note the new council term and agree to provide briefing to committee around grant programmes and Edinburgh Local Employability Partnership for the benefit of new / all councillors.

6) To agree that diversity and equality reporting should be strengthened in relation to outcomes and that priority groups should be defined clearly.

7) To agree to bring back a report in 3 cycles on the data gathered, and how this would be monitored in future, in relation to provision of service that reflects support for people in need by reason of age, poor health and wellbeing outcomes, disability, learning disability, marginalised groups including those from low socio-economic backgrounds, single-parent families, ethnic minorities, and people with experience of complex needs including trauma or violence.

- moved by Councillor Kumar, seconded by Councillor Dobbin

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

Decision

To approve the following adjusted motion by Councillor Meagher:

1) To note the progress made by Capital City Partnership (CCP) against their Service Level Agreement (SLA) objectives and targets.

2) To note circumstances around Covid-19 had a major impact on the results for 2021/22 and on the employment landscape as a whole, with corresponding changes in the strategic and operational landscape at national and local level (e.g Edinburgh Economy Strategy, City Region Deal, Scottish Government Employability Services).

3) To refer this report to the Governance, Risk and Best Value Committee.

4) To encourage CCP to review its memorandum and articles of association, especially to consider more detail of priority groups including an evidence-based

approach to who experiences disadvantage in terms of skills and the job market, and that this should be regularly reviewed.

5) To note the new council term and agree to provide briefing to committee around grant programmes and Edinburgh Local Employability Partnership for the benefit of new / all councillors.

6) To agree that diversity and equality reporting should be strengthened in relation to outcomes and that priority groups should be defined clearly.

7) To agree to bring back a report in 3 cycles on the data gathered, and how this would be monitored in future, in relation to provision of service that reflects support for people in need by reason of age, poor health and wellbeing outcomes, disability, learning disability, marginalised groups including those from low socio-economic backgrounds, single-parent families, ethnic minorities, and people with experience of complex needs including trauma or violence.

8) To note that members were invited to Joined Up for Jobs sessions.

9) To note that the Capital City Partnership events schedule would be shared with members.

(References – Housing and Economy Committee of 18 January 2018 (item 14); Housing and Economy Committee of 7 June 2018 (item 8); Report by the Executive Director of Place, submitted.)

Declarations of Interest

Councillor Caldwell made a transparency statement as a board member of the Capital City Partnership.

8. The City of Edinburgh Council's Annual Assurance Statement on Housing Services

The Annual Assurance Statement (AAS) for Housing Services was submitted for approval. It confirmed where the Council met the required standards and outcomes. It also provided information on areas of improvement and management actions being taken to ensure compliance.

Motion

To approve the City of Edinburgh Council's Annual Assurance Statement (AAS) on housing services and the Assurance Statement Summary of Compliance for formal submission to the Scottish Housing Regulator (SHR).

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment

1) To approve the City of Edinburgh Council's Annual Assurance Statement (AAS) on housing services and the Assurance Statement Summary of Compliance for formal submission to the Scottish Housing Regulator (SHR).

2) To request a report to the Housing, Homelessness and Fair Work Committee on the Mixed Tenure Improvement Service (MTIS), within two cycles to help better inform Councillors on the pilot, detailing:

 2.1) any other areas of the city proposed for the 2023 programme of work (mentioned in paragraph 4.9 of the report by the Executive Director of Place)

 2.2) how the areas were prioritised

 2.3) what resident engagement and consultation had taken place prior to works commencing.

- moved by Councillor Caldwell, seconded by Councillor Flannery

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

Decision

To approve the following adjusted motion by Councillor Meagher:

1) To approve the City of Edinburgh Council's Annual Assurance Statement (AAS) on housing services and the Assurance Statement Summary of Compliance for formal submission to the Scottish Housing Regulator (SHR).

2) To request a report to the Housing, Homelessness and Fair Work Committee on the Mixed Tenure Improvement Service (MTIS), within two cycles to help better inform Councillors on the pilot, detailing:

 2.1 any other areas of the city proposed for the 2023 programme of work (mentioned in paragraph 4.9 of the report by the Executive Director of Place)

 2.2 how the areas were prioritised

 2.3 what resident engagement and consultation had taken place prior to works commencing.

(References – Housing, Homelessness and Fair Work Committee of 4 August 2022 (items 5 and 7) and 24 March 2022 (item 13); Report by the Executive Director of Place, submitted.)

9. Motion By Councillor Caldwell - The Importance of Participatory Budgeting

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

"Housing, Homelessness and Fair Work Committee notes;

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

2) The benefits to resident engagement of project funding that PB provides through direct democracy.

3) 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) The October 2021 PB update to Finance and Resources committee that anticipated PB accounted for 0.32% of the Council's budget.

5) 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.

The Housing, Homelessness and Fair Work Committee;

1) Requests that the Convenor of Housing, Homelessness and Fair Work to meet with the Convenor of Finance and Resources to explore how we can support Council-led PB alongside local residents and volunteers.

2) Requests that the Council reaffirm the importance of meeting the 1% of Council Budget on Participatory Budgeting target.

3) Recommends that a plan be submitted within two cycles to the Finance and Resource Committee on

   a) How it plans 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 plans 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.

4) Refers this motion to the Finance and Resources Committee for approval.

- moved by Councillor Caldwell, seconded by Councillor Rae

Decision

To approve the motion by Councillor Caldwell.

10. Local Employability Partnership – Service Delivery Plan 2022-2025

Details were provided of the background for the Local Employability Partnership (LEP) and its Service Delivery Plan for 2022-2025. The LEP/Job Strategy Group would continue to have oversight of the implementation of the plan.

Decision

1) To note the Scottish Government requirement for each Local Authority to have a Local Employability Partnership (LEP) to support the implementation of No One Left Behind (NOLB) employability delivery.

2) To note the arrangements for the Edinburgh LEP and the associated Service Delivery Plan 2022-2025.

3) To note the Edinburgh LEP are responsible for the oversight and implementation of NOLB delivery via the Service Delivery Plan.

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

11. Homelessness Services – Statutory Returns

A summary of the homelessness services statutory returns for the period 1 April 2021 – 31 March 2022 was provided. These figures were collated by the Scottish Government through the returns process and were published to allow scrutiny and comparisons between local authorities.

Decision

1) To note the summary of the Council's statutory homelessness returns.

2) To note that a timetable of statutory returns would be provided to members.

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

12. Housing Revenue Account Budget Strategy 2023/24

The 30-year HRA Business Plan was reviewed annually to make financial provision for delivery of day-to-day services to tenants and capital investment in new and existing homes. The Business Plan aimed to support the delivery of Council commitments, including more Council homes and net zero carbon. On 24 February 2022, Council approved a rent freeze for the second year in a row equating to £179m loss of income over the lifetime of the 30-year business plan from the two rent freezes. Details were provided of the impact of a third rent freeze in 2023/24 and the implications for future years.

Motion

1) To note the increased financial pressure on the Housing Service and the updates made to HRA Business Plan financial assumptions.

2) To note that delivery of the Energy Efficiency Standard for Social Housing 2 (EESSH2) was expected to reduce energy demand and tenants' energy bills but would require increased HRA capital investment.

3) To note that the planned annual HRA budget strategy would be re-designed in consultation with tenants' representatives and taken forward in 2023.

4) To note that a third rent freeze meant that the Council would not be able to deliver statutory energy efficiency commitments and expand the Council's housebuilding programme without rent increases in future years and increases in Scottish Government subsidy.

5) To agree to increase engagement with Scottish Government to secure additional support to deliver the Energy Efficiency Standard for Social Housing 2 (EESSH2) and more Council homes.

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment

1) To note the increased financial pressure on the Housing Service and the updates made to HRA Business Plan financial assumptions.

2) To note that delivery of the Energy Efficiency Standard for Social Housing 2 (EESSH2) was expected to reduce energy demand and tenants' energy bills but would require increased HRA capital investment.

3) To note that the planned annual HRA budget strategy would be re-designed in consultation with tenants' representatives and taken forward in 2023.

4) To note that a third rent freeze meant that the Council would not be able to deliver statutory energy efficiency commitments and expand the Council's housebuilding programme without rent increases in future years and increases in Scottish Government subsidy.

5) To agree to increase engagement with Scottish Government to secure additional support to deliver the Energy Efficiency Standard for Social Housing 2 (EESSH2) and more Council homes.

6) To agree a report in two cycles on the financial strategy setting out the current position with allocation of Transfer of the Management of Development Funding (TMDF), and an analysis of Strategic Housing Investment Framework (SHIF) funding allocations.

   Further the report should cover:

   - What the likely allocation would be for Edinburgh if we were included in the SHIF, against current assumptions remaining in the TMDF
   - The process for raising the issue of the funding formula for the Resource Planning Assumptions (RPAs) at COSLA
   - Details of what criteria were considered when the funding formula for the RPAs was considered at COSLA
   - Details of any meetings or correspondence the convener has had with the Cabinet Secretary or COSLA representatives in relation to the RPAs
   - Details of any meetings or correspondence officers have had with civil servants or COSLA officials in relations to the RPAs
   - A recommendation as to whether Edinburgh was more likely to benefit from financial investment in housing by remaining in the TMDF or if we should consider joining the SHIF, and details of that process.

7) To agree the convener would write to the COSLA President and the Cabinet Secretary to set out the significant challenges that Edinburgh faces in relation to EESSH2 delivery, and request that serious consideration was given to applying a funding formula based on need to the Social Housing Net Zero Heat Fund (SHNZHF) as well as request an increase to the overall fund and to ask for RPAs for 5 years and a further review of the increase in benchmarks.

8) To agree to ask the Council Leader to make the case for, and vote for, a funding formula based on need when the SHNZHF report is in front of COSLA Leaders.

9) To agree to reaffirm our commitment to the 20k affordable housebuilding programme to be delivered by 2027, with 10k homes delivered in house by the Council.

- moved by Councillor Campbell, seconded by Councillor Dobbin

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

Decision

To approve the following adjusted motion by Councillor Meagher:

1) To note the increased financial pressure on the Housing Service and the updates made to HRA Business Plan financial assumptions.

2) To note that delivery of the Energy Efficiency Standard for Social Housing 2 (EESSH2) was expected to reduce energy demand and tenants’ energy bills but would require increased HRA capital investment.

3) To note that the planned annual HRA budget strategy would be re-designed in consultation with tenants’ representatives and taken forward in 2023.

4) To note that a third rent freeze meant that the Council would not be able to deliver statutory energy efficiency commitments and expand the Council’s housebuilding programme without rent increases in future years and increases in Scottish Government subsidy.

5) To agree to increase engagement with Scottish Government to secure additional support to deliver the Energy Efficiency Standard for Social Housing 2 (EESSH2) and more Council homes.

6) To note the increased financial pressure on the Housing Service and the updates made to HRA Business Plan financial assumptions.

7) To note that delivery of the Energy Efficiency Standard for Social Housing 2 (EESSH2) was expected to reduce energy demand and tenants’ energy bills but would require increased HRA capital investment.

8) To note that the planned annual HRA budget strategy would be re-designed in consultation with tenants’ representatives and taken forward in 2023.

9) To note that a third rent freeze meant that the Council would not be able to deliver statutory energy efficiency commitments and expand the Council’s housebuilding programme without rent increases in future years and increases in Scottish Government subsidy.

10) To agree to increase engagement with Scottish Government to secure additional support to deliver the Energy Efficiency Standard for Social Housing 2 (EESSH2) and more Council homes.

11) To agree a report in two cycles on the financial strategy setting out the current position with allocation of Transfer of the Management of Development Funding

(TMDF), and an analysis of Strategic Housing Investment Framework (SHIF) funding allocations.

Further the report should cover:

- What the likely allocation would be for Edinburgh if we were included in the SHIF, against current assumptions remaining in the TMDF
- The process for raising the issue of the funding formula for the Resource Planning Assumptions (RPAs) at COSLA
- Details of what criteria were considered when the funding formula for the RPAs was considered at COSLA
- Details of any meetings or correspondence the convener has had with the Cabinet Secretary or COSLA representatives in relation to the RPAs
- Details of any meetings or correspondence officers have had with civil servants or COSLA officials in relations to the RPAs
- A recommendation as to whether Edinburgh was more likely to benefit from financial investment in housing by remaining in the TMDF or if we should consider joining the SHIF, and details of that process.

12) To agree the convener would write to the COSLA President and the Cabinet Secretary to set out the significant challenges that Edinburgh faces in relation to EESSH2 delivery, and request that serious consideration was given to applying a funding formula based on need to the Social Housing Net Zero Heat Fund (SHNZHF) as well as request an increase to the overall fund and to ask for RPAs for 5 years and a further review of the increase in benchmarks.

13) To agree to ask the Council Leader to make the case for, and vote for, a funding formula based on need when the SHNZHF report is in front of COSLA Leaders.

14) To agree to reaffirm our commitment to the 20k affordable housebuilding programme to be delivered by 2027, with 10k homes delivered in house by the Council.

(References – Act of Council No 2 of 24 March 2022; Housing, Homelessness and Fair Work Committee of 24 March 2022 (item 2); Report by the Executive Director of Place, submitted.)

13. Place/Homelessness Financial Monitoring

The provisional out-turn for financial year 2021/22 and the month three 2022/23 revenue monitoring position for the Housing Revenue Account (HRA), Homelessness Services and Place General Fund was presented, focusing on services within the scope of this Committee.

Decision

1) To note that the Housing Revenue Account (HRA) was forecasting a contribution of £5.794m to the Strategic Housing Investment Fund (SHIF) from revenue generated in 2022/23 as part of the capital investment programme funding

strategy. The provisional 2021/22 out-turn returned a contribution of £8.653m to the SHIF.

2) The Homelessness Service was projecting an overspend of £5.500m at month three in 2022/23. The provisional 2021/22 out-turn returned an overspend of £5.938m.

3) To note the Place General Fund (GF) services within the remit of the Committee were forecasting a ‘business as usual’ overspend (excluding Covid-19 impact) of £0.528m in 2022/23 at month three. The provisional 2021/22 outturn for same services returned a £0.351m overspend against budget.

4) To note the Place GF Covid-19 impact for services within the remit of the Committee was forecast at a cost of £0.148m in 2022/23 which could be met within the earmarked budget provision. The provisional 2021/22 out-turn returned a £0.590m cost attributable to the impact of Covid-19.

(References – Finance and Resources Committee of 8 September 2022 (items 5 and 8); Report by the Executive Director of Place, submitted.)

14. Trade Unions in Communities

A motion by Councillor Campbell, agreed at Council on 30 June 2022, instructed officers to engage with the Trade Unions and community groups to see what support the Council could offer to create a hub in Craigmillar. Officers had contacted the Trades Union representative to arrange to meet to discuss the support the Council could offer. Officers would continue to progress this and will provide an update report on the outcome of these discussions in December 2022.

Decision

1) To note that officers would engage with the Trade Unions and community groups to identify what support the Council can offer to support the hub.

2) To agree that an update would be provided in December 2022.

(References – Act of Council No 3 of 30 June 2022; Report by the Executive Director of Place, submitted.)

15. Affordable Housing Policy - Tenures Update – referral from the Planning Committee

On 31 August 2022, the Planning Committee considered a report by the Executive Director of Place providing an assessment of the impact of affordable tenures including LCHO and Below Market Rent (MMR and IR) delivered through the Affordable Housing Policy. The committee referred this report to the Housing, Homelessness and Fair Work Committee for information.

Decision

To note the report.

(References – Planning Committee of 31 August 2022 (item 4); referral from the Planning Committee, submitted.)

Work Programme

Housing, Homelessness and Fair Work Committee

1 December 2022

No.	Title / description	Purpose/Reason	Directorate and Lead Officer	Progress updates	Expected date
1	Place and Homelessness – Financial Monitoring	Quarterly and annual report	Executive Director of Place Lead Officer: Susan Hamilton 0131 469 3718 susan.hamilton@edinburgh.gov.uk		January 2023 March 2023
2	Homelessness Services' Performance Dashboard	Six-monthly report	Executive Director of Place Lead Officer: Nicky Brown 0131 469 3620 nicky.brown@edinburgh.gov.uk		March 2023 September 2023
3	EDI Group	Annual Report and six-monthly update	Executive Director of Place Lead Officer: David Cooper 0131 529 6233 david.cooper@edinburgh.gov.uk		May 2023 December 2023

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4	Appointments to Working Groups	Annual report	Executive Director of Corporate Services Lead Officer: Jamie Macrae 0131 553 8242 jamie.macrae@edinburgh.gov.uk		December 2023
5	Capital City Partnership	Annual report	Executive Director of Place Lead Officer: Elin Williamson 0131 469 2801 elin.williamson@edinburgh.gov.uk		August 2023
6	City of Edinburgh Council Assurance Schedule on Housing Services	Annual report	Executive Director of Place Lead Officer: Elaine Scott 0131 529 6789 elaine.scott@edinburgh.gov.uk		August 2023
7	Edinburgh Living Annual Report	Annual Report	Executive Director of Place Lead Officer: Elaine Scott 0131 529 6789 elaine.scott@edinburgh.gov.uk		March 2023
8	EICC	Annual report	Executive Director of Place Lead Officer: David Cooper 0131 529 6233 david.cooper@edinburgh.gov.uk		December 2023
9	Empty Homes Annual Update	Annual Report	Executive Director of Place Lead Officer: Andrew Mitchell 0131 469 5822 andrew.mitchell@edinburgh.gov.uk		December 2023

10	Homelessness – Statutory Returns	Annual Report	Executive Director of Place Lead Officer: Nicky Brown 0131 469 3620 nicky.brown@edinburgh.gov.uk		August 2023
11	Housing Revenue Account Capital Programme	Annual report	Executive Director of Place Lead Officer: Elaine Scott 0131 529 6789 elaine.scott@edinburgh.gov.uk		March 2023
12	Land Strategy to Support Delivery of Affordable Housing and Brownfield Regeneration	Annual Report	Executive Director of Place Lead Officer: David Cooper 0131 529 6233 david.cooper@edinburgh.gov.uk		December 2023
13	Rapid Rehousing Transition Plan	Annual report	Executive Director of Place Lead Officer: Nicky Brown 0131 469 3620 nicky.brown@edinburgh.gov.uk		August 2023
14	Strategic Housing Investment Plan (SHIP)	Annual Report	Executive Director of Place Lead Officer: Elaine Scott 0131 529 6789 elaine.scott@edinburgh.gov.uk		December 2023
15	Net Increase in Homes and Acquisition	Six-Monthly Business Bulletin	Executive Director of Place Lead Officer: Elaine Scott 0131 529 2277 elaine.scott@edinburgh.gov.uk		March 2023

16	Support for Rent Collection	Annual Business Bulletin	Executive Director of Place Lead Officer: Elaine Scott 0131 529 6789 elaine.scott@edinburgh.gov.uk		August 2023

Housing, Homelessness and Fair Work Committee Upcoming Reports

Appendix 1

Report Title	Directorate	Lead Officer
March 2022		
The Trade Unions in Communities	Place	Nicky Brown
Place and Homelessness – Financial Monitoring	Place	Susan Hamilton
Homelessness Services' Performance Dashboard	Place	Nicky Brown
Edinburgh Living Annual Report	Place	Elaine Scott
Housing Revenue Account Capital Programme	Place	Elaine Scott
Gig Economy Task Force	Place	Chris Adams

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Rolling Actions Log

Housing, Homelessness and Fair Work Committee

1 December 2022

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	31.10.19	Edinburgh International Conference Centre Annual Update	1) To agree that a draft Service Level Agreement (SLA) be prepared and reported in two committee cycles.	Executive Director of Place	December 2022		**Recommended for closure** On the agenda for 1 December 2022. It is a long standing requirement that all Arms-Length External Organisations of the Council should enter into a Service Level Agreement (SLA) with the Council.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							However, given that there is a Shareholder Agreement in place and the company does not offer a direct service to the Council, it is proposed that Strategic Delivery Agreement (SDA) is put in place.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							A draft document has been prepared but some of the terms cannot be finalised until the details of other legal documents are also sufficiently developed. These dependencies are unfortunately not entirely within the control of either the Council or the EICC and require agreement from other parties. It is, however, hoped that this will be completed shortly, and the SDA will then be reported to Committee for consideration.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
2	03.09.21	[Rent Collection and Assistance for Council Tenants]()	1) Notes the positive inclusion of the additional step, pre court action, of referrals to the multi-disciplinary team. Recognises that 84% of tenants referred have had positive engagement with the team Therefore, asks that consideration is given to how this team can be effectively expanded, with an emphasis on early intervention, and report back through the RRTP.	Executive Director of Place	September 2022		**Closed September 2022** An update on the work of the team was provided in the RRTP annual update on progress agreed by committee on 4 August which noted that the team continue to provide intensive support to tenants dependant on individual circumstances and will seek to develop the service over the coming year.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To agree to Business Bulletin updates on locality drop in events, as referenced in 4.5.2 of the report. Updates would be circulated to all elected members for information.	Executive Director of Place	December 2022		**Recommended for closure** Update provided in the Business Bulletin in August 2022.
3	24.03.22	Gig Economy Task Force	1) Agree to consider a report by Autumn 2022 on progress on plans for delivery of task force priority recommendations 1 and 2	Executive Director of Place	March 2023		**Update December 2022** Report has been deferred to March 2023.
			2) Agree to development of a forward work programme with proposed timelines and resources needed for implementation of task force recommendations 3 to 7 by Autumn 2022	Executive Director of Place	March 2023		**Update December 2022** Report has been deferred to March 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
4	23.06.22	Parental Employability Support	1) To further agree that a report will come back to Committee in one cycle, following officer engagement with Canongate Youth, with more detail on the project and outcomes, for a decision from Committee.	Executive Director of Place	August 2022		Closed 04.08.22
			2) To request that a briefing note on the employability delivery model be circulated to committee members.	Executive Director of Place	October 2022		**Recommend for closure** Briefing took place on 13 October 2022. **September 2022** Members requested a verbal briefing/ workshop at September Committee. **September 2022** Briefing note circulated 27 September 2022.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
5	04.08.22	Update on the Housing Service Improvement Plan	1) To arrange a workshop in advance of the next Committee update for further scrutiny.	Executive Director of Place	December 2022	November 2022	**Recommended for Closure** Workshop took place on 09.11.22
			2) To circulate a briefing note on the consultation and engagement methodology, including a breakdown of the ethnic minority groups involved.	Executive Director of Place	October 2022	November 2022	**Recommended for Closure** Briefing note circulated to members on 14.11.22.
			3) To include a further update on the complaints handling process in the next HSIP, including the progress with the new process and the resolution team.	Executive Director of Place	March 2023		**Update December 2022** Report is going to Committee in March 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
6	04.08.22	Rapid Rehousing Transition Plan – Annual Update on Progress	1) To circulate a briefing note with further information on the rise of PSL Properties.	Executive Director of Place	September 2022		**Closed September 2022** A PSL Briefing has been organised for 26 September 2022

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To request a briefing after the publication of the Accessible Housing Study (Appendix 1, 4.23) to understand more about: a. The detail of the IIA referenced in the report. b. The relationship between – and overlap with – housing demand amongst homeless households and disabled households in the city. c. The findings and recommendations of the Accessible Housing Study.	Executive Director of Place	December 2022		**Recommended for Closure** Accessible Housing Study report is going to Committee in December 2022.
7	29.09.22	Business Bulletin	To request a further briefing providing more detail on HNDA/HST.	Executive Director of Place	November 2022		**Recommended for Closure** Briefing note circulated to members.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
8	29.09.22	Homelessness Services' Performance Dashboard	1) To note that figures from 2019/20 would be added in future reports to allow a comparison of pre-pandemic figures.	Executive Director of Place	March 2023		**Update November 2022** The report will next come to Committee in March 2023.
			2) To note that an overall figure of people who moved into Housing First tenancies be included in future reports.	Executive Director of Place			**Update November 2022** The report will next come to Committee in March 2023.
9	29.09.22	Capital City Partnership - Progress Update	1) To note that the Capital City Partnership events schedule would be shared with members.	Executive Director of Place		13 October 2022	**Recommended for Closure** Briefing took place on 13 October 2022.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) Agrees to bring back a report in 3 cycles on the data gathered, and how this will be monitored in future, in relation to provision of service that reflects support for people in need by reason of age, poor health and wellbeing outcomes, disability, learning disability, marginalised groups including those from low socio-economic backgrounds, single-parent families, ethnic minorities, and people with experience of complex needs including trauma or violence.	Executive Director of Place	May 2023		**Update December 2022** Report will go to Committee in May 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
10	29.09.22	The City of Edinburgh Council's Annual Assurance Statement on Housing Services	To request a report to the Housing, Homelessness and Fair Work Committee on the Mixed Tenure Improvement Service (MTIS), within two cycles to help better inform Councillors on the pilot, detailing: 2.1 any other areas of the city proposed for the 2023 programme of work (mentioned in paragraph 4.9 of the report by the Executive Director of Place) 2.2 how the areas were prioritised 2.3 what resident engagement and consultation had taken place prior to works commencing.	Executive Director of Place	March 2023		**Update December 2022** Report on the HRA Capital Programme and MTIS will go to Committee in March 2023.
11	29.09.22	Homelessness Services - Statutory Returns	To note that a timetable of statutory returns would be provided to members.	Executive Director of Place	November 2022		**Recommended for Closure** Timetable circulated to members on 25.11.22.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
12	29.09.22	HRA Budget Strategy	1) To agree a report in two cycles on the financial strategy setting out the current position with allocation of Transfer of the Management of Development Funding (TMDF), and an analysis of Strategic Housing Investment Framework (SHIF) funding allocations.	Executive Director of Place	March 2023		**Update December 2022** Report will go to Committee in March 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To agree the Convener would write to the COSLA President and the Cabinet Secretary to set out the significant challenges that Edinburgh faces in relation to EESSH2 delivery, and request that serious consideration was given to applying a funding formula based on need to the Social Housing Net Zero Heat Fund (SHNZHF) as well as request an increase to the overall fund and to ask for RPAs for 5 years and a further review of the increase in benchmarks.	Convener	October 2022	December 2022	**Recommended for Closure** Letters issued on 11.11.22 and 15.11.22.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			3) To agree to ask the Council Leader to make the case for, and vote for, a funding formula based on need when the SHNZHF report is in front of COSLA Leaders	Convener / Council Leader			**Update December 2022** Scottish Government will set out its intentions on funding for EESSH2 in 2023. A report can then be submitted and discussions at COSLA leaders meeting would provide the opportunity for the case to be made.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			4) To request a briefing note providing more detail on the TMDF/SHIF.	Executive Director of Place	December 2022		**<u>Update December 2022</u>** Details of this are covered in the SHIP 23-28 report to Committee in December 2022. A detailed report on TMDF/SHIF will be brought to Committee in March 2023 in response to Councillor Campbell's motion.
13	29.09.22	[Trade Unions in Communities]()	1) Note that officers will engage with the Trade Unions and community groups to identify what support the Council can offer to support the hub	Executive Director of Place	March 2023		**<u>Update December 2022</u>** Report has been deferred to March 2023.
			2) Agree that an update will be provided in December 2022.	Executive Director of Place	March 2023		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
14	29.09.22	Motion by Councillor Caldwell (see Agenda of 29 September 2022)	Requests that the Convener of Housing, Homelessness and Fair Work to meet with the Convener of Finance and Resources to explore how we can support Council-led PB alongside local residents and volunteers.	Convener			

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Business Bulletin

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Housing, Homelessness and Fair Work Committee

Convener:	Members:	Contact:
Convener: Councillor Jane Meagher 	Councillor Graeme Bruce Councillor Jack Caldwell Councillor Kate Campbell Councillor Stuart Dobbin Councillor Pauline Flannery Councillor Simita Kumar Councillor Ben Parker Councillor Susan Rae Councillor Mandy Watt Councillor Iain Whyte	Jamie Macrae Committee Officer Tel: 0131 553 8242

Recent News	Background
Edinburgh Living purchases homes at Fruitmarket On 8 September 2022, Finance and Resources Committee approved Edinburgh Living's purchase of 80 homes from the Frutimarket National Housing Trust LLP. At the time of writing, with the exception of three homes being marketed for re-let, the homes are currently all tenanted. All homes purchased by Edinburgh Living will continue be let at mid-market rents to existing tenants. The purchase delivers a positive outcome for tenants, providing them with the security of a long-term rental option at affordable rents. Following the purchase, homes that become available would be let by Edinburgh Living to tenants on low to moderate incomes in accordance with Edinburgh Living's lettings policy. Finance and Resources Committee also agreed to the transfer of an additional fourteen homes constructed at Dumbryden as part of the Council's housebuilding programme. Once these acquisitions are complete, Edinburgh Living will own 594 homes. On 6 October 2022 the Scottish Parliament approved The Cost of Living (Tenant Protection)(Scotland) Act which gives Ministers the power to cap rent increases for both private and social tenants. The legislation is in force until at least 31 March 2023. The full impact of the national rent freeze on Edinburgh Living will be assessed at the financial year end (December 2022) along with the implications of rents being frozen or capped in 2023. This will be reported as part of the Edinburgh Living Annual Report to be presented to Committee in March 2023.	**Contact:** Hazel Ferguson, Senior Construction Project Manager
Gig Economy Task Force In March 2022 Committee agreed the findings of the Gig Economy Task Force with an agreement to consider a report on progress in Autumn 2022. Progress towards implementing Gig Economy Task Force findings has been slower than expected in recent months, with officer time prioritised towards development of responses to the cost of living crisis amongst other commitments.	**Contact:** Chris Adams, Strategy Manager

Recent News	Background
As next steps, planned actions for first quarter 2023 include: • Convening a meeting of union representatives from the Gig Economy Taskforce, and colleagues involved in the Trades Unions in the Community project to take forward actions relating to promotion of workers' rights; • Convening a joint meeting of Conveners of the Finance and Resources, Housing, Homelessness and Fair Work Committee, and the Licensing Board to agree the scope of actions needed to promote workers rights and fair work through relevant Council policies; and • Work with Edinburgh Guarantee, Edinburgh Living Wage Action Group, and other stakeholders to scope a programme of work needed to develop a fair work charter in Edinburgh. Further actions needed to fully implement the findings of the Gig Economy Task Force will be developed alongside these next steps, with full details on progress reported to Committee within two cycles.	

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Housing Land Strategy Report

Executive/routine	**Executive**
Wards	**All**
Council Commitments	

1. Recommendations

1.1 It is recommended that Housing, Homelessness and Fair Work Committee notes:

1.1.1 The findings and emerging opportunities resulting from the Prior Information Notice (PIN) market engagement process; and

1.1.2 That approval will be sought from Finance and Resources Committee for purchase of homes or sites with progress reported to this Committee via briefings and Business Bulletin updates.

Paul Lawrence

Executive Director of Place

Contact: David Cooper, Head of Development and Regeneration

E-mail: david.cooper@edinburgh.gov.uk | Tel: 0131 529 6233

Report

Housing Land Strategy Report

2. Executive Summary

2.1 This report updates members on the findings from the market engagement exercise looking at more innovative ways of delivering affordable housing in order to accelerate delivery rates.

2.2 The market conditions have changed dramatically since this exercise began and this is reflected in the approach that is now proposed. Rather than move forward with lease based proposals, it is now considered better to focus on the opportunities being presented directly by land-owners.

2.3 The Council will explore delivery options with these potential partners and will also involve Registered Social Landlords (RSL) in these discussions as well as considering the role of the Council's Edinburgh Living LLPs. These opportunities are now included as part of an updated Housing Land Strategy and the sites are also included in the 2023-2028 Strategic Housing Investment Plan (SHIP).

3. Background

3.1 Edinburgh needs more homes of all tenures, with greatest demand being for affordable homes. The latest Housing Need and Demand Assessment (HNDA3) states there is demand for between 36,000 and 52,000 new homes in Edinburgh between 2021 to 2040; between 24,000 to 35,000 of these homes need to be affordable. Lack of affordable housing is impacting on the ability of the city to address homelessness and is also a barrier to economic growth.

3.2 The SHIP is reported annually to this Committee (with the latest report being presented to Committee as part of this meeting agenda). Previous reports highlight the main risk to the delivery of the plan is that affordable housing developers need greater control of sites in order to accelerate development of affordable housing. Funding is also a challenge and there is an important role that non-grant funded models play in delivering affordable homes and brownfield regeneration in the city.

3.3 The proposal to carry out market engagement was agreed by Committee on 4 November 2021 as a means of exploring new delivery options for the Council directly and through Edinburgh Living. A Parameters document was also agreed as part of the pack to be provided. This document is attached in Appendix 1 for ease of reference (and the link to the full report is provided in the Background Reading section below).

3.4 Viability of affordable housing is now more challenging due to substantial increases to construction costs, increased borrowing costs and rents which have been frozen. Construction prices increased globally in 2022 and costs of construction materials such as timber, steel and particleboard increased by more than 40% in the last year due to rising energy prices, increased demand post the Coronavirus (Covid-19) pandemic, and reduced supply, due in part to the war in Ukraine. The average cost of building an affordable home in Edinburgh increased from just under £120,000 in 2012 to just under £160,000 in 2020. In 2021, the cost of building an affordable home rose to almost £185,000.

3.5 Most affordable rented housing is funded by a combination of RSL private finance or Council borrowing repaid from rental income and grant funding. Finance is usually based on the amount of rent that can be collected to repay the interest and borrowing. The amount of grant funding made available by Scottish Government for each affordable home increased in 2021, however, it still only represents around 41% of the cost of an affordable home. Whilst the average cost of an affordable rented home in Edinburgh in 2021 was almost £185,000, the average grant amount per home was only £76,000.

3.6 In September 2022, the Bank of England raised interest rates by 0.5% to 2.25% to try to curb inflation; this increases the cost of borrowing, including the cost of borrowing for housing. In September 2022, inflation was 10.1%, which is the highest for 40 years, and mortgage interest rates exceeded 6% for the first time in 14 years. The number of mortgage products available fell from almost 4,000 in September 2022 to just over 2,000 in October 2022.

3.7 High development costs coupled with high interest rates are expected to impact on delivery of market and affordable housing. There is an increased risk of insolvencies and developers may choose to delay site starts or sell sites. Whilst this may create opportunities for the Council and RSLs to purchase sites or completed homes, affordable developers are facing increased financial pressures and are unlikely to be able to scale up their development programmes without additional grant funding from Scottish Government.

3.8 The Housing Revenue Account Budget Strategy 2023/24 report to this Committee in September set out the impact of rising costs on the Housing Service and the planned capital programme. The report highlighted that an increase in government funding and rental income will be needed to enable more homes to be brought into the Council's development programme.

4. Main report

Market Engagement - Findings

4.1 On 4 November 2021, agreed to carry out a market engagement exercise. A Prior Information Notice (PIN) was subsequently issued reflecting that new delivery approaches may require to be formally procured.

4.2 A direct approach to funders was also made. The Council received a good response from the market with 21 parties engaging with the process. This included investors, developers, and landowners as well as intermediaries who have developed delivery models that are designed as a full service to the Council.

4.3 Appendix 2 provides a list of all the respondents along with a brief analysis of their proposals. This document is being treated as commercially sensitive in order to ensure best value for the Council moving forward should it choose to move to a competitive process. Engagement with funders was also undertaken on the basis of confidentiality for those participating.

4.4 All of the parties who responded have provided proposals for the Council to consider. In some cases, this has been more generic and has been an offer of services or finance but without there being a defined project or development site identified. Other respondents have come forward with more site specific proposals.

4.5 In general terms, the findings of this exercise reaffirm the position that was set out in the previous report to Committee: that access to land is one of our biggest challenges and that the typically strong housing market in Edinburgh means that securing land or opportunities for affordable housing comes at a premium. The key points are as follows:

4.5.1 There are a number of investors, intermediaries, developers and landowners who have responded and are keen to work with the Council;

4.5.2 The Council's covenant is attractive to investors and the level of security it provides means that the Council can achieve competitive rates;

4.5.3 The specificity of the Council's housing requirements – quality, zero carbon, rents at or below Local Housing Allowance (LHA) levels mean that project viability is challenging particularly when working to deliver units in addition to those delivered through the Affordable Housing Policy (AHP) and where land or buildings need to be purchased at market-value;

4.5.4 In terms of lease-based delivery models, these are shown to be available and broadly feasible, but they are inflation linked and involve lease terms of 50 years or longer. These models also have to be assessed in the context of delivering sustainable mixed-tenure communities as they tend to offer mono-tenure solutions and do not support the delivery of social rented housing;

4.5.5 The Council may be an attractive development partner on larger sites where a 'place premium' has not yet been achieved and this may also mean that the

Council can secure better deals in these circumstances involving more than one delivery route; and

4.5.6 In a typically strong property market, the ability to act quickly to seize opportunities when they do arise, is fundamental to success.

4.6 The leasing model featured strongly in the responses received from both intermediaries and investors. Under this model the Council would sign up to a lease or an agreement to lease completed units. In order to meet the cost of land, construction, services and finance while still being able to deliver affordable homes, the lease terms required were generally 55 years or longer.

4.7 These offers are inflation linked and generally come with a collar and cap. At the time of reviewing the proposals, these were generally at 1% and 5% meaning that the annual lease costs would automatically increase by between 1% and 5%, dependent on the actual rate of inflation. Rents paid by tenants would need to increase annually at the same level to avoid creating a gap in the financial model and to ensure that the Council can meet its future lifecycle requirements and overheads. It is also unlikely that the terms stated in the proposals would still be held in the current economic climate.

4.8 While these offers are appealing from the perspective of being a complete end to end service, the key challenge with this approach is financial risk. The Council's analysis of these proposals is that if there was around nine years of consecutive inflation running a 3% per annum then we would arrive at a position where either the Council would be in a loss making position or the rents would need to be set at levels no longer considered to be affordable. As such, these opportunities are not considered to stand up to sensitivity analysis and it is not recommended that they are taken forward at this time.

4.9 Scottish Futures Trust (SFT) is establishing a lease-based delivery working group to further assess the risks and opportunities of these models. Council officers will take part in this working group, which will be an opportunity to share experience and set out where further support is required to improve the viability of these models. This work will help to inform any future consideration of lease-based models as well as potential procurement routes.

New Approach

4.10 There are ways in which the Council could work more with the private sector to increase affordable housing delivery although, as stated above, this comes at a cost. Entering into such arrangements will need careful consideration to ensure that the approach is procurement compliant.

4.11 In order to increase the number of affordable homes and Council owned homes, the following should be considered:

4.11.1 As previously stated, access to sites has always been a key challenge in delivering more affordable homes. It is proposed that where landowners and developers come forward with housing sites, the Council and RSL partners explore whether affordable homes can be delivered above and beyond the affordable housing policy requirement. Where it is not possible to secure additional homes, it may be possible for the affordable development to be brought forward in advance of market housing. In some instances, delivery of market homes will also be required to cross subsidise the affordable homes. Any such engagement with landowners would only be made on sites specifically identified as housing sites in the local development plan (LDP), or other sites in the urban area, provided they are considered to be suitable for housing development. It would not extend to land in the green belt or sites specifically identified in the LDP for other purposes.

4.11.2 Where sites are suitable, the Council would offer to either buy land, completed homes, or work in partnership with the landowners and RSL partners to develop sites and additional affordable housing. A key challenge will be that funding and additional grant from the Scottish Government will be required. In addition, a more commercial approach may need to be taken so that we can cross subsidise affordable homes with market homes for rent or sale.

4.11.3 With less certainty around mortgage lending and availability, more “Off The Shelf” (OTS) house purchasing opportunities may be presented to the Council and RSL partners. In the past this has been homes sold at completion with a bulk purchase discount offered. Developers and House Builders may prefer to work with the Council or RSLs to sell homes direct rather than offer homes for market sale in a period of mortgage lending uncertainty and instability. However, as the homes were designed and built as market homes for sale, they may not fully meet the energy efficiency and accessibility standards expected from affordable housing. The Council will open dialogue with Scottish Government to explore the option of grant funding in case OTS opportunities start to be offered.

4.11.4 The Council is likely to have to pay market value, or very close to market value, in order to secure land or homes above and beyond the affordable housing policy. Any proposals coming forward will be carefully assessed to ensure they are financially viable and can be accommodated within the HRA budget. Careful consideration will be given to the choice of tenure and the vehicle in which units will be held, having regard to the ability to fund the purchase and development of the homes and also the desire to have mixed tenure communities. Any Edinburgh Living acquisitions would require to be funded from General Fund borrowing repaid from future rental income.

Live opportunities

4.12 Through the procurement exercise, landowners have been identified who are willing to work with the Council to explore options for increasing the levels of affordable housing on their sites. The detail of these opportunities is set out in Appendix 2 along with a description of the likely commercial requirements. These are all the subject of live negotiations.

4.13 It is envisaged that all of these opportunities, if progressed, will be moved forward as property transactions and are unlikely to require any formal procurement processes to be undertaken. The Council will remain open to approaches from other landowners. Such opportunities will be assessed on their own merits.

5. Next Steps

5.1 Council officers will continue to seek new opportunities to secure land and the delivery of affordable homes in line with this revision to the Housing Land Strategy while also having regard to the challenges regarding budget constraints.

5.2 Any new proposals to acquire land or take forward new projects will be considered on their own merits and taken to the Finance and Resources Committee for approval as is current practice.

6. Financial impact

6.1 There is no direct financial impact arising from this report. The recommendations are in relation to a strategic approach that will sit within the wider budget strategy that will be considered separately by this Committee.

6.2 As stated above, any new proposals will be reported to the Finance and Resources Committee where the direct financial impacts can be fully assessed.

7. Stakeholder/Community Impact

7.1 This work has been focussed on market engagement to explore new funding and delivery models. Alongside this work officers will continue to work closely with RSL partners who are fundamental to the continued delivery of affordable homes in the city.

7.2 The HRA Budget Strategy, which will dictate the availability of funding for new homes and land acquisition is the subject of consultation with tenants and will be reported to Finance and Resources Committee as part of the annual budget setting process.

7.3 Any individual projects will be the subject of community and stakeholder engagement during planning and delivery stages.

8. Background reading/external references

8.1 Land Strategy Update and Private Sector Engagement, Housing, Homelessness and Fair Work, 4 November 2021.

8.2 Strategic Housing Investment Plan (SHIP) 2021-2026, Housing, Homelessness and Fair Work, 14 January 2021.

8.3 Land Strategy to Support Delivery of Affordable Housing and Brownfield Regeneration, Housing, Homelessness and Fair Work, 14 January 2021.

9. Appendices

9.1 Appendix 1 – Parameters document.

9.2 Appendix 2 – PIN Responses and Analysis (B Agenda)

Appendix 1

PROPOSED PARAMETERS FOR INVITING INTEREST FROM PRIVATE SECTOR TO DELIVER AFFORDABLE HOUSING FOR PURCHASE OR LEASE BY THE COUNCIL

The Invitation to Market is open to landowners, investors and developers and recognises that opportunities will be at different stages in the design, development and construction process. These parameters have been agreed by the Council's Housing, Homelessness and Fair Work Committee for the purposes of the Prior Information Notice and are intend to challenge the market in terms of the outcomes sought.

PARAMETER CATEGORIES	DETAIL
KEY REQUIREMENTS AND OUTCOMES	Generally • Provides access to land or homes that are not in Council ownership • Presents a viable business model and meets a five-case business case for approval by the Finance and Resources Committee • Preference is for a mix of 1, 2 and 3 bed flats and houses (with limited 3 bed flats) • Proposals of between 50 and 250 homes per development is preferable but proposals will be assessed on their own merit and higher numbers will be acceptable on developments where there is a clear business case for this approach Provides opportunity for rapid delivery in areas of the City where there is high demand for affordable tenures **Where leasing structures are proposed** • Homes will be considered for social rent, mid-market rent and market rent. • Lease terms should be appropriate with respect to risk level, rent affordability and financial viability • The Council proposes to set mid-market rents at or below 80% of Local Housing Allowance where lease models are being considered and rents will remain within 100% of Local Housing Allowance for the duration of the lease. • Rent increases will be capped at CPI annually. • Full details of partners within the funding structure and discussions with funders will be required directly in addition to transparency of funding structure • Sufficient financial headroom, over and above expected operating costs and built in risk for void and rent loss, will be required to allow for (i) adverse economic conditions, (ii) making buildings more sustainable in line with future technology and regulations and (iii) lifecycle replacement of key capital components (e.g. roofs, windows, kitchens, bathrooms). Contingency should be sufficient to ensure that there are no unexpected revenue pressures for the Council and the long-term affordability of the homes is protected. • Homes that are leased to the Council must transfer into Council ownership at the end of any lease term (asset reversion) • Market rents will be assessed based on scale, typology, location and relative affordability.
QUALITY AND SUSTAINABILITY	• Focussing on the Council's ambitions in delivering highly efficient new homes, developments should be designed to high standard of sustainability (minimum silver standard, EPC - B) with a preference for new zero carbon homes and all business cases should include full costs to meet our net zero carbon target of 2030. • Where homes are already completed or nearing completion a high standard of sustainability will be expected with additional headroom to allow funding for net zero carbon • Suitable on-site quality assurance and input into acceptance of practical completion and making good defects in line with the defect rectification period • NHBC/warranties should be made available • Delivery of social value benefits from the construction are to be evidenced, including adoption of fair work practices, use of local SMEs within the supply chain and delivery of local community benefits • Method for benchmarking heating costs to tenants to be demonstrated for proposals featuring communal systems, to ensure long term affordability to tenants • Proposals will be assessed against a quality standard to ensure that designs align with the Council's expectations
MAINTENANCE RESPONSIBILITIES	• All maintenance responsibilities and any shared maintenance apportionments to be set out clearly in the Heads of Terms and costed as part of business case • Maintenance responsibility for shared heating and hot water plant to be capped • Where homes are being leased, the cost of maintenance to be benchmarked in relation to similar properties

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by virtue of paragraph(s) 6 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

The EDI Group – annual update for the year ending 31 December 2021

Executive/routine	**Executive**
Wards	**All**
Council Commitments	

1. Recommendations

1.1 It is recommended that Housing Homelessness and Fair Work Committee:

1.1.1 Notes the report; and

1.1.2 Refers the report to the Governance, Risk and Best Value Committee.

Paul Lawrence

Executive Director of Place

Contact: David Cooper, Commercial Development and Investment Senior Manager

E-mail: david.cooper@edinburgh.gov.uk | Tel: 0131 529 6233

Report

The EDI Group – annual update for the year ending 31 December 2021

2. Executive Summary

2.1 This report updates members on the progress of the transition strategy for The EDI Group Limited which aims to close it and its subsidiary companies and bring their projects and assets into the Council.

3. Background

3.1 The EDI Group Limited (EDI) is an arm's length company of the City of Edinburgh Council.

3.2 On 7 February 2017 and 23 February 2017, the Economy Committee and the Finance and Resources Committee respectively agreed to close EDI and its subsidiaries and bring certain activities and assets in-house.

3.3 On 2 November 2017, the Housing and Economy Committee agreed a transition strategy for the closure.

4. Main report

4.1 The transition strategy continues to be implemented. All ongoing projects are now delivered by Council officers and the majority of EDI assets have transferred to the Council or otherwise disposed of.

4.2 The EDI Board, comprising two elected members, continues to meet quarterly. A scheme of delegation has been agreed which enables minor and routine decisions to be taken by Council officers.

4.3 Appendix 1 provides an update on each remaining project and Appendix 2 sets out the residual property assets held by the EDI group.

4.4 The audited consolidated financial statements for The EDI Group Limited, for the year ending 31 December 2021, were approved by the EDI Board on 21 September 2022. The overall financial performance was a net profit of £1.096m (compared to a net loss of £3.195m in the year ending 31 December 2020) and retained earnings of negative £1.4m (compared to negative £2.5m in in the year ending 31 December 2020). The Group had a cash balance of £3.254m as of 31 December 2021.

4.5 The independent auditor opined that the statements gave a true view of the state of the company and were properly prepared in line with International Financial Reporting Standards and the requirements of the Companies Act 2006. The directors' report and consolidated financial statements (including the independent auditor's report) are attached as Appendix 3.

5. Next Steps

5.1 The company activities will continue through to full corporate closure and update reports will continue to be provided to Committee.

6. Financial impact

6.1 The projected special dividend to the Council from closing EDI is currently forecast at £8.288m. This is a reduction on the original forecast figure of £8.5m, reflecting the loss sustained by EDI on the Market Street hotel development coupled with write-downs on property valuations associated with COVID-19, but is a slight improvement upon the projected figure of £8.073m reported on 4 November 2021.

7. Stakeholder/Community Impact

7.1 Consultation and engagement with local communities and delivery partners is ongoing as part of individual projects.

8. Background reading/external references

8.1 The EDI Group – Annual Update – report to the Housing, Homelessness and Fair Work Committee, 4 November 2021.

9. Appendices

9.1 Appendix 1 – Project updates.

9.2 Appendix 2 – Residual property assets held by EDI.

9.3 Appendix 3 – The EDI Group Limited: Directors' report and consolidated financial statements for the year ended 31 December 2021.

Appendix 1 – Project updates

Market Street (EDI Market Street Limited)	
Description Subsidiary company of EDI set up to take forward a hotel development on Market Street.	
Position as of December 2022 The Market Street hotel achieved practical completion in November 2018. Council officers acting on behalf of EDI have settled financial claims with the purchaser and the contractor. All transactions have been completed and this company is no longer needed. This company is planned to be struck-off during 2022.	
RAG status	Green
Granton Waterfront (Waterfront Edinburgh Limited; Waterfront Edinburgh (Management) Limited; Caledonia Waterfront (Harbour Road) Limited)	
Description (Formerly) land and buildings at Granton Waterfront	
Position as of December 2022 The land and buildings wholly owned by Waterfront Edinburgh have been transferred to the Council and now form part of the wider Granton Waterfront regeneration project led by the Housing and Regeneration service. One of the two Waterfront Edinburgh Limited (WEL) subsidiary companies has been transferred up to The EDI Group, while the other is planned to be struck-off during 2022. This company is planned to be struck-off following a final check of company assets.	
RAG status	Green
Craigmillar (PARC Craigmillar Limited; PARC Craigmillar Developments Limited)	
Description Land and buildings at Craigmillar.	
Position as of June 2022 PARC Craigmillar holds two assets: the White House and the South Park at Greendykes (Greendykes plots K and L have transferred to the Council). Legal agreements to which PARC Craigmillar was a party have been novated to the Council. It is anticipated that the remaining assets will transfer to the Council in late-2022/early-2023, following which the Board will be requested to approve the closure of this company.	
RAG status	Green
Brunstane (The EDI Group Limited)	
Description A housing development site with planning permission in place on land owned by EDI and option agreement in place with adjoining landowner. The Council also has an entitlement for profit share in relation to access rights.	
Position as of December 2022 The sale of the west field at New Brunstane concluded missives in mid-2021. The remaining land at New Brunstane (the east field) is currently being marketed. Following the sale of the remaining land, the closure of EDI can begin.	
RAG status	Green
Fountainbridge (EDI Fountainbridge Limited)	
Description EDI Fountainbridge was established to take forward the redevelopment of a brownfield development site owned by the Council.	
Position as of December 2022 The Council has now appointed Cruden Homes as the pre-development partner for the redevelopment of the site. The work in progress held by EDI Fountainbridge was not of value to the Council and so it required to be written off. All transactions have been	

completed and this company is no longer needed. This company is planned to be struck-off during 2022.	
RAG status	Green
Castle Terrace car park (EDI Central Limited)	
Description EDI Central is entitled to payments from NCP as settlement following a court case regarding a lease arrangement at the Castle Terrace car park.	
Position as of December 2022 All payments due to EDI Central have been received and paid up to The EDI Group. All transactions have been completed and this company is no longer needed. This company is planned to be struck-off during 2022.	
RAG status	Green
Shawfair (Shawfair Land Limited)	
Description Shawfair Land formerly held a security over land at the South East Wedge.	
Position as of December 2022 Shawfair Land has released the security in return for a cash payment which has been paid up to The EDI Group. All transactions have been completed and this company is no longer needed. This company is planned to be struck-off during 2022.	
RAG status	Green
Joint ventures (Buredi Limited, New Laurieston (Glasgow) Limited)	
Description Inactive joint venture companies that previously carried out private housing developments.	
Position as of December 2022 Agreement has been reached with joint venture partners to close the two companies. The Buredi joint venture has been struck-off. The striking-off of the New Laurieston (Glasgow) joint venture, which is being taken forward by The Miller Group, is now expected to be completed during 2022.	
RAG status	Green
Dormant subsidiaries (EDI (Industrial) Limited, Edinburgh Retail Investments Limited))	
Description Dormant subsidiary companies.	
Position as of December 2022 Both companies were struck-off in 2019.	
RAG status	Green
The EDI Group Limited (remainder of company)	
Description The parent company of all subsidiaries.	
Position as of December 2022 Other than New Brunstane and shares in the joint venture company Caledonia Waterfront (Harbour Road) Limited, no projects sit directly within the parent company. The projected company closure date is now expected to be 2023 as some transactions will now complete during 2022.	
RAG status	Amber

Appendix 2 – Residual property assets held by EDI

Asset	Owner	Status
Greendykes land at South Park	PARC Craigmillar Limited	Land at Greendykes, Craigmillar on which the South Park (a new park with SUDS infrastructure beneath it) is being developed with seeding now underway. The land is planned to be sold to the Council in late-2022/early-2023 once the park is complete. It is assumed to have nil value.
White House, 70 Niddrie Mains Road	PARC Craigmillar Limited	A historic former roadhouse in Craigmillar, currently leased to Community Alliance Trading Enterprises Limited which operates as a restaurant and function space. On 27 April 2022, the Board approved in principle the transfer of the asset to the Council. The transaction is expected to take place by early 2023.
Land at New Brunstane	The EDI Group Limited	Greenfield development land at Brunstane owned by The EDI Group Limited. The West Field (25 hectares) is being sold to Dandara East Scotland Limited for a housing development of 641 to 676 units. Marketing of the East Field (14 hectares) is underway with a preferred bidder projected to be identified by March 2023.
West Harbour Road, plots D & E	The EDI Group Limited	Brownfield development land at West Harbour Road in Granton Waterfront owned by the joint venture company Caledonia Waterfront (Harbour Road) Limited in which The EDI Group Limited (WEL) owns a 42.5% interest with the remainder being owned by Caledonian Regeneration Investments Limited (CRIL). EDI is currently negotiating with CRIL around options for taking forward the development of the land.

Financial Statements

31 December 2021

EDIGROUP

THE EDI GROUP LIMITED

Directors' report and consolidated financial statements

For the year ended 31 December 2021

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Company information

For the year ended 31 December 2021

Board of directors	K Campbell (resigned 30 June 2022) L Cameron (resigned 30 June 2022) I Whyte J Meagher (appointed 30 June 2022)	
Company secretary	MacRoberts LLP	
Company registration	*Registered office:*	Waverley Court 4 East Market Street Edinburgh EH8 8BG
	Registered number:	SC110956
Bankers	The Royal Bank of Scotland plc Bank of Scotland plc	
Auditor	Azets Audit Services Statutory Auditor Exchange Place 3 Semple Street Edinburgh EH3 8BL	

The Directors present their strategic report and audited financial statements for 2021 financial year.

Principal activities, business review and future developments

The EDI Group Limited (EDI) is a company limited by shares which is incorporated and domiciled in Scotland. It is a wholly owned subsidiary of the City of Edinburgh Council and run as an arm's length operation with the role of investing in the development of land and buildings which are surplus to the Council's operational requirements and leading on the property aspects of regeneration in specific areas of the City.

In February 2017 the Council conducted a review of its approach to the use of surplus land and its interactions with the property market. The Council concluded that the group will have no future pipeline of projects and therefore took the decision that the group and this company should begin a process of managed closure. The Council as shareholder has instructed the directors to begin this process.

The company has now ceased development activities with the majority of the land and buildings transferred to the Council in May 2018 and the remaining land at Greendykes and Brunstane subject to sale negotiations. There has been, and will continue to be, a minimal level of development and property related activity for the remainder of the company's lifespan. Non-property assets will be realised in accordance with their contractual terms and external liabilities and obligations will be settled in full. Financial projections for the closure process show that the group will have sufficient funds to meet all external liabilities and obligations and to repay share capital in full. The intention is that each company will become dormant with a timespan covering 2 to 7 years.

Current development activity:

The Market Street hotel construction reached practical completion in November 2018 and negotiations on financial claims completed in 2020. The transfer of assets from PARC Craigmillar to the City of Edinburgh Council has been completed. The sale of land at Brunstane is expected to complete in 2022.

Our performance

The financial performance of the group in 2021 was a net profit of £1.1m compared to a loss of £3.2m in 2020. Retained earnings increased from negative £2.5m to negative £1.4m. The major factor influencing the year's results has been property sales.

The group had a cash balance of £3.3m (2020: £6.1m). The sales expected in 2022 will be profitable and no dividends expected in 2022 to allow the retained earnings to recover from the write off.

Risks and environment

Although the scope of our activity has reduced significantly, the risk factors influencing the remaining assets are a combination of the general economy of Edinburgh and the national housing market. The Shareholder and the directors recognise that the process of managing the completion of our current activities and transition of the remaining projects to Council control and management has brought specific financial, legal, administration and people risks, and these have been managed.

This report was approved by the board on 21 September 2022 and signed on its behalf by:

J Meagher
Director
4 East Market Street
Edinburgh
EH8 8BG

The directors present their annual report and audited financial statements for the year ended 31 December 2021.

Principal activities and business review

Details of principal activities, market circumstances and risk and performance indicator are included in the Strategic Report. The directors recommend payment of a dividend at the year-end of £Nil (2020: £1,750,000).

Directors

The directors who held office during the year, and subsequently, were as follow:

K Campbell	(resigned 30 June 2022)
L Cameron	(resigned 30 June 2022)
I Whyte	
J Meagher	(appointed 30 June 2022)

Political and charitable contributions

The company made no political or charitable contributions during the year.

Going concern

As described in the Strategic Report, the group's ultimate shareholder, The City of Edinburgh Council, has concluded that the group should begin a process of closure. The company has now ceased development activities other than the sale of remaining land at Greendykes and Brunstane.

The opinion of the directors is that the decision of the shareholder and the active implementation of the decision will lead to the company ceasing to trade in the future and it is therefore not appropriate to prepare the accounts on a going concern basis.

The closure strategy approved by both the shareholder and the directors is that all land and buildings which are not actively in development will transfer to the Council at book value and all liabilities due to the Council will be settled at book value. Much of this activity has now concluded or is in the process of concluding. Third party financial assets will be realised and third party liabilities will be settled according to their contractual terms.

In these accounts each asset and liability will be valued to reflect the closure strategy intention for that asset or liability. The details are described in the notes.

The Company, and the Group, as part of a regular evaluation of liquidity risk, has modelled the principal risks and uncertainties in its cash flow projections for the envisaged closure strategy. After discussions with the shareholder and after assessing the availability of cash balances under a range of scenarios, the Directors have formed the opinion that the Company has sufficient resources to meet all external liabilities and obligations and to repay its share capital in full.

Responsibilities of the directors

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with UK adopted International Accounting Standards.

Responsibilities of the directors (continued)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Azets Audit Services are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report was approved by the board on 21 September 2022 and signed on its behalf by:

J Meagher
Director
4 East Market Street
Edinburgh
EH8 8BG

Opinion

We have audited the financial statements of The EDI Group Limited for the year ended 31 December 2021 which comprise consolidated and parent company statement of profit or loss and other comprehensive income, consolidated and company statement of financial position, consolidated and company statement of changes in equity, consolidated and company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion:

- the financial statements give a true and fair view of the state of the group and parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter – Basis of preparation

We draw attention to notes 2 and 2b in the financial statements, which describe the basis of preparation. The directors have prepared the financial statements using a non-going concern basis of accounting as they consider that the company is not a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett, Senior Statutory Auditor
For and on behalf of Azets Audit Services
Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 21 September 2022

Consolidated and Parent Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

		Consolidated Group		Parent Entity	
	Note	**2021 £'000**	**2020 £'000**	**2021 £'000**	**2020 £'000**
Continuing Operations					
Revenue	3	2,660	174	-	-
Cost of sales		-	(2)	-	-
Gross profit		2,660	172	-	-
Administrative expenses		(280)	(406)	(3,259)	(316)
Work in progress written off		(1,194)	(2,898)	-	-
Profit/(loss) from operations	4	1,186	(3,132)	(3,259)	(316)
Loss on disposal		-	-	-	-
Finance income	6	4	28	1	5
Finance costs	7	(101)	(95)	(101)	(93)
Other income	5	5	5	-	-
Impairment charge on investments		-	-	-	-
Profit/(loss) before income tax expense		1,094	(3,194)	(3,359)	(404)
Income tax (charge)/credit	8	2	(1)	-	-
Profit/ (loss) for the year from continuing operations		1,096	(3,195)	(3,359)	(404)
Net profit/(loss) for the year		1,096	(3,195)	(3,359)	(404)
Attributable to:					
Equity holders of the parent		1,096	(3,195)	(3,359)	(404)

There are no other items of comprehensive income or expense in the current year or prior year and therefore no Statement of Comprehensive Income is shown.

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	Consolidated Group 2021 £'000	2020 £'000
Non-current assets			
Investment property	10	248	248
Investments in joint ventures and associates	11	268	267
Total non-current assets		516	515
Current assets			
Cash and cash equivalents	17	3,254	6,052
Trade and other receivables	13	2,776	2,837
Inventories	12	5,262	9,321
Total current assets		11,292	18,210
TOTAL ASSETS		11,808	18,725
Equity and Liabilities			
Equity attributable to equity holders of the parent			
Contributed equity	18	8,500	8,500
Retained earnings		(1,415)	(2,511)
Total equity		7,085	5,989
Liabilities			
Current liabilities			
Trade and other payables	14	1,375	3,931
Other financial liabilities	15	2,240	4,799
Provisions	16	1,108	4,006
Total current liabilities		4,723	12,736
Total liabilities		4,723	12,736
TOTAL EQUITY AND LIABILITIES		11,808	18,725

The financial statements were approved by the board of directors and authorised for issue on 21 September 2022 and are signed on its behalf by:

J Meagher, Director

I Whyte, Director

Company number: SC110956

The accompanying notes form part of these financial statements.

Company Statement of Financial Position

As at 31 December 2021

	Note	Parent Entity 2021 £'000	2020 £'000
Non-current assets			
Investments in subsidiaries, joint ventures and associates	11	7,415	7,415
Total non-current assets		7,415	7,415
Current assets			
Cash and cash equivalents	17	267	563
Trade and other receivables	13	142	3,067
Inventories	12	4,240	4,213
Total current assets		4,649	7,843
TOTAL ASSETS		12,064	15,258
Equity and Liabilities			
Equity attributable to equity holders of the parent			
Contributed equity	18	8,500	8,500
Retained earnings		(2,809)	550
Capital contribution reserve		30	30
Total equity		5,721	9,080
Liabilities			
Current liabilities			
Trade and other payables	14	4,103	3,938
Other financial liabilities	15	2,240	2,240
Total current liabilities		6,343	6,178
Total liabilities		6,343	6,178
TOTAL EQUITY AND LIABILITIES		12,064	15,258

The financial statements were approved by the board of directors and authorised for issue on 21 September 2022 and are signed on its behalf by:

J Meagher, Director

I Whyte, Director

Company number: SC110956

The accompanying notes form part of these financial statements.

Consolidated and Company Statement of Changes in Equity

As at 31 December 2021

Group

	Capital contribution reserve £'000	Contributed equity £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2020	-	8,500	2,434	10,934
Profit from continuing operations	-	-	(3,195)	(3,195)
Dividends declared	-	-	(1,750)	(1,750)
Balance at 31 December 2020	-	8,500	(2,511)	5,989
Balance at 1 January 2021	-	8,500	(2,511)	5,989
Profit from continuing operations	-	-	1,096	1,096
Balance at 31 December 2021	-	8,500	(1,415)	7,085

Company

	Capital contribution reserve £'000	Contributed equity £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2020	30	8,500	2,704	11,234
Profit from continuing operations	-	-	(404)	(404)
Dividends declared	-	-	(1,750)	(1,750)
Balance at 31 December 2020	30	8,500	550	9,080
Balance at 1 January 2021	30	8,500	550	9,080
Loss from continuing operations	-	-	(3,359)	(3,359)
Balance at 31 December 2021	30	8,500	(2,809)	5,721

The capital contribution reserve represents the excess of fair value over the amount paid for the shareholdings either gifted or sold to the group.

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flow from operating activities			
Total comprehensive profit/(loss) for year		1,096	(3,195)
Adjustments for:			
Taxation charge/(credit)		(2)	1
Interest received		(4)	(28)
Interest paid		101	95
(Increase)/decrease in inventories		4,059	(77)
(Increase)/decrease in receivables		61	2,382
Increase/(decrease) in payables		(5,455)	3,364
Taxation paid		2	(1)
Net cash flows from operating activities		(142)	2,541
Cash flow from investing activities			
Proceeds from sale of available for sale assets		-	2
Interest received		4	28
Net cash flows from investing activities		4	30
Cash flow from financing activities			
Dividends paid		-	(1,750)
Increase/(decrease) in loan stock borrowings		(2,559)	-
Interest paid		(101)	(95)
Net cash flows used in financing activities		(2,660)	(1,845)
Net increase in cash and cash equivalents		(2,798)	726
Cash and cash equivalents at beginning of year		6,052	5,326
Cash and cash equivalents at end of year	17	3,254	6,052

The accompanying notes form part of these financial statements

1. Presentation of financial statements

The company's financial statements have been prepared in accordance with UK adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006.

New accounting standards adopted during the year

Adoption of new and revised standards

The following standards and interpretations are mandatory for the first time for the year ended 31 December 2021 but are either not applicable or have no material impact on the Group's financial statements; IBOR Reform and its Effects on Financial Reporting – Phase 2 and Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16).

The Group has adopted, where applicable, the following new and amended IFRSs as of 1 January 2021:

- IBOR Reform and its Effects on Financial Reporting – Phase 2
- IFRS 16; Leases, Amendment – Covid-19 Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)

Other new standards, amendments to standards and interpretations that are mandatory for the first time in 2021 are considered to have no significant or material effect on the Group's financial statements.

Guidance in issue but not in force

IAS 8 requires disclosure of guidance in issue but not in force. The minimum disclosure relates to guidance issued by 31 December 2021, and with potential effect.

International Accounting Standards and Interpretations	**Effective for periods beginning on or after**
Annual Improvements to IFRS: 2018 – 2020 Cycle	1 January 2022
IFRS 3; Business Combinations (Amendment – Conceptual Framework)	1 January 2022
IAS 37; Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	1 January 2022
IAS 16; Property, Plant and Equipment (Amendment – Proceeds before Intended Use)	1 January 2022
IFRS 17; Insurance Contracts (including amendments issued on 25 June 2020)	1 January 2023
IAS 1; Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current, including deferral or effective date)	1 January 2023
IAS 1; Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies) (issued on 12 February 2021)	1 January 2023
IAS 8; Accounting Policies (Amendment – Changes in Accounting Estimates and Errors; Definition of Accounting Estimates) (issued on 12 February 2021)	1 January 2023
IAS 12; Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a single transaction) (issued on 7 May 2021)	1 January 2023

The Directors have reviewed the requirements of the new standards and interpretations listed above and they are either not applicable or not expected to have a material impact on the Group's financial statements in the period of initial application.

2. Statement of significant accounting policies

The consolidated financial statements of The EDI Group Limited have been prepared in accordance with UK adopted International Accounting Standards in accordance with the provisions of the Companies Act 2006.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

a. Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being the company (the parent entity) and its controlled entities as defined in accounting standard IAS 27 “Consolidated and Separate Financial Statements”. A list of controlled entities appears in note 13 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has left the economic entity during the year its operating results have been included until the date control ceased.

b. Going concern

The opinion of the directors is that the decision of the shareholder to cease development activities and the active implementation of that decision will lead to the company ceasing to trade in the future and it is therefore not appropriate to prepare the accounts on a going concern basis.

The closure strategy approved by both the shareholder and the directors is that all land and buildings which are not actively in development will transfer to the Council at book value and all liabilities due to the Council will be settled at book value. Third party financial assets will be realised and third party liabilities will be settled according to their contractual terms

In these accounts each asset and liability will be valued to reflect the closure strategy intention for that asset or liability. The details are described in the notes.

The Company, and the Group, as part of a regular evaluation of liquidity risk, has modelled the principal risks and uncertainties in its cash flow projections for the envisaged closure strategy. After discussions with the shareholder and after assessing the availability of cash balances under a range of scenarios, the Directors have formed the opinion that the Company has sufficient resources to meet all external liabilities and obligations and to repay its share capital in full.

2. Statement of significant accounting policies (cont’d)

c. Investments in associates and joint ventures

The group’s share of its associates’ / joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group’s share of losses in an associate / joint venture equals or exceeds its interest in the associate / joint venture, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate / joint venture.

Unrealised gains on transactions between the group and its associates / joint ventures are eliminated to the extent of the group’s interest in the associates / joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

d. Income tax

The charge for income tax expense for the year is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profits will be available against which deductible temporary differences can be utilised.

The amount of benefit brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

2. Statement of significant accounting policies (cont'd)

e. Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment

The carrying amount of property, plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their estimated useful lives to the company commencing from the time the asset is held ready for use.

Given the closure strategy outlined in Note 2b, the useful life of all classes of fixed assets was reassessed and adjusted in 2017.

All fixed assets were therefore fully depreciated in the year.

Derecognition and disposal

An item of furniture or equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of comprehensive income in the year the asset is derecognised.

f. Acquisition of assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

g. Inventories

Inventory is stated at the lower of cost and net realisable value. Cost relates to purchase costs and direct labour costs incurred in bringing the inventories up to a saleable state.

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

2. Statement of significant accounting policies (cont'd)

i. Impairment

The carrying value of all assets are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of all assets is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which it belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of the asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

j. Financial instruments

Financial instruments are measured initially at cost, which is the fair value of what was paid or received to acquire or incur them.

After initial recognition, financial assets and liabilities may be classified into the following categories: financial assets or liabilities at fair value through profit or loss; held to maturity investments; available for sale financial assets; loans and receivables and other financial liabilities at amortised cost.

The company has the following categories of financial assets and liabilities:

Trade and other receivables

Trade and other receivables are initially measured at fair value, which is the original invoice amount, and subsequently measured at amortised cost, using the effective interest method. A provision for impairment is accounted for when management deems that specific receivable balances will not be collected. The amount of the impairment loss is recognised in the income statement. Bad debts are written off when they are identified as being irrecoverable.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Trade and other payables

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect would not be material.

2. Statement of significant accounting policies (cont'd)

k. Investment property

Investment property is property held to generate rental income and/or for capital appreciation. Investment property is initially measured at fair value and subsequently revalued annually to its fair value at the balance sheet date.

Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the period in which they arise.

l. Investments

Investments in subsidiary and associated undertakings are stated at cost less provision for permanent impairment.

m. Revenue

Revenue is measured at the fair value of consideration received from income from the group's ordinary activities. Revenue is stated received net of discounts, sales and other taxes. Revenue from sales is recognised when persuasive evidence of an arrangement exists, the significant risks and rewards of ownership have been transferred to the buyer, the price is fixed and determinable and collectively probable.

Rentals receivable under operating leases are recognised in the income statement over the term of the lease on a straight line basis.

Revenue from dividend income is recognised when the rights of the shareholder to receive the payment are determined.

n. Critical accounting estimates and judgements

In applying the accounting policies, the Directors may at times, be required to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the Directors consider are relevant.

Key estimates:

i. *Investment property valuation* – the Directors assess the valuation of the investment property at each reporting date by evaluating conditions specific to the Group that may lead to a revaluation of the asset.

ii. *Provisions* – provisions are based on estimated costs provided by external professionals. The Directors review provisions regularly to assess how reasonable and accurate they are.

o. Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Further details of the provisions recognised in the year can be found at note 16.

2. Statement of significant accounting policies (cont'd)

p. Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax (VAT), except:

i. Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. For receivables and payables, which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

q. Grants receivable

Grants are accounted for by the company when receivable.

Grants receivable in respect of contributions to fixed assets in course of construction and property development work in progress costs are credited to deferred income.

Where grants are given for a specific purpose they are released to the profit and loss account to match the cost of completed project

3. Revenue

An analysis of revenue is as follows:

	Consolidated Group		Parent Entity	
	2021 £'000	**2020 £'000**	**2021 £'000**	**2020 £'000**
Property sales	2,660	174	-	-
	2,660	174	-	-

4. Profit from operations

	Consolidated Group		Parent Entity	
	2021 £'000	**2020 £'000**	**2021 £'000**	**2020 £'000**
After charging				
Auditor's remuneration:				
Audit	37	42	13	12
Non-Audit	6	7	2	2

5. Other income

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Rental income	5	5	-	-
	5	5	-	-

Rental income is from investment properties in relation to property development in Parc Craigmillar Limited.

6. Finance income

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Other interest received	4	28	1	5
	4	28	1	5

7. Finance costs

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
On secured loan stock held by the City of Edinburgh Council	101	95	101	93
	101	95	101	93

8. Income tax expense

	2021 £'000	2020 £'000
Current tax:		
- Adjustments in respect of prior periods	-	-
- Tax adjustments, reliefs and transfer	(2)	1
- Current tax on income for the period	-	-
Current tax (credit)/charge for year attributable to the company and its subsidiaries	(2)	1
Total deferred tax	-	-
	(2)	1
The tax (credit)/charge is allocated in the financial statements as follows:		
Profit and loss account	(2)	1
Statement of comprehensive income	-	-

Domestic income tax is calculated at 19% (2020: 19%) of the estimated assessable profit for the year.

The charge for the year can be reconciled to the loss per the income statement as follows:

	2021 £'000	2020 £'000
Loss/(profit) on ordinary activities before taxation	(1,094)	3,194
Tax on (loss)/profit at the effective rate of corporation tax of 19% (2020: 19%)	208	(604)
Effects of:		
Expenses that are not taxable for tax purposes	4	-
Movement in deferred tax not recognised	(533)	-
Losses which cannot be utilised	3	-
Deferred tax asset not recognised	-	525
Fixed asset differences	-	-
Other timing differences	-	-
Accounting adjustments and transfers	-	-
Adjustments in respect of prior periods	(444)	-
Remeasurement of deferred tax for changes in tax rate	807	(1)
Adjust deferred tax to average rate	(47)	(1)
Group relief surrendered	-	131
Group relief claimed	-	(49)
Current tax (credit)/charge for year attributable to the company and its subsidiaries	(2)	1

9. Property, plant and equipment

	Furniture and equipment £'000	Computer equipment £'000	Leasehold equipment £'000	Total £'000
Group and company				
Cost or valuation				
At beginning of year	58	82	64	204
At end of year	58	82	64	204
Depreciation				
At beginning of year	58	82	64	204
At end of year	58	82	64	204
Net book value				
At 31 December 2021	-	-	-	-
At 31 December 2020	-	-	-	-

10. Investment property

	Investment property £'000
Group	
Valuation	
At 1 January 2021	248
Increase/(decrease) in fair value	-
At 31 December 2021	248
Net book value	
At 31 December 2021	248
At 31 December 2020	248

An investment property owned by the company was valued at £247,934 at 31 December 2021 by an internal Chartered Surveyor on the basis of open market value for existing use. The valuation was carried out in accordance with the Practice Statement in RICS Appraisal and Valuation Manual. The related rental income recognised in the Statement of Profit or Loss and Other Comprehensive Income was £nil (2020: £nil) along with direct operating expenses of £nil (2020: £nil).

The Scottish Ministers hold a standard security on a development property in respect of any amounts due to them by the company. The carrying value of this at the year-end is £nil (2020: £nil).

Under the fair value hierarchy in IFRS 13 – Fair Value Measurement, investment property is deemed a level 2. Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

11. Fixed asset investments

Group

	Joint Ventures & Associated Undertakings 2021 £'000	Joint Ventures & Associated Undertakings 2020 £'000
Post-acquisition reserves		
At 1 January and 31 December	268	267
Net book value		
Loans to and share of net assets in joint ventures and associated undertakings	268	267

Company

	Subsidiary undertakings £'000
Cost	
At 1 January 2021	7,415
Decrease in provision	-
At 31 December 2021	7,415
Net book value	
At 31 December 2021	7,415
At 31 December 2020	7,415

11. Fixed asset investments (continued)

The directors assessed the recoverability of the investments in subsidiary undertakings and considered an impairment charge of £nil (2020: £nil) was appropriate to write down the value of the investments in subsidiary undertakings.

The principal companies in which the company's interest is more than 10% are as follows:

	Principal Activity	Country of Registration	Percentage of Ordinary Share Capital Held
EDI Central Limited	Property development	Scotland	100%
Shawfair Land Limited	Property development	Scotland	100%
Parc Craigmillar Limited	Regeneration	Scotland	100%
Parc Craigmillar Developments Limited (Subsidiary of Parc Craigmillar Limited)	Property development	Scotland	100%
Waterfront Edinburgh Limited	Property development and regeneration	Scotland	100%
Waterfront Edinburgh (Management) Limited (subsidiary of Waterfront Edinburgh Limited)	Non-trading	Scotland	100%
Caledonia Waterfront (Harbour Road) Limited (associate of Waterfront Edinburgh Limited)	Property development and letting of properties	Scotland	42.5%
New Laurieston (Glasgow) Limited	Property development	Scotland	45%
EDI Market Street Limited	Property development	Scotland	100%
EDI Fountainbridge Limited	Property development	Scotland	100%

All companies where greater than 50% of the share capital is held have been consolidated.

Where 50% or less of the share capital is held these companies have been consolidated using the equity accounting method. In the case of New Laurieston (Glasgow) Limited, The EDI Group's share of losses exceed the value of its interest in the company, and therefore no further losses have been recognised.

12. Inventories

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Development properties and associated costs	5,262	9,321	4,240	4,213

13. Trade and other receivables

	Consolidated Group		Parent Entity	
Current	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade receivables	80	79	-	-
Amounts owed by group & associated undertakings	37	112	44	2,982
Other debtors	2,591	1,263	30	7
Prepayments and accrued income	68	78	68	78
	2,776	1,532	142	3,067
Non-current				
Other debtors	-	1,305	-	-
	2,776	2,837	142	3,067

14. Trade and other payables

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade and other payables	-	109	-	4
Amounts due to group & associated undertakings	1,128	1,777	3,880	1,918
Accruals and deferred income	247	2,045	223	2,016
	1,375	3,931	4,103	3,938

15. Convertible unsecured loan stock

The non-interest bearing loan stock is held by The City of Edinburgh Council, the company's ultimate parent undertaking. It bears no interest and is repayable on sale of associated land assets or cancellable on provision of community assets. Agreement has been reached with the Council that this loan stock will be settled as part of the closure process against the transfer of land and buildings to the Council. The loan stock was fully settled during the year following transfer of land in Parc Craigmillar Limited to the Council.

The convertible unsecured loan stock is held by The City of Edinburgh Council, the company's parent undertaking. It bears interest at a variable rate. The Council has agreed to the repayment being delayed and settled as part of the closure process against the transfer of land and buildings to the Council or in cash as assets are realised.

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Unsecured loan stock- non-interest bearing	-	2,559	-	-
Unsecured convertible loan stock	2,240	2,240	2,240	2,240
	2,240	4,799	2,240	2,240

16. Provisions

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Infrastructure expenditure				
Balance brought forward	1,108	1,108	-	-
Increase in provision for the year	-	-	-	-
Decrease in provision for the year	-	-	-	-
	1,108	1,108	-	-
Work in progress				
Balance brought forward	2,898	-	-	-
Increase in provision for the year	-	2,898	-	-
Decrease in provision for the year	(2,898)	-	-	-
	-	2,898	-	-
	1,108	4,006	-	-

Provisions for infrastructure expenditure required additional works to be provided for due to land sold in the prior year.

Provisions for work in progress relates to the potential write off to work in progress as the value is unlikely to be recoverable. The provision was utilised during the current year.

17. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 31 December 2021.

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash at bank and in hand	3,254	6,052	267	563

18. Contributed equity

	Consolidated Group		Parent Entity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Allotted, called up and fully paid				
Ordinary shares of £1 each	8,500	8,500	8,500	8,500

The ordinary shares of £1 each carry one vote per share and participate in profits available for dividend pro rata.

19. Related party transactions

The key management personnel of the company are considered to be the directors. No director receives remuneration (2020: nil). During the year group companies carried out the following transactions with related parties:

Related Party	Relationship	Group Company	Nature of Transaction	Value of transactions during year £	Amount owed from/(to) at year end £
City of Edinburgh Council	Ultimate holding organization	The EDI Group Ltd	Loan stock	-	(2,240,000)
			Interest on loan	(100,800)	(108,864)
City of Edinburgh Council	Ultimate holding organisation	Parc Craigmillar Ltd	Loan for infrastructure works	101,101	(1,118,663)
City of Edinburgh Council	Ultimate holding organisation	Parc Craigmillar Ltd	Loan stock	2,558,899	-
LPFI Limited	Company whose ultimate controlling party is the City of Edinburgh Council	EDI Fountainbridge Limited	Group tax relief payments	-	4,288

20. Ultimate parent undertaking

The parent company is CEC Holdings Limited, a company registered in Scotland. The financial statements of the parent undertaking are available at their registered offices. The ultimate holding organisation is The City of Edinburgh Council.

21. Financial Risk Management

The group has the following categories of financial instruments at the balance sheet date:

	Consolidated group		Parent entity	
	2021 £'000	**2020 £'000**	**2021 £'000**	**2020 £'000**
Financial assets				
Financial assets measured at amortised cost	5,993	8,699	365	563

	2021 £	**2020 £**	**2021 £**	**2020 £**
Financial liabilities				
Financial liabilities measured at amortised cost	3,595	8,061	2,463	4,260

Financial assets measured at amortised cost comprise cash at bank and in hand, trade receivables, accrued income, and other receivables (excluding VAT receivable balances, tax receivables and prepayments).

Financial liabilities measured at amortised cost comprise trade payables, accruals, provisions, other payables (excluding VAT payable balances, tax payables and deferred income).

Capital risk management
The company aims to manage its overall capital structure to ensure it continues to operate on an ongoing basis within the broad timescales set out in the transition strategy. The company's capital structure represents the equity attributable to the shareholders of the company together with cash equivalents. The Directors are closely involved I the running of the company and are therefore fully aware of the capital position of the company at any point in time and any changes that circumstances bring. As a result they are in a position to address any issues that may arise on a timely basis.

Risk management objectives
The Board is charged with the overall responsibility of establishing and monitoring the group's risk management policies and processes in order to identify, analyse and monitor the risks that are faced by group. The group does not enter into or trade financial instruments for speculative purposes.

The main risks that the group is exposed to through its financial instruments are market risk, credit risk and liquidity risk. These are managed as follows:

21. Financial Risk Management (continued)

Market risk
Market risk is the risk that the value of the company's properties and sites under development may fall resulting in further write-offs to the income statement. The company manages this risk by carrying out sensitivity analysis for fluctuations in the property market. Included in market risk is interest rate risk, which is the risk that the expected receipts from deposits may fluctuate due to market conditions. The company monitors this risk but it is very unlikely to affect the company's overall liquidity.

Credit risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group. It arises from exposure to customers and for the parent company, also from amounts owed by group undertakings.

The maximum exposure to credit risk to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk is reviewed regularly by the Board of Directors and monitored by actively assessing the rating quality and liquidity of counterparties as follows:

- Only banks and institutions with an acceptable credit rating are utilised;
- All potential customers are rated for credit worthiness taking into account their size, market position and financial standing;
- Customers that do not meet the groups credit policies may only purchase in cash or using recognised credit cards.

Liquidity risk
Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages that risk as follows:

- Preparing forward looking cash flow analysis; and
- Ensuring that adequate unutilised borrowing facilities are maintained.

Fair values
The directors consider that the carrying values of all the group's financial assets and liabilities approximate their fair values at the balance sheet date.

The only financial instruments measured at fair value are available for sale financial assets. These are valued annually by an internal Chartered Surveyor in accordance with the Practice Statement in the RICS Appraisal and Valuation Manual.

The Directors therefore consider that the risk in relation to financial instruments at fair value is low.

22. Post Balance Sheet Events

Agreement has been reached to sell land at New Brunstane, with the transaction expected to finalise in late 2022.

In summer 2022, Waterfront Edinburgh Limited's interest in Caledonia Waterfront (Harbour Road) Limited was transferred to The EDI Group.

Housing, Homeless and Fair Work Committee

10.00am, Thursday, 1 December 2022

Edinburgh International Conference Centre – annual update for the year ending 31 December 2021

Executive/routine	**Executive**
Wards	**11 – City Centre**
Council Commitments	

1. Recommendations

1.1 It is recommended that Housing, Homelessness and Fair Work Committee:

1.1.1 Notes the annual performance update for 2021 provided by Edinburgh International Conference Centre (EICC), as detailed in Appendix 1;

1.1.2 Notes the EICC Statement of Accounts for 2021 as reported to CEC Holdings Ltd and the audit findings as detailed in Appendices 2 and 3 respectively; and

1.1.3 Refers this report to Governance Risk and Best Value Committee for information.

Paul Lawrence
Executive Director of Place

Contact: David Cooper, Head of Development and Regeneration

E-mail: david.cooper@edinburgh.gov.uk | Tel: 0131 529 6233

Report

Edinburgh International Conference Centre – annual update for the year ending 31 December 2021

2. Executive Summary

2.1 This report provides an update on the performance of EICC in the year ending 31 December 2021. The performance reflects the ongoing recovery from the significant difficulties that COVID-19 has created for the events and conferencing industry. Overall, EICC made a loss of £35,791, compared to a loss of £1,721,998 in the previous year. EICC's accounts, for 31 December 2021, have been signed-off by its auditor. It is recommended that this report be referred to Governance Risk and Best Value Committee for information.

3. Background

3.1 On 13 December 2012, the Council approved arrangements for the governance of arms-length companies. The responsibility for overseeing the performance of EICC lies with the Housing, Homelessness and Fair Work Committee.

3.2 The principal remit of EICC, as detailed in the Shareholders' Agreement with the Council, is to:

3.2.1 Procure the successful and continued operation of the Centre as a venue for conferences, exhibitions, trade shows, annual general meetings, cultural and sporting events, award ceremonies and other such events in a global market place with international and national customers so as to maximise the economic benefit to the City of Edinburgh;

3.2.2 Insure, maintain and upgrade the Centre from time to time as necessary to carry on its business; and

3.2.3 Operate on a prudent commercial basis in accordance with the Business Plan.

3.3 The Centre opened in 1995 as a joint undertaking between Edinburgh District Council and Lothian and Edinburgh Enterprise. It is now owned by the Council. A £30m expansion of the Centre was completed in 2013, enabling it to accommodate conferences of up to 2,000 delegates.

3.4 EICC occupies the Conference Centre on a peppercorn rent. Loan stock of £61.6m is due to the Council/CEC Holdings, representing money and assets paid into the company since its inception (for example the cost of constructing and extending the Centre) but no call is being made on this at the current time. Since 2014, EICC has been charged by the Council with being financially self-sufficient.

3.5 On 7 June 2018, the Housing and Economy Committee agreed a motion calling for a report into the future capital expenditure requirements of EICC.

3.6 On 12 March 2020, the Council was presented with a business case proposing that the Council enter into a 25-year lease on a 365-bedroom hotel at The Haymarket Edinburgh, which would in turn be sub-let to EICC to operate as a hotel and hotel school under a franchise agreement with an international hotel brand, generating sufficient income to meet all EICC capital expenditure requirements over the duration of the lease along with surpluses for redistribution to the Council in later years. The Council agreed the business case and granted delegated authority to the Chief Executive to proceed with all agreements and actions required to commence the project. Subsequently, officers began detailed negotiations with the hotel developer around the lease terms.

4. Main report

EICC Annual Update to 31 December 2021

4.1 Appendix 1 sets out a review of EICC's performance in the year ending 31 December 2021. The contents of the paper reflect the ongoing recovery of EICC from the COVID-19 pandemic, which had an adverse impact on the performance of EICC and its finances.

4.2 During the year, EICC achieved a financial outturn that was significantly better than both the prior year and EICC's own forecasts, with actions carried out to maximise revenue and minimise costs.

4.3 EICC has operated throughout the period of the pandemic without making any team members redundant. From January to September 2021, the Conference Centre hosted a major NHS Lothian vaccination centre that administered over 265,000 vaccines. In August 2021, the Conference Centre hosted Edinburgh Festival Fringe performances.

4.4 Appendix 2 sets out the financial position of the company for 2021. The performance reflects the company's ongoing recovery from the significant challenges to the events and conferencing industry as a result of the Coronavirus (COVID-19) pandemic.

4.5 The headline figure is a loss of £35,791, a significant improvement on the prior year, when a loss of £1,721,998 was recorded. EICC is currently forecasting an operating surplus for the year ending 31 December 2022 and a return to pre-

COVID-19 financial results in 2024. EICC is not recommending the payment of a dividend nor is it seeking financial assistance from the Council.

4.6 Appendix 3 provides the audit findings for the year ending 31 December 2021. The findings note that the auditor, Azets, did not identify any material issues affecting EICC's ability to continue as a going concern; that the disclosed accounting policies were deemed to be appropriate; and that the auditor was satisfied that the financial statements were prepared on a going concern basis.

4.7 The auditor recommends that EICC reviews its current governance structure and considers whether supporting committees (e.g. an audit committee) would offer benefits to the Board. In response, EICC has noted that it anticipates making significant changes to its corporate and governance structure as part of the hotel and hotel school project, to include an enlarged Board.

4.8 This annual update should be referred to Governance Risk and Best Value Committee, in line with the Council's governance arrangements for arm's length companies.

Hotel and hotel school project

4.9 On 28 October 2021, the Council agreed the final business case for the EICC hotel and hotel school project. Subsequently, the Council proceeded to execute the relative legal agreements, which were concluded by April 2022.

4.10 Construction of the hotel commenced in Summer 2022 with completion expected in summer 2025. EICC has appointed a project manager and clerk of works to oversee the construction of the hotel on behalf of EICC and the Council.

Shareholders' agreement and strategic delivery agreement

4.11 In accordance with Council policy on arms-length external organisations, a service level agreement (SLA) needs to be agreed between the Council and the EICC. This work has been delayed due to the need to revise the document to reflect the hotel and hotel school project but a draft document (referred to as the Strategic Delivery Agreement) was considered by the Council on 28 October 2021. Heads of terms for a proposed final SLA are the subject of a separate report to this Committee.

5. Next Steps

5.1 The next annual update on EICC's performance will be in Quarter 4 2023.

6. Financial impact

6.1 As noted above, while EICC sustained a loss in the year ending 31 December 2021, there has been no call on Council finances. The EICC Board has not recommended the payment of a dividend for 31 December 2021.

7. Stakeholder/Community Impact

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

8. Background reading/external references

8.1 Edinburgh International Conference Centre – Annual Update for the Year Ending 31 December 2020 - report to the Housing, Homelessness and Fair Work Committee, 4 November 2021.

9. Appendices

9.1 Appendix 1 – EICC Performance Review 2021.

9.2 Appendix 2 – EICC Statement of Accounts 2021.

9.3 Appendix 3 – Audit findings for the year ended 31 December 2021.

APPENDIX 1 - EICC PERFORMANCE REVIEW 2021

INTRODUCTION

The purpose of this paper is to update and inform the committee on the performance of the Edinburgh International Conference Centre during the year to 31 December 2021 and to highlight some of the achievements realised by the Company in the period under review.

CONTEXT

As Committee Members are aware businesses, and indeed industries, across the UK, and much further afield, have been decimated as a result of the coronavirus pandemic.

Operators saw their turnover slashed and have struggled to reduce their operating costs. As a result, many businesses have made losses or worse during the period of the pandemic.

The Executive believe that the Company performed remarkably during 2021 despite many legal restrictions being in place throughout the course of the year. Indeed, it believes that throughout 2021 the Conference Centre has:

- maximised its revenue generating opportunities
- developed new concepts and revenue generating opportunities
- successfully delivered and operated one of Edinburgh's principal mass vaccination centres in partnership with NHS Lothian
- navigated the continued uncertainty and ever-changing restrictions
- further enhanced its technical and hybrid capabilities
- minimised the operating costs that it has incurred
- safeguarded and maintained the Conference Centre building, as appropriate
- improved the resilience of the business
- delivered an operating surplus, exceeding the approved budget plan

PERFORMANCE REVIEW

This paper seeks to expand further on what the Board consider to be the significant achievements, referred to above.

Financial Outturn

The Executive had forecast an operating deficit of £1,220,000 for the year to 31 December 2021. This was based on, amongst other things: the level of contracted bookings that had been secured for the year including the NHS: the continued restrictions in place; the expectation that these restrictions could remain in place for large parts of the year; and the uncertainty with regards expenditure specifically the extension of the furlough scheme and extension of Non-Domestic rates relief.

The Executive believed that achieving this target would constitute a challenge but believed it would be achievable, restrictions permitting, given the business on the books and the success of previous years.

EICC's Executive are pleased to report that the Company produced an operating surplus of £1,040,000 for the year to 31 December 2021.This was achieved by creating and implementing many alternative operational strategies including but not limited to; The alternate use of the Conference Centre; the return to business events in the second half of the year; the enforcement of the contractual obligations of corporate companies booked into EICC for their event, the success of our virtual and hybrid events platform and the implementation of high value cost savings

The Executive believe that this should be viewed as a considerable achievement given the Conference Centre faced continued uncertainty throughout the course of the year in addition to ever changing restrictions being imposed on large events. The Executive believes that the outturn for the year and its record variance from budget compares very favourably when measured against many other business operations.

Committee members should note over the two financial years that span the pandemic the Company returned a combined operation surplus of £200,000.

It should also be noted that notwithstanding the support received from Government, in respect of the Coronavirus Job Retention Scheme, the Company operated throughout the period of the pandemic without making any team members redundant.

NHS Vaccination Centre

Committee members will be aware of the huge success of the contract with NHS Lothian where the EICC was used as a mass covid-19 vaccination centre between January 14th and September 30th, 2021.

The license was for exclusive use of the Lennox side of the building. The Lennox suite was transformed into a vaccination centre on the 15th of January with vaccination booths erected and set up using a trusted EICC's supplier. The set up included 47 vaccination booths and 137 recovery areas with all other set up including queuing, registration, clinical waste, storage, a satellite pharmacy, staff facilities following thereafter. The first doses of the Oxford vaccine arrived on site in late January.

Throughout the entirety of the contract the vaccination centre operated 7 days a week with the EICC providing all front of house staffing including hosting, security, cleaning, engineering with all these additional services paid for by NHSL. We were able to bring back many of the team from furlough including our duty managers who were deployed as security supervisors following successful completion of SIA training courses. Our duty engineers also returned from furlough with some permanent members of staff from event planning and floor services utilised as hosts. Notwithstanding the fact that many of the team performed different roles, they were happy to play their part and return to work and be part of the team and the solution.

The first public vaccination took place on the 1st of February and in total more than 265,000 vaccinations were administered at the EICC. Notwithstanding the vaccination capacity at the EICC, Committee members will appreciate that the supply of the vaccine was the key factor in determining the number of vaccinations which took place in the EICC. The Executive were pleased to report that, almost without exception, the feedback from the public receiving vaccinations was extremely positive and this is testament to both NHS and EICC staff who made the process and experience as straightforward and as pleasant as it could be. The volume of positive comments on various social media platforms underlined this.

Throughout the contract, the EICC operational team including health and safety worked closely with The City of Edinburgh Councils Event Planning & Operation Group in addition to Police Scotland, Scottish Fire & Rescue Service, and the British Army to ensure all processes were in place and identifiable risks mitigated with appropriate measures put in place. The Executive were commended by all parties including our insurers, Aviva, for the mitigations, policies, and processes in place. The Executive were pleased that no major issues occurred throughout the period of the contract further demonstrating our ability to manage large volumes of people through the centre safely.

The Executives belief was that the contract was a huge success on many fronts specifically playing our part in the vaccine rollout and ensuring the building and business remained operational during a period in which many legal restrictions were in place for a business of our nature. The strong relationships built up throughout the contract ultimately led to the NHS contracting for a second time in December to use the Cromdale Hall for the booster vaccination program.

Maximising Revenues

The Executive continued to be faced with an array of difficult conversations and negotiations with clients as they requested that their bookings be postponed or cancelled given restrictions were in place for the first half of the year. This situation was further complicated, in many cases, as space had been resold to NHS and consequently clients would have been within their right to cancel at no cost.

The Executive pursued a different strategy to that of 2020 given the change in circumstances and desire to retain as much business as possible in the current year through postponement of events. The Executive tried to maximise potential revenues in the current year, with the need to maintain customer loyalty and preserve customer relationships whilst persuading clients not to formally cancel their event.

This strategy proved successful in the year end outcome as the Sales Team were able to postpone many events from the first half of 2021 to the second half of 2021 despite client's ability to cancel due to the NHS contract.

The Executive believe this to be a tremendous achievement which was delivered through a combination of: an experienced sales team with good negotiating skills; the assertion to clients that EICC wants to act in their best interests and deliver their events safely and successfully; and the strong customer relationship bonds that the team has with many of its clients.

Festival

Committee members will recall that there was uncertainty, until as late as July, as to whether or not the festival would go ahead last year, and to what extent, as the continued restrictions made it extremely difficult for organisers, venues and performers to commit from a practical and commercial perspective. The Executive was of the firm belief that it was important for the city to have a festival and for the EICC to be a part of that. We saw this as a great opportunity to getting back to doing what we do best, hosting large events and conferences. Notwithstanding the company's enthusiasm and willingness to play it's part, the goals and objectives were somewhat different however;

- To operate a covid safe venue which puts the safety of our team, the performers and the public as our top priority
- To deliver the most diverse program at the EICC since becoming venue 150
- To further establish the EICC as one of the Edinburgh Festival Fringe's main venues
- Promote and demonstrate to the city and beyond that EICC is back and open for business in a traditional events capacity
- To integrate and induct the remaining furloughed members of the team back into the business
- To produce a gross profit for the festival to help mitigate losses for the company in August
- To sell in excess of 20,000 tickets on a social distanced and therefore reduced capacity basis
- Further enhance our partnership with The Pleasance Theatre Trust
- Implement a new cashless, covid safe bar service via introduction of QR code app with aim of increasing spend per head by 10%

The Executive believe that overall, the performances and shows held at Venue 150 in 2021, were a huge success with all objectives, set out in advance of the festival and detailed above, achieved.

Minimising Operating Costs

It should be noted the Executive continued to take all reasonable steps to control and monitor operational costs during the financial year given the continued uncertainty regarding business events and consequently revenue.

Thus, Committee Members should be aware that:

- EICC continued to utilise the furlough and flexi furlough scheme in addition to relocating many employees to different roles within the operation of the vaccination centre

- Sales & Marketing expenditure was significantly reduced with vastly reduced activities and travel

- the company was granted an extension of Non-Domestic rates relief for 2021/22 which generated significant in year savings

- EICC's cleaning staff were fully utilised by the NHS within the vaccination contract

- EICC's security staff were fully utilised by the NHS within vaccination contract

- the building's air conditioning and boiler systems were only used on a limited basis giving rise to significant cost savings in gas and electricity

- contract holidays were extended with maintenance contract providers where appropriate

The Executive, more so than ever, placed great focus on containing all levels of expenditure incurred during the year and as a result of: a stringent focus on cost controls; the achievement of a number of operating efficiencies; negotiating with key partners and suppliers; and deferring expenditure where appropriate, outgoings for the year were well below budget.

The Executive believe that these savings, which amounted to £1.7m in comparison to budget, were crucial to it producing an operating surplus and improving the company's cash position. It believes that without the decisive action that was taken in this regard the savings realised for the year would have been significantly lower than what was achieved.

Improved Business Resilience

The information contained within this paper details that COVID-19 continued to have an impact on the Company and its business throughout 2021.

However, the Executive believe that it has managed the situation and the Company has performed extremely well in 2021 resulting in the business returning an operating surplus in excess of £1m.

The Sales Team performed admirably under very difficult circumstances and have developed, improved and strengthened relationships with many clients, which in turn offers EICC increased levels of security due to the heightened loyalty of clients for future years.

The Company maintained its marketing activities throughout the shutdown and enquiry levels for future years have picked up markedly with enquiry levels now returning to pre pandemic levels which is extremely encouraging.

The Technical Team demonstrated its prowess and delivered the companies first hybrid events in 2021. British Society for Lifestyle Medicine was a first and saw 400 delegates attend the conference centre with 200 delegates attended online. The online delegates were able to attend all sessions and had the ability to participate in live polling, Q&A network with other delegates.

The Executive sought to make expenditure reductions across a wide area of the business's operations. It believes that these savings, which amounted to £1.7m in comparison to budget, were crucial to the yearend surplus reported.

The Executive acted to safeguard the Conference Centre building, its contents and all of the people who enter it, which entailed the introduction of new measures and protocols.

The Executive believe that all of the above have contributed, in their own way, to ensuring the significant achievements that have been attained during the last year. All of the different parts of the business have contributed to this success and the Executive believes that the EICC Team has grown stronger as a result of this.

Indeed, the Executive believes that much of what has been achieved would not have been possible without the hard work, commitment and enthusiasm of the team members who have worked through this period.

HOTEL DEVELOPMENT

Considerable achievements and progress was also made with regard to the Hotel and Hotel School project in the course of 2021. The business case for the project was approved by Full Council in October 2021 for the second time.

After many years of discussion and negotiation, the following agreements were concluded and signed by EICC Limited, CEC, Hyatt International, QMile Developments and the Prudential Assurance Company Limited on 27 April 2022.

- Franchise Agreement, Technical Services Agreement, System Services Agreement, Franchise Disclosure Document and Deed of Guarantee – signed by Hyatt and EICC
- Head Lessors Agreement – signed by Hyatt, CEC and EICC
- Head Lease and Agreement for Head Lease – signed by PACL and CEC
- Sub Lease and Agreement for Sub Lease – signed by CEC and EICC

The hotel development commenced construction in August 2022 and following a 3-year build period it will formally open in July 2025.

RECOMMENDATION

The Committee is asked to note the report.

MARSHALL DALLAS
Chief Executive

APPENDIX 2 - EICC STATEMENT OF ACCOUNTS 2021

EDINBURGH INTERNATIONAL CONFERENCE CENTRE LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2021

COMPANY NUMBER SC131773

GENERAL INFORMATION

Company number

SC131773

Present Company Directors

L.M. Cameron
M.C. Dallas
G.A. Gordon
I. Whyte
S.R. Bone

Company Secretary

Pinsent Masons Secretarial Limited
1 Park Row
Leeds
LS1 5AB

Registered Office

Edinburgh International Conference Centre Limited
150 Morrison Street
Edinburgh
EH3 8EB

Auditor

Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers

Bank of Scotland plc
3 Earl Grey Street
Edinburgh
EH3 9BN

Solicitors

Pinsent Masons LLP
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 9AQ

STRATEGIC REPORT

Principal activities

The principal activities that the Company undertook during the year were in respect of the operation of an international conference centre.

Results and review of the business

The results for the year are shown on the statement of profit or loss and other comprehensive income on page 11.

The loss from continuing operations before tax for the year amounted to £35,791 (2020 – loss of £1,721,998). The Company has, after taxation adjustments, a total comprehensive loss for the year of £35,791 (2020 – loss of £1,721,998). The Directors do not recommend the payment of a dividend for the year ended 31 December 2021.

The year to December 2021 saw the Company report an operating profit, before adjustments for depreciation and the release of capital grants, despite many government-imposed restrictions being in place for large parts of the year due to coronavirus.

At the outset of 2021 the company anticipated a challenging and uncertain financial year given the continued prevalence of coronavirus and the various government restrictions in place for a business of our nature. The Company had budgeted an operating deficit of £1.2m for 2021 based on, amongst other things: the level of contracted bookings that had been secured for the year including the NHS; the continued restrictions in place; the expectation that these restrictions could remain in place for large parts of the year; and the uncertainty with regards expenditure specifically the extension of the furlough scheme and extension of Non-Domestic rates relief.

Notwithstanding any restrictions in place in the first half of 2021 the Conference Centre had secured a large contract with NHS Lothian to use the Conference Centre as a covid mass vaccination centre between January and July. This was later extended until September. The contract was a huge success, the Company was pleased to be part of the solution in the country's vaccination rollout whilst allowing the Centre to be operational in a covid secure manner.

This proved to be a very challenging year which created a dynamic environment with constantly changing client situations and scenarios given the uncertainty on the timescale of restrictions within the events sector and the impact on international travel. The company dealt with the situation in a measured and professional way, dealing with client's requests on an event by event basis.

Live events, on reduced scale, recommenced in May with international events resuming in September when travel restrictions and testing requirements eased. We also saw a return of the Edinburgh Festival in August albeit on a reduced scale due to social distancing requirements. Operations and events were building momentum towards the end of the year however the emergence of the Omicron variant in December resulted in the reintroduction of restrictions and consequently the cancellation or postponement of some events. At this point the centre pivoted for the second time and re-opened as a mass vaccination centre as the NHS ramped up the roll out of the booster vaccination program.

The cumulative effect of the company's activities had a significant impact on the Company's revenues for the year which amounted to £6.616m. This was a significant increase on the previous year's figure of £3.188m. The revenues generated were greater than could have been expected given the Conference Centre was not permitted to host business events for almost 6 months of the financial year.

Expenditure in respect of cost of sales and administration expenses totalled £5.978m in 2021, which was an increase of £1.421m on the previous year's expenditure which had amounted to £4.557m. This represented an increase of 31% compared to the expenditure recorded during the previous year. This increase was in comparison to an increase in gross revenues of 107% and was primarily due to a continued focus on cost management, the benefit from government initiatives such as the Job Retention Scheme and Non-Domestic Rates relief and working closely with suppliers and third-party providers.

The delegates who did attend events at the EICC during the year generated an economic impact of £14.9m in the second half of 2021 compared to £4.2m for events held in the first quarter of 2020. The economic impact that is produced as a result of the EICC's activities helps to create and sustain employment within Edinburgh and further afield.

The Company continues to align its operations with the business excellence model, and it is accredited to several quality standards. These standards cover systems management, human resources and environmental practices and the EICC continues to achieve very positive results from assessments in respect of its re-accreditation to these standards.

The Company made significant progress towards its aim of operating an hotel, in close proximity to the Conference Centre, during the year and indeed post year end. It is believed that this is essential in order to provide the necessary funding for the Conference Centre's long-term capital expenditure programme. An agreement for lease with the developer and a franchise agreement with the hotel brand were completed and signed off in April 2022 with construction commencing in July this year. A new fully owned subsidiary, Edinburgh International Conference Centre Hotels Ltd, was incorporated in February prior to the formal sign off of the various agreements.

Future business on the books remained strong coming into 2022, both for the current year and for each of the succeeding years until 2026. The coronavirus pandemic, specifically the Omicron variant, has however had an impact on business event bookings for the period from January until the end of March this year as government restrictions prohibited large events from taking place.

The Company has held the view for many years that its team members are its principal asset. It has therefore been a key priority to protect and retain the experience and expertise that they have with regard to the operation of the Conference Centre. The support of the Job Retention Scheme throughout 2020 and 2021 has been crucial in achieving that objective.

The Company has budgeted an operating surplus for 2022 albeit we believe it will be 2024 before we return to pre pandemic financial results. Notwithstanding this the Conference Centre has an extensive list of bookings for future years and the Company's business outlook for the medium and long term remains very positive. The level of future bookings at the end of 2021 compares very favourably with previous years. Considering the impact of the pandemic, we believe that the Company's prospects look extremely healthy as we move into a new phase with an expanded business which includes the new hotel development.

Key performance indicators

The Company's performance with regard to its key financial and other performance indicators during the year was as follows:-

	2021 £'000	2020 £'000	% Change
Turnover	6,616	3,188	107.5%
Cost of sales and administration expenses	5,978	4,557	31.2%
Customer delight	94%	90%	
Economic impact	14,937	4,158	

Risks and uncertainties

In common with many other businesses the Company is exposed to a range of risks. The principal risks and uncertainties facing the Company are associated with market forces and the behaviour of competition as well as the risks associated with catastrophic events.

As noted above, the coronavirus pandemic will continue to have an impact on the Company's business results for 2022 albeit on a lesser scale. Directors believe that the business outlook for the medium and long term remains very positive.

Future developments

The Directors intend to maintain the objectives and aims of the Company, which have resulted in many notable achievements and successes to date.

Director
31 May 2022

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and financial statements, in respect of Edinburgh International Conference Centre Limited (the Company), for the year ended 31 December 2021.

Directors

The Directors who served during the period were as follows:

L.M. Cameron	
M.C. Dallas	
L.M. Florence	resigned 29 March 2021
G.A. Gordon (Chair)	
J.Mc.H. McFarlane	resigned 16 February 2022
S. Smith	resigned 6 April 2021
S.R. Bone	
I. Whyte	appointed 24 May 2021

None of the Directors had any interest in the shares of the company during the period.

Going concern

In line with the FRC guidance on Going Concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis.

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to interest rate, credit and liquidity risk are described in note 22 to the financial statements.

The Company's ultimate parent entity, the City of Edinburgh Council, has committed to providing continued funding, sufficient to meet all liabilities as and when they fall due.

After making suitable enquiries, the Directors have a reasonable expectation that the Company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements, as described in note 2 to the financial statements.

Directors' responsibilities for the Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the company financial statements in accordance with UK adopted international accounting standards. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS's, as adopted by the UK have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company auditor is unaware and each Director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Azets Audit Services as the Company's auditor will be put to the forthcoming Annual General Meeting.

By Order of the Board

Pinsent Masons Secretarial Limited
31 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDINBURGH INTERNATIONAL CONFERENCE CENTRE LTD

Opinion

We have audited the financial statements of Edinburgh International Conference Centre Limited (the 'company') for the year ended 31 December 2021 which comprises the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material uncertainty related to going concern

We draw attention to the Directors Report and note 2 in the financial statements, which indicate that Edinburgh International Conference Centre Ltd is reliant on the continued support of the City of Edinburgh Council to continue as a going concern. As stated in note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities Statement set out on pages 6 and 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett, Senior Statutory Auditor
For and on behalf of
Azets Audit Services, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:

STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes		2021	2020
		£	£	£
Revenue	3		6,616,384	3,187,628
Cost of sales			(5,572,753)	(4,204,792)
Gross profit			1,043,631	(1,017,164)
Other income	4	-		
Development expenses		(114,500)		(17,710)
Administration expenses		(405,522)		(351,936)
			(520,022)	(369,646)
Operating profit/(loss) from continuing operations	6		523,609	(1,386,810)
Finance revenue	8		0	15,943
Finance costs	9		(559,400)	(351,131)
Profit/(loss) from continuing operations before tax			(35,791)	(1,721,998)
Tax charge	10		(0)	(0)
Total comprehensive profit/(loss) for the year			(35,791)	(1,721,998)

The accompanying notes form part of the financial statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Share Capital £	Other Reserves £	Retained Earnings £	Shareholder's Funds £
At 31 December 2019	63	62,283,069	(52,850,428)	9,432,704
Total comprehensive profit for period	-	-	(1,721,998)	(1,721,998)
Increase in loan stock	-	30,668	-	30,668
At 31 December 2020	63	62,313,737	(54,572,426)	7,741,374
Total comprehensive profit for period	-	-	(35,791)	(35,791)
Increase in loan stock	-	106,352	-	106,352
At 31 December 2021	63	62,420,089	(54,608,217)	7,811,935

The accompanying notes form part of the financial statements

STATEMENT OF FINANCIAL POSITION
At 31 December 2021

	Notes		2021	2020
		£	£	£
Non-current assets				
Property, plant and equipment	11		5,416,619	5,864,799
Right of use assets	12		830,140	951,474
			6,246,759	6,816,273
Current assets				
Trade and other receivables	13	1,674,459		1,093,892
Cash and cash equivalents	14	7,651,142		6,738,493
			9,325,601	7,832,385
Total assets			15,572,360	14,648,658
Current liabilities				
Trade and other payables	15	2,292,628		1,728,165
Financial liabilities	16	873,970		104,248
Capital grants	17	85,322		91,470
Deferred revenue	17	1,655,910		1,606,225
			4,907,830	3,530,108
Non-current liabilities				
Financial liabilities	16	1,189,595		1,564,217
Capital grants	17	1,128,061		1,213,383
Deferred revenue	17	534,939		599,576
			2,852,595	3,377,176
Capital & reserves				
Issued share capital	18	63		63
Other reserves	19	62,420,089		62,313,737
Accumulated losses		(54,608,217)		(54,572,426)
			7,811,935	7,741,374
Total equity & liabilities			15,572,360	14,648,658

The financial statements were authorised for issue by the Board of Directors on 31 May 2022 and were signed on its behalf, on that date, by:

Councillor Iain Whyte
Director:

Councillor Lezley Marion Cameron
Director:

The accompanying notes form part of the financial statements

Company Number SC131773

CASHFLOW STATEMENT
For the year ended 31 December 2021

		2021	2020
	£	£	£
Operating activities			
Profit/(loss) before tax	(35,791)		(1,721,998)
Finance revenue	0		(15,943)
Finance costs	559,400		351,131
Operating profit/(loss) for the year	523,609		(1,386,810)
Net finance revenues	0		15,943
Depreciation on property, plant and equipment	554,532		758,773
Depreciation on right-of-use assets	122,965		119,432
Capital grants released	(91,470)		(216,023)
Decrease/(increase) in trade and other receivables	(580,567)		2,406,461
(Decrease)/increase in trade and other payables	564,463		(70,424)
Increase/(decrease) in deferred income	(14,952)		(383,121)
Cash generated from operations	1,078,580		1,244,231
Tax on continuing operations	(0)		(0)
Cash flow from operating activities		1,078,580	1,244,231
Investing activities			
Proceeds from sale of property, plant and equipment	-		-
Payments to acquire property, plant and equipment	(106,352)		(30,668)
Cash flow from investing activities		(106,352)	(30,668)
Financing activities			
Receipt of loan stock	106,352		30,668
Repayment of lease liability	(165,931)		(161,621)
Cash flow from financing activities		(59,579)	(130,953)
Net increase in cash and cash equivalents		912,649	1,082,610
Cash and cash equivalents at 1 January 2021		6,738,493	5,655,883
Cash and cash equivalents at 31 December 2021		7,651,142	6,738,493

NOTES TO THE FINANCIAL STATEMENTS

1. Authorisation of financial statements and statement of compliance with IFRS's

The financial statements of Edinburgh International Conference Centre Limited for the year ended 31 December 2021 were approved by the Board of Directors on 31 May 2022 and signed on its behalf by the Directors noted on the Statement of Financial Position. Edinburgh International Conference Centre Limited is a company incorporated and domiciled in Scotland. The principal activities of the Company are described in Note 3 and information regarding its ultimate parent company is presented in Note 21.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The Company's financial statements have been prepared in accordance with UK adopted international accounting standards as they apply to the financial statements of the Company for the year ended 31 December 2021 and applied in accordance with the Companies Act 2006.

The accounting policies which follow set out those policies which apply, in preparing the financial statements for the year ended 31 December 2021. The Company has used the "cost of sales" method of presenting income and expenditure and the Company's financial statements are presented in Sterling.

Adoption of new and revised standards

The company has adopted, where applicable, the following new and amended IFRSs as of 1 January 2021:

- IBOR Reform and its Effects on Financial Reporting – Phase 2
- IFRS 16; Leases, Amendment – Covid-19 Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)

Other new standards, amendments to standards and interpretations that are mandatory for the first time in 2021 are considered to have no significant or material effect on the Company's financial statements.

Guidance in issue but not in force

IAS 8 requires disclosure of guidance in issue but not in force. The minimum disclosure relates to guidance issued by 31 December 2021, and with potential effect.

Effective for periods beginning on or after	**Effective for periods beginning on or after**
Annual Improvements to IFRS: 2018 – 2020 Cycle	1 January 2022
IFRS 3; Business Combinations (Amendment – Conceptual Framework)	1 January 2022
IAS 37; Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	1 January 2022
IAS 16; Property, Plant and Equipment (Amendment – Proceeds before Intended Use)	1 January 2022
IFRS 17; Insurance Contracts (including amendments issued on 25 June 2020)	1 January 2023
IAS 1; Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current, including deferral or effective date)	1 January 2023
IAS 1; Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies) (issued on 12 February 2021)	1 January 2023
IAS 8; Accounting Policies (Amendment – Changes in Accounting Estimates and Errors; Definition of Accounting Estimates) (issued on 12 February 2021)	1 January 2023
IAS 12; Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a single transaction) (issued on 7 May 2021)	1 January 2023

The Directors have reviewed the requirements of the new standards and interpretations listed above and they are either not applicable or not expected to have a material impact on the company's financial statements in the period of initial application.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continuing support of the Company's ultimate parent undertaking, The City of Edinburgh Council. Notwithstanding the impacts COVID-19 has had on the business, having taken into account the Company's cash balances at the year end it is the directors' opinion that the financial statements should be prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the end of the reporting period and the amounts reported for revenues and expenses during the year. Uncertainty about these assumptions and estimates could, however, result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The areas impacted by such judgements and estimation uncertainties, within these accounts, relate primarily to the depreciation policy used, assumptions used in undertaking impairment reviews and the basis of determining whether or not to capitalise equipment purchases in respect of fixed assets, the recoverability of items contained within trade and other receivables and the discount interest rates to fair value loan stock and right-of-use assets.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment on a straight-line basis over its expected useful life as follows: Infrastructural works - 20 years; Leasehold Land and Buildings - 10 to 50 years; Office Equipment and Furniture - 3 to 10 years.

Management use judgement in arriving at the Company's depreciation policy by taking account of the residual value of the assets concerned and their useful economic life. The Company expects that items of property, plant and equipment will be used for their entire life and as a result it is expected that these items will have no residual value. An assets useful economic life is based on past experience and general expectations.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the statement of comprehensive income in the period of derecognition.

The capitalisation of infrastructural works and assets under construction is based on management's judgement of when a projects future economic benefit can be determined. Initial project development costs in respect of feasibility studies, design team fees and pre construction activities are expensed via the statement of comprehensive income. However, once a project's feasibility has been determined and a future benefit is expected to arise from it the costs of that project are capitalised.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

Capital grants

Grants in respect of capital expenditure are credited to deferred income and are released to income in equal amounts over the expected useful lives of the relevant assets by equal annual instalments.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the statement of financial position.

The interest elements of the rental obligations are charged in the statement of comprehensive income over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

The lease of the Conference Centre was treated as a finance lease until 8 December 1999 when the option to enter into a new lease was exercised. From this date the assets have been depreciated over their useful lives, rather than the period of the lease, as the substance of the transaction is effectively that of financing. The leaseholders hold no rights to impose restrictions on or reclaim the title of the Conference Centre.

Leased assets

For all contracts in existence on 1 January 2021 and any new contracts entered into on or after 1 January 2021, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration'.

Where it is determined that: the contract contains an identified asset; the Company has the right to obtain substantially all of the economic benefits from the use of that asset throughout the period of use; and it has the right to direct the use of that asset throughout the period of use, the contract will be deemed to include a right-of-use-asset.

At lease commencement date, a right-of-use asset and a lease liability are recognised on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred and an estimate of any costs required to dismantle and remove the asset at the end of the lease.

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease term for each category of assets are: Office accommodation - 10 years; Office Equipment and Furniture – 5 years; Motor Vehicles – 3 years.

The lease liability is measured at the commencement of the lease as the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or an incremental borrowing rate.

The lease liability is subsequently reduced by the value of lease rentals paid and increased by a charge for interest, based on the value of the outstanding lease liability.

Within the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in financial liabilities.

Trade and other receivables

Trade receivables which generally have 30 day terms are recognised and carried at their original invoiced value, less an allowance for impairment of doubtful debt. An allowance for doubtful debt is estimated by management, taking into account future cashflows, based on past experience and an assessment of the current economic climate in which the company operates.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand.

Trade and other payables

Trade and other payables are recognised at fair value and subsequently held at amortised cost.

Loans

Loans are initially recognised at fair value and then held at amortised cost using the effective interest rate method of calculation. The effective interest rate charge for the year is included in finance costs in the statement of comprehensive income.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws enacted or substantially enacted at the reporting date.

The Company does not recognise amounts which may be recoverable under group relief until the tax computations for the companies in the tax group have been agreed.

Revenue recognition

EICC contracts with a range of customers to provide meeting and conference facilities for the events that they wish to hold. Under the terms of these contracts the Company usually receives a number of stage payments from clients prior to and post their event taking place. The Company however does not finish performing its obligations until the end point of the contract and that is when revenue is recognised.

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance and that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding VAT.

Pensions

The Company operates a defined contribution pension scheme. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

Government grants

Grants from government bodies and similar organisations are recognised where there is reasonable assurance that the grant will be received, and the company will comply with all attached conditions. Government support in the form of the Job Retention Scheme (JRS) was received and in line with accounting standards have chosen the accounting policy to offset the income against the wages costs to which they relate.

3. Revenue

Revenue recognised in the statement of comprehensive income is analysed as follows:

	2021 £	2020 £
Revenue recognised from contracts with customers	6,413,014	3,159,956
Rendering of other services	203,370	27,672
	6,616,384	3,187,628

4. Other Income

Other income recognised in the statement of comprehensive income is analysed as follows:

	2021 £	2020 £
Reimbursement of development expenditure	-	-

5. Segment information

For management purposes the Company operates as a single business unit.

All revenues are derived from external customers who are based in the United Kingdom. In the opinion of the directors it would be prejudicial to the interest of the company to provide an analysis of turnover by customer.

6. Operating profit

This is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of fixed assets	677,497	878,205
Auditor’s remuneration - audit services	10,075	9,785
Auditor’s remuneration – taxation services	1,835	1,780
Other income	-	-
Capital grants released	(91,469)	(216,023)

7. Staff costs and directors’ emoluments

(a) Staff costs

	2021 £	2020 £
Salaries	1,804,106	1,874,219
Social security costs	178,588	186,455
Pension costs	145,211	135,486
Job Retention Scheme	(273,473)	(516,838)
	1,854,432	1,679,322

7. Staff costs and directors' emoluments (cont.)

The monthly average number of staff employed during the year was:

	2021	2020
Sales and Marketing	12	15
Operations	29	31
Administration	7	8

(b) Directors' emoluments

	2021 £	2020 £
Directors' remuneration	272,410	300,291
Directors' pension	29,964	21,957
	302,374	322,248

The remuneration of the highest paid director included:

	2021 £	2020 £
Directors' remuneration	157,326	161,380
Directors' pension	17,464	5,693
	174,790	167,073

8. Finance revenue

	2021 £	2020 £
Interest receivable on bank deposits	0	15,943

9. Finance costs

	2021 £	2020 £
Effective interest on loan stock	(499,118)	(285,216)
Effective interest on right-of-use-assets	(60,282)	(65,915)
	(559,400)	(351,131)

10. Tax charge

	2021 £	2020 £
UK Corporation Tax	0	0

The tax assessed on the profit on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). A number of factors affect the tax charge, and these are shown/reconciled below:

	2021 £	2020 £
Profit from continuing operations before tax	(35,791)	(1,721,998)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(6,800)	(327,180)
Expenses not deductible for tax purposes	1,934	2,374
Fixed asset differences	56,949	63,217
Adjust deferred tax to average rate	5,596	(1,751)
Remeasurement of deferred tax for changes in tax rates	(558,743)	(164,598)
Deferred tax not recognised	501,064	427,938
Tax charge for the period	0	0

As at 31 December 2021 there was an unrecognised deferred tax asset amounting to £2,328,096 (2020: £1,827,032) of which £357,498 (2020: £364,069) was in respect of accelerated capital allowances and other timing differences and £1,970,598 (2020: £1,462,963) was in respect of trading losses. The directors have elected not to recognise a deferred tax asset due to uncertainty surrounding future profitability from which any reversal of timing differences could be deducted.

No other factors that may affect future tax charges have been identified.

11. Property, plant and equipment

	Infrastructure Works £	Long Leasehold Buildings £	Office Equipment & Furniture £	Total £
Cost or valuation				
At 1 January 2021	6,669,993	35,602,734	6,546,056	48,818,783
Additions	-	-	106,352	106,352
Disposals	-	-	-	-
At 31 December 2021	6,669,993	35,602,734	6,652,408	48,925,135
Depreciation				
At 1 January 2021	6,669,993	30,616,461	5,667,530	42,953,984
Charge for the period	-	188,015	366,517	554,532
Released on disposal	-	-	-	-
At 31 December 2021	6,669,993	30,804,476	6,034,047	43,508,516
Net book value				
At 31 December 2020	-	4,986,273	878,526	5,864,799
At 31 December 2021	-	4,798,258	618,361	5,416,619
Cost or valuation				
At 1 January 2020	6,669,993	35,602,734	6,515,388	48,788,115
Additions	-	-	30,668	30,668
Disposals	-	-	-	-
At 31 December 2020	6,669,993	35,602,734	6,546,056	48,818,783
Depreciation				
At 1 January 2020	6,595,205	30,380,216	5,219,790	42,195,211
Charge for the period	74,788	236,245	447,740	758,773
Released on disposal	-	-	-	-
At 31 December 2020	6,669,993	30,616,461	5,667,530	42,953,984
Net book value				
At 31 December 2019	74,788	5,222,518	1,295,598	6,592,904
At 31 December 2020	-	4,986,273	878,526	5,864,799

Long leasehold buildings consist of freehold buildings constructed on land that is leased to the company until 2117.

12. Right-of-use-assets

	Long Leasehold Buildings £	Office Equipment & Furniture £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2021	1,143,059	35,323	8,424	1,186,806
Additions	-	-	1,631	1,631
Disposals	-	-	-	-
At 31 December 2021	1,143,059	35,323	10,055	1,188,437
Depreciation				
At 1 January 2021	225,278	3,532	6,522	235,332
Charge for the period	112,639	7,065	3,261	122,965
Released on disposal	-	-	-	-
At 31 December 2021	337,917	10,597	9,783	358,297
Net book value				
At 31 December 2020	917,781	31,791	1,902	951,474
At 31 December 2021	805,142	24,726	272	830,140

The right-of-use assets are included under the same fixed asset categories as they would be if they were owned.

13. Trade and other receivables

	2021 £	2020 £
Trade receivables	1,247,980	773,631
Amount owed by the City of Edinburgh Council	106,354	30,670
Other receivables	169,378	6,001
Prepayments	150,747	283,590
	1,674,459	1,093,892

Trade receivables are non-interest bearing and are generally on 30 days' terms. As at 31 December 2021 no trade receivables were determined to be impaired (31 December 2020: nil).

13. Trade and other receivables (cont.)

At 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			< 30 days	30-60 days	> 90 days
	£	£	£	£	£
At 31 December 2020	773,631	712,111	33,660	21,725	6,135
At 31 December 2021	1,247,980	1,187,463	19,933	27,994	12,591

The credit rating of trade receivables that are neither past due nor impaired is assessed by reference to external credit ratings, where available, historical information in respect of repeat business and payment history with regard to current business.

14. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	7,651,142	6,738,493

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents is £7,651,142 (31 December 2020: £6,738,493).

15. Trade and other payables

	2021	2020
	£	£
Trade payables	995,424	466,628
Value Added Tax	248,599	252,381
Other taxes and social security costs	65,549	56,828
Other payables	513,335	487,734
Accruals	469,721	464,594
	2,292,628	1,728,165

Trade payables are non-interest bearing and are normally settled on 30-60 days' terms. Other payables are non-interest bearing.

16. Financial liabilities

Loans and borrowings

	2021	2020
	£	£
Fair value - Right-of-use-assets	898,867	1,002,885
Fair value - Loan stock	1,164,698	665,580
	2,063,565	1,668,465

16. Financial liabilities (cont.)

	2021 £	2020 £
This is made up as:		
Current obligations	873,970	104,248
Non-current obligations	1,189,595	1,564,217
	2,063,565	1,668,465

Non-current obligations are made up as:

	2021 £	2020 £
Due within one year	114,893	108,390
Due within two to five years	908,564	1,154,421
Due after five years	166,138	301,406
	1,189,595	1,564,217

Financial liabilities are made up of:

Right-of use-assets

	2021 £	2020 £
Current obligations	108,619	104,248
Non-current obligations	790,248	898,637
	898,867	1,002,885

Non-current obligations are made up as:

	2021 £	2020 £
Due within one year	114,893	108,390
Due within two to five years	510,143	489,408
Due after five years	165,212	300,839
	790,248	898,637

The Company has entered into a number of leases in relation to office accommodation, office equipment and motor vehicles. These leases have a duration of between 2 and 14 years. The leases are in respect of identified assets and under the terms of the agreements the Company has the right to obtain substantially all of the economic benefits from the use of the assets throughout the period of their use. It also has the right to direct the use of the assets throughout their period of use.

The lease liability, in respect of these assets, is measured at the commencement of the lease as the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or an incremental borrowing rate.

The lease liability is subsequently reduced by the value of lease rentals paid and increased by a charge for interest, based on the value of the outstanding lease liability.

16. Financial liabilities (cont.)

Loan stock	2021 £	2020 £
Current obligations	765,351	-
Non-current obligations	399,347	665,580
	1,164,698	665,580

Non-current obligations are made up as:

	2021 £	2020 £
Due within one year	-	-
Due within two to five years	398,421	665,013
Due after five years	926	567
	399,347	665,580

The company has issued convertible and non-convertible loan stock to the City of Edinburgh Council and CEC Holdings Limited, as shown below. These loan stocks, which amount to a face value of £62,420,088 (31 December 2020: £62,313,737) either bear no interest or the interest on them has been waived by the stockholder.

The loans have been recognised at fair value by discounting the future cash flows using market interest rates. Loan stocks are then held at amortised cost by applying an effective interest rate, to increase the loan stock to its face value over the term of the loan stock's issue. These loans have been received from the parent company and the Company relies on these loans as an ongoing source of funding.

Loan Stock	Effective Interest Rate %	Loan Stock £	Amortised cost at 31 December 2021 £	Aggregate Interest £
Convertible Unsecured Loan Stock 2117	15	45,297,609	67	66
Non-Convertible Unsecured Loan Stock 2117	13	7,229,264	58	56
Non-Convertible Unsecured Loan Stock 2022	75	1,339,365	765,351	765,350
Non-Convertible Unsecured Loan Stock 2023	75	868,000	283,429	283,428
Non-Convertible Unsecured Loan Stock 2024	70	546,000	101,878	101,877
Non-Convertible Unsecured Loan Stock 2025	75	123,000	13,115	13,114
Non-Convertible Unsecured Loan Stock 2034	75	154,299	107	107
Non-Convertible Unsecured Loan Stock 2035	75	799,000	316	316
Non-Convertible Unsecured Loan Stock 2036	75	709,141	160	160
Non-Convertible Unsecured Loan Stock 2037	75	461,069	60	59
Non-Convertible Unsecured Loan Stock 2038	75	1,278,074	94	93
Non-Convertible Unsecured Loan Stock 2039	75	841,099	35	35

16. Financial liabilities (cont.)

Loan Stock	Effective Interest Rate %	Loan Stock £	Amortised cost at 31 December 2021 £	Aggregate Interest £
Non-Convertible Unsecured Loan Stock 2040	75	718,922	17	17
Non-Convertible Unsecured Loan Stock 2041	75	123,525	2	2
Non-Convertible Unsecured Loan Stock 2042	75	482,438	4	3
Non-Convertible Unsecured Loan Stock 2043	75	595,438	3	2
Non-Convertible Unsecured Loan Stock 2044	75	716,826	2	0
Non-Convertible Unsecured Loan Stock 2045	75	30,668	0	0
Non-Convertible Unsecured Loan Stock 2046	75	106,352	0	0
		62,420,089	1,164,698	1,164,685

The face value of loan stock issued by the company is as follows:

	2021 £	2020 £
Convertible unsecured loan stock	45,297,609	45,297,609
Non-convertible unsecured loan stock	17,122,480	17,016,128
	62,420,088	62,313,737
Non-convertible unsecured loan stock		
Issued to The City of Edinburgh Council and CEC Holding Ltd	4,675,316	4,675,316
Due to be issued to The City of Edinburgh Council and CEC Holdings Ltd	12,447,164	12,340,812
	17,122,480	17,016,128

The convertible unsecured loan stock, which is all held by CEC Holdings Ltd, bears no interest and is repayable on 31 March 2117 at par. CEC Holdings Ltd have the right to convert loan stock into fully paid preferred ordinary shares at the rate of one preferred ordinary share per £1 nominal of loan stock.

A further £8,735,981 of non-convertible unsecured loan stock 2117 (31 December 2020: £8,629,629) has been issued or is due to be issued to the City of Edinburgh Council and is repayable at par.

CEC Holdings Ltd hold £8,386,499 (31 December 2020: £8,386,499) of the remaining issued or due to be issued non-convertible unsecured loan stock. This non-convertible unsecured loan stock bears no interest and is repayable within 25 years of issue.

17. Deferred revenue and capital grants

	2021 £	2020 £
Deferred revenue	2,190,849	2,205,801
Capital grants	1,213,383	1,304,853
	3,404,232	3,510,654

17. Deferred revenue and capital grants (cont.)

Deferred revenue relates to the advance deposits received in respect of events which are due to take place after the year end.

	2021	2020
	£	£
At 1 January	2,205,801	2,588,922
Deferred during the year	1,591,273	1,810,110
Released to the income statement	(1,606,225)	(2,193,231)
At 31 December	2,190,849	2,205,801

Deferred revenue is analysed as follows:	2021	2020
	£	£
Current obligations	1,655,910	1,606,225
Non-current obligations	534,939	599,576
	2,190,849	2,205,801

Capital grants have been received in respect of building construction and roadworks as follows:

	2021	2020
	£	£
At 1 January	1,304,853	1,520,876
Receivable during the year	-	-
Released to the income statement	(91,469)	(216,023)
At 31 December	1,213,383	1,304,853

Capital grants are analysed as follows:

	2021	2020
	£	£
Current obligations	85,322	91,470
Non-current obligations	1,128,061	1,213,383
	1,213,383	1,304,853

18. Share capital

	2021 No.	2020 No.	2021 £	2020 £
Allotted, called up and fully paid:				
Preferred Ordinary shares	40	40	40	40
Ordinary shares	2	2	2	2
RBL Ordinary shares	10	10	10	10
Preference shares	10	10	10	10
Special share	1	1	1	1
			63	63

The 10 preference shares, 2 ordinary shares and 40 preferred ordinary shares were all issued to The City of Edinburgh Council and subsequently gifted to CEC Holdings Ltd (wholly owned subsidiary of the Council) in 1996. The special share was issued to Scottish Enterprise Edinburgh and Lothian Ltd on 18 December 1996. The City of Edinburgh Council is the ultimate holding organisation of the Company.

The special share has a nominal value of £1. The share can only be transferred to a body nominated by Scottish Enterprise Edinburgh and Lothian Ltd and approved by the City of Edinburgh Council. The special shareholder is entitled to receive notice of general meetings, and to attend and speak at such meetings but has no other rights. Specifically, the special shareholder has no right to vote at such a meeting. The special shareholder is however entitled to receive a copy of each resolution passed at a general meeting, to receive any resolution proposed as a written resolution and each circular sent by the Company to holders of any class of shares in the Company.

The special shareholder ranks after all other members of the Company in respect of distribution of capital on the winding up of the Company. The special share confers no right to participate in the profits of the Company.

The Articles of Association entitle the holder of the special share to appoint one person as a Director of the Company. This right is effected by a notice in writing either being lodged at the Company's registered office or delivered to a meeting of the directors.

The preference shares carry no voting rights, but have the right to a fixed cumulative preferential dividend at the rate of 6% (net of associated tax credit) per annum, on the amount paid up, to be paid annually on 31 December each year.

The RBL ordinary shares, which were issued on 29 November 1995, carry no voting rights and are entitled to a dividend of £0.01 for every full amount of £100 worth of assets paid. This is payable after payment of the fixed dividend to holders of the preference shares.

The ordinary and preferred ordinary shares carry one vote per share and participate in profits available for dividend pro rata.

In the event of a capital distribution the shares rank in the following order: £1 for each Preference Share; £1 for each Preferred Ordinary Share; £1 for each Ordinary Share; £1 for each RBL Ordinary Share; £1 for each Special Share. Thereafter pro rata.

19. Other reserves

Other reserves arise from the fair valuing of loan stock where the difference between the fair value and face value of the loan has been recognised as a capital contribution where the loan has been issued at below market rate from a parent company.

	£
At 1 January 2021	62,313,737
Net movement on recognition of loans	106,352
At 31 December 2021	62,420,088

20. Pension commitments

The Company operates a defined contribution scheme for its employees. The assets of this scheme are held separately from those of the Company in an independently administered fund.

The total amount paid to the scheme during the year totals £146,711 (31 December 2020: £135,486).

The unpaid contributions outstanding at the year end, included in other creditors, amount to £nil (31 December 2020: £nil).

21. Related party transactions

The transactions that have been entered into with related parties, which have a significant influence over the Company, for the financial year, are as follows:

	Net funding received £
The City of Edinburgh Council	
2021	30,668
2020	1,794,704
CEC Holdings Limited	
2021	-
2020	-

Loans received from or made to related parties, which have a significant influence over the Company, are as follows:

	Owed by related parties £	Owed to related parties £
The City of Edinburgh Council		
2021	106,352	8,735,981
2020	30,668	8,629,629
CEC Holdings Limited		
2021	-	53,684,108
2020	-	53,684,108

The Company's immediate parent undertaking is CEC Holdings Limited. It has included the Company in its group financial statements. The ultimate parent undertaking is The City of Edinburgh Council. Copies of the accounts of both companies are available from the Head of Finance, The City of Edinburgh Council, Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG.

22. Financial instruments and risk management

The company has the following categories of financial instruments at the balance sheet date:

	2021 £	2020 £
Financial assets measured at amortised cost:		
Loans and receivables:		
Trade and other receivables	1,523,712	810,302
Cash and cash equivalents	7,651,142	6,738,494
	9,174,854	7,548,796

	2021 £	2020 £
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	1,978,480	1,418,956
Loan stock	1,164,698	665,580
Right of use assets	898,867	1,002,885
	4,042,045	3,087,421

Capital management and risk management objectives

The company aims to manage its overall capital structure to ensure it continues to operate as a going concern. The company's capital structure represents the equity attributable to the shareholders of the company together with cash equivalents.

The Board is charged with the overall responsibility of establishing and monitoring the company's risk management policies and processes in order to identify, analyse and monitor the risks that are faced by the company. The company does not enter into or trade financial instruments for speculative purposes.

The main risks that the company is exposed to through its financial instruments are market risk, credit risk and liquidity risk. These are managed as follows:

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income. The company monitors this risk but it is very unlikely to affect the company's overall liquidity. The company's debt is primarily non-interest bearing.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company. It arises from exposure to customers and amounts owed by group undertakings.

The maximum exposure to credit risk to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk is reviewed regularly by the directors and monitored by actively assessing the rating quality and liquidity of counterparties as follows:

22. Financial instruments and risk management (cont.)

- Only banks and institutions with an acceptable credit rating are utilised;
- All customers are rated for credit worthiness, where practical, taking into account their size, market position and financial standing;

Over 85% of the company's gross profits are derived from room hire fees which are paid in advance and from catering commission which is paid by the catering concessionaire.

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages that risk as follows:

- Preparing forward looking cash flow analysis; and
- Managing cash generated by its operations and retaining surplus cash in readily accessible bank deposit accounts.

Fair values

The directors consider that the carrying values of all the company's financial assets and liabilities approximate to their fair values at the balance sheet date.

23. Post Balance Sheet Event

In February 2022 a new fully owned subsidiary was incorporated. Edinburgh International Conference Centre Hotels Limited will operate a newly constructed hotel in Haymarket. It is anticipated the hotel will open in 2025 with construction due to commence in 2022.

In April 2022 Edinburgh International Conference Centre Hotels Limited entered into a Franchise Agreement with Hyatt International LLC to operate the hotel at Haymarket for a period of 25 years. Edinburgh International Conference Centre Hotels Limited also entered into a 25 year Sub Lease with the City of Edinburgh Council to lease the hotel which is being developed by the Qmile Group on behalf of The Prudential Assurance Company Limited

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Private & Confidential
The Board of Directors
Edinburgh International Conference Centre Limited
The Exchange
Edinburgh
EH3 8EE

24 May 2022
Our ref: NB/SWI/EICCLT01

Dear Sirs

Edinburgh International Conference Centre Limited
Audit findings for the year ended 31 December 2021

This Audit Findings letter highlights the significant findings arising from the audit for the benefit of those charged with governance. We appreciate that you may be aware of some of the matters contained in this report, however as required by International Standard on Auditing (UK) 260 we are communicating them to you formally.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) (ISAs (UK)), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

This letter has been provided on the basis that it is for the information of the Board and management of Edinburgh International Conference Centre Limited only and that it will not be distributed to others, quoted or referred to, in whole or in part, without our prior written consent.

1 Audit status and audit opinion

We are pleased to report that the audit progressed well from our perspective and in accordance with the agreed timetable.

Our audit work is substantially complete, subject to the outstanding matters detailed below:

- Receipt of signed management letter of representation
- Receipt of signed financial statements

We do not propose any modifications to our audit opinion which is unqualified. Other than as described in the emphasis of matter paragraph of our audit report, we confirm that our audit testing did not identify any material issues affecting the company's ability to continue as a going concern. The letter of comfort provided received from City of Edinburgh Council (the Council) confirms that the Council will continue to provide financial support to EICC Limited, directly or via CEC holdings until June 2023. We are therefore satisfied with the disclosures in the financial statements.

2 Significant findings

Findings related to significant risks

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Results and conclusions
Fraud in revenue recognition Under ISA (UK) 240 there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the company could adopt accounting policies or recognise sales in such a way as to lead to a material misstatement in the reported revenue position.	• We have reviewed the systems and controls underpinning debtors and sales, performed sample tests over sales completeness, and carried out analytical review procedures. • Sales-cut off testing was also completed by sample testing invoices directly before and after the year end to ensure they were accounted for in the correct period. • We are satisfied over the completeness of revenue and no issues arose as a result of our work that we consider should be brought to your attention.
Management override of controls Under ISA (UK) 240 there is a presumed risk that management and directors have the ability to process transactions or make adjustments to financial records outside of the normal financial control processes. Such transactions could lead to a material misstatement in the financial statements.	• We have tested journal entries both throughout the year, and around the year end to ensure journals are in line with our expectations and standard accounting adjustments. We have also reviewed nominal analysis and performed analytical review to ensure there are no unusual abnormalities throughout the financial statements. • Our testing performed did not identify instances of management override in the financial records in the period. No issues arose to be drawn to the attention of management.
Going concern including consideration of the impact of the Covid-19 pandemic The directors must undertake a formal assessment of the Company's ability to continue as a going concern for at least the 12 months following the signing of the financial statements at both the planning stage of the audit and at the date the financial statements are signed.	• In respect of going concern, we reviewed your assessment, budgets covering the 12-month period from the date of signing the financial statements, post year end management accounts, and the cash position at sign-off. • In respect of post balance sheet events, we reviewed post year end board minutes and management accounts. • We also held detailed discussions with the finance team in respect of going concern and PBSE.

This assessment should fully consider the potential impact of the COVID-19 pandemic on the going concern status of the Company as well as identify any post balance sheet events that may require adjustment to or disclosure in the financial statements.	• We concur with management's assessment that it is appropriate to continue to adopt the going concern basis and appropriate disclosure relating to the material uncertainties are included in note 2 to the financial statements and the Report of the Directors and Strategic report. Our audit report refers to the material uncertainty although our opinion is not modified in respect of this matter.

There were no changes to our audit plan previously communicated to you.

3 Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern" (ISA (UK) 570).

We have reviewed the current and future financial position of the company and liquidity position from the information provided by management, specifically in respect of the Covid-19 pandemic and the potential disruption to the business due to any future period of lockdown. In conjunction with the letter of support provided by City of Edinburgh Council, we are satisfied that the financial statements are prepared on a going concern basis.

4 Accounting policies, presentation and disclosures

The accounting policies used in preparing the financial statements are unchanged from the prior year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted by the entity.

Overall we found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

5 Other communication requirements

Fraud or suspected fraud

We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit.

Our work as auditor is not intended to identify any instances of fraud of a non- material nature and should not be relied upon for this purpose. In the event that the members wish to obtain enhanced assurance with regard to the effectiveness of internal control in preventing and detecting fraud we should be happy to provide additional services.

Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting the business. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations stopping the business from continuing as a going concern or that would necessitate a provision or contingent liability.

There are also many other laws and regulations relating to health and safety as well as human resources generally and industry specific requirements. We are not aware of any significant incidences of non-compliance.

Related parties

We are not aware of any related party transactions which have not been disclosed.

6 Misstatements

We are required to inform you of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. We have not identified any misstatements during the course of the audit.

7 Internal controls

The purpose of an audit is to express an opinion on the financial statements. As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. However, this work was not for the purpose of expressing an opinion on the effectiveness of internal controls.

We are required to report to you in writing, significant deficiencies in internal controls that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you.

The scope of our work is not designed to be an extensive review of all internal controls. Areas identified are reported in Appendix II below. The item in Appendix II has been carried over from the previous year.

8 Independence

In accordance with our profession's ethical guidance and further to our planning letter to you dated 25 February 2022, confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standards. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

A summary of our services provided and related fees is attached at Appendix I.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by your team during the audit.

If we can be of any further assistance, please contact Nick Bennett.

Yours faithfully

Nick Bennett

Nick Bennett
Senior Statutory Auditor
Nick.Bennett@azets.co.uk

Appendix I
Provision of audit and non-audit services

Details of services provided	Current year £	Prior year £
Audit of company	10,075	9,785
Total audit services	10,075	9,785
Corporation tax compliance services	1,835	1,780
Total non-audit services	1,835	1,780
Total fees for services provided	**11,910**	**11,565**

Appendix II

Internal controls

Control points arising from our current year work and our recommendations are summarised below. The recommendations are categorised into three risk ratings as shown in the key.

Key: Significant deficiency in internal control, Other deficiency in internal control, Other observations from the audit

Area	Observation	Implication	Recommendation	Management response
Governance arrangements	EICC is governed by a Board of Directors and the Board is responsible for the overall strategic direction and fulfilment of the legislative duties of the organisation. We have noted that the scale of operations of EICC has been expanding in recent years but the governance structure has remained the same with the Board supported by the senior leadership team.	There is a risk that the Board is not adequately supported by appropriate governance structure and there is insufficient capacity within the current governance structure for appropriate scrutiny and challenge. We noted that EICC will look to make potential changes once the Company's corporate structure has been revised.	We recommend EICC reviews the current governance structure and considers whether supporting committees (e.g. audit committee) would offer benefits to the Board.	The Company has recently incorporated a new fully owned subsidiary, EICC Hotels Ltd, which will operate a new hotel and hotel school in Haymarket. As a result this will lead to significant changes in the Company's corporate and governance structure. The board will increase in size, as agreed with the City of Edinburgh Council, with the necessary supporting committees put in place. The Company and Shareholder believes the changes proposed are appropriate for the size of business and will provide strong governance with the necessary scrutiny and challenge.

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Edinburgh International Conference Centre – Shareholders' Agreement and Strategic Delivery Agreement

Executive/routine	**Executive**
Wards	**11 – City Centre**
Council Commitments	

1. Recommendations

1.1 It is recommended that Committee:

1.1.1 Agrees the Heads of Terms for revision to the Shareholders' Agreement between the Council and Edinburgh International Conference Centre Limited and the new Strategic Delivery Agreement between the Council and Edinburgh International Conference Centre Hotels Limited;

1.1.2 Agrees to delegate authority to the Executive Director of Place to execute the Shareholders' Agreement and Strategic Delivery Agreement; and

1.1.3 Refers this report to the City of Edinburgh Council for final approval.

Paul Lawrence

Executive Director of Place

Contact: David Cooper, Head of Development and Regeneration

E-mail: david.cooper@edinburgh.gov.uk | Tel: 0131 529 6233

Report

Edinburgh International Conference Centre – Shareholders’ Agreement and Strategic Delivery Agreement

2. Executive Summary

2.1 This report proposes amendments to the Shareholder’s Agreement between the Council and Edinburgh International Conference Centre Limited (EICC) to reflect EICC’s involvement in the hotel and hotel school project previously agreed by Committee. The report also proposed the Council entering into a new Strategic Delivery Agreement (SDA) between the Council and Edinburgh International Conference Centre Hotels Limited (EICCH) in order to give the Council additional oversight of the project.

3. Background

3.1 EICC is a company limited by shares that was incorporated in 1991. 82.54% of the company is owned by the Council via its arm’s length company CEC Holdings Limited (CECH), with 15.87% being owned by the Royal Bank of Scotland and 1.59% by Scottish Enterprise. The principal business of EICC is the day to day operation of the Edinburgh International Conference Centre at 150 Morrison Street, Edinburgh, which opened in 1995 (with a major extension completing in 2013). The original Conference Centre is owned by EICC, while the extension is owned by the Council and leased (for a peppercorn rent) to EICC.

3.2 The relationship between the Council, Scottish Enterprise and EICC is governed by a Shareholder’s Agreement (CECH and the Royal Bank of Scotland are not parties to the Shareholder’s Agreement). The most recent iteration of the Shareholder’s Agreement, which dates from December 2016’ is set out at Appendix 1. The Shareholder’s Agreement covers the following matters:

3.2.1 The permitted business of EICC, and those activities that will need the additional specific consent of the Council (such as a proposal that will result in a substantial change in the nature of its business);

3.2.2 The composition of the EICC Board;

3.2.3 The Council right to appoint three elected members as directors (one of whom shall be the Chair of EICC);

3.2.4 The requirements around accounting and preparing an annual budget and business plan that the Council must be consulted upon in advance; and

3.2.5 The obligation upon EICC to, in effect, adopt and comply with certain elements of the Council's policy framework, including its policies on the Living Wage, the Edinburgh Guarantee scheme, sustainability, social justice, economic wellbeing, and environmental good stewardship.

3.3 The Council's assurance policies require a Service Level Agreement (or other appropriate legal agreement) to be put in place for each Council-owned arm's length external organisation.

3.4 On 28 October 2021, the Council approved a final business case for the Council entering into a 25-year head lease on a 349-bedroom hotel that is being developed at Haymarket Edinburgh by Quartermile Developments Limited, for The Prudential Assurance Company Limited, and sub leasing the hotel to EICC to operate the hotel (via a franchise agreement with the hotel brand Hyatt) along with a hotel school.

4. Main report

Shareholders' Agreement

4.1 The hotel and hotel school project represents an expansion of the business of EICC beyond that expressly permitted by the Shareholders' Agreement. In order to secure the hotel opportunity for the EICC, the Council has also had to enter into a head lease with The Prudential Assurance Company Limited. Given this, the Shareholders' Agreement will require to be amended to reflect the widened business of EICC and the change in risk profile to the Council. The proposed changes to the Shareholder's Agreement are set out at Appendix 2. The principal changes to the Shareholder Agreement are:

4.1.1 Expanding the permitted business of EICC to include the operation of the hotel and hotel school;

4.1.2 Amending the corporate structure, board structure, and governance arrangements for EICC to reflect its expanded activities by increasing the number of Council directors to five and requiring a minimum of two external directors to also be appointed;

4.1.3 Placing an obligation upon EICC to run the hotel in accordance with good industrial practice and other standards;

4.1.4 Placing obligations upon EICC with regards to financial matters;

4.1.5 Requiring EICC to adhere to the various agreements entered into with Hyatt as part of the hotel and hotel school project; and

4.1.6 Reflecting that CECH, not the Council, is a shareholder of EICC (albeit with the Council remaining a party to the Shareholders' Agreement).

4.2 It should be noted that the existing Shareholder's Agreement requires the EICC to submit annual business plans to be agreed by the Council and this will continue to be the case. The Council, as the ultimate majority shareholder, also has the ability to pass special resolutions which could include but which are not limited to winding up the company or revisiting the articles of association. The proposed changes above are intended to build upon the existing shareholder agreement provisions and these general powers.

Strategic Delivery Agreement

4.3 To provide the Council with an additional degree of oversight to protect its interests, a SDA between the Council and EICCH has been drafted. EICCH is a subsidiary of EICC that has been established for the purposes of operating the hotel and hotel school. The SDA is set out at Appendix 3. The principal matters covered by the SDA are:

4.3.1 Requiring EICCH to operate the hotel to an “upper-upscale” standard;

4.3.2 Specifying that EICCH and the Council shall establish a project team to oversee the development of the hotel;

4.3.3 Setting out the process for agreeing the disbursement of surplus profits from the hotel between the Council and EICCH;

4.3.4 Requiring EICCH to comply with all agreements entered into with Hyatt and other parties in connection with the operation of the hotel and hotel school;

4.3.5 Requiring EICCH to meet all costs and expenses in the period prior to the opening of the hotel, appoint a hotel management team and suppliers, to purchase all operating supplies and equipment required for the hotel, and to appoint a project manager and clerk of works to oversee the development of the hotel;

4.3.6 Requiring EICCH to report to the Council upon various matters relating to the operation and performance of the hotel;

4.3.7 Requiring EICCH to pay all employees the Scottish Living Wage and to use “all reasonable endeavours” to ensure its main business partners do likewise;

4.3.8 Requiring EICCH to have appropriate insurances in place;

4.3.9 Requiring EICCH to enter into a memorandum of understanding with Edinburgh College in connection with the hotel school;

4.3.10 Specifying the circumstances in which the Council has the right to “step-in” to take over the operation of the hotel from EICCH;

4.3.11 Specifying the Council’s remedies for any breach of the SDA by EICCH; and

4.3.12 Requiring EICC to pay the Council in connection with retrospective reasonable external costs incurred on the hotel and hotel school project and enabling the Council to recover future external and internal costs from EICCH in certain circumstances.

4.4 It should be noted that the new “step-in” rights are contractual and would allow the Council to arrange for a third party operator to run the hotel on its behalf should there be underperformance by the EICC. This is in addition to the corporate “step-in” rights that are already available to the Council as the ultimate majority shareholder.

4.5 Importantly a key matter moving forward will be on how surplus profits are used. The SDA sets out that profits shall be firstly applied to cover the ongoing capital expenditure costs of the Conference Centre and the Hotel and thereafter that building a reserve to cover the hotel rental payment (should this be needed) is the next priority. The detail of this is a matter that will be reported on through annual Business Plans that will be considered by the Council and as such there will be an ongoing dialogue on this point.

4.6 The SDA further specifies the key performance indicators (KPIs) by which the performance of the hotel and hotel school will be monitored, with specific targets to be agreed as part of the annual business plan and budgetary process. The KPI headings, as agreed by Committee on 5 November 2020, are:

4.6.1 Turnover (sales revenue);

4.6.2 Expenditure (operating expenditure);

4.6.3 Economic impact (based on estimated expenditure by hotel guests);

4.6.4 Occupancy (proportion of available hotel bedrooms sold);

4.6.5 Customer satisfaction (based on feedback received);

4.6.6 Carbon footprint;

4.6.7 Fair work (calculated using the Scottish Government’s fair work tool for employers);

4.6.8 Community benefits;

4.6.9 Accreditations and awards; and

4.6.10 Training (based on hours of structured training undertaken by employees).

5. Next Steps

5.1 If the amendments to the Shareholder’s Agreement and the new SDA are agreed, the Council and EICC will execute both documents.

6. Financial impact

6.1 The costs of amending the Shareholder’s Agreement and drafting the SDA have been met from existing budgets.

6.2 The SDA requires EICC to compensate the Council for certain retrospective costs associated with the development of the hotel and hotel school project

6.3 The SDA sets out the mechanisms via which surplus profits from the hotel and hotel school project would be distributed to the Council, subject to agreement between the Council and the EICC Board.

7. Stakeholder/Community Impact

7.1 The amendments to the Shareholder's Agreement and the drafting of the new SDA have been undertaken in conjunction with EICC Executive.

8. Background reading/external references

8.1 "Edinburgh International Conference Centre Hotel and Hotel School - Final Business Case" – report to the City of Edinburgh Council, 28 October 2021

9. Appendices

9.1 Appendix 1 - Shareholders' Agreement between Edinburgh International Conference Centre Limited, Scottish Enterprise, and the City of Edinburgh Council (existing).

9.2 Appendix 2 - Heads of Terms covering revisions to the Shareholders' Agreement between Edinburgh International Conference Centre Limited, Scottish Enterprise, and the City of Edinburgh Council and the basis for a new Strategic Delivery Agreement between the City of Edinburgh Council and Edinburgh International Conference Centre Limited (proposed).

SHAREHOLDERS' AGREEMENT

BETWEEN

EDINBURGH INTERNATIONAL CONFERENCE CENTRE LIMITED

SCOTTISH ENTERPRISE EDINBURGH AND LOTHIAN

AND

THE CITY OF EDINBURGH COUNCIL

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AGREEMENT

BETWEEN

1) **EDINBURGH INTERNATIONAL CONFERENCE CENTRE LIMITED,** (registered number SC131773) whose registered office is at Conference House, 152 Morrison Street, Edinburgh EH3 8EB (the "**Company**");

2) **SCOTTISH ENTERPRISE EDINBURGH AND LOTHIAN,** constituted under the Enterprise and New Towns (Scotland) Act 1990 and having its principal office at Atrium Court, 50 Waterloo Street, Glasgow G2 6HQ **("SE")**;

and

3) **THE CITY OF EDINBURGH COUNCIL**, constituted under the Local Government, etc (Scotland) Act 1994 and having its principal office at Waverley Court, 4 East Market Street, Edinburgh EH8 8BG (the "**Council**").

BACKGROUND

(A) The Council and SE are shareholders in the Company.

(B) The Council requires that all companies in which it has an interest are monitored on its behalf.

(C) The Parties agree that the terms set out in this Agreement shall govern the relationship between the Parties.

AGREED TERMS

1. Definitions and interpretation

1.1 In this Agreement the following expressions have the following meanings:

"Adequate Procedures"	means adequate procedures, as referred to in section 7(2) of the Bribery Act 2010 and any guidance issued by the Secretary of State under section 9 of the Bribery Act 2010;
"Agreement"	means this agreement including the Schedule;
"Annual Budget"	means the annual budget prepared for each Financial Year in accordance with clause 6 and adopted by the Company in accordance with this Agreement;
"Articles of Association"	means the articles of association of the Company from time to time;
"Auditors"	means the auditors of the Company from time to time;
"Board"	means the Directors, or such of those Directors present at a duly convened meeting of the Directors (or committee of the board of directors) at which a quorum is present in accordance with the Articles of Association;
"Business"	means the business as described in clause 2.1 and such other business as the Council agrees in writing from time to time in accordance with this Agreement;

"Business Day" means any day, other than a Saturday or a Sunday, on which banks are open in Edinburgh for normal banking business;

"Business Plan" means the business plan prepared in accordance with clause 6 and adopted by the Company in accordance with this Agreement;

"Centre" means the Edinburgh International Conference Centre, 150 Morrison Street, Edinburgh EH3 8EB as such may be altered, extended and/or refurbished from time to time;

"Confidential Information" means all information not publicly known, used in or otherwise relating to the Business or any other Party, including information obtained by a Party as a result of negotiating and entering into or performing this Agreement, whether or not labelled or designated as confidential including:

(a) any information relating to the other Party's business, finances, operations, products and services, marketing affairs and opportunities, customers and suppliers, plans, inventions, processes, trade secrets, know how, design rights, software and Intellectual Property Rights or any other information of a confidential or proprietary nature;

(b) any information designated as confidential information by the other whether belonging to that Party or a third party; and

(c) the subject matter and provisions of this Agreement and all other documents entered into pursuant to this Agreement;

"Councillor" means an elected member of the Council;

"Councillor Directors" means, for so long as they are Directors, the three Councillors appointed as Directors of the Board in pursuance of clause 3.1 and any Councillor appointed as a replacement;

"Director" means any duly appointed director of the Company for the time being or a duly appointed alternate of any Director, including a Councillor Director;

"Encumbrance" means any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignation, hypothecation, security interest, title retention or any other security agreement or arrangement having similar effect;

"Financial Year" means any accounting reference period of the Company ending on 31 December each year, of whatever duration;

"Observer" means an individual appointed pursuant to clause 5.1;

"Party" means a party to this Agreement and "Parties" shall be construed accordingly;

"Quarter Days" means 1 August, 1 November, 1 February and 1 May in each year or such other dates as may be agreed in writing between the Company and the Council;

"Schedule" means the schedule, of three parts, to this Agreement;

"Subsidiary" has the meaning given in section 1159 of the Companies Act 2006 provided that for the purpose of that section a

	company shall be deemed to be a member of another when its shares in the other company are registered in the name of another person either in connection with the taking of security or as a nominee;
"Subsidiary Undertaking"	has the meaning given in section 1162 of the Companies Act 2006; and
"Territory"	means Scotland.

1.2 References to any statute or statutory provision include, unless the context otherwise requires, a reference to the statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time prior to the date of this Agreement and any subordinate legislation made under the relevant statute or statutory provision (as so modified, replaced, re-enacted or consolidated) in force prior to the date of this Agreement.

1.3 References to all genders include references to each other gender and references to the singular include the plural and vice versa.

1.4 References to a person include references to any individual (including that individual's legal personal representatives), firm, company, corporation or other body corporate, government, state, local authority or agency of a state or any unincorporated association, joint venture or partnership (whether or not having a separate legal personality).

1.5 The clause and Schedule headings in this Agreement do not affect its interpretation.

1.6 References to clauses and the Schedule are to clauses in and the Schedule to this Agreement and references to paragraphs are to paragraphs in the part of the Schedule in which such references appear.

1.7 The Schedule forms part of this Agreement and has the same force and effect as if set out in the body of this Agreement.

1.8 Any phrase introduced by the term "include", "including", "in particular", "other", or any similar general term is not limited by any particular examples preceding or following those general terms.

1.9 In construing this Agreement the *contra proferentem* rule shall not apply and accordingly wording shall not be given a restricted meaning by operation of such rule.

1.10 Unless otherwise expressly provided, all covenants, agreements, undertakings, indemnities, representations and warranties in this Agreement by more than one person are entered into, given or made by such persons severally.

1.11 A reference to a "notice" is to a notice in writing signed by or on behalf of the person sending it and given in accordance with clause 11.

1.12 Any request for consent of the Council in accordance with this Agreement shall be made to the Council's Director of Corporate Governance (or equivalent from time to time), whom failing the Council's Head of Finance (or equivalent from time to time).

2. Business of the Company

2.1 Subject to the consent matters referred to in clause 7.1.4 and set out in Part 1 of the Schedule, the business of the Company shall be:

2.1.1 to procure the successful and continued operation of the Centre as a venue for conferences, exhibitions, trade shows, annual general meetings, cultural and sporting events, awards ceremonies and other such events in a global market place with international and national customers so as to maximise the economic benefit to the City of Edinburgh;

2.1.2 to insure, maintain and upgrade the Centre from time to time as necessary to carry on its business; and

2.1.3 to operate on a prudent commercial basis in accordance with the Business Plan.

No other material business shall be carried on by the Company without the prior written consent of the Council.

2.2 The Company shall not carry on the Business outwith the Territory or such other place as the Board may determine without the prior written consent of the Council.

3. Directors

3.1 The Board shall include three Councillors who will be Directors known as Councillor Directors.

3.2 The Councillor Directors will comprise two elected members from the administration group(s) and one elected member from an opposition group.

3.3 The Board shall include the Chief Executive of the Company and the Financial Director of the Company.

3.4 The Board shall include two non-executive directors with relevant experience of operating a business similar in size and scope to the Company.

3.5 The chairman of the Board shall be a Councillor Director.

3.6 The quorum for Board meetings shall be two Directors.

3.7 The Company undertakes to the Council that:

3.7.1 each Director completes, signs and delivers to the Company and the Council as soon as reasonably practicable following the date of this Agreement, or, if later, the date of their appointment to the Board, an undertaking in the form set out in Part 3 of the Schedule;

3.7.2 all material decisions relating to the Company will be taken at Board meetings;

3.7.3 the Board meets as often as it sees fit and, in any event, not less than 6 times every year; and

3.7.4 unless the Council agrees otherwise:

(i) no material business shall be transacted at any Board meeting (or meeting of a committee of the Board) save for that specified in the agenda referred to in clause 3.8.1; and

(ii) each such meeting shall be held in the United Kingdom.

3.8 The Company shall send to the Directors, the Council and the Observer:

3.8.1 not less than 5 Business Days' advance notice of each meeting of the Board and of each committee of the Board, such notice to be accompanied by a written agenda specifying the business to be transacted at such meeting together with all papers to be circulated or presented to the same; and

3.8.2 as soon as practicable after each such meeting a copy of the minutes of that meeting.

4. Board representation

4.1 For so long as the Council holds any shares in the Company, the Council shall be entitled by notice in writing to the Company to appoint the Councillor Directors and to remove any Councillor Director and appoint another person in this place.

4.2 Any such appointment or removal shall take effect at and from the time when the notice is received at the registered office of the Company or produced to a Board meeting. No Party (other than the Council) shall do anything to seek to remove any Councillor Director.

4.3 All other appointments of officers and termination of appointments of officers shall be in accordance with the Articles of Association.

5. Observer rights

5.1 In addition to the right to appoint Councillor Directors, for so long as the Council holds any shares in the Company the Council may by notice in writing to the Company appoint one person as an Observer and remove any such person so appointed and appoint another person in their place.

5.2 Any such appointment or removal shall take effect at and from the time when the notice is received at the registered office of the Company or produced to a Board meeting. The Council confirms that the Observer will not also be a Director of the Company.

5.3 The Parties agree that any person appointed as an Observer pursuant to this clause 5 shall:

5.3.1 be entitled to attend and speak, but not vote, at all meetings of Directors or of committees of Directors of the Company; and

5.3.2 be at liberty from time to time to make full disclosure to the officials and members of the Council of any information relating to the Company provided that they shall only be entitled to provide copies of documents containing commercially sensitive information and/or discuss matters which are commercially sensitive with the Chief Executive and/or Director of Corporate Governance of the Council.

6. Business Plan, accounts, financial and other information

6.1 The Company undertakes to the Council that it shall, and that its Subsidiaries and Subsidiary Undertakings shall, at all times, maintain accurate and complete accounting and other financial records in accordance with the requirements of all applicable laws and generally accepted accounting principles applicable to the Company.

6.2 The Company undertakes to the Council that it shall, and sthat its Subsidiaries and Subsidiary Undertakings shall, produce:

6.2.1 quarterly financial accounts, including a profit and loss account for the period to date and a forecast for the current Financial Year, balance sheets, cash flow statements and such other trading and financial information as the Council may reasonably require as well as a comparison against the previous year's information for the relevant quarter and against the Annual Budget, together with an explanation for any material variances to forecasts and shall send a copy to the Council no later than 30 days after each Quarter Day and the Board shall consider such information at its following meeting;

6.2.2 unaudited accounts of the Company and its Subsidiaries comprising the individual accounts of the Company and its Subsidiaries and in the case of the Company the consolidated group accounts of the Company and shall send a copy to the Council for their comments as soon as reasonably practicable and in any event within 12 weeks of the end of the accounting period to which they relate; and

6.2.3 audited accounts of the Company and its subsidiaries comprising the individual accounts of the Company and its Subsidiaries and in the case of the Company the consolidated group accounts of the Company and its Subsidiaries and shall send a copy to the Council for their comments within 5 months of the end of the accounting period to which they relate. Such accounts shall be audited by a firm of reputable accountants and prepared to at least the standard applicable to medium sized companies within the United Kingdom.

6.3 The Company shall prepare an Annual Budget for the Company and its Subsidiaries and Subsidiary Undertakings in respect of each Financial Year and a Business Plan of the Company and its Subsidiaries and Subsidiary Undertakings once every calendar year, looking forward for at least three years and no more than five years, in each case on an individual and consolidated basis, in accordance with this clause 6.

6.4 Each Annual Budget shall be consistent with the Business Plan and shall include:

6.4.1 a summary of the Company's and its Subsidiaries' and Subsidiary Undertakings' business objectives for the forthcoming Financial Year including specific financial and non-financial KPIs together with appropriate measures of achievement against which performance of the Company and the Board will be assessed;

6.4.2 forecast profit and loss;

6.4.3 forecast revenue projection;

6.4.4 balance sheet and cash-flow statement on a phased monthly basis;

6.4.5 an operating budget including estimated capital expenditure and working capital on a phased monthly basis; and

6.4.6 a financial report which includes an analysis of the results of the Company and its Subsidiaries and Subsidiary Undertakings for the previous Financial Year compared with the annual budget for that Financial Year, identifying variations in sales, revenues, costs and other material items.

6.5 Each Business Plan shall, unless otherwise agreed by the Council in writing, include:

6.5.1 a forecast profit and loss;

6.5.2 a forecast revenue projection;

6.5.3 a balance sheet and cash-flow statement on an annual basis

6.5.4 a review of projected business and capital investment; and

6.5.5 a summary of the Company's business objectives for at least three financial years following the reference year of the Business Plan.

6.6 Each Annual Budget shall be approved by the Board prior to the commencement of the Financial Year to which it relates and the Company shall consult with the Council in a reasonable and proper manner in drawing up the Annual Budget before approval. Once approved by the Board the Annual Budget shall be circulated to the Council for its information.

6.7 Each Business Plan shall be submitted to the Board in draft and thereafter shall be circulated to the Council not later than 30 days prior to the commencement of the first Financial Year to which it relates.

6.8 The Council shall have 30 days from receipt of the draft pursuant to clause 6.7 (the "**Review Period**") to review the Business Plan. The Council shall be entitled to indicate in writing its non-approval of a Business Plan. If before the expiry of the Review Period the Council indicates in writing its non-approval of a Business Plan or the Council's approval to the Business Plan is not provided by the end of the Review Period, the Company shall continue to trade in the ordinary course without material interruption but in a manner which is most likely to continue the status quo without materially deviating from the previous Business Plan until such time as a new Business Plan is approved by the Council in writing.

6.9 The Company shall:

6.9.1 grant the Council, the Councillor Directors and the Observer access to its accounts, books, records, senior employees and Directors upon reasonable notice and supply the Council with all information relating to the business affairs and financial position of the Company and its Subsidiaries and Subsidiary Undertakings as the Council may from time to time reasonably require;

6.9.2 keep the Council informed of any material developments in the Business from time to time;

6.9.3 supply the Council with a copy of a report prepared by the Company in respect of each Financial Year, demonstrating the implementation by the Company and its Subsidiaries and Subsidiary Undertakings of Adequate Procedures, such report to be provided within 30 Business Days of the end of the Financial Year to which it relates; and

6.9.4 supply the Council with a report on the performance of the Company for the previous twelve month period, including summary information in relation to achievement of all KPIs. This report is to be provided within 30 Business Days of the end of the Financial Year to which it relates and shall be submitted by the Council to its Finance and Resources Committee for review.

6.10 If any information is not provided to the Council in accordance with any of the provisions (including the time for delivery) of clauses 6.1 to 6.9.3, then the Council may (after having given the Company not less than 5 Business Days to comply with such provisions) on behalf of the Company appoint a firm of accountants (or other relevant advisors) to prepare the relevant information and the Company agrees to provide all information reasonably required by such accountants (or other relevant advisors) for such purpose and to grant such accountants (or other relevant advisors) access to the accounts, books, records and employees (if any) of the Company upon reasonable notice. The fees, costs and expenses (together with all value added tax on them) of the accountants (or other relevant advisors) shall be borne by the Company, which shall (if requested by the Council) reimburse the Council for them (on a full indemnity basis).

6.11 The Company acknowledges that the Council is subject to certain external audit requirements and shall give any auditors appointed in relation to the Council access to all information and records reasonably requested by them for such purpose from time to time.

6.12 Without prejudice to the foregoing generality, the Company, to the extent reasonable for a business of similar size and scope to the Company, undertakes to the Council that it shall, and that its Subsidiaries and Subsidiary Undertakings shall, adopt and comply with the Council's policies on:

6.12.1 the living wage;

6.12.2 the Edinburgh guarantee scheme;

6.12.3 modern apprenticeships;

6.12.4 sustainability;

6.12.5 social justice;

6.12.6 economic well being; and

6.12.7 environmental good stewardship,

the details of which policies the Company shall be deemed to be aware.

7. Undertakings

7.1 The Company undertakes to the Council (to the extent it is legally able to do so) that it shall and shall procure that its Subsidiaries and Subsidiary Undertakings shall:

7.1.1 comply with the terms of this Agreement;

7.1.2 conduct its business in accordance with all applicable legal and administrative requirements, the Annual Budget, the Business Plan and good business practice in the ordinary course of its business so as to seek to maintain its business as a going concern;

7.1.3 ensure that it files all statutory returns on a timely basis;

7.1.4 ensure that, save with the prior written consent of the Council, it shall not effect or propose any of the matters set out in Part 1 of the Schedule;

7.1.5 take out and maintain insurances satisfactory to the Council and, on request, to supply the Council with a schedule of such insurances;

7.1.6 if so requested by the Council, enforce, or procure to be enforced, to their full extent, all rights and remedies available to the Company under this Agreement and the Articles of Association;

7.1.7 if so requested by the Council, enforce or procure to be enforced, to their full extent, the obligations of employees under their service or employment agreements;

7.1.8 as soon as reasonably possible after becoming aware of the same, notify the Council in writing of any litigation by or against the Company or any Subsidiaries or Subsidiary Undertakings which materially affects the Business or any dispute or other circumstances which may give rise to any such litigation;

7.1.9 forthwith upon receiving notice so to do from the Council, convene and hold at short notice a general meeting of the Company or any Subsidiaries or Subsidiary Undertakings at such place and time as the Council shall reasonably determine at which any resolution required by the Council shall be proposed;

7.1.10 adopt, implement and review annually policies regarding:

(i) risk management and maintenance of a risk register;

(ii) whistleblowing;

(iii) bribery, anti-corruption, fraud and irregularity;

(iv) formal recruitment and selection;

(v) health and safety;

(vi) equalities;

(vii) such other matters as may be required by the Council from time to time; and

7.1.11 adopt and comply with:

(i) a complaints handling process commensurate with good industry practice; and

(ii) a model publication scheme under the Freedom of Information (Scotland) Act 2002; and

7.1.12 maintain a Schedule of Notifiable Interests for the Directors in the form set out in Part 2 of the Schedule.

7.2 The Company undertakes to the Council that no Subsidiary or Subsidiary Undertaking of the Company takes any action which would constitute a breach of Part 1 of the Schedule as if any reference therein (express or implied) to the Company were construed as a reference to each Subsidiary or Subsidiary Undertaking and as if every reference therein to the Business were construed as a reference to the business of each Subsidiary or Subsidiary Undertaking.

7.3 All figures in Part 1 of the Schedule shall be subject to inflation in line with the Retail Prices Index published by the Office for National Statistics (calculated on an annual basis on each anniversary of the date of this Agreement).

8. Confidentiality

8.1 Each Party undertakes:

8.1.1 to treat and keep the Confidential Information as secret and confidential and not, without the prior written consent of the other Party, which may be given on such terms as they consider appropriate, directly or indirectly communicate or disclose, or allow to be communicated or disclosed, (whether in writing or orally or in any other manner) such Confidential Information to any other person other than to its officers, employees, professional advisers and agents who need to know it strictly for the purposes of considering, evaluating or performing this Agreement; and

8.1.2 not to use the Confidential Information for any purpose other than solely in connection with the performance of this Agreement (including conducting the Business in the ordinary course) and in particular not to use the Confidential Information for any competitive or commercial purpose.

8.2 Each Party shall ensure that each of its officers, employees, professional advisers and agents to whom the Confidential Information is to be made available are made fully aware of the confidentiality obligations set out in this Agreement and each such Party shall procure that such persons will observe the terms of this clause.

8.3 Each Party shall take all reasonable and appropriate steps to enforce any duty of confidence owed to it by any person to whom the Confidential Information is made available insofar as such enforcement appears to be necessary for the protection of the confidentiality of the Confidential Information.

8.4 The provisions of clause 8.1 shall not apply to Confidential Information to the extent that:

8.4.1 such disclosure is made in the conduct of the Business in the ordinary course, provided that the recipient of such information has agreed to treat the same as confidential and not to use it for any competitive purpose;

8.4.2 disclosure is required by the laws of any relevant jurisdiction, or any governmental or regulatory organisation including, without limitation, the provisions of the Local Government (Access to Information) Act 1985 and the

Freedom of Information (Scotland) Act 2002 and other obligations, guidance and provisions concerning access to information to which a Partyis bound;

8.4.3 disclosure is required in order to complete tax returns or to obtain any relevant tax clearances; or

8.4.4 such information is in or has come into the public domain through no fault of the Party wishing to make the disclosure.

8.5 Where the Council or SE receives a request for information under the Freedom of Information (Scotland) Act 2002 which may lead to the release of the Company's Confidential Information, the Council or SE (as the case may be) shall consult with the Company to allow a reasonable opportunity for the Company to comment on such release. The Council or SE (as the case may be) shall take into account the Company's views but shall not be bound by them and may release the Confidential Information at its sole discretion.

9. Announcements

9.1 Subject to clause 9.2, none of the Parties shall make or send any press or other public announcement, communication or circular (whether to shareholders, employees, customers, suppliers or otherwise) concerning the subject matter of this Agreement or any matter ancillary to it unless it first obtains the prior written approval of the other Party.

9.2 Clause 9.1 does not apply to any announcement, communication or circular:

9.2.1 jointly released by the Company and the Council;

9.2.2 required by the laws of any relevant jurisdiction, or any governmental or regulatory organisation, provided that, if reasonably practicable, the Party required to make it has first consulted with and taken into account the reasonable requirements of the other Party as to its timing, content and manner of making; or

9.2.3 made or sent by the Council to any (actual or prospective) stakeholder, manager, adviser, agent or creditor of the Council.

10. Waiver

10.1 Any waiver of any breach of, or default under, this Agreement shall only be effective if made in writing and shall not be deemed to be a waiver of any subsequent breach or default of this Agreement.

10.2 Any failure or delay on the part of any Party to exercise any right or remedy conferred under this Agreement or otherwise shall not in any circumstance operate as a waiver, nor shall any single or partial exercise of any right or remedy preclude or restrict the further exercise of any such right or remedy.

11. Notices

11.1 Any notice, demand or communication in connection with this Agreement shall be in writing and delivered personally or sent by pre-paid first class post (or airmail if overseas) to the recipient's address as set out at the start of this Agreement or to any other address which the recipient has notified in writing to the sender not less than 7 Business Days before the notice is despatched.

11.2 The notice, demand or communication is deemed given:

11.2.1 if delivered personally, at the time of delivery to the address provided for in this Agreement; or

11.2.2 if sent by pre-paid first class post (or airmail), on the second Business Day after posting it,

provided that, if it is delivered personally on a day which is not a Business Day or after 4pm on any Business Day, it shall instead be deemed to have been given or made on the next Business Day.

12. Conflict with the Articles

Where the provisions of the Articles of Association conflict with the provisions of this Agreement, the Parties agree that the provisions of this Agreement shall prevail.

13. Unlawful fetter on the Company's statutory powers

13.1 Notwithstanding any other provision contained in this Agreement the Company shall not be bound by any provision of this Agreement to the extent that it would constitute an unlawful fetter on any statutory power of the Company.

13.2 Nothing in this Agreement shall be construed to be a resolution of all the members of the Company in the absence of a properly passed resolution in accordance with the Articles of Association.

14. General

14.1 The Parties do not intend that any of the terms of this Agreement shall be enforceable as a third party right by any person not a party to it.

14.2 Nothing contained in this Agreement, and no action taken by the Parties pursuant to this Agreement, is intended or shall be deemed to constitute a relationship between the Parties of partnership, principal and agent or employer and employee. The Council and SE have not, nor may they represent that they have, any authority to act or make any commitments on behalf of the Company, or otherwise bind the Company in any way.

14.3 If any clause or part of this Agreement is found by any court, tribunal, administrative body or authority of competent jurisdiction to be illegal, invalid or unenforceable then that provision shall, to the extent required, be severed from this Agreement and shall be ineffective without, as far as is possible, modifying any other clause or part of this Agreement and this shall not affect any of the other provisions of this Agreement which shall remain in full force and effect.

14.4 Any dispute between the Parties arising out of this Agreement, including without limitation in respect of the consent matters set out in Part 1 of the Schedule, shall be referred to the Chief Executive (or equivalent) of each party within 15 days of any such dispute arising with a view to it being resolved as early as possible.

14.5 This Agreement may only be varied by an agreement in writing signed by or on behalf of each Party to this Agreement.

14.6 Each Party shall do, or procure the doing of, at its own cost, all such further acts and things and execute, or procure the execution of, all such further documents as the other Party reasonably considers necessary to give full effect to the terms of this Agreement.

14.7 This Agreement, constitutes the entire agreement between the Parties and supersedes and replaces any previous agreement, understanding, undertaking or arrangement of any nature between the Parties relating to the subject matter of this Agreement, save that nothing in this Agreement shall limit or exclude any liability for fraud.

15. Governing law and jurisdiction

15.1 The formation, existence, construction, performance, validity and all aspects whatsoever of this Agreement or any term of it (including non-contractual disputes or claims) shall be governed by the law of Scotland.

15.2 The courts of Scotland shall have exclusive jurisdiction to settle any disputes (including non-contractual disputes or claims), which may arise out of or in connection with this Agreement. The parties irrevocably agree to submit to that jurisdiction.

IN WITNESS WHEREOF these presents consisting of this and the 10 preceding pages and the Schedule consisting of three parts have been subscribed as follows:

Subscribed for and on behalf of **EDINBURGH INTERNATIONAL CONFERENCE CENTRE LIMITED** by:	)	G Munro
at 150 MORRISON STREET, EDINBURGH	)	Director
on 27 JULY 2016	)	
before the following witness:		L. Florence
LESLIE MILNE FLORENCE (Full Name)		Witness
C/O 150 MORRISON STREET (Address) EDINBURGH EH3 8EE		

Subscribed for and on behalf of **THE CITY OF EDINBURGH COUNCIL** by:	)	Hugh Dunn
at EDINBURGH	)	Proper Officer
on 8TH JULY 2016	)	
before the following witness:		Kevin McKee
KEVIN JOSEPH MCKEE (Full Name)		Witness
C/O WAVERLEY COURT, 4 EAST (Address) MARKET ST. EDINBURGH EH8 8BG		

Subscribed for and on behalf of **SCOTTISH ENTERPRISE** as nominee for **SCOTTISH ENTERPRISE EDINBURGH AND LOTHIAN**:
at ....GLASGOW..)
on ....2.12.2016....................)

J Edwards
....
Proper Officer

before the following witness:
PAUL WATSON
....
(Full Name)
...ATRIUM COURT 50 WATERLOO ST
(Address)
....GLASGOW G2 6HQ...........

Paul Watson
....
Witness

SCHEDULE

Referred to in the foregoing agreement

Part 1

Consent Matters

The following are the matters referred to in clause 7.1.4:

Corporate matters

1 create, allot, issue, grant or agree to grant any option over, acquire, repay or redeem any class of share or loan capital or vary the rights of any class of share or loan capital or issue any security convertible into shares or loan capital of the Company or make any capitalisation of repayment of any amount standing to the credit of any reserve of the Company;

2 admit any person as a member of the Company save as provided for in this Agreement and the Articles of Association;

3 amend or waive any provision of the Articles of Association;

4 pass any resolution to wind up the Company (whether solvent or otherwise), or take any corporate action, legal proceedings or other procedure or step in relation to the dissolution of the Company, the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or similar officer in relation to the Company or any of its assets (in each case, whether out of court or otherwise), save where the Board is advised to do so by a licensed insolvency practitioner;

5 declare, make or pay any dividend or other distribution;

Accounts

6 make any change in the Company's residence for tax purposes;

7 make any change in the Company's accounting reference date or accounting policies;

8 appoint or remove the auditors of the Company;

Business of the Company

9 change the name of the Company or any trademarks used by the Company;

10 incorporate a Subsidiary or Subsidiary Undertaking;

11 adopt or amend any Annual Budget or Business Plan after its approval;

12 make any substantial change in the nature or organisation of the Business or discontinue or cease to operate all or a material part of the Business or wind up the Company other than on grounds of insolvency or the inability of the Company to pay its debts as they fall due;

13 amalgamate or merge with any other business or undertaking or acquire any business, or any material part of any business, or any shares in any company or enter into any partnership, joint venture, profit sharing arrangement or collaboration;

14 enter into or vary any agreement which will, or is likely to, result in the Company being managed by persons other than its Directors or appoint any agent or other intermediary to conduct any of the Business;

Liabilities and commitments

15 incur, or enter into any commitment to incur, expenditure on any single item (or items having an aggregate expenditure) in excess of £75,000 other than as specifically set out in the Annual Budget (the Council's consent not to be unreasonably withheld or delayed in this regard);

16 acquire any material interest in respect of any real property or land or dispose of any material part of its assets, except in the ordinary course of the Business;

17 any borrowing by the Company, other than by way of normal trade credit or in such manner as is approved under the Annual Budget, where such borrowing would result in the aggregate borrowing of the Company being in excess of the sum as specified in the then current Annual Budget;

18 fail to settle all debts incurred in the ordinary course of the Business within a reasonable period of time;

19 incur any liabilities other than trading liabilities incurred on arm's length terms in the ordinary course of the Business;

20 enter into any guarantees or indemnity or other agreement to secure, or incur financial or other obligations with respect to, another person's obligations other than any wholly-owned Subsidiary or wholly-owned Subsidiary Undertaking;

21 make any loan to any person other than any wholly-owned Subsidiary or wholly-owned Subsidiary Undertaking;

22 enter into any contract, liability or other commitment which cannot be terminated on giving three months' notice and/or which is of a long term nature (for this purpose **"long term"** means continuing in force for more than one calendar year) other than contracts with clients in the ordinary course of the Business;

23 enter into any transaction or agreement (or vary such agreement): (i) which is not on bona fide arm's length terms; or (ii) with any Director or any person connected with them; or (iii) which is not in the ordinary course of the Business;

24 grant any lease, licence or third party right to terminate, or give notice to terminate, a lease, licence or third party right in respect of any material property of the Company;

25 create any mortgage, charge, lien or Encumbrance over any property or any other asset or redeem an existing mortgage, charge, lien or Encumbrance over any property, undertaking or any other asset;

26 commence, threaten to commence, settle or agree to settle any legal, tribunal or arbitration proceedings involving the Company save for the collection of debt in the ordinary course of the Business and save where such proceedings do not involve significant reputational damage or potential financial liability exceeding £50,000;

Directors and employees

27 appoint or remove any Director other than in accordance with this Agreement and the Articles of Association;

28 appoint any Director, officer of any employee earning in excess of £50,000 per annum or whose contract cannot be terminated on three months' notice or less;

29 make any material change in the terms or conditions of employment or engagement or pension, bonus, incentive of other benefits of any employee, officer of Director (other than as set out and budgeted for in the then current Annual Budget);

30 create any share option, bonus or other incentive scheme; or

31 establish or amend any pension scheme.

Part 2

Schedule of Notifiable Interests

Notifiable Interest	Description of Interest
Remunerated Positions	A description of remunerated positions (but not the remuneration itself) by virtue of being:
	1) employed or self employed 2) the holder of an office 3) a director of an undertaking 4) a partner in a firm; and 5) involved in undertaking a trade, profession, vocation or any other work
Non-remunerated Positions	A description of such interests as may be significant to, of relevance to or bear upon, the work or operation of the Company, including, membership of or office in:
	1) public bodies; 2) clubs, societies and organisations; 3) trade unions; and 4) Voluntary organisations
Contracts	Disclosure of interests (direct, indirect or proposed) in contracts with the Company at a meeting of the directors in accordance with section 182 of the Companies Act 2006
Houses, land and buildings	A description of any rights of ownership or other interests that may be significant to, of relevance to, or bear upon, the work or operation of the Company
Shares and securities	Disclosure of interest in shares or debentures of the Company
	Disclosure of interest in shares or securities of any company, undertaking or organisation that may be significant to, or relevance to, or bear upon, the work or operation of the Company
Third party gifts/hospitality	Disclosure of third party gifts/hospitality in excess of £100 in value.

Part 3

Director's Undertaking

TO: **THE CITY OF EDINBURGH COUNCIL**
Waverley Court
4 East Market Street
Edinburgh
EH8 8BG

and **EDINBURGH INTERNATIONAL CONFERENCE CENTRE LIMITED**
Conference House
152 Morrison Street
Edinburgh
EH3 8EB

[DATE]

Dear Sirs

Agreement dated [ ] 2015 between EDINBURGH INTERNATIONAL CONFERENCE CENTRE LIMITED (the "Company"), SCOTTISH ENTERPRISE EDINBURGH AND LOTHIAN ("SE") and THE CITY OF EDINBURGH COUNCIL (the "Council") (the "Agreement")

I confirm that I have been supplied with a copy of the Agreement and the articles of association of the Company (the "**Articles**") and undertake to the Company and separately to SE and the Council that I shall, so far as may be permitted by law and for so long as I remain a director of the Company:

1. be bound by and comply with the terms and conditions of the Agreement and the Articles;
2. do all within my power as a director to ensure that the Company complies with its obligations under the Agreement and the Articles;
3. attend not less than 90% of all Board meetings or appoint an alternate to attend in my place; and
4. submit all relevant details to the Company for inclusion in the Company's Schedule of Notifiable Interests.

Yours faithfully

Signature ....
Print Full name ....

Heads of Terms

The City of Edinburgh Council (the "CEC")

Edinburgh International Conference Centre Limited (the "EICC")

Haymarket Hotel, Edinburgh (the "Hotel")

These Heads of Terms are in respect of (i) a strategic delivery agreement between the CEC and the EICC relating to the governance of the Hotel (the "**SDA**"); and (ii) the amendment and restatement of the existing shareholders' agreement (the "**SHA**") amongst the **CEC**, Scottish Enterprise Edinburgh and Lothian ("**SE**") and the EICC dated 8 and 27 July and 2 December 2016 (the "**Amended and Restated SHA**").

1. Introduction

1.1 The CEC will enter into an agreement for development and head lease with The Prudential Assurance Company Ltd (the "**Landlord**") in respect of the Hotel (the "**Agreement for Head Lease**"), pursuant to which the Landlord will undertake to construct the Hotel, being a four star upper-upscale 349+ bedroom hotel and grant a head lease of the Hotel to the CEC. It is anticipated that, at or around the same time, (1) the CEC will enter into an agreement to sub-lease the Hotel to the EICC (and subsequently EICC Hotel Limited when incorporated) (the "**Agreement for Sub-Lease**") (and resulting sub-lease (the "**Sub-Lease**")) and the EICC will be responsible for the management, operation and governance of the Hotel and (2) the EICC (and subsequently EICC Hotel Limited when incorporated) will enter into a franchise agreement (and possibly ancillary agreements) with [Hyatt – full legal entity to be inserted] (the "**Hyatt**") pursuant to which the Hotel will be branded and operated as a "Hyatt Centric" hotel (such franchise agreement and any such ancillary agreements being in these Heads of Terms collectively called the "**Franchise Agreement**").

1.2 It is intended that, subject to completion of the Agreement for Head Lease and the Agreement for Sub-Lease, the CEC and the EICC will enter into the SDA and Amended and Restated SHA. These Heads of Terms set out the key terms agreed between the CEC and the EICC in respect of the SDA and, where applicable, the Amended and Restated SHA.

1.4 It is intended that any instruction or notice given under the SDA shall only be issued by a duly authorised representative of either the EICC or CEC. For the avoidance of doubt, it is not the intention of the SDA to grant powers to CEC officers to instruct the EICC Executive or vice versa. EICC Executive shall take instructions from the EICC Board and CEC officers shall take instructions from the Corporate Leadership Team of CEC and the Elected Members.

1.5 It is further intended that the EICC shall incorporate a wholly owned and fully capitalised subsidiary to be known as EICC Hotel Limited (or similar) (the "**Subsidiary**") which shall be the operating and trading entity for the Hotel and shall (if incorporated by the time the Agreement for Sub-Lease and/or the resulting Sub-Lease require to be signed) be the entity with which the CEC shall in due course enter the Agreement for Sub-Lease and/or the resulting Sub-Lease. If the EICC has not incorporated the Subsidiary, then it shall enter the Agreement for Sub-Lease and/or the resulting Sub-Lease on its own account and there shall be included in the Agreement for Sub-Lease and/or the Sub-Lease an obligation requiring the EICC, on written notice from the CEC, to novate the Agreement for Sub-Lease and/or the resulting Sub-Lease to its Subsidiary.

1.6 It is further intended that the Subsidiary shall be the entity with which Hyatt shall enter into the Franchise Agreement and all related service agreements. If the Subsidiary has not been incorporated at the time the Franchise Agreement requires to be signed with Hyatt then the EICC shall enter into the Franchise Agreement on its own account. The EICC shall ensure that it complies with any reasonable requirements of Hyatt and the CEC in terms of covenants and/or guarantees (such as parent company guarantees) which may be required by Hyatt and the CEC in respect of their relative rights and the corelative obligations of EICC in the Agreement to Sub-Lease, the resulting Sub-Lease, the Franchise Agreement (and related service agreements with Hyatt) and the Direct Agreement (defined below) entered into between the CEC, Hyatt and the EICC and/or Subsidiary.

1.7 It is further intended that the CEC and the EICC / its Subsidiary shall enter into a direct agreement with Hyatt (previously known as the Property Owners Agreement, and subsequently to be known as the Head Lessor's Agreement, or similar (the "**Direct Agreement**")) in respect of certain obligations to be assumed by the EICC / its Subsidiary relating to the Key Money under the Franchise Agreement.

1.8 References to the EICC in these Heads of Terms and the SDA shall be construed to apply to its Subsidiary once it has been incorporated in accordance with this Clause 1.

2. Amended and Restated Shareholders' Agreement

2.1 The Amended and Restated SHA will include the following provisions:

2.1.1 Business of the Hotel

(a) The business of the Hotel (the "**Business**") shall be as follows:

(i) a minimum four star upper-upscale (as graded by Hyatt) 349+bed hotel with associated leisure space (including without limitation restaurant(s) and/or bar(s)) and including leisure and conferencing facilities; and

(ii) a hotel and/or restaurant training facility within the Hotel to accommodate vocational students (the "**Hospitality Centre of Excellence**"),

2.1.2 The corporate structure, board structure and governance arrangements will be amended to ensure that they are appropriate and in keeping with the EICC's additional operational activities in operating and carrying on Business. These amendments will include:

(a) that the quorum for directors' meetings will reflect the current shareholders agreement;

(b) that the CEC shall be entitled to appoint up to 5 directors to the board of directors and, for the avoidance of doubt, CEC shall retain the right to appoint the Chair of the Board, which position shall retain the right to exercise the casting vote at Board meetings in the event of deadlock. ;

(c) a right of access for the CEC to conduct an audit of the books and records relating to the Hotel upon not less than 10 business days prior written notice;

(d) specific reference to the reporting requirements set out in the SDA in respect of the Hotel.

2.1.3 The EICC shall be responsible for the operation of the Business and will at all times carry out the Business in accordance with good industry practice, including:

(a) with all due skill and care, in an efficient and effective manner;

(b) in accordance with the terms of the SDA, Amended and Restated SHA, Franchise Agreement and Agreement for Sub-Lease;

(c) in the best interests of the EICC and the shareholders of the EICC to generate profits in order to, among others, support future capital investment in the conference centre operated by the EICC (the "**Conference Centre**");

(d) The Hospitality Centre for Excellence will be run in accordance with appropriate industry standards relevant to such courses and qualifications offered; and

(e) in accordance with all applicable laws and all applicable legal or regulatory requirements applying to the Business.

2.1.4 The EICC shall maintain accurate, complete and up to date accounting and other financial records of the Business in accordance with generally accepted accounting principles applicable.

2.1.5 The CEC will have the right to appoint a firm of accountants or auditors and other relevant advisers to conduct an audit of the Business and/or report on any aspect of the Business and the EICC shall grant such accountants, auditors and relevant advisers access to the Business, its accounts, books, records, senior employees and directors and supply such advisers with such other information reasonably required by them to conduct an audit and/or prepare their report.

2.1.6 In the event the EICC requires any additional funding in relation to the carrying on the Business, the EICC will set out in detail such funding requirements in the Annual Budget and Business Plan.

2.1.7 The EICC shall not take any steps to terminate the Franchise Agreement without the prior written consent of the CEC.

2.1.8 The EICC shall not amend, vary, assign, novate or otherwise deal with the Franchise Agreement without the prior written consent of the CEC.

2.2 The SHA will be further amended to reflect the fact that CEC Holdings Limited is a shareholder of the EICC and that the CEC is not a shareholder. The CEC will remain a party to the SHA in order to retain the benefit of the rights granted to the CEC under the SHA.

3. Strategic Delivery Agreement

3.1 The CEC and the EICC agree that the SDA will include the following terms and provisions.

3.1.1 The EICC shall at all times operate the Business to those standards which could reasonably be expected to be provided at upper-upscale hotels of similar size, calibre and geographic location to the Hotel including the provision of services and facilities which are ordinarily offered by such a hotel.

3.1.2 The EICC and the CEC shall set up a project team to oversee the development phase of the Hotel (the "**Project Team**"). The Project Team shall comprise representatives from the EICC, the CEC, QMile Group Ltd (the "Developer") and such other representatives as the CEC deem appropriate, which may from time to time include the Hyatt. The Project Team shall meet at least monthly, unless otherwise agreed in writing by the CEC.

3.1.3 It is acknowledged that it is the intention of the parties that the profits generated from operation of the Business shall be firstly applied to cover the ongoing capex costs of the Conference Centre and the Hotel. The purpose to which remaining profits are to be applied shall be subject to agreement between the CEC and the Board of the EICC as part of annual budget discussions between the EICC and CEC with due consideration given to establishing a reserve to cover the annual hotel rental payment.

3.1.4 The EICC shall at all times comply with the terms of the Franchise Agreement, the Agreement to Sub-Lease, the Sub-Lease and any relevant agreement or memorandum of understanding entered into as regards the arrangements for the Hospitality Centre of Excellence with a suitable academic institution.

3.2 *Pre-Opening Obligations of the EICC*

3.2.1 The EICC will meet its costs and expenses incurred in the period prior to the opening of the Hotel from its existing cash balances, in accordance with the budget that has been agreed between the parties, including for the avoidance of doubt any payments due under the Agreement for Sub-Lease and sub-lease.

3.2.2 The EICC will appoint a hotel management team for the Business comprising General Manager, Director of Sales, Financial Controller and Operations Director which has appropriate experience and qualifications in the management of a hotel of a similar size, style and nature of the Hotel.

3.2.3 The EICC will appoint (i) a Project Manager and (ii) a Clerk of Works. The Project Manager shall have appropriate experience and qualifications and will be responsible for establishing the Hotel operating arrangements, staff, contracts etc, and can be appointed by the EICC Board from within or outwith the company. The Clerk of Works shall have appropriate experience and shall be responsible for inspecting the construction of the Hotel. The Clerk of Works shall be responsible for providing EICC's input in respect of the oversight of the construction of the Hotel and shall ensure that design, health and safety and Cole Report considerations are met by the Developer in accordance with the terms set out in the Agreement for Head Lease..

3.2.4 The EICC will appoint relevant third party service providers for the provision of services to the Business no later than one month before the Hotel's opening date.

3.2.5 The EICC shall ensure all operating supplies and portable equipment required for the operation and management of the Business is purchased, is in good order and is ready to be used prior to the opening date of the Hotel.

3.3 The SDA will provide for the following reporting obligations:

3.3.1 The SDA will provide a reporting framework in respect of which the EICC management team (the "**Management Team**") will report to the Board of EICC (the "**Board**"). It is anticipated that this will be flexible to recognise how the Business may develop from time to time but shall include as a minimum the following:

(a) the first Annual Budget and Business Plan shall be delivered to the Board 3 months before the opening date of the Hotel. the EICC shall provide the Board with quarterly updates of the Annual Budget and Business Plan throughout the first year of operations. The Business Plan shall have a 3 year look ahead on rolling annual basis. Thereafter, 3 months in advance of each financial year, the Management Team will report to the Board by providing:

(i) a summary of the Hotel's business objectives for the forthcoming financial year including specific financial and non-financial key performance indicators.

(ii) a detailed operating plan and system for the operation and management of the Business; and

(iii) a sales and marketing plan in respect of the Business.

(b) No later than 3 months before the opening of the Hotel, the Management Team will prepare (and provide to the Board) a detailed opening plan and timetable, setting out the objectives, responsibilities and activities, for the 3 month period prior to the opening of the Hotel.

(c) No later than 3 months before the opening of the Hotel, the Management Team shall report to the Board on:

(i) the health and safety systems and manuals which are being put in place to comply with all applicable law and regulation;

(ii) the statutory licences which are for the operation of the Hotel and Business;

(iii) the sustainability and environmental policies and systems to comply with all applicable laws and which are in line with the CEC's environmental and sustainability principles including the target for Edinburgh to become a net zero carbon city by 2030;

(iv) appropriate procurement agreements with principal suppliers; and

(v) appropriate sales targets in respect of room bookings and food and beverage sales.

(d) In advance of each financial year, the Management Team will report to the Board by providing:

(i) a summary of the Hotel's business objectives for the forthcoming financial year;

(ii) forecast profit and loss;

(iii) forecast revenue projection;

(iv) an operating budget including any capital expenditure and working capital on a phased monthly basis;

(v) forecast capital expenditure.

(e) On a quarterly basis, the Management Team will report to the Board by providing:

(i) management accounts, comprising a balance sheet, profit and loss account and cash flow forecast;

(ii) forecast balance sheet and cash-flow statement; and

(iii) a financial report which includes an analysis of the results of the Hotel for the previous financial year compared with the annual budget for the coming financial year, identifying variations in sales, revenues, costs and other material items.

(f) Annual accounts, comprising a balance sheet, profit and loss account and cash flow statement, within 3 months of the end of each financial year.

(g) The Management Team will promptly notify the Board of any material litigation or insurance claims relating to or in connection with the Business.

(h) The Management Team shall notify the Board of any material events or matters relating to the Hotel.

(i) The EICC and the CEC shall agree such other reporting against key performance indicators from time to time and the Management Team shall measure and report to the Board in respect of such KPIs. Such KPIs shall be based on the principles set out in Appendix 1.

3.4 The SDA will provide for EICC to provide the following reporting to CEC:

3.4.1 The EICC shall prepare an annual budget and a business plan (the "**Annual Budget and Business Plan**") for the Business in respect of each financial year. The first Annual Budget and Business Plan shall be delivered to the CEC 3 months before the opening date of the Hotel.

3.4.2 The SDA shall provide that in the event the CEC deems additional information is necessary, this shall be requested directly from the Board to the Management Team. The SDA shall reflect that the purpose of this reporting obligation is solely to provide the CEC with regular updates and assurance on the financial position of the EICC in line with Audit Scotland governance requirements for ALEOs.

3.4.3 The EICC will use its existing reporting methodology to measure the additional business brought to the Conference Centre which is attributable to the Hotel. The EICC will include reports on such additional business to the CEC as part of its annual reporting requirements.

3.4.4 The SDA shall provide for the agreed annual reporting parameters between the EICC and the CEC in respect of the KPIs (which shall be based on the principles set out in Appendix 1)

3.4.5 The EICC shall report the progress of KPIs on an annual basis.

3.5 *Obligations of the EICC*

3.5.1 The EICC will ensure that its obligations under the SDA are fulfilled and the operation and management of the Business are carried out by sufficient numbers of appropriately qualified, trained and experienced staff.

3.5.2 The EICC will ensure that all employees of the EICC working at the Hotel are at all times paid the relevant Scottish Living Wage in accordance with the SHA.

3.5.3 The EICC shall provide training and experience for people wishing to work in the hospitality industry, including both young people at the beginning of their careers and people wishing to retrain, offering qualifications ranging from National Certificate 4 to Higher National Diploma through the Hospitality Centre of Excellence.

3.5.4 The EICC will use all reasonable endeavours to ensure that all main business partners adopt fair work practices including paying the Scottish Living Wage and will endeavour to ensure the same in respect of other suppliers. To the extent that any main or regular suppliers do not pay the Scottish Living Wage, this shall be reported the Board of the EICC as soon as reasonably practicable. The obligations set out above in this Clause 3.5.4 shall not apply to the EICC where (a) there is a limited source of supply of the goods or services in question; (b)there is a one off purchase of goods or service; or (c) where the value of the supply is not material.

3.5.5 The EICC will ensure that it has appropriate insurances in place on market standard terms in respect of the operation and management of the Hotel and the Business.

3.5.6 The EICC shall seek to maximise community benefits, closely linked to employment. community support, community enhancements, and use of on-site regulated businesses including community benefits from third party contractors. The EICC will be responsible for managing the day to day relationship with the community.

3.5.7 The EICC will not agree or enter into any advertising or sponsorship arrangements or contracts and agreements which are not in accordance with, or which are against, the CEC policies and standards or which risk bringing the CEC into disrepute.

3.5.8 The EICC will promptly notify the CEC of any material litigation or insurance claims relating to or in connection with the Business.

3.5.9 The EICC will take all reasonable steps to minimise carbon emissions relating to the design and operation of the Hotel and the Business.

3.6 *Franchise Agreement*

3.6.1 The EICC shall at all times comply with the terms of the Franchise Agreement and shall use its reasonable endeavours to ensure Hyatt complies with the terms of the Franchise Agreement, and the EICC further undertakes to the CEC to report to the CEC all instances of material breach(s) of the terms and conditions of the Franchise Agreement by either the EICC and /or Hyatt and in such case, provide the CEC with copies of all information and reports relating to the material breach(s) by the EICC and / or Hyatt including mitigation and remediation measures along with any recovery plans agreed between EICC and Hyatt to rectify the material breach(s). The EICC shall notify the CEC of (i) any notices received or served under or pursuant to the Franchise Agreement and (ii) any material events or matters relating to the Hotel, in each case as soon as practicable and in any event within 5 business days.

3.6.2 The EICC shall not take any steps to terminate the Franchise Agreement without the prior written consent of the CEC.

3.6.3 The EICC shall not amend, vary, assign, novate or otherwise deal with the Franchise Agreement without the prior written consent of the CEC.

3.6.4 The Franchise Agreement shall include step-in-rights in favour of the CEC, it being acknowledged by both the EICC and the CEC that CEC shall only exercise such step in rights on an exceptional basis where EICC has been unable to rectify the material breach to the satisfaction of Hyatt.

3.7 *Hospitality Centre of Excellence*

The EICC will enter into a memorandum of understanding with Edinburgh College to set out the relationship between the parties in relation to the Hospitality Centre of Excellence. The progress of discussions with Edinburgh College in relation to the Hospitality Centre of Excellence shall be reported by the management of the EICC to the Board of the EICC, If the project proceeds then the SDA shall include a reporting obligation on the management of the EICC to the Board of the EICC on the delivery of the Hospitality Centre of Excellence along with any key proposed performance indicators to be applied to Edinburgh College (which indicators CEC will have the opportunity to comment on in advance of agreement between the EICC and Edinburgh College).

3.8 *Remediation Plan*

3.8.1 Where the EICC does not achieve a KPI Target (as determined by the EICC Board) for an individual KPI, the Board may require that a plan (including steps and timescales) to remedy the failure (the "**Remediation Plan**") be prepared and submitted to the Board within a period of time (as determined by the Board in its sole discretion) for approval.

3.8.2 The Board shall review the Remediation Plan and confirm if the Remediation Plan is approved or not. If the Remediation Plan is not approved, then it shall be promptly revised to take account of the Board's concerns. Following approval of the Remediation Plan, the Remediation Plan shall be implemented in accordance with its terms (including timescales). The Remediation Plan and its implementation shall be kept under review by the Board on a weekly or other basis consistent with the timescales for its implementation.

3.9 *Step-In*

3.9.1 The SDA will include step-in rights in favour of the CEC which will allow the CEC to "step-in" itself, or through the appointment of a third party, to carry out the Business (at the cost of the EICC). The step-in rights would apply in the event that:

(a) CEC provides cumulatively more than £5,000,000.00 (FIVE MILLION STERLING) in net operational funding to the Hotel in any rolling period of five financial years; or

(a) a material breach, or persistent breach, of any of the SDA, Franchise Agreement, Agreement for Sub-Lease (and/or Sub-Lease) and/or Amended and Restated SHA which is incapable of remedy or, if capable of remedy is not remedied within [30 days] of the CEC notifying the EICC of such breach of the SDA, Franchise Agreement, Agreement for Sub-Lease (and/or Sub-Lease) and/or Amended and Restated SHA; or

(b) a failure by the EICC to (i) implement the Remediation Plan in respect of a material or persistent failure to meet certain Service Levels; (ii) produce a Remediation Plan in accordance with the terms of the SDA Plan in respect of a material or persistent failure to meet certain Service Levels; or (iii) notwithstanding the implementation of the Remediation Plan, the implementation does not remedy the failure Plan in respect of a material or persistent failure to meet certain Service Levels for which it has been put in place; or

3.9.2 Notwithstanding the inclusion of step-in rights in the SDA, the SDA shall include binding obligations on the Parties to act in good faith such that step-in rights should be treated as a "last resort" option and the SDA should reflect the expectation of CEC and EICC that the Board would flag up in quarterly reports that performance was requiring improvement and be setting out remediation proposals. The SDA shall include a "best endeavours basis" obligation to work collaboratively to find solutions prior to step-in rights being triggered by CEC.

3.9.3 CEC's sole remedies for breach of the SDA shall be as set out in paragraphs 3.8 and 3.9 above.

4. Assignation

Neither party shall be entitled to assign the SDA or the Amended and Restated SHA.

5. Confidentiality

5.1 **Pre-SDA Commencement Date**

The CEC and the EICC will not disclose details or existence of these Heads of Terms, Amended and Restated SHA and/or the SDA to the press or otherwise prior to the SDA commencement date except:

5.1.1 with the reasonable consent of the other party;

5.1.2 to its respective agents and professional advisers in connection with the SDA and Amended and Restated SHA;

5.1.3 to its respective bankers or other providers of finance (and their professional advisers) in connection with the SDA and Amended and Restated SHA;

5.1.4 where required by law; and

5.1.5 where required to comply with the requirements of the Stock Exchange or any other regulatory or government authority.

5.2 **After the SDA Commencement Date**

Any press release after the SDA commencement date relating to the entry into the SDA or the Business is to be agreed in writing between the EICC and the CEC prior to its publication (both parties acting reasonably).

5.3 **Agents**

The parties will ensure that their respective agents and professional advisers comply with the undertakings in this paragraph 5 (*Confidentiality*).

6. Statutory Powers

Nothing contained or implied or done in these Heads of Terms and/or the documents to follow on these Heads of Terms shall prejudice or affect the powers, rights, duties and obligations of the CEC as local authority, planning authority, building authority or roads authority under or by virtue of any public or local act, order, statutory instrument, regulation or bye-law or relieve the EICC and/or the CEC as a party to such Heads of Terms and/or such documents from the necessity of obtaining from the CEC or their statutory successors as local authority, planning authority, building authority or roads authority all such approvals or consents in respect of plans or otherwise as may be requisite under or by virtue of any such act, order, statutory instrument or bye-law.

A provision to this effect will feature in all contractual documentation that the CEC is a party to.

7. Costs

Within 30 days of execution of the SDA, the EICC will pay to the CEC the fixed sum of [£tbc] in relation to CEC's reasonable retrospective external costs expended on the project up to the date of execution. Thereafter any internal and external costs associated with the CEC services required by the EICC will be recoverable by the CEC from the EICC subject to agreement in advance between the parties on the costs involved.

8. Suspensive Conditions

These Heads of Terms and the SDA are subject to contract and conditional upon the following:

- conclusion of unconditional Agreement for Head Lease;
- conclusion of unconditional Agreement for Sub-Lease;
- completion of the Franchise Agreement and the related service agreements;
- completion of the Direct Agreement;
- full Council approval; and
- EICC Board approval.

9. Legally Binding Nature

Save for the provisions of paragraph 5, these Heads of Terms are not intended to form part of a legally binding contract and the correspondence of which they form part is expressly subject to the completion of formal legal contracts in accordance with Scots Law.

Signed for and on behalf of The City of Edinburgh Council

………………………………..

Proper Officer

Signed for and on behalf of Edinburgh International Conference Centre Limited

…………………………………..

Director

Appendix 1

KPI Principles

Agenda Item 7.5

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Strategic Housing Investment Plan (SHIP) 2023-28

Executive/routine	**Executive**
Wards	**All**
Council Commitments	

1. Recommendations

1.1 It is recommended that Housing, Homelessness and Fair Work Committee:

1.1.1 Approves the Strategic Housing Investment Plan (SHIP) 2023-28 for submission to the Scottish Government;

1.1.2 Notes the report sets out a pipeline development programme that could deliver 11,937 affordable homes approved for site start and 11,375 completions over the next five years;

1.1.3 Notes the SHIP includes 9,473 homes that would require grant funding through the Affordable Housing Supply Programme (AHSP). This would require over three times the amount of grant funding set out in current resource planning assumptions;

1.1.4 Notes the key challenges to delivering affordable housing at scale are securing control of sites, availability of grant funding, borrowing capacity of affordable developers (linked to rental income), high developments cost and construction industry capacity; and

1.1.5 Notes that the SHIP is reviewed annually and officers will continue to seek opportunities to accelerate delivery of affordable housing and secure more grant funding.

Paul Lawrence

Executive Director of Place

Contact: Elaine Scott, Head of Housing Strategy and Development

E-mail: elaine.scott@edinburgh.gov.uk | Tel: 0131 529 2277

Report

Strategic Housing Investment Plan (SHIP) 2023-28

2. Executive Summary

2.1 In 2017 the Council made a commitment to deliver a programme to build at least 20,000 social and affordable homes by 2027. By the end of 2022/23, it is anticipated that over 8,300 homes will have been approved for site start and 6,900 affordable homes completed. In October 2022, there were over 2,100 affordable homes under construction on 35 sites across the city (Appendix 1).

2.2 This SHIP) has been developed in one of the most challenging economic climates in recent history. The information collated in discussions with Registered Social Landlord (RSLs) partners and developers sets out an extremely ambitious development pipeline over the next five years. However, there is considerable uncertainty regarding the timescales of when sites will be brought forward (most of which are in the control of private landowners and developers) due to high development costs and economic uncertainties.

2.3 On 23 March 2020, the UK went into national lockdown in response to the Covid-19 pandemic. The pandemic continues to impact on development and construction of affordable housing across Scotland. In addition to this, Brexit, the war in Ukraine and the cost-of-living crisis has had a major impact both on in-year delivery of current projects and delays in projects being brought forward for approval. Construction industry capacity, construction materials availability and costs, availability of grant funding and borrowing capacity of affordable developers (linked to rental income) will all impact on the delivery of the programme.

2.4 The SHIP sets out a potential pipeline of 11,937 affordable homes approved for site start and 11,375 potential completions over the next five years through a mix of grant funding, RSLs' own finance, finance raised by private developers, institutional investment, developer contributions and Housing Revenue Account (HRA) funding.

2.5 Based on current Resource Planning Assumptions, which are grant funding commitments made by Scottish Government, less than a third of the potential pipeline of 9,473 homes could be delivered through the grant funded AHSP. Current funding levels only allow for 600 new grant funded homes to be approved each year; a 200% uplift would be required to achieve the SHIP.

Delivery of social rented and mid rent housing is currently not viable without grant funding or other support from Scottish Government.

2.6 The SHIP is reviewed annually. Officers will continue to seek all opportunities to bring forward projects and maximise grant funding. A separate report to this Committee on land strategy advises on the findings and emerging opportunities resulting from the Prior Information Notice (PIN) market engagement process.

3. Background

3.1 The latest Housing Need and Demand Assessment (HNDA3), states there is demand for between 36,000 and 52,000 new homes in Edinburgh between 2021 to 2040; between 24,000 to 35,000 of these homes need to be affordable. Most of the need is for social rented homes.

3.2 Local authorities are required to submit an annual SHIP to the Scottish Government. The purpose of the SHIP is to:

3.2.1 Set out investment priorities for affordable housing;

3.2.2 Demonstrate how these will be delivered;

3.2.3 Identify the resources required to deliver these priorities; and

3.2.4 Enable the involvement of key partners.

3.3 Each year, following submission to the Scottish Government, the SHIP is used by the Council to set the AHSP which is the Scottish Government's grant funding programme for new affordable homes.

3.4 A formula for distribution of funding was agreed between Scottish Government and Convention of Scottish Local Authorities (COSLA) in 2012. This is known as the SHIF. SHIF is used to determine the initial allocation of AHSP funding to the 30 of the 32 local authority areas, (funding for Glasgow City Council and City of Edinburgh Council is through Transfer of Management Development Fund (TMDF) and forms part of the Local Government Settlement). The Strategic Housing Investment Framework (SHIF) formula considers affordability, deprivation, rurality, and homelessness in each local authority area, as well as the overall number of households.

3.5 Edinburgh and Glasgow are the only two local authorities in Scotland to receive funding from the Local Government Settlement. The TMDF is a limited annual budget, and Edinburgh's allocation has been topped up with funding from the central housing budget. Over the last five years Glasgow has received more than double from TMDF than Edinburgh.

3.6 A motion was agreed at Housing Homelessness and a Fair Work Committee on 29 September 2022 to bring back a report in two cycles on the financial strategy setting out the current position with allocation of TMDF, and an analysis of SHIF funding allocations, with a recommendation as to whether Edinburgh is more likely to benefit from financial investment in housing by remaining in the TMDF or by joining the SHIF. This will be reported in March 2023.

3.7 On 29 September 2022, Housing Homelessness and a Fair Work Committee considered a report on Housing Revenue Account Budget Strategy 2023/24. The report set out the impact of the last two years rent freezes (in response to the cost-of-living crisis) on the HRA Business Plan and the fact that a third rent freeze would mean that the Council will not be able to deliver statutory energy efficiency commitments to existing homes and expand the Council's housebuilding programme without significant rent increases in future years and/or increases in Scottish Government subsidy.

3.8 An uplift in Edinburgh's TMDF budget would not change how affordable housing is funded. Most affordable housing projects require to be funded from a mix of borrowing and grant funding. Grant funding benchmarks guide how much grant can be made available on a project by project basis. Finance is usually based on the amount of rent that can be collected to repay the interest and borrowing. Keeping rents affordable and any wider legislative restrictions on rent increases limits the number of homes that can be brought forward.

3.9 This means that increasing supply is dependent upon borrowing capacity as well as the amount of grant funding that is available. The forecast grant requirement in the SHIP currently account for around 35% of development costs.

4. Main report

4.1 The SHIP sets out a potential pipeline for the delivery of new affordable homes over a five-year period. Since 2009, the Council has delivered affordable homes through partnership working with RSLs, the Council's Limited Liability Partnership (Edinburgh Living) and private developers using a variety of funding mechanisms; including Scottish Government grant funding and Council loans and guarantees for mid rent housing. The full SHIP submission is attached at Appendix 2.

4.2 The housing market context in which we seek to deliver affordable housing is set out in Section 2 of the report. The impact of the war in Ukraine, Brexit, as well as the long-term impact of the pandemic has seen costs in the construction sector increase by around 40%.

4.3 The amount of grant funding benchmark made available for each affordable home increased in 2021, however, the increases in construction costs has meant that it has had a limited impact on viability, as it only represents around 35% of the cost of an affordable home.

4.4 Inflation has reached its highest level for forty years (10.1% in September 2022) and mortgage rates interest rates exceeded 6% for the first time in 14 years. The bank of England increased interest rates by 0.5% to 2.25% in September 2022 and by a further 0.75% in November 2022 to 3%.

4.5 The number of available mortgage products halved in the last few months. Mortgage market uncertainty brings additional risk for house builders as homes may go unsold for longer periods resulting in some housebuilders delaying new developments, delivering smaller phases, and/or reducing the number of homes which come to market each year. This can also delay the land brought forward through the Affordable Housing Policy (AHP).

4.6 There is also the possibility that developers and investors will choose to develop elsewhere in Scotland and/or the United Kingdom. Site availability, development costs and developer contributions, including affordable housing contributions, are all considerations that will influence where developers choose to build.

4.7 The Build To Rent sector expressed concerns about the Scotland-wide rent freeze and because of economic instability may now prioritise developments in other parts of the United Kingdom or areas in Scotland which do not require particular contributions; for example, Glasgow does not have an AHP requirement.

4.8 However, investors will also take into account the financial return that can be achieved from rented housing over the medium and longer term which makes Edinburgh attractive for investment due to high demand for rented housing.

4.9 A downturn in demand for housing for sale due to the increase in mortgage interest rates could provide opportunities in the affordable housing sector. House builders may be more willing to enter bulk purchase deals with the Council and/or RSLs for completed homes, however, affordable housing providers are under increased financial pressure and may not be able to fund such deals.

4.10 The cost-of-living crisis and inflationary rises have meant the day-to-day delivery of RSL services are costing more. Wider statutory investment commitments also mean that landlords are having to prioritise investment to bring existing homes up to meet Energy Efficiency Standard for Social Housing 2 (EESSH2). In addition to this, a rent cap and potential rent freezes mean that borrowing levels are affected, which could impact on affordable housing providers ability to finance new build programmes and/or puts increasing pressure on available grant funding.

4.11 Council officers anticipate that 800 new affordable homes will be approved for site start in Edinburgh this financial year (2022/23) and based on current delivery programmes, an additional 1,246 affordable homes are expected to be completed.

4.12 Approvals for this year are below the original target of 1,170 homes 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 has resulted in house builders, RSLs and BTR developers 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.

4.13 Since the 20,000 homes commitment 8,367 new affordable homes are expected to be approved by 31 March 2023 and 6,942 completed. Almost 3,000 of these homes have been approved for social rent and almost 3,200 completed for social rent by the Council and RSL partners through the grant funded programme. An additional 199 social rented approvals and 391 social rented completions are expected this year.

4.14 The SHIP 2023-28 has been developed in partnership with RSL partners and developers. It sets out a potential pipeline of sites that could be brought forward for development over the next five years.

4.15 This ambitious programme is contingent on the sites being within affordable developer control/being brought forward in a timeous manner, the necessary funding being in place (both grant funding and private finance) and construction sector capacity to deliver at scale.

4.16 Based on the information received from our delivery partners, there could be 11,937 new homes approved from site start over the next five years and 11,375 homes completed. In addition to this, Edinburgh's proposed Local Development Plan (LDP) - City Plan 2030 proposes an increase in the Affordable Housing Policy contribution from 25% to 35%, which could increase the number of affordable homes approved on private sector led sites in the latter years of the SHIP.

4.17 The SHIP is reviewed annually. As the market begins to stabilise, developers will be better able to plan, and risk-appetite will increase. The table below sets out at strong pipeline of sites that could be brought forward. A separate report is being considered by this Committee on the Housing Land Strategy and potential opportunities to accelerate development.

4.18 Table 1 sets out affordable housing approvals and completions since 2017/18, as well as a potential affordable housing pipeline over the next five years:

Table 1: Affordable Housing Delivery

Financial Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**Total**
	17/18	**18/19**	**19/20**	**20/21**	**21/22**	**22/23**	**23/24**	**24/25**	**25/26**	**26/27**	**207/28**	
Approvals	1,475	1,626	1,930	1,285	1,251	800	1,994	2,983	2,875	2,351	1,734	**20,304**
Completions	966	1,159	1,443	1,087	1,041	1,246	1,324	1,600	3,095	2,695	2,661	**18,317**

4.19 The Scottish Government published "Affordable Housing: Resource Planning Assumptions (RPAs) to Councils 2021-2022 to 2025-2026" in July 2021, which gives local authorities a grant commitment for affordable housing for the five year period. The total RPAs for the 32 Scottish local authorities was just under £3.221 billion. Edinburgh's RPAs are £233.8 million, 7.3% of the funding committed. The RPA's provided by Scottish Government give Edinburgh an average of £46.8 million per year.

4.20 These are a minimum grant commitment, and as such could be subject to an increase. Due to the strong pipeline, over the last five years Edinburgh has levered in almost £40 million in additional grant funding from national underspends. Based on current tender returns, the majority of projects are coming in at least 10% above benchmark.

4.21 Section 4 of the SHIP sets out a programme of 9,473 social and mid rent homes could be delivered through the AHSP. Current resource planning assumptions would only be able to deliver c.600 homes a year or 3,000 homes over the next five years.

4.22 The SHIP 2023-28 would require a 200% uplift in grant funding: £712 million or £142 million per year (£97 million per year above current RPAs). The Council will continue to work with RSL partners to stretch available grant funding as far as possible and to maximise the number of social rented homes that can be delivered.

4.23 The SHIP 2023-28 also includes 2,464 affordable home approvals that are planned to be delivered through innovative funding schemes that require lower levels of grant funding and, in some cases, no grant funding. This includes Edinburgh Living, and private sector led Build to Rent (BTR).

4.24 If grant funding levels remain static or decrease over the SHIP period, there will be greater reliance on homes being delivered through other mechanisms, to sustain overall delivery.

5. Next Steps

5.1 Following Committee approval, the SHIP 2023-28 will be submitted to the Scottish Government.

5.2 Officers will develop a report for Housing Homelessness and Fair Work Committee in March 2023, setting out the financial strategy based on the current position with the TMDF, and an analysis of SHIF funding allocations. The report will provide advice on whether Edinburgh is likely to benefit from additional financial investment in housing by remaining in the TMDF or by joining the SHIF.

6. Financial Impact

6.1 Average estimated development costs for the 2023-28 AHSP programme are £220,000 per unit (a 22% increase since last year's SHIP). These are working estimates of costs and are likely to be subject to change when development construction works are tendered.

6.2 This year's SHIP requires over £380 million more of investment than last year's SHIP. This is a combination of increasing construction costs leading to the majority of projects expected to come in over benchmark and the potential delivery of more homes over a five-year period.

6.3 The average grant amount accounts for 35% of the total cost. Over the SHIP period the average grant funding requirement per home is £77,000. It is important to note that most grant funded affordable housing costs do not include a land value, as land is transferred to RSLs at nil cost through the AHP.

6.4 There are various sources of funding to support the affordable housing programme. The delivery of 9,473 new homes identified through the AHSP will cost £2.8 billion in total, of which £1.8 billion is RSL and Council own funding; a mixture of up-front capital (i.e. reserves and bond finance), and private finance (borrowing repaid by rental income).

6.5 The Council's affordable house building is principally funded through HRA borrowing. The HRA Budget Strategy 2022-32 approved by the Council on 24 February 2022 includes a draft five-year investment programme of just under £1.6 billion for building new homes (including the upfront capital costs for Edinburgh Living's mid-market and affordable market homes, which will be repaid to the HRA upon completions) and improving existing homes and estates along with a rent freeze for a second year in a row.

6.6 Subsequently, Housing Homelessness and a Fair Work Committee considered a report on Housing Revenue Account Budget Strategy 2023/24. The report set out the impact of the last two years rent freezes (in response to the cost-of-living crisis) on the HRA Business Plan and the fact that a third rent freeze would mean that the Council will not be able to deliver statutory energy efficiency commitments to existing homes and expand the Council's housebuilding programme without significant rent increases in future years and/or increases in Scottish Government subsidy.

6.7 Over 700 affordable BTR homes have been approved to date with no grant requirement. The same number of social rented homes would require over £56 million of grant subsidy. However, increasing construction costs and interest rates, along with a weaker pound, have affected the viability and delivery of BTR projects.

7. Stakeholder/Community Impact

7.1 All developing RSLs have been involved in producing the SHIP and will be prominent in delivering the housing projects contained within.

7.2 Local Authorities working across the Edinburgh and South East Scotland City Region all produce SHIPs which outline the collaborative measures being undertaken to accelerate new housing delivery.

7.3 This includes working together to identify and unlock sites suitable for affordable housing development to address the housing crisis facing the region.

7.4 All projects within the SHIP are subject to consultation with the local community through the Planning process.

8. Background reading/external references

8.3 Strategic Housing Investment Plan 2022-27, 4 November 2021

8.4 Affordable Housing Policy Update August 2022

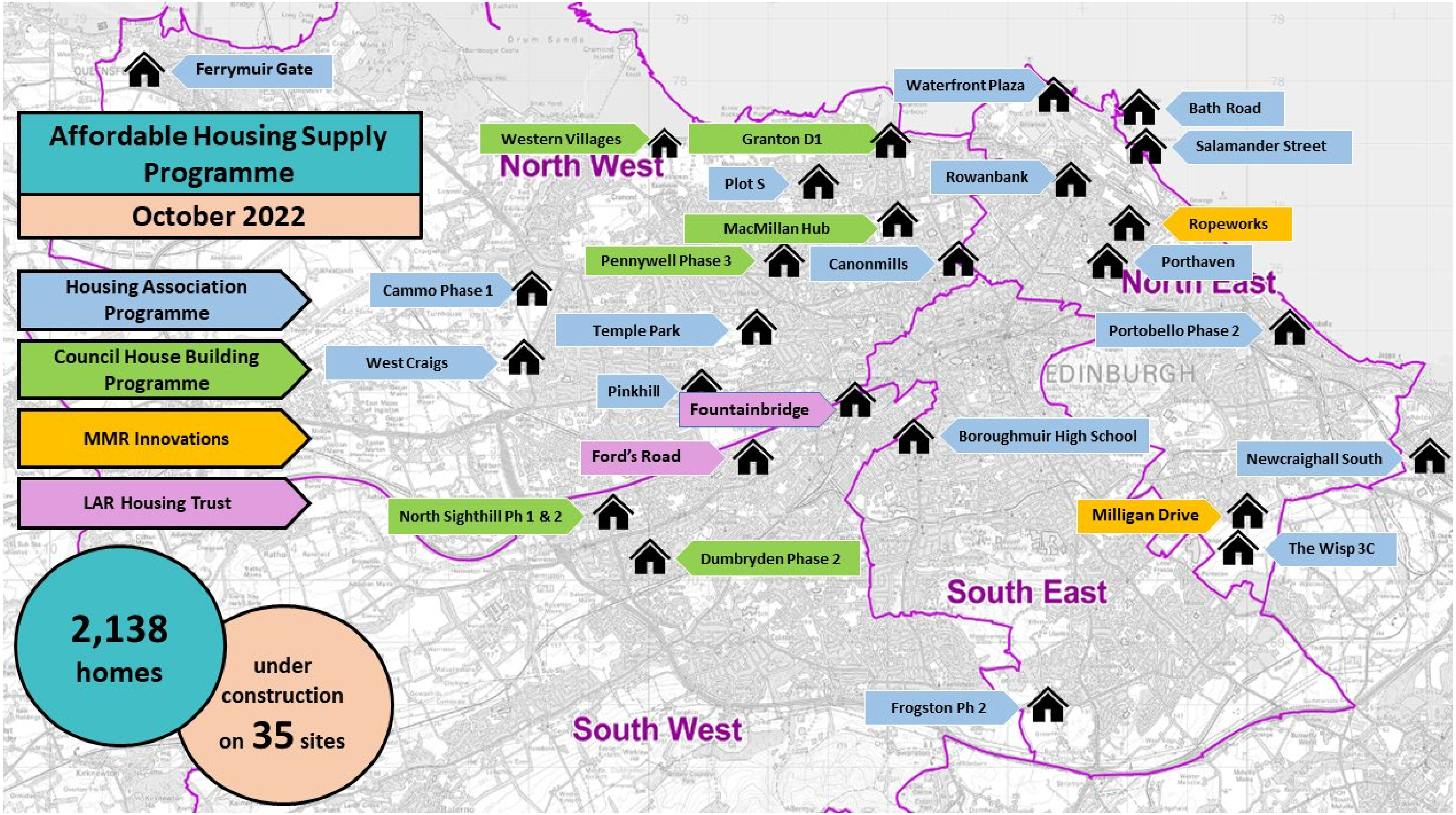
8.5 Strategic Housing Investment Plan: Guidance Note, July 2022

9. Appendices

9.1 Appendix 1 – Affordable homes under construction.

9.2 Appendix 2 – Strategic Housing Investment Plan 2023/24– 2027/28.

Appendix 1 – Affordable homes under construction



Strategic Housing Investment Plan

2023/24 – 2027/28

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1. Summary

1.1 The Strategic Housing Investment Plan (SHIP) sets out the approach by the City of Edinburgh Council and our Registered Social Landlord (RSLs) partners to investing in affordable housing in the city over a five-year period.

1.2 This SHIP has been developed in one of the most challenging economic climates in recent history. The information collated in discussions with RSL partners and developers sets out an extremely ambitious development pipeline over the next five years. However, there is considerable uncertainty regarding the timescales of when sites will be brought forward (most of which are not in the control of affordable developers) due to high development costs and economic uncertainties.

1.3 This SHIP outlines a programme of 11,937 affordable homes which could be approved for site start and 11,375 homes which could complete over the next five years. Of these, there are around 9,473 homes which requires around £712m of grant funding through the Scottish Government's AHSP. The remaining homes are being delivered through innovative funding schemes which either do not require grant or do so at significantly reduced levels.

1.4 However, based on confirmed grant funding from Scottish Government only c.3,000 of the 9,473 homes which require grant subsidy would be able to be taken forward.

2. Strategic Context

2.1 Edinburgh is a growing city and one of the most highly pressured housing markets in the country. The latest Housing Need and Demand Assessment (HNDA3), which received robust and credible status in July 2022, shows the need for between 36,000 to 52,000 in Edinburgh between 2021-2040. It is estimated that between 24,000 to 35,000 of those homes should be affordable.

2.2 NRS Principal Population Projections (2018 baseline) show a 13% increase in Edinburgh's population over the next 25 years, with the rate of growth in older age groups projected to be significantly higher. The growth expected in older people will have a major impact on the demand for housing, health, and care interventions.

2.3 There is a high demand for social rented housing with an average of 190 households bidding for every social rented home that becomes available for let. Edinburgh has one of the lowest proportions of social housing in Scotland with only 16% of homes for social rent compared to the national average of 24%.

2.4 The Council has a target to rehouse homeless households in around 70% of all available social lets and around 50% of lets from RSL partners. In 2021/22, 74% of Council and 51% of RSL homes were let to homeless households, including 42 Edinburgh Living properties. Edinburgh Living has committed to continue to target working homeless households for mid-market rent.

2.5 The average advertised monthly private rent in Edinburgh was over £1,200 in the first quarter of 2022, compared to a Scotland average of £900 and the next highest city, Glasgow (£970). The average house price is 6.8 times the average gross annual earnings in the city, making it the least affordable city in Scotland to buy a home.

2.6 The mid-market rent (MMR) for a two-bedroom home in the city is around £820 a month, almost a third cheaper than the average two-bedroom market rent. The tenure of MMR is aimed at people who cannot afford market rents but would not usually be eligible for social housing. The introduction of mid-market rents since 2010 has aided the Council in driving more value for every pound of Scottish Government grant provided. Homes receiving help from Scottish Government either through grant or rental guarantees have their rents restricted to a maximum of the Local Housing Allowance LHA. This guarantees long-term affordability for tenants.

2.7 Affordable Build to Rent (BTR) or Intermediate rent, is capped at BRMA 30% percentile (the lowest priced third of the rental market in an area) and provides homes for those people who are in housing need, who cannot afford to access accommodation through the regular functioning of the housing market and earn below average household income. BTR can deliver rented accommodation at pace and scale and is not dependent on house sales or grant funding.

2.8 It is estimated that there has been a loss of around 10% of private rented homes to short term lets (STL) in recent years. The rapid growth in STLs is creating further pressure on supply, rent levels and house prices in some areas. The Council conducted a consultation in autumn 2021 on designating the entire Council area as a STL Control Area. Scottish Ministers issued their decision granting approval for the city to become the first STL Control Area in Scotland in July, with the designation coming to effect on 5 September 2022.

2.9 Most affordable rented housing is funded by a combination of RSL private finance or Council borrowing, grant funding and rental income. Finance is usually based on the amount of rent that can be collected to repay the interest and borrowing. Most social rented housing in the city is therefore delivered alongside other tenures. This creates opportunities for cross subsidy, as well as, supporting development of sustainable, mixed tenure communities.

2.10 The Scottish Government published "Affordable Housing: Resource Planning Assumptions to Councils 2021-2022 to 2025-2026" in July 2021. The total Resource Planning Assumptions (RPAs) for the 32 Scottish local authorities was just under £3.221 billion. Edinburgh's RPAs over this period are £233.8 million, 7.3% of the total funding committed. Due to the strong pipeline, over the last five years Edinburgh has levered in almost £40m in additional grant funding from national underspends.

2.11 On average, over the previous SHIP Edinburgh delivered homes requiring grant at least 8% below benchmark across the programme. In October 2021, benchmark grant funding levels for both RSL and Council homes were increased and eligibility for Councils to apply for AHSP funding to deliver mid-market rent homes was introduced. However, applications received in 2022/23 are now being submitted above the new higher benchmark levels.

2.12 This is due to the viability of affordable housing becoming more challenging as a result of substantial increases to construction costs, increased borrowing costs and rents which have been frozen. Construction prices increased globally in 2022 and costs of construction materials such as timber, steel and particleboard increased by more than 40% in the last year due to rising energy prices, increased demand post Covid-19 pandemic, and reduced supply (due to Brexit and in part to the war in Ukraine). The average cost of building an affordable home in Edinburgh increased from just under £120,000 in 2012 to just under £160,000 in 2020. In 2021, this rose to £185,000 and further increases are being seen across the programme.

2.13 The Scottish Parliament passed the emergency legislation Cost of Living (Tenant Protection) (Scotland) Bill on 6 October 2022, which freezes rents until the end of March 2023 in both social and private rented sectors. The legislation also gives Scottish Ministers the ability to extend the rent freeze or introduce a rent increase cap beyond March 2023 for two additional periods of six months. Scottish Ministers have until 14 January 2023 to decide. A rent cap and potential rent freezes mean that borrowing levels are affected, which could impact on affordable housing providers ability to finance new build programmes and/or put increasing pressure on available grant funding.

2.14 In September 2022 inflation was 10.1%, which is the highest for forty years, and mortgage interest rates exceeded 6% for the first time in 14 years. The bank of England increased interest rates by 0.5% to 2.25% in September 2022 and by a further 0.75% in November 2022 to 3%. The number of mortgage products available fell from almost 4,000 in September 2022 to just over 2,000 in October 2022. High development costs coupled with high interest rates are expected to impact on delivery of market and affordable housing. There is an increased risk of insolvencies and developers may choose to delay site starts or sell sites.

3. Current delivery

3.1 The Covid-19 pandemic impacted on build programmes nationally, halting construction work for approximately four months between April and July 2020. Additional health and safety measures (such as physical distancing) remained in place until 9 August 2021. Inflationary rises have meant that the day-to-day delivery of RSL services are costing more. Wider statutory investment commitments also means that landlords must prioritise investment to bring existing homes up to meet Energy Efficiency Standard for Social Housing 2 (EESSH2). In addition to this, a rent cap and potential rent freezes mean that borrowing levels are affected. This could impact on affordable housing providers ability to finance new build programmes and/or put increasing pressure on available grant funding.

3.2 Around 800 new affordable homes could be approved for site start in Edinburgh this financial year (2022/23) and based on current delivery programmes, an additional 1,246 affordable homes could be completed. Approvals for this year are below the original target of 1,170 homes as house builders and development partners are delaying procuring new contracts due to cost inflation. There is uncertainty in the wider market due to rises in interest rates. There are also risks to rental income, due to the wider cost of living crisis, which have resulted in BTR developers not bringing forward projects previously expected for approval this financial year. The impact on mortgage products has resulted in limited uptake of low-cost home ownership. However, there are currently over 2,100 homes under construction on 35 sites across the city.

3.3 From April 2017 and up to 31 March 2023, it is anticipated that 8,367 new affordable homes will be approved and 6,942 completed. Social rent makes up a significant proportion of the affordable homes; almost 3,000 of these homes have been approved and almost 3,200 completed for social rent by the Council and RSL partners through the grant funded programme. An additional 199 social rented approvals and 391 completions are expected this year.

4. Key Outputs of the SHIP

4.1 The SHIP sets out a potential pipeline for the delivery of new affordable homes over a five-year period. Projects which are included in the SHIP are mainly proposed by RSLs, and are subject to final agreement with Scottish Government.

4.2 Projects selected for inclusion to the SHIP align with the Council's Local Development Plan and support the delivery of key strategic priorities of the Council, including the Rapid Rehousing Transition Plan and the Edinburgh Integration Joint Board (EIJB) Strategic Plan for 2019-22. RSLs are requested to submit proposals for the SHIP each year; projects are selected and prioritised within the SHIP based on deliverability, value for money, housing need and strategic alignment with the Council's priorities.

4.3 Projects within the SHIP may change and can be brought forward or deferred depending upon circumstances. The Council monitors the affordable housing programme and is in constant communication with delivery partners.

Key Outputs

4.4 The SHIP 2023-2028 has identified a pipeline of 11,937 affordable homes that could be approved for site start and 11,375 potential completions. The approvals are split into two categories:

4.4.1 9,473 homes could be approved through AHSP: and

4.4.2 2,464 homes could be approved through innovative funding mechanisms, requiring little or no grant funding.

4.5 The 9,473 homes that have been identified to be approved through the AHSP require grant of £712.4m over the SHIP period, or £142.5m per year on average.

4.6 The majority of the AHSP approvals are for social rent (64%), with most of the remaining homes being for mid-market rent. This is broadly in line with the Scottish Government's 70% social rent target. This SHIP, for the first time, includes provision for grant funding for Edinburgh Living mid-market rent LLP and as a result has increased the percentage of MMR homes.

4.7 The table below provides a summary of the projected outputs and funding requirements of the AHSP projects identified in the SHIP. The five-year Resource Planning Assumptions published in July 2021 are also set out below.

Table 1: Summary – AHSP

YEAR	HOMES APPROVED	HOMES STARTED	HOMES COMPLETED	GRANT REQUIREMENT (£M)	SG RESOURCE PLANNING ASSUMPTIONS (£M)
2023/24	1,430	1,799	971	89.212	45.053
2024/25	2,613	2,482	1,330	178.823	45.211
2025/26	2,415	1,509	2,326	165.975	45.96
2026/27	1,741	1,895	1,922	146.885	45.96*
2027/28	1,274	2,482	2,126	131.496	45.96*
TOTAL	**9,473**	**10,167**	**8,675**	**712.392**	**228.144**

**RPAs only known to 2025/26; This assumes grant funding remains static in 2026/27 and 2027/28*

4.8 Table 1 identifies a shortfall of £485m in grant funding over the next five years. Edinburgh's carry forward commitment is around £88m, a similar level of carry forward as in previous years and is based on a high number of approvals over the past few years. Project approvals require grant payments to be provided in stages over two or three years.

4.9 Based on current resource planning assumptions a maximum of c.600 homes a year could be delivered or 3,000 homes over the next five years. The SHIP 2023-28 would require a 200% uplift in grant funding: £712 million in total or £142 million per year (£97 million per year above current RPAs). The Council will continue to work with RSL partners to stretch available grant funding as far as possible and to maximise the number of social rented homes that can be delivered with available grant funding.

4.10 The remaining 2,464 homes will be delivered through the Private Sector led BTR, Open Market Shared Equity and other forms of Low Cost Home Ownership. A more comprehensive breakdown of innovative funding mechanisms is set out in 5.1 below.

4.11 A total of 134 sites are included in the SHIP. Almost half of the AHSP funded programme (43%) is forecast to be delivered by the Council's own house building programme. Most of the sites taken forward by RSL partners are in the control of the private sector as they are being delivered through the AHP.

4.12 Table 2 below sets out delivery to date as well as the potential pipeline of sites that could be brought forward for development over the next five years.

Table 2: Actual Approvals and Completions (2017/18 to 2021/22) and Forward Projections

Financial Year	1	2	3	4	5	6	7	8	9	10	11	Total
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	207/28	
Approvals	1,475	1,626	1,930	1,285	1,251	800	1,994	2,983	2,875	2,351	1,734	**20,304**
Completions	966	1,152	1,443	1,087	1,041	1,246	1,324	1,600	3,095	2,695	2,661	**18,317**

4.13 This ambitious programme is contingent on the sites being within affordable developer control, being brought forward by land owners and developers in a timeous manner, the necessary funding being in place (both grant funding and private finance) and construction sector capacity to deliver at scale. As the market begins to stabilise, developers will be better able to plan, and risk appetite will increase.

5. Means of Delivery

5.1 The Council works with partners to identify opportunities for innovation to deliver affordable housing without using funding provided through the AHSP. The introduction of MMR housing has aided the Council in driving more value for money of grant funding. Further detail on each of these innovative projects is provided below:

5.1.1 **Scottish Government Mid-Market Rent Invitation (MMR Invitation)** – Council officers have been working in partnership with landowners, developers, and Scottish Government to support the delivery of mid-rent homes on private sector sites through the Scottish Government MMR invitation. Places for People (PfP) secured £47.5m in loan funding through the scheme and levered in additional private finance. The project is expected to deliver around 500 new affordable homes across four sites. All the developments are due to complete by the end of 2023.

5.1.2 **Local Affordable Rented (LAR) Housing Trust** – LAR is a Scottish Charity set up in 2015 to provide long-term, MMR housing in Scotland. LAR launched with a £55m loan from the Scottish Government and has initial plans to build around 1,000 MMR homes across Scotland. Almost 700 homes have now been completed to date. Two developments have been completed in Edinburgh on Gorgie Road (87 MMR homes). A further six units have also been also completed for lease by the Council in Niddrie working with the Health and Social Care Partnership. A further two sites are under construction at Fountainbridge and Fords Road and are due for completion in early 2023.

5.1.3 In March 2021, 89 homes in the National Housing Trust Telford North LLP were purchased by LAR following Finance and Resources committee approval in October 2020. Under the terms of the sale, tenants wishing to become owners will be given enhanced timescales to maximise their ability to purchase. Those tenants who are unable to purchase will be able to continue to rent their MMR homes, with rent increases capped at CPI.

5.1.4 **Build to Rent (BTR)** - On 20 January 2020 Committee received the report 'Support for Build to Rent'. The report highlighted that BTR developments can accelerate housing development, regeneration and placemaking. BTR can bring institutional investment to the city and can deliver 25% affordable housing without the need for grant subsidy.

5.1.5 Eight planning applications, which include over 750 affordable BTR homes, have been submitted or approved. The same number of social rented homes would require around £59 million of grant subsidy. In total more than 3,400 private sector led BTR homes have secured planning consent or will be considered by the end of the financial year. These include 253 homes at Freer Street, Fountainbridge, 338 homes at Skyliner in Leith, 476 homes at Springside in Fountainbridge, 1,180 homes at Edinburgh Park, 318 BTR homes at New Town Quarter, Dundas Street, 464 homes at Bonnington Road Lane and 165 at Marionville Road.

5.1.6 Affordable BTR homes will be targeted at people on moderate incomes. Rents will be set at or below 30% of BRMA and secured by Section 75 Agreement as affordable housing for a minimum of 25 years. However, increasing construction costs and interest rates, static rents and a weaker pound have affected viability of BTR projects. Discussions with BTR developers, operators and investors are ongoing to support delivery of the current pipeline and identify further affordable BTR homes that can be delivered without grant funding.

Maximising land supply

5.2 The scale and ambition of achieving the 2023-28 SHIP should not be underestimated. One of the key risks to the delivery of new affordable homes at scale is difficulty in securing suitable land for development.

Affordable Housing Policy (AHP)

5.3 The AHP is a planning policy which secures a 25% contribution of land, homes or payment in advance for affordable housing on all planning applications with 12 homes or more. This is an important delivery mechanism and contributes 67% of the AHSP sites in Edinburgh which are funded through the SHIP. The Council's own house building programme uses land secured either from its own assets or by acquisition on the open market. For RSLs, the AHP is vital to ensuring land supply, with around 80% of their programme being delivered on AHP land. Onsite provision of affordable housing is the highest priority for the AHP. Since January 2013, affordable housing has been provided in nine out of ten planning applications for sites with at least 20 homes.

5.4 The AHP can deliver a range of affordable housing tenures, including social rent, mid market rent and low-cost ownership (LCHO), which is negotiated on a site-by-site basis. LCHO is a lower priority tenure for Edinburgh, as the greatest housing need is for affordable rented homes. Low-cost home ownership is negotiated on a site-by-site basis as part of the planning process and is a relatively small proportion (less than 2%) of the total affordable housing proposed within the SHIP.

5.5 Edinburgh's proposed Local Development Plan (LDP) - City Plan 2030 - was reported to Planning Committee in August 2022. It proposes an increase in the Affordable Housing Policy contribution from 25% to 35%, which could increase the number of affordable homes approved on private sector led sites in the latter years of the SHIP.

5.6 The AHP does secure land for affordable homes. However, the timing of sites coming forward for development is within the control of private developers. This is usually based on their assessment of demand and mortgage availability; factors outwith affordable housing providers control. There is, therefore, a need for affordable housing developers to secure greater control over sites. Delivery of brownfield land will require intervention from the Council and the public sector working in partnership with landowners and developers.

5.7 A separate report to this Committee on Housing Land Strategy sets out the findings of market engagement exercise looking at more innovative ways of delivering affordable housing to accelerate delivery rates. In general terms, the findings of the exercise re-affirm the position that access to land is one of the biggest challenges and that the typically strong housing market in Edinburgh means that securing land or opportunities for affordable housing comes at a premium. The key points are as follows:

5.7.1 There are several investors, intermediaries, developers, and landowners who have responded and are keen to work with the Council.

5.7.2 The Council's covenant is attractive to investors and the level of security it provides means that the Council can achieve competitive rates.

5.7.3 The specificity of the Council's housing requirements – quality, zero carbon, and LHA levels mean that project viability is challenging, particularly when working to deliver units in addition to those delivered through the AHP and/or where land or buildings need to be purchased at market value.

5.7.4 In terms of lease-based delivery models, these are shown to be available and broadly feasible, but they are linked to inflation and usually involve lease terms of 50 years or longer. These models also must be assessed in the context of delivering sustainable mixed tenure communities.

5.7.5 The Council may be an attractive development partner on larger sites where a 'place premium' has not yet been achieved and this may also mean that the Council can secure better deals in these circumstances involving more than one delivery route: and

5.7.6 In a typically strong property market, the ability to act quickly to seize opportunities when they do arise, is fundamental to success.

5.8 Council officers will continue to seek new opportunities to secure land and the delivery of affordable homes while also having regard to budget constraints. Proposals to acquire land or take forward new projects will be taken to the Finance and Resources Committee for approval as is current practice.

5.9 The Council is progressing with the strategic acquisition of land at the Liberton hospital site from NHS Lothian and its partners. Opportunities for further public sector land acquisitions and/or partnerships and collaboration with the NHS and other public sector partners will continue to be explored. Affordable housing will be delivered through the Affordable Housing Planning policy on former public sector owned sites where direct acquisition or partnerships are not possible.

5.10 Investment through the HRA and the AHSP can act as a real catalyst for change. Cruden Investment Ltd, working in partnership with Cala Homes, have been procured as Development Partner to deliver the first phase of the Granton Waterfront development – the 'Heart of Granton'. The Pre-Development Stage 1 will run until summer 2023 and will include the preparation and submission of planning applications, and creation and approval of the Final Business Case. Phase 1 will include approximately 770 net-zero homes, the first phase of a low carbon heat network, commercial space, a primary school, a health centre and new and an enhanced sustainable transport network. A minimum of 35% of the homes within the overall Granton Waterfront development will be affordable and delivered through Council and RSL partners.

5.11 In addition, early Action Projects within Granton Waterfront are progressing well with three projects delivering a total of 661 net-zero homes underway. Alongside delivery of homes by the Council, RSL partners have recently completed or have under development, around 864 homes on Granton Harbour and Waterfront Avenue. Over 700 of these homes are for affordable rent.

Construction Industry Capacity

5.12 There are several factors impacting upon construction industry capacity and in turn the ability to deliver affordable homes at the pace and scale required over the next five to ten years. These include challenges with supply chain, increasing costs of building materials, skills shortages and market uncertainties arising from Brexit and the war in Ukraine.

5.13 On 1 March 2019, the South East Scotland City Region Deal Joint Committee approved the establishment of a Regional Housing Board. On 3 September 2019 the City Region Deal Joint Committee approved an ambitious regional housing work programme, that aims to accelerate the delivery of affordable housing, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate. On 3 September 2021, Joint Committee approved the Regional Prosperity Framework which sets out an ambitious 20 year blueprint for the regional economy. Housing is an integral part of the Framework to support inclusive growth and transition to a net zero economy.

5.14 Housing construction skills remain a priority area for the Scottish Government, who plan to develop and agree an accord between Government and the construction industry. Supporting a focus on skills the Programme for Government also outlines a commitment to dedicate £100m over the next five years to a Green Jobs Fund. Invested alongside businesses and organisations to support new and increased opportunities for green job creation. A £60m Youth Guarantee is also committed so that every young person aged between 16 and 24 will be guaranteed an opportunity at University or college, an apprentice programme or employment including work experience.

5.15 Combined with current skills shortages, the climate emergency and rising development costs it is becoming increasingly clear that innovation is required to develop alternative approaches to finance and build new, sustainable homes. The scale and pipeline of housing development across the region presents a unique opportunity for innovation. Construction on 75 net zero homes began in Granton Waterfront began in April 2022. This is the first pilot development in the Edinburgh Home Demonstrator (EHD) Programme. The collaboration between local and national government, academia and the construction industry is testing a new model for designing, procuring and delivering new homes in the region centred on the use of offsite manufacturing to deliver a greener future.

6. Specialist Housing, Including Wheelchair Accessible Homes

Delivery of Specialist Housing in the Affordable Sector

6.1 The Edinburgh Integration Joint Board (EIJB) Strategic Plan for 2019-22 was approved by the EIJB on 20 August 2019. The Housing Contribution Statement which supports the Strategic Plan highlights the importance of housing in relation to health and well-being and provides clear commitments to support health and social care priorities. A new EIJB Strategic Plan for 2023-26 is currently being prepared, to be finalised by March 2023. Housing partners are working with Health and Social Care partners to develop the housing contribution statement to support the Plan.

6.2 The Housing Service commissioned a study on accessible housing. Key findings and recommendations will feed into continuing work with the Health and Social Care Partnership. The study was informed by partners, stakeholders, service user interviews and telephone and online surveys to provide a greater insight into the need for accessible and adapted homes across the city now and in the future. These findings demonstrate a need and demand for accessible housing overall. They highlight the challenges in obtaining robust data on accessible housing, particularly in the private sector, as well as the challenges in delivering accessible homes in the context of Edinburgh's housing stock profile and market conditions.

6.3 The findings of the Accessible Housing Study will also feed into the Scottish Government review of the Housing for Varying Needs standard (HFVN). Most new build properties funded through the AHSP are designed to meet the HFVN which was published in 1998 and sets out good practice on the design of housing to achieve flexibility and suitability for people of all abilities. For example, ensuring ground floor properties have step free access, wider doors, accessible height switches and electrical sockets and reinforced joists for future hoist installation. Many properties delivered through the AHSP are therefore accessible and easily adaptable for people of limited mobility, meaning needs housing requirements can often be met through allocation of a standard general needs property.

6.4 In August 2019 Scottish Government issued revised guidance for the SHIP. The guidance requires local authorities to set targets across all tenures for the delivery of wheelchair accessible homes and to report annually on progress.

6.5 The City of Edinburgh Council was one of the first local authorities to have a Wheelchair Accessible Homes target; with 10% of all social rented homes being wheelchair accessible. The Edinburgh Design Planning Guidance includes Lifetime Homes as the standard sought for older peoples and particular needs housing within the city.

6.6 The Accessible Study findings have been used to inform an indicative, cross tenure wheelchair accessible homes target of 7% annually for all completions. Council officers will engage with the development sector regarding delivery of the target.

6.7 The current target of 10% for affordable housing will be retained as this is well understood by partners and reflects the fact that the affordable sector currently delivers more wheelchair housing than the private sector. The current SHIP forecasts that around 8% of grant funded homes for completion will be wheelchair designed. The target will be subject to review following more detailed discussions with partners and stakeholders and as data collection is improved.

6.8 The challenges in implementing and monitoring delivery of a target for private sector housing have been raised by local authorities since the Scottish Government introduced guidance on cross tenure target setting. These include difficulties in holding private developers to a target without specific planning mechanisms being in place and in monitoring details of private sector developments.

6.9 Further discussions with Planning colleagues will determine whether there are policies or upcoming changes from NPF4 that could support increased delivery. However, engaging with the private sector to encourage delivery of wheelchair housing and accessible housing overall, discussing any barrier to delivery, is the approach being taken more generally.

6.10 The proposed introduction of a new Scottish Accessible Homes Standard, as noted earlier, may also give an opportunity to clarify accessibility standards across all tenures. Challenges in delivering affordable housing at scale, with additional costs relating to wheelchair or specialist housing, need to be taken into account in terms of overall deliverability.

Adaptations

6.11 In addition to building new homes to meet changing and varying needs, the SHIP includes grant funding for RSLs to carry out adaptations to homes. This enables people to remain in their own homes and live independently. Adaptations will continue to be a strategic housing investment priority. Each year a budget in the region of £800,000 supports over 300 adaptations within RSL homes. Adaptations to Council homes are funded from the Housing Revenue Account.

7. Carbon Emissions and Energy Efficiency

7.1 On the 14 May 2019, the Corporate Policy and Strategy Committee approved the Council's Sustainability Approach, which included Edinburgh working towards a net zero carbon target by 2030. On 20 January 2020, the Housing, Homelessness and Fair Work Committee approved the Housing Sustainability approach, which outlined the future approach to reducing emissions across existing homes and the new build housing programme. A further update on progress was provided to the Housing, Homelessness and Fair Work Committee on 5 November 2020, 3 June 2021 and 22 March 2022 (as part of the 2022/23 Capital Programme).

7.2 The Council's declaration of a Climate Emergency has placed sustainability and climate change at the centre of strategic and policy discussions. Energy efficiency standards are already in place for new affordable housing in Scotland. All new developments are required to meet minimum Building Regulations, which contain stringent targets for meeting certain energy efficiency standards. The Council's own house building programme is leading by example in terms of sustainable development. A design brief has been produced that will ensure all new build homes are designed to achieve net zero carbon. The net zero carbon design brief has been in place since November 2020 and follows a fabric first approach, allowing the design and construction to be tailored to meet the requirements of the site and to select the most appropriate low carbon heating solution.

7.3 Council and RSL house building partners are working to sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy. The environmental impact of individual projects is currently assessed through the planning process.

7.4 The outcome of the review in benchmark levels included additional funding for sustainability standards, including Delivering homes to Section 7, Silver Level, of the 2019 Building Regulations, heating systems which produce zero direct emissions at the point of use and electric vehicle charge point connectors.

7.5 The Scottish Government already supports delivery of homes across Scotland using a range of offsite methods, from timber frame construction through to fully modular development, and will continue to do so through the AHSP. This has the potential to speed up delivery of affordable homes, reduce waste and achieve the quality of construction needed to support zero emissions homes, and it offers opportunities to improve productivity and attract a more diverse workforce.

8. Rapid Rehousing Transition Plan (RRTP)

8.1 The second iteration of the RRTP was agreed by the Housing, Homelessness & Fair Work Committee on 18 September 2020 and submitted to Scottish Government. The annual update on progress was recently agreed at Committee on 4 August 2022.

8.2 The RRTP is aligned around four key objectives, focusing on both prevention and increasing accommodation options (both temporary and settled):

8.2.1 preventing homelessness in the first place.

8.2.2 where temporary accommodation is required, this will meet the needs of the household.

8.2.3 supporting people to access settled accommodation as quickly as possible; and

8.2.4 reducing the number of people sleeping rough.

8.3 A PRS Team was established by the Council to reduce the number of people becoming homeless from the private rented sector and to work with private landlords and lettings agents to establish the PRS as a housing option for homeless households. This was in response to a growing number of homeless presentations from the PRS.

8.4 Since March 2022, the PRS team have prevented homelessness for 240 households by helping them to remain in their current PRS tenancy or by supporting them into a new PRS or Mid-Market Rent (MMR) tenancy. A further 100 households, assessed as homeless prior to the PRS team having contact, were supported by the team to access either PRS or MMR tenancies. The team have also worked with families in overcrowded accommodation with a view to supporting them into suitable accommodation via the PRS or MMR.

8.5 A multi-disciplinary response pilot is underway for Council tenants who are at serious risk of court/eviction action and are not engaging with their locality Housing Officer. The response team currently consists of a dedicated housing / homelessness specialist, a debt advisor and income maximisation officer supervised by a team leader and representation from housing, family and household support, adult protection, children and families social work services and family group decision making. The aim of the team is to actively reach out to the tenant, offering joined up support, with the aim of keeping the tenant in their home, thus avoiding homelessness. The team provide intensive support to tenant’s dependant on individual circumstances.

8.6 There continues to be a commitment to a rehousing target for a minimum of 70% of Council social housing (across existing and new build homes) being allocated to homeless households and 50% for lets from RSL's in Edinburgh. These targets take account of the significant demand for social housing and the requirements to provide housing to meet other priority/urgent housing need. During 2021/22 RSL's let 51% of homes to homeless households with 74% of Council social rented homes let to homeless households.

8.6 Annual updates on progress will be provided to both Committee and the Scottish Government.

9. Child Poverty

9.1 On 5 October 2021, the Policy and Sustainability Committee considered a report which provided a summary of actions taken by the Council and partners in response to the calls to action made by the Edinburgh Poverty Commission and as such, the report provided the first annual progress report against the Council's End Poverty in Edinburgh Delivery Plan.

9.2 The second annual update report was approved at Policy and Sustainability on the 17 November 2022. The report provides the second annual progress report against the Council's End Poverty in Edinburgh Delivery Plan. In line with recommendations made by the Commission, the report also incorporates and meets the Council's statutory duty to produce, in partnership with NHS Lothian, an annual Local Child Poverty Action Report.

9.3 Latest data shows an estimated 79,000 (15%) people in Edinburgh were living on incomes below the poverty threshold in 2021, including 15,000 (19%) children. This indicates a steady trend despite the early impacts of Covid, with the immediate income effects of the pandemic significantly mitigated by the introduction of short-term UK Government measures through 2020 and 2021. Data for 2022 is not yet published. Analysis points towards a likely significant increase in severe poverty and hardship because of rising living costs and incomes falling in real terms among poorer families across the UK throughout 2023/24.

9.4 Guided by the Edinburgh Poverty Commission's findings, highest impact actions delivered by the Council and partners during the past 12 months have included:

9.4.1 Addressing the cost-of-living crisis and providing lifeline support for people and families in immediate need.

9.4.2 Helping people and families in Edinburgh access fair work that provides enough to live on.

9.4.3 Addressing the housing and homelessness crisis in Edinburgh.

9.4.4 Continuing to build a strong foundation for long-term prevention of poverty.

9.5 The report highlights that the majority of tools needed to address this challenge remain with national governments, in the form of social security, tax, and regulatory powers and that the Council and partners write to UK and Scottish Governments to ask them to go beyond existing policy announcements and outline specific additional actions.

9.6 Alongside these national actions, the report recommends that priority local, Council led actions over 2023 and 2024 should focus on ensuring:

9.6.1 People can access fair work and the support they need to prevent and stay out of poverty.

9.6.2 People have decent, energy efficient, climate proofed homes they can afford to live in, and;

9.6.3 Attainment, achievement, and positive destinations are improved for all with a particular focus on those in poverty

10. Gypsy Travellers sites

10.1 The Council currently owns and manages one site in Edinburgh, known as the North Cairntow Travellers Site in the south east of the city. The site was created in 1984 and consists of 20 pitches serviced by 10 semi-detached utility blocks. A community facility was installed in 2016. This was achieved in partnership with the NHS and other voluntary providers.

10.2 The Housing Service has been working with the residents of the North Cairntow Travelling Peoples Site to improve the site since 2017. This has taken the form of a comprehensive programme of community engagement to co-design site improvements in partnership with the community, addressing fuel poverty, mainstreaming equalities, and harnessing lived experience of tenants, culminating in an improved understanding of the needs of the community.

10.3 The final design of the redevelopment of the site was agreed with residents and contractor for the re-development was appointed following the approval by Finance and Resources Committee on 4 March 2021. The redevelopment has received £90,660 of Scottish Government funding as part of the joint action plan 'Improving the lives of Gypsy/Travellers: 2019-2021' by the Scottish Government and Convention of Scottish Local Authorities (COSLA).

10.4 Rehousing of residents temporarily during the re-development commenced in late 2021. The rehousing was completed and demolition of existing structures started in April 2022 in order to align the timescale of offsite manufacturing and delivery of the chalets. Site infrastructure has been put in place, with delivery of the chalets and re-occupation of the site currently underway.

11. Consultation and engagement

11.1 There is a strong partnership approach to delivering new build affordable housing in the city. This is evidenced by the joint and ambitious commitment to develop a programme to deliver 20,000 new affordable homes. To ensure delivery of this pipeline of projects the SHIP is kept under constant review through continuous discussion with partners at regular meetings, working groups and forums.

11.2 Regular meetings are held with RSL development directors and chief executives to ensure the efficient and effective delivery of the programme and alignment of strategic objectives.

12. Integrated impact Assessment

12.1 The Integrated Impact Assessment (IIA) concludes that the SHIP should have a positive impact on tackling inequality through investment in new affordable homes for people on low to medium incomes.

12.2 The SHIP contributes to the public sector equality duty and advances equality of opportunity. It will increase access to affordable housing and well-designed, safer, and cleaner communities. It will contribute to improved health by increasing the supply of good quality homes, reducing fuel poverty, and providing homes which meet varying needs.

13. Conclusion

13.1 In 2017 the Council made a commitment to deliver a programme to build at least 20,000 social and affordable homes by 2027. By the end of 2022/23, it is anticipated that over 8,300 homes will have been approved for site start and 6,900 affordable homes completed. In September 2022, there were over 2,100 affordable homes under construction on 35 sites across the city.

13.2 This SHIP has been developed in one of the most challenging economic climates in recent history. The information collated in discussions with RSL partners and developers sets out an ambitious development pipeline over the next five years. However, there is considerable uncertainty regarding the timescales of when sites will be brought forward (most of which are not within the control of affordable developers) due to high development costs and economic uncertainties.

13.3 The pandemic continues to impact on development and construction of affordable housing across Scotland. In addition to this, Brexit, the war in Ukraine and the cost-of-living crisis has had a major impact both on in-year delivery of current projects and delays in projects being brought forward for approval. Construction industry capacity, construction materials availability and costs, availability of grant funding and borrowing capacity of affordable developers (linked to rental income) will all impact on the delivery of the programme.

13.4 The SHIP sets out a potential pipeline of 11,937 affordable homes approved for site start and 11,375 potential completions over the next five years through a mix of grant funding, RSL's own finance, finance raised by private developers, institutional investment, developer contributions and HRA funding.

13.5 Based on current resource planning assumptions, less than a third of the potential pipeline (9,473 homes) could be delivered through the grant funded AHSP. Current funding levels only allow for 600 new grant funded homes to be approved each year; a 200% uplift would be required to achieve the SHIP.

Delivery of social rented and mid rent housing is currently not viable without grant funding or other support from Scottish Government.

13.6 The SHIP is reviewed annually. As the market begins to stabilise, developers will be better able to plan, and appetite for risk should increase.

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Agenda Item 7.6

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Affordable Childcare for Working Parents

Executive/routine	**Executive**
Wards	**All**
Council Commitments	

1. Recommendations

1.1 It is recommended that Housing, Homelessness and Fair Work Committee:

1.1.1 Note the output from the Affordable Childcare for Working Parents report in Appendix 4;

1.1.2 Note the intention to extend the four current Affordable Childcare for Working Parents contracts for a second year, up to 31 March 2024;

1.1.3 Note the intention of officers to commence a further co-production with the wider market, both employability and childcare, including market testing with other childcare providers interested in bidding for a future contract; and

1.1.4 Agree that the envisaged model for the future of this funding outlined in 4.18-4.26 should form basis for co-production.

Paul Lawrence

Executive Director of Place

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Report

Affordable Childcare for Working Parents

2. Executive Summary

2.1 This report outlines the current Affordable Childcare Service, funded from the Council's Employability budget, and considers the research undertaken by consultant Ekosgen into its effectiveness and the recommendations they provide for a future funding model.

2.2 The report notes the intention to extend the current contracts for Affordable Childcare for Working Parents and seeks approval to progress with a proposed model for co-production of future contracts (as outlined in paragraphs 4.18 – 4.26).

3. Background

3.1 The Council currently funds an Affordable Childcare Service, which aims to help low-income parents gain or sustain employment. The Affordable Childcare Contracts were awarded at Finance and Resources Committee on 7 March 2019 to four providers, North Edinburgh Childcare, Smile Childcare, Childcare Connections and Kidzcare. Each provider receives varying amounts of funding to deliver pre-school nursery and after school (0-12 years) care.

3.2 The overall contract value is £872,572 per annum and was agreed for an initial period of three years from April 2019 – March 2022 with the option to extend for a further two periods of 12 months each, at the discretion of the Council. The contracts are currently in the first of the available extension periods.

3.3 £398,526.50 (or 46%) of the overall contract is directly used to subsidise fees for working parents, with the remaining £474,045.50 (or 54%) subsidising three of the four providers' business overheads (Appendix 1).

3.4 The Affordable Childcare Service was reviewed in 2013, with new contracts awarded to existing grant recipients from 2015-2019. A further review was carried out in 2018 with a revised service awarded through a negotiated tender process following a lack of market interest and historical lack of commercial interest in any advertised procurement.

3.5 The contracts provide community-based, subsidised childcare places with a target of supporting up to 490 low-income families per annum in the four areas of Wester Hailes, South Edinburgh, North Edinburgh and Craigmillar (Appendix 1).

3.6 To qualify for the subsidy, the provider(s) are required to carry out a financial assessment with each family. Eligibility for the subsidy was originally based on whether the cost of childcare would take the household below 60% of median income which is recognised as relative low income. For this purpose, income includes money received through welfare benefits. Through discussions with providers, this threshold was later altered to 75% of the median income to support a greater number of parents.

3.7 Each of the contracted providers offer different fee structures (Appendix 2). Within that, they all offer different subsidy rates and number of places to different age groups, based on their business model. Appendix 3 provides information on the targets and achievements for each of the providers.

3.8 All providers are required to use the management information system, Helix (previously Caselink), to record basic details on clients in receipt of the subsidy to allow for contract management and to enable the Council to understand the efficiency of the contracts.

Scottish Government's Best Start, Bright Futures delivery plan

3.9 As of August 2021, 1,140 hours of high quality funded early learning and childcare (ELC) is available annually to all three and four year olds, and to eligible (eligibility generally being dependent on the parents receiving certain benefits) two year olds.

3.10 As well as benefitting children themselves, this expansion of ELC is already making a direct contribution to reducing household costs, with the full offer of 1,140 hours saving households up to £4,900 per eligible child in 2021. It also gives parents greater opportunity to access training, employment and learning.

3.11 In March 2022, the Scottish Government launched a new Child Poverty strategy: Best Start, Bright Futures 4 year delivery plan from 2022-2026. This includes the expansion of ELC for children aged one and two, starting with low-income households, within this Parliament and the commitment to develop a system of wraparound out of school care (OSC), which will be funded for those on low incomes.

3.12 The vision is that those on the lowest incomes will pay nothing for ELC and OSC. This will remove one of the key barriers preventing parents - particularly those on low incomes - from gaining access to training, study or secure employment.

3.13 The six priority family types identified by the Scottish Government as being at highest risk of child poverty are outlined below:

3.13.1 Lone parent families;

3.13.2 Minority ethnic families;

3.13.3 Families with a disabled adult or child;

3.13.4 Families with a younger mother (under 25);

3.13.5 Families with a child under 1; and

3.13.6 Larger families (3+ children).

3.14 As part of the Best Start, Bright Futures delivery plan, a £50m funding package was to be allocated to Local Authorities to deliver employability services. This was originally due in June 2022 but has been indefinitely delayed.

Other Sources of Childcare Funding

3.15 Universal Credit provides support to households to help meet their eligible childcare costs, enabling claimants to take up work or increase their working hours. It provides up to 85% of childcare costs subject to a maximum amount currently of:

- £645.35 for 1 child; or
- £1,108.04 for 2 or more children.

3.16 This is only paid after the childcare has taken place and payments are included in the total monthly Universal Credit payment.

3.17 Where a parent is struggling to pay a deposit or the first month's upfront fees, they can discuss this with their work coach, and there are two options which might be available in this situation:

3.17.1 Money from the Flexible Support Fund (no requirement to pay this back); or

3.17.2 An advance from Universal Credit (must be paid back).

3.18 Parents who claim tax credits can add an extra amount of Working Tax Credit to help cover the cost of childcare. Both of the following must apply:

3.18.1 The child is in approved childcare; and

3.18.2 The childcare is provided in-person, not online.

3.19 Parents who are claiming Working Tax Credit, can also claim Child Tax Credit.

3.20 For those parents who are not eligible for the above, the Government's Tax Free Childcare scheme offers up to £2,000 a year per child towards childcare costs, including nursery, childminder and wraparound care. For every £8 a parent pays into their Tax-Free Childcare account, the government will pay in £2.

3.21 The Tax Free Childcare scheme replaced the previous 'Childcare Vouchers' and 'Directly Contracted Childcare' schemes. Only parents who joined either of these schemes before 4 October 2018 and have not changed employer since can currently use them.

Family Support in Edinburgh

3.22 In addition to the childcare funding support, there is also a wide range of other support available to parents in Edinburgh, including:

3.22.1 Parental Employability Support (PES) Fund projects, which were approved by Housing, Homelessness and Fair Work Committee on 23 June 2022 until March 2025, to support parents from the six priority family groups identified by the Scottish Government;

3.22.2 No One Left Behind's Disabled PES Fund, which was also approved by Committee in June 2022, to deliver pilot projects for disabled parents.

Capital City Partnership are leading on this and have agreed with third sector partners:

3.22.2.1 Engagement and early employability pipeline support for parents who are engaging with family support organisations;

3.22.2.2 An enhanced money advice/income maximisation offer within family support organisations;

3.22.2.3 Training to enhance family support workers' understanding of the employability pipeline and help available;

3.22.2.4 A childcare advice service for parents with disabilities and long-term health conditions delivered by One Parent Families Scotland;

3.22.2.5 An enhancement to the All in Edinburgh supported employment programme to ensure that it is 'family friendly';

3.22.2.6 The development of a community of practice for family support organisations who are supporting parents on a journey towards work;

3.22.2.7 Development of marketing and communications material so that parents are signposted to relevant employability support organisations and assistance; and

3.22.2.8 All partners are tasked with ensuring that pilot services are accessible to families from ethnically diverse backgrounds, there is ring-fenced resource for translation and interpretation services.

3.22.3 The City of Edinburgh Council's Family and Household Support Service;

3.22.4 Maximise! and Maximise! Early Years;

3.22.5 The Whole Family Equality Project;

3.22.6 The Joined Up For Families strategy; and

3.22.7 Recruitment of a citywide team of specialist employability key workers to strengthen and increase the capacity of the Joined Up for Families Network (as reported in June 2022). These roles would be to support parents across the city and to co-ordinate the network of services available so that services are prepared for the implementation of the Scottish Government Best Start, Bright Futures Delivery Plan before March 2023.

4. Main report

4.1 With the introduction and planned expansion of the Scottish Government's 1,140 hours of funded childcare, plans for implementation of free wraparound care for priority school children, as well as the other sources of funding described above, the Council needed to review the Affordable Childcare for Working Parents services to ensure that the service still provided best value and that the relevant families are benefitting from the current delivery offer.

4.2 Due to the complexity of the landscape, it was decided that a third party should carry out an independent review to determine the needs for a future service to ensure neutrality.

The Review Process

4.3 To enable the review of the service, a Steering group was established in 2021 with representation from the Council, Capital City Partnership, NHS Lothian, Edinburgh Voluntary Organisations' Council (EVOC), Department of Work and Pensions (DWP) and Lothian Association of Youth Clubs (LAYC). The Steering Group also had support from the Council's Procurement team.

4.4 Between January and March 2022, a Quick Quote process took place to procure a consultant to carry out an independent review of this service. Ekosgen were the successful bidder and between March and August 2022, they carried out a review which included:

4.4.1 Desk research;

4.4.2 Interviews with key stakeholders; and

4.4.3 Co-production with parents, the current affordable childcare contract holders and wider employability organisations.

4.5 The co-production methodology was used to engage with users, beneficiaries and other stakeholders to ensure that any resulting commissioned services are fit for purpose, minimise duplication, and utilise current good practice.

4.6 The recommendations of the review for the future of this funding are detailed in Appendix 4. The main conclusions from the Ekosgen report are:

Benefits of the Current Service:

4.6.1 In terms of providing childcare, the model has successfully supported a large number of households in Edinburgh and has been very valuable in helping these households to access and cover the cost of childcare;

4.6.2 If the subsidy had not been provided or is withdrawn, parents reported that they would find the full cost of childcare difficult to meet. For some, it would mean having to stop working, others reported that they would have to work less or take a lower paid job; and

4.6.3 By routing the subsidy through the four childcare providers, the Affordable Childcare Contracts model has supported these services and helped to ensure they have remained viable. That is not to say that they would not still be in place without the subsidy, but there is no doubt that it has enhanced their ability to provide care to both subsidised and non-subsidised households.

Drawbacks of the Current Service:

4.6.4 Many survey respondents who use childcare but do not receive a subsidy indicated that if their childcare costs increased, it would add to financial pressures and, for a sizeable proportion it would mean that they would have to stop working or change their work. Given the rising costs of living and the fact that overall wage increases are not keeping pace, it is reasonable to project that the cost of childcare may be more difficult and more prohibitive for households on lower incomes going forward. Rising costs, for example energy, may also mean that childcare providers have to increase fees, thus exacerbating the issue of affordability;

4.6.5 Given the rising costs of living and the fact that overall wage increases are not keeping pace, it is reasonable to project that the cost of childcare may be more difficult and more prohibitive for households on lower incomes going forward;

4.6.6 The evidence indicates that the programme has not succeeded in integrating employability support with the subsidised childcare and this is a missed opportunity in terms of supporting parents to move into and enhance their employment;

4.6.7 The subsidised care is available to parents and carers in employment as well as those looking to take up a job. However, there is no evidence that employability providers are referring people to the subsidised services to enable them to enter employment, and the majority (some indications point to all) of the subsidised childcare is being taken up by parents who are already working; and

4.6.8 In undertaking the research, it became clear that the performance monitoring data is not adequate in driving or assessing performance against targets. This means that the review has not been able to draw any meaningful conclusions on progress towards, and achievement of, targets. It also means that the Council cannot actively review and manage performance or accurately identify overall impact on the incomes of supported households.

Essential Requirements for a Future Service:

4.6.9 There remains a need for the cost of childcare to be removed as a barrier for working parents and carers on low incomes in Edinburgh. To use available resources most effectively, this should continue to be targeted at those most in need and who could benefit; and

4.6.10 Support should be linked to the 1,140 funded hours and be designed to fill the gaps between these funded hours and what the household requires to enhance their employability (and income) in line with the objectives of the subsidised childcare.

4.7 The options recommended are either:

4.7.1 Funding (at whatever level) is routed through providers in specific locations in Edinburgh. This could be the current providers or providers that have not been involved to date; or

4.7.2 Funding follows the family, meaning that the subsidy is linked to the child and can be used by participating ELC and OSC providers in any part of Edinburgh, including childminders.

4.8 The table below provides an overview of the considerations for each:

Considerations	Funding routed to providers	Funding follows the child
Enhances viability of providers	• Supports funded providers • Childminders do not benefit from the current Programme	• Minimal impact as the subsidy is spread across more providers • Could support childminders to be viable
Management and administration	• Straightforward and a continuation of current processes	• More complicated and time consuming
Supporting Edinburgh households in need	• Reach limited by the geographic focus on four areas	• Greater reach across the city meaning more equitable access to affordable childcare
Monitoring performance (assuming development of new process)	• A small number of providers can provide monitoring information on a cohort of households relatively easily	• Information gathering likely to be more complex
Integrating with employability services	• Building and sustaining relationships between childcare providers and employability services can be focused • Providers in deprived areas may be more able to provide employability information and referrals	• A large number of childcare providers so less focused integration. • Employers across Edinburgh will have varying knowledge and understanding of employability.

4.9 Publicising the future service to parents out with the immediate areas will be vital for any future services to ensure equity of opportunity. Additionally, it will be vital to link closely with employability services and advice services to ensure the offer is joined up and parents are supported in a whole life approach.

4.10 To undertake a value for money (VfM) assessment in the future, it will be important that the performance monitoring framework gathers detailed and accurate information about the financial outcomes for households for example: income safeguarded; increased income; reductions in benefits. For a robust assessment of VfM, information on attribution would be required, which means the extent to which these outcomes are as a direct result of the intervention (in this case, the subsidised childcare).

Considerations for the future funding

4.11 It is clear from the research that there is an increasing number of parents in Edinburgh who require childcare support as well as support with childcare costs, and that this needs to sit alongside income maximisation and employability support to best ensure parents can be supported to move into or progress in employment.

4.12 The Affordable Childcare for Working Parents Service is included as part of the City of Edinburgh Local Child Poverty Action Report and it is therefore recognised as a key service to support families out of poverty.

4.13 Conversely, the research undertaken by Ekosgen highlighted that there are many parents who are not currently accessing the subsidised childcare offer from the four providers who could -and should- be able to benefit.

4.14 Additionally, the varying rates of subsidy across the four providers means there is an imbalance of service within the current model.

4.15 The landscape of childcare funding that existed when these contracts were originally procured has changed considerably and will continue to change as the Scottish Government enhance the support through the Best Start, Bright Futures Child Poverty strategy.

4.16 The providers that deliver ELC also receive funding per child to deliver 1,140 hours. The rates for this were recently increased in Edinburgh at the Education, Children and Families Committee on 20 September 2022. This will expand further within this parliamentary term to include one and two year olds.

4.17 Additionally, funding to deliver OSC will also be introduced.

Future model of funding

4.18 It is recommended that the implementation of this funding be revised to ensure employability and income maximisation are integrated into the support to parents.

4.19 Through negotiation with the current four providers, officers intend to extend the contracts for 12 months, in line with the original Committee approval, to 31 March 2024. This will allow time to carry out further co-production with the wider market, both employability and childcare. It will also allow time to carry out market testing around potential other childcare providers interested in bidding for a future contract.

4.20 Additionally, the extension year will allow time to learn from the pilot childcare advice service and the other pilot activity outlined in 3.21.2. It will also allow time to investigate and resolve some of the considerations outlined by Ekosgen in 4.6.

4.21 It is envisaged that the future service will be city-wide and include a parental employability service that is integrated with the childcare providers. This will be achieved through a team of parental employment support officers and will offer holistic support to parents to achieve their employment goals, maximise their income and provide practical childcare support, ensuring that all sources of childcare funding are applied.

4.22 To improve the data collection and performance monitoring of the services, the parental employment support officers will support providers to ensure accurate data input. It is acknowledged that the primary function of the childcare providers is to provide high quality childcare and that this is an area where employability officers could support the current contract providers.

4.23 Ensuring continued alignment of the services going forward will ensure a ‘whole life approach’ to supporting families. This responds to the learnings from Ekosgen’s report that the integration of advice and employability support in the current contracts has been weak and must be strengthened as a priority going forward.

4.24 The current four providers all offer varying rates of subsidised fees. To ensure equity of opportunity for all parents that access a future service, the subsidised rates for each age group should be standardised.

4.25 It is further envisaged that a larger proportion of the funding will go to subsidising fees rather than to subsidise the organisations delivering the service, however this needs to be considered in the context of the availability of childcare provision in certain areas of the city.

4.26 The Best Start, Bright Futures Delivery Plan is from 2022-2026. It is therefore proposed that a new affordable childcare provision commences from 1 April 2024 for an initial period of two years with the option to extend for a further two 12-month periods.

5. Next Steps

5.1 If Committee approves the recommendations of this report:

5.1.1 Officers will undertake further research and co-production to develop a final model to take this funding forward, working in partnership with the established steering group, linking closely with the other family services and utilising the findings and recommendations from Ekosgen’s report. This will sit alongside the development and recruitment of the Parental Employment Support team and operate with the aim for this service to begin in April 2024;

5.1.2 A report with the final proposed delivery model will be presented at a future Housing Homelessness and Fair Work Committee; and

5.1.3 Alongside this strategy, officers will link with Scottish Government and other local authorities to develop and implement the Best Start, Bright Futures Delivery Plan for Edinburgh as this is rolled out.

6. Financial impact

6.1 Currently, there is £872,572 of funding supporting the delivery of this service from the Council's core budget, taking into account the reduction this year to the Kidzcare funding.

6.2 The Parental Employability Support Officers will be funded through the Scottish Government's existing funding allocation to enhance this service.

6.3 If this proposal is agreed, Officers will carry out a full analysis of costs and fees to develop a subsidy model.

6.4 Additional activity which may sit alongside this funding is likely to utilise the anticipated Scottish Government Child Poverty allocation. This will be outlined in a future report to committee as and when the allocation and the parameters for delivery are confirmed from the Scottish Government.

7. Stakeholder/Community Impact

7.1 Stakeholders and local communities have been involved throughout the process of the review and co-production of these service to ensure that the views of the clients and target groups of these services have been represented. Please refer to main body for full explanation of stakeholder involvement within the process.

7.2 An Integrated Impact Assessment has been carried out throughout the process. This continues to be developed and remains a live document while the strategy is in development. As with all strategic decisions, the aim is to ensure no-one is adversely affected by any proposals and programmes and that all services are fully inclusive.

7.3 The impact on families that can access a future Affordable Childcare Service are positive as it enables parents to gain and sustain employment. Ensuring there is strong links and partnership working with employability and advice services, including income maximisation which will ensure that these families benefit in real financial terms.

7.4 Partnership working is at the heart of the development of this proposal, both between Council departments and other partners. The steering group includes key stakeholders who have supported and helped shape the process from the beginning.

8. Background reading/external references

8.1 Scottish Government - Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026.

8.2 City of Edinburgh Local Child Poverty Action Report.

8.3 Council Commitments – Delivering an Economy for All.

8.4 Scottish Government's Parental Employment Support Fund.

9. Appendices

9.1 Appendix 1 - Current contracts information.

9.2 Appendix 2 - Current Providers Fee Structures.

9.3 Appendix 3 - Targets and Outcomes 2019 – 2023.

9.4 Appendix 4 - Ekosgen report (The Future of Affordable Childcare for Working Parents).

Appendix 1: Current contracts information

Current Total Funding Level

Provider	Total funding per annum	Business subsidy per annum	% of allocation towards business subsidy
Childcare Connections	£132,240	£86,466	65%
Kidzcare	£86,150	£0	0
North Edinburgh Childcare	£395,369	£196,530	50%
Smile Childcare	£258,813	£191,049.50	74%
TOTAL	**£872,572.00**	**£474,045.50**	**54%**

Subsidised Places and rates

Childcare Connections				
Child age bracket	**No of weeks provision**	**No of subsidised places offered per day**	**Cost of subsidy to the Council per day**	**Total Funding Allocation**
0 – 2 years Nursery Care				
2 – 3 years Nursery Care (NOT 'eligible 2s')				
5 – 12 term time Breakfast Club Mon- Fri	38	18	£0.50	£1,710
5 – 12 term time – Mon – Thurs ASC	38	96	£2	£29,184
5 – 12 term time Friday ASC	38	96	£2.50	£9,120
5 – 12 holiday full day	12	24	£4	£5,760
OVERALL BUSINESS SUBSIDY – towards general running costs				£86,466
			TOTAL	**£132,240**

Kidzcare				
Child age bracket	**No of weeks provision**	**No of subsidised places offered per day**	**Cost of subsidy to the Council per day**	**Total Funding Allocation**
0 – 2 years Nursery Care	51	8	£15.50	£31,620
2 – 3 years Nursery Care (NOT 'eligible 2s')	51	11	£15.50	£43,478
5 – 12 term time Breakfast Club Mon- Fri	0	0	£0.00	£0.00
5 – 12 term time – Mon – Thurs ASC	38	40	£1.75	£10,640
5 – 12 term time Friday ASC	38	40	£1.75	£2,660
5 – 12 holiday full day	8	5	£6.00	£1,200
OVERALL BUSINESS SUBSIDY – towards general running costs				
(all places are subsidsed)			**TOTAL**	**£89,598**

North Edinburgh Childcare				
Child age bracket	**No of weeks provision**	**No of subsidised places offered per day**	**Cost of subsidy to the Council per day**	**Total Funding allocation**
0 – 2 years Nursery Care	50	8 7	£4.86 £4.86+£6.46	£9,720 £19,810
2 – 3 years Nursery Care (NOT ‘eligible 2s’)	50	8 10	£2.26 £2.26+£6.46	£4,520 £21,800
5 – 12 term time Breakfast Club Mon- Fri	50	0 23	£1.82 £1.82+£6.46	£0.00 £47,610
5 – 12 term time – Mon – Thurs ASC	38	150 90	£1.01 £1.01+£1.22	£23,028 £30,506.40
5 – 12 term time Friday ASC	38	150 90	£0.74 £0.74+£0.61	£4,218 £4,617
5 – 12 holiday full day	12	62 70	£1.58 £1.58+£4.88	£5,877.60 £27,132
OVERALL BUSINESS SUBSIDY – towards general running costs				£196,530
(2 levels of subsidy available)			**TOTAL**	**£395,369**

SmileChildcare				
Child age bracket	**No of weeks provision**	**No of subsidised places offered per day**	**Cost of subsidy to the Council per day**	**Total Funding Allocation**
0 – 2 years Nursery Care	50	12	6.22	18,660
2 – 3 years Nursery Care (Non-funded – i.e NOT eligible 2s)	50	10	6.22	15,550
3 - 4 years Nursery Care (before SG 1140 funding starts)	50	0	0	0
5 – 12 term time – Mon – Thurs	38	15	1.89	4,309.20
5 – 12 term time Friday	38	15	3.24	1,846.80
5 – 12 holiday full day	12	12	4.00	2,880
5 – 12 Full Year Care Mon - Thurs	50	35	2.73	19,110
5 – 12 Full Year Care Friday	50	35	3.09	5,407.50
OVERALL BUSINESS SUBSIDY – towards general running costs				191,049.50
			TOTAL	**£258,813**

It should be noted that COVID 19 had an impact on all providers, as with most childcare services, and the long-term implications of this are still being identified.

For Kidzcare, the after school club they operated was forced to close at the end of June 2022 due to lack of viability. They saw a sharp reduction in parents requiring the care and the service was no longer cost effective. Parents affected by the closure of the after school club were offered support to find alternative care, including the offer of employability provision. Their revised funding allocation with the Campus after school club closing on 30 June 2022 but the nursery continuing to 31 March 2023 is £86,150. The breakdown of places is in the table below:

Kidzcare				
Child age bracket	**No of weeks provision**	**No of subsidised places offered per day**	**Cost of subsidy to the Council per day**	**Total Funding Allocation**
0 – 2 years Nursery Care	51	8	£16.30	£31,620
2 – 3 years Nursery Care (Non-funded – i.e NOT eligible 2s)	51	11	£16.30	£43,478
5 – 12 term time Breakfast Club Mon- Fri	0	0	£0.00	£0.00
5 – 12 term time – Mon – Thurs ASC	12	15	£8.30	£5,976
5 – 12 term time Friday ASC	12	12	£8.30	£1,195
5 – 12 holiday full day	0	0	£6.00	£0.00
OVERALL BUSINESS SUBSIDY – towards general running costs				
(all places are subsidsed)			**TOTAL**	**£86,150** (rounded)

Appendix 2: Current Providers Fee Structures

Overview of current subsidised and unsubsidised rates

Daily rates		Childcare Connections	North Edinburgh Childcare	Smile Childcare	Kidzcare
0-2yrs	Unsubsidised	-	£53.33	£45.00	£55.70
	Subsidised	-	£47.60 (tier 2) £40.15 (tier 1)	£39.74 (subsidy 1) £34.56 (subsidy 2)	£40.85
2-3yrs	Unsubsidised	-	£45.93	£45.00	£55.70
	Subsidised	-	£43.31 (tier 2) £35.79 (tier 1)	£39.74 (subsidy 1) £34.56 (subsidy 2)	£40.85
3-5yrs	Unsubsidised	-	£47.68	£45.00	£55.70
	Subsidised	-	£45.56 (tier 2) £38.04 (tier 1)	£39.74 (subsidy 1) £34.56 (subsidy 2)	£40.85
OSC Mon-Thurs	Unsubsidised	£12.60	£13.69	£11.07	-
	Subsidised	£10.00	£12.54 (tier 2) £11.14 (tier 1)	£9.08	-
OSC Friday	Unsubsidised	£15.60	£18.25	£15.12	-
	Subsidised	£12.50	£17.41 (tier 2) £16.71 (tier 1)	£12.38	-
OSC Holiday	Unsubsidised	£25.20	£29.65	£25	-
	Subsidised	£20.00	£27.84 (tier 2) £22.27 (tier 1)	£20.50	-

Full Fee Structures for the 4 Providers

Childcare Connections Fees 2022		
Out of School Care		
	Subsidised	**Non subsidised**
Monday to Thursday (Term time)	£10.00	£12.60
Friday (Term time)	£12.50	£15.60
Full day (school holidays)	£20.00	£25.20
Half day Am/PM (school holidays)	£12.50	£15.75

North Edinburgh Childcare

ROBIN ROOM (4 months – 2 years) FROM 1 APRIL 2022 TO 31 MARCH 2023

	Tier 3	Tier 2		Tier 1	
	Fee Tier 3	Subsidy	Fee Tier 2	Additional Subsidy	Fee Tier 1
AM	£28.44	-£2.79	£25.65	-£3.82	£21.83
PM	£24.89	-£2.94	£21.95	-£3.63	£18.32
FD Total	£53.33	-£5.73	£47.60	-£7.45	£40.15

PUFFIN ROOM (2-3 years) FROM 1 APRIL 2022 TO 31 MARCH 2023

	Tier 3	Tier 2		Tier 1	
	Fee Tier 3	Subsidy	Fee Tier 2	Additional Subsidy	Fee Tier 1
AM	£23.94	-£1.31	£22.63	-£3.76	£18.87
PM	£21.99	-£1.31	£20.68	-£3.76	£16.92
FD Total	£45.93	-£2.62	£43.31	-£7.52	£35.79

PENGUIN ROOM (3-5 years) FROM 1 APRIL 2022 TO 31 MARCH 2023

	Tier 3	Tier 2		Tier 1	
	Fee Tier 3	Subsidy	Fee Tier 2	Additional Subsidy	Fee Tier 1
AM	£24.81	-£1.06	£23.75	-£3.76	£19.99
PM	£22.87	-£1.06	£21.81	-£3.76	£18.05
FD Total	£47.68	-£2.12	£45.56	-£7.52	£38.04

OUT OF SCHOOL

	Tier 3	Tier 2		Tier 1	
	Fee Tier 3	Subsidy	Fee Tier 2	Additional Subsidy	Fee Tier 1
Mon-Thu	£13.69	-£1.15	£12.54	-£1.40	£11.14
Friday	£18.25	-£0.84	£17.41	-£0.70	£16.71
TT per Week	£73.01	-£5.44	£67.57	-£6.30	£61.27
Holiday Day	£29.65	-£1.81	£27.84	-£5.57	£22.27
Holiday Week	£148.25	-£9.05	£139.20	-£27.85	£111.35
1/2 Day HC Fee	£17.79	-£1.09	£16.70	-£3.34	£13.36

BREAKFAST CLUB

	Fee
Per Day	£5.01

Smilechildcare– Fees from August 2022

Under-5s year-round full-day care

	Third Party	**Full Cost**	**Median** Subsidy 1	Subsidy 2
Week	£247.50	£225.00	£198.70	£172.80
Day	£49.50	£45.00	£39.74	£34.56
AM	£26.75	£23.50	£20.87	£18.28
PM	£22.75	£21.50	£18.87	£16.28

1140 Funded
Inc. Eligible 2's weekly funding reductions based on full time hours are as follows:

	Full Cost	Funded
1140 hours term-time weekly reduction - £39.74	£119.10	
1140 hours Full Year weekly reduction - £39.74	£90.52x50/12=£377.15	
1140 hours term-time weekly reduction - £45.00	£135.00	**Use Median 1140 rate if funded.**
1140 hours Full Year weekly Reduction - £45.00	£102.60x50/12=£427.50	

Out of school care – term time only

	Third Party	**Full cost**	**Funded**
Week	£65.31	£59.40	£48.70
Mon-Thurs	£12.17	£11.07	£9.08
Fri Half Day	£16.63	£15.12	£12.38

Out of school care – holidays only

	Third Party	**Full cost**	**Funded**
Per day – all ages		£25	£20.50
AM or PM		£13.50	£11.50

Out of school care – full year

	Third Party	**Full cost**	**Funded**
Week	£84.77	£77.06	£63.18
Mon - Thurs	£16.30	£14.82	£12.15
Fri Half Day	£19.56	£17.78	£14.58

Breakfast Club

		Full Cost	
Per Day		£5.00	

KIDZCARE @ HAYSTAX

FEE SHEET

EFFECTIVE FROM 01 JANUARY 2022

	Subsidised rates 2022		Standard rates 2022	
	Monthly	Weekly	Monthly	Weekly
1 Session	£89.00	£20.95	£128.00	£30.10
2 Session	£178.00	£41.90	£256.00	£60.20
3 Session	£267.00	£62.85	£384.00	£90.30
4 Session	£356.00	£83.80	£512.00	£120.40
5 Session	£445.00	£104.75	£640.00	£150.50
1 day	£174.00	£40.85	£237.00	£55.70
2 day	£348.00	£81.70	£474.00	£111.40
3 day	£522.00	£122.55	£711.00	£167.10
4 day	£696.00	£163.40	£948.00	£222.80
5 day	£870.00	£204.35	£1,185.00	£278.50
5 full days - 10% discount			£1,067.00	
Short Stop				
1 Session	£48.00	£11.20	£72.00	£16.85
2 Sessions	£96.00	£22.40	£144.00	£33.70
3 Sessions	£144.00	£33.60	£216.00	£50.55
4 Sessions	£192.00	£44.80	£288.00	£67.40
5 Sessions	£240.00	£56.00	£360.00	£84.25
Wrap Around				
1 session	£30.00	£6.95	£30.00	£6.95
2 sessions	£60.00	£13.90	£60.00	£13.90
3 sessions	£90.00	£20.85	£90.00	£20.85
4 sessions	£120.00	£27.80	£120.00	£27.80
5 sessions	£150.00	£34.75	£150.00	£34.75

Appendix 3 Targets and Outcomes 2019 – 2023

2022 - 2023					
	Targets	Number of new families engaged in this financial year (subsidised)	Total number of families supported in this financial year (subsidised)	Number of families referred to employability/ support organisations (up to 30 June 2022)	Number of families assessed as not requiring subsidy due to improved income (target at least 10%)
Childcare Connections	Annual	20	60	25	6
	Actual to date	0	50	1	0
Kidzcare	Annual	12	47	14	5
	Actual to date	2	37	1	4
North Edinburgh Childcare	Annual	100	100	30	10
	Actual to date	8	111	0	1
Smile Childcare	Annual	154	271	20	27
	Actual to date	5	18	0	0
TOTAL	**Annual**	**286**	**478**	**89**	**48**
	Actual to date	**15**	**216**	**2**	**5**

2021 - 2022					
	Targets	Number of new families engaged in this financial year (subsidised)	Total number of families supported in this financial year (subsidised)	Number of families referred to employability/ support organisations	Number of families assessed as not requiring subsidy due to improved income (target at least 10%)
Childcare Connections	Annual	20	60	25	6
	Actual to date	32	53	5	4
Kidzcare	Annual	20	87	14	9
	Actual to date	8	46	12	6
North Edinburgh Childcare	Annual	100	100	30	10
	Actual to date	18	20	2	4
Smile Childcare	Annual	154	271	20	27
	Actual to date	14	29	3	0
TOTAL	**Annual**	**294**	**518**	**89**	**52**
	Actual to date	**72**	**148**	**22**	**14**

2020 - 2021					
	Targets	Number of new families engaged in this financial year (subsidised)	Total number of families supported in this financial year (subsidised)	Number of families referred to employability/ support organisations	Number of families assessed as not requiring subsidy due to improved income (target at least 10%)
Childcare Connections	Annual	20	60	25	6
	Actual to date	2	36	3	1
Kidzcare	Annual	20	87	14	9
	Actual to date	25	63	7	14
North Edinburgh Childcare	Annual	100	100	30	15
	Actual to date	18	270	0	178
Smile Childcare	Annual	154	271	20	27
	Actual to date	1	18	1	1
TOTAL	Annual	**294**	**518**	**89**	**57**
	Actual to date	**46**	**387**	**11**	**194**

2019 - 2020					
	Targets	Number of new families engaged in this financial year (subsidised)	Total number of families supported in this financial year (subsidised)	Number of families referred to employability/ support organisations	Number of families assessed as not requiring subsidy due to improved income (target at least 10%)
Childcare Connections	Annual	20	60	25	39
	Actual to date	15	117	5	11
Kidzcare	Annual	20	87	14	9
	Actual to date	19	80	7	11
North Edinburgh Childcare	Annual	100	100	30	15
	Actual to date	49	52	0	48
Smile Childcare	Annual	154	271	20	27
	Actual to date	40	45	2	0
TOTAL	Annual	**294**	**518**	**89**	**90**
	Actual to date	**123**	**294**	**14**	**70**

Appendix 4: Ekosgen report

The Future of Affordable Childcare for Working Parents

for

The City of Edinburgh Council

September 2022

Report completed/submitted by:	Pamela Reid and Adam Ferguson
Proof check completed by:	8th September 2022
Date:	
Report reviewed by:	Pamela Reid
Date:	8th September 2022

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Introduction

Background and context

1.1. In March 2022, the City of Edinburgh Council commissioned ekosgen to review its Affordable Childcare Contracts model which seeks to support low income families in the city through the provision of subsidised childcare.

1.2. The model has been active for over 10 years, with the latest delivery period from April 2019 to March 2023, the period this review is focused on. The Council's Business Growth and Inclusion Team (BGI) awards £870,000 each year to four childcare providers in the most deprived areas of the city to facilitate the subsidisation of childcare for families across pre-school nursery and after school (0-12 years). Its overarching aim is: '*To ensure that as many families as possible are supported to access subsidised childcare as part of an integrated, person-centred approach to reducing poverty and inequality*'.

1.3. Therefore, alongside childcare, the model seeks to improve the employability prospects of parents/carers. A more detailed description of and background to the model is provided in Chapter 3.

1.4. The landscape of the childcare sector in Scotland has changed and will continue to do so, driven by the introduction of 1,140 hours of funded provision. Recent policy commitments set out in the Scottish Government's 2021-22 Programme for Government, including the offer of funded places being extended to younger age groups where a household has a low income and a system of out of school care (OSC) covering before and after school as well as holiday care, also have implications for the sector and workforce at both national and local levels. Alongside this, the sector had to operate within difficult and restrictive parameters throughout the COVID-19 pandemic, and it continues to face challenges when it comes to recruiting new entrants and retaining existing employees.

1.5. Taking all of this into consideration, it was important for the City of Edinburgh Council to understand the effectiveness of its current model with a view to ensuring childcare is both affordable and accessible for low income families in Edinburgh.

Study aims

1.6. The overall aim of this research is to investigate whether the current Affordable Childcare Contracts delivery model is appropriate and meeting the needs to low income families looking to gain or sustain employment in Edinburgh. The study has several key objectives, as set out below:

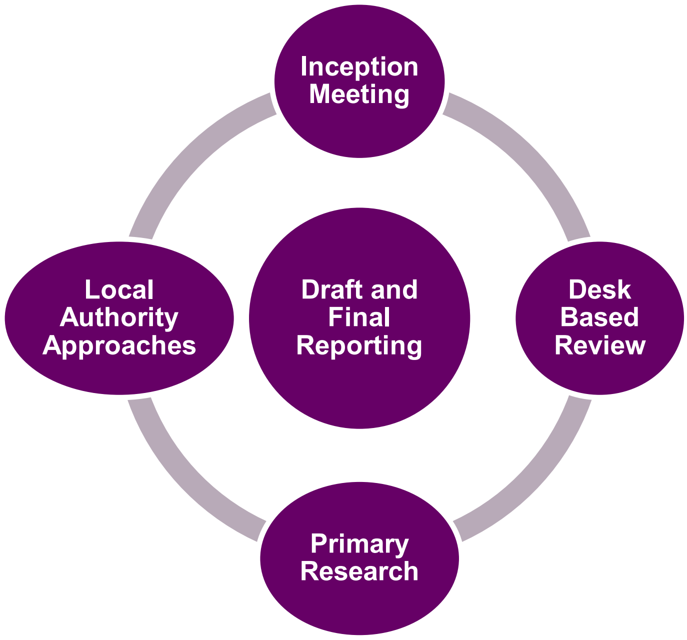
- Review good practice examples from other local authority areas in Scotland in terms of supporting families into employment through childcare intervention or assistance;
- Analyse the current level of childcare provision in Edinburgh, particularly for working families seeking employment or looking to sustain employment, and establish what childcare services would meet the needs of parents/carers to achieve this;
- Indicate the strengths and weaknesses of the current model and the impact of the current investment;
- Analyse the employability landscape in Edinburgh in relation to current and potential working parents/carers through analysis of labour market statistic, local employability data, and child poverty reports to help identify the need for the Affordable Childcare Contracts model;
- Using co-production to understand the views of working parents/carers, prospective service users and employability providers who may have a role in support families to sustain or progress in employment; and

- Produce recommendations on how the Council can better support working families on low incomes, reduce poverty and ensure the best value for its available spend.

Study methods

1.7 A key component of the research methodology was that it was participatory to ensure co-production through engagement with parents, childcare and employability provider, and key stakeholders. The study method is presented in Figure 1.1.

- *Figure 1.1: Study method*



1.8. Further detail on the methodology is presented throughout the report, however a brief breakdown of the primary research undertaken is provided in Table 1.1.

- *Table 1.1: Primary research summary*

Target	Approach
Key stakeholders	• 6 consultations with key stakeholders, including the City of Edinburgh Council, Capital City Partnership employability providers, and membership organisations
Childcare providers	• 4 consultations with each of the childcare providers funded as part of the Affordable Childcare Contracts model
Employability providers	• Focus group with 3 employability providers operating in Edinburgh
Parents – subsidised and non-subsidised	• Focus group with 3 parents receiving subsidised childcare support • One online survey with separate question sets: ○ One for subsidised parents receiving childcare support which received 57 responses ○ One for non-subsidised parents/carers accessing childcare in Edinburgh which received 352 responses
Local authorities	• 3 consultations with local authorities to explore alternative approaches to childcare and employability support services

1.9. Throughout the research process, a series of presentations were delivered to the project Steering Group to report on study progress and emerging findings. These also provided an opportunity for Steering Group members to contribute to the research and provide valuable expertise on both the Affordable Childcare Contracts model and the childcare and employability landscape in Edinburgh.

Structure of the report

1.10. The remainder of the report is structured as follows:

- **Chapter 2** sets out the childcare and employability landscape in Edinburgh, including the number of businesses and employees in the childcare sector and a mapping of employability services.
- **Chapter 3** outlines the Affordable Childcare Contracts model and the strategic context within which it sits.
- **Chapter 4** explores the childcare needs in Edinburgh, covering the current use of childcare, employment, education and training outcomes, and the strengths and challenges of the Affordable Childcare Contracts model. It then highlights future support needs.
- **Chapter 5** considers examples of good practice across Edinburgh and other local authorities around childcare and employability services and lowering the cost of childcare for families.
- **Chapter 6** provides our overall conclusions, issues for considerations and recommendations from the research.

1.11. The following information is appended:

- **Appendix 1** presents the organisations who were consulted as part of the research.
- **Appendix 2** sets out the childcare business and employment landscape in Edinburgh in more detail.

2 Childcare and employability in Edinburgh

Introduction

2.1 This chapter presents a broad overview of the childcare sector in Edinburgh, drawing on secondary data sources to present a profile of childcare-related businesses and employees in the city. Thereafter, it maps out the existing employability landscape in Edinburgh, setting out the services that are available. More detail on the definitions used in this analysis, the business base, and the employment for the childcare sector in Edinburgh can be found at **Appendix 2**.

Business base and employment

2.2. The number of childcare businesses in Edinburgh grew at a pace faster than all Edinburgh businesses between 2013 and 2015 but have been on an overall decline since 2016. At the same time, growth across all businesses has largely remained steady. In 2021, there were about 120 child day-care activities and 15 pre-primary education businesses in Edinburgh, for a total of around 135 childcare businesses in the city.

2.3. Childcare businesses in Edinburgh are overall larger in size than childcare businesses across Scotland. This reflects the high demand for childcare provision in Edinburgh, one of Scotland's largest cities, and the need for businesses with a suitably sized workforce to meet this demand.

2.4. The two subsectors however differ in the size of businesses. On the one hand, the Pre-primary education sub-sector in Edinburgh is made up entirely of micro and small businesses, with small businesses increasing slightly from 2011 to 2021. On the other hand, the Child day-care activities sub-sector, whilst being made up predominantly of micro and small businesses, also contains some medium-size businesses.

2.5. The Pre-primary education businesses have had some growth in size from 2011 to 2021, reflecting the nature of the sector and service delivery, where settings with between 10 and 49 employees tend to be the norm. In the Child day-care activities subsector, instead, there has been some growth in the number of micro Child day-care activities businesses in Edinburgh from 2011 to 2021, which may be due to more demand for childcare services as a result of the introduction of 1,140 funded hours in 2021.

2.6. The number of childcare employees increased by just over 3% between 2016 and 2020, driven entirely by an increase in number of Pre-primary education employees. Childcare employment has been more volatile than overall employment Edinburgh. The former saw a sharp increase between 2018 and 2019, likely due to preparation efforts for the introduction of 1,140 funded hours. There was a decline in the following year due to the COVID-19 pandemic and its impact on employment stability.

2.7. Pre-primary education employees located in Edinburgh are more likely than the national average to be employed full time rather than part time. This may reflect the nature and scale of the service in Edinburgh, a large and densely populated city. There is, however, no such difference between Edinburgh-located or national employees for the child day-care subsector.

2.8. Childcare services make up a substantive part of Edinburgh's social services: in 2020, around 59% of social services in Edinburgh were childcare-related. Mirroring all social services in Edinburgh and childcare services in Scotland, childcare services in Edinburgh declined from 2016 to 2020, particularly Day care of children services.

2.9. Despite the decline in the number of Care Inspectorate-registered childcare services in Edinburgh between 2016 and 2020, there has been a slight increase in the number of workers across the period. This may indicate a higher share of the workforce being employed in fewer organisations and could have implications for future service delivery if the trend continues, e.g. fewer childcare options for parents and carers to choose from.

Employability services

2.10. The section presents an overview of services that provide employability support and information to individuals living in Edinburgh. The current Affordable Childcare Contracts model already engages with some of the services described below, and any future model should seek to continue and expand on this engagement order to improve employment outcomes and address cost as a barrier to childcare.

Joined up for Jobs

2.11. The Joined up for Jobs network is a partnership of third, private and public sector organisations working towards achieving inclusive growth in Edinburgh[1]. A range of key stakeholders work collaboratively to provide employability support across the city, including the City of Edinburgh Council, Capital City Partnership, Department for Work and Pension, Skills Development Scotland, Edinburgh college, Edinburgh Chamber of Commerce, and Edinburgh University. The Joined up for Jobs website provides a directory of all the organisations and services offering employability support in Edinburgh, as well as information on upcoming employability events and the Joined up for Jobs noticeboard, which displays the latest news, course and training information, conferences, and job vacancies. As well as supporting job seekers, the Joined up for Jobs network can assist employers and service providers through:

- **Joined up for Business**: Brings together a range of employer services under one framework to provide support for specific business needs, including bespoke recruitment services, vacancy posting, identifying financial incentives, SME and micro business support, and more. As an example, the Recruitment and Skills Centre (RSC) at Fort Kinnaird is a partnership with British Land and Joined up for Business and supports jobseekers to gain and retain employment in the area[2].
- **Joined up for jobs provider forum**: An independent network of employability service providers in Edinburgh, run by and for providers through a steering group. It meets regularly with the aim of strengthening the links between employability and tackling poverty in the city.

2.12. Some examples of organisations that are part of the Joined up for Jobs network are provided below.

Community Help & Advice Initiative (CHAI)

2.13. CHAI operates across Edinburgh and Midlothian and provides advice and information on topics including housing, welfare benefits, money, and employability[3]. The service is free and confidential and has a strong focus on supporting young people into employment, while also supporting adults and families. CHAI works in partnership with the Dunedin Canmore Housing Association to deliver the No One Left Behind[4] activity agreement, engaging with young people aged between 15.5 years and 26 years old.

2.14. The service includes one-to-one support as well as opportunities for young people to attend a weekly employability hub – the latter includes a programme of learning and activity designed to inform pathways into further education, training or employment. Young people who engage with CHAI may also

[1] https://www.joinedupforjobs.org/

[2] https://rscfortkinnaird.co.uk/

[3] https://chaiedinburgh.org.uk/employability/

[4] https://www.employabilityinscotland.com/policy/no-one-left-behind/

be eligible to apply for an Educational Maintenance Allowance payment of £30 per week. The CHAI website includes a range of advice resources.

Volunteer Edinburgh

2.15. Volunteer Edinburgh provides individuals with the opportunity to undertake volunteering activities across the city[5]. The website provides information on how to volunteer and, through an online database, lists a wide range of volunteering opportunities in Edinburgh.

2.16. However, the service also includes an important employability strand, which supports individuals to identify their skills, talents and aspirations and to use volunteering as a 'stepping stone' into employment. Volunteer Edinburgh work coaches engage with individuals to enhance their employability prospects through:

- CV preparation;
- Job application support;
- Online interview skills development; and
- Setting career goals.

2.17. Service Taster resources are provided on the Volunteer Edinburgh website and these outline the services offered, while in-person employability drop-in sessions are ordinarily available – however, these were being reviewed during the COVID-19 pandemic.

Next Step Edinburgh

2.18. Next Step Edinburgh launched in 2019 and is delivered by the Community Renewal Trust in partnership with Citizens Advice Edinburgh, Cre8te Opportunities, and One Parent Families Scotland, on behalf of the City of Edinburgh Council[6]. The service assists individuals across a range of areas, including in-work poverty, unemployment, training needs, career stagnation, and work and personal issues. It provides high-quality, integrated support to help people achieve better work outcomes and does this through person-centred, one-to-one support.

2.19. Next Step Edinburgh is in the process of engaging with employers as a means to accessing under-used talent amongst Edinburgh residents. It operates several drop-in centres across the city which people can use at any time, including some evenings and weekends. Appointments can also be arranged directly by Edinburgh residents, job centre staff or professionals in third sector organisations.

2.20. A core driver of Next Step Edinburgh is to support people in-work, while tackling low income and unemployment. Support activities include CV development, job application preparation, and interview training, as well as signposting to vocational training opportunities.

All in Edinburgh

2.21. Delivered in collaboration across The Action Group, ENABLE Works, Forth Sector, and IntoWork, All in Edinburgh provides free employability support for individuals who have a disability of long-term health condition and are living in Edinburgh[7]. The service also engages with organisations that are exploring recruitment options and matches people with these organisations (and jobs). There are five core elements, or stages, of employability support provided through All in Edinburgh:

- **1 – Client engagement**: including initial meeting and action planning.

[5] https://www.volunteeredinburgh.org.uk/
[6] https://www.communityrenewal.org.uk/projects/next-step/
[7] http://allinedinburgh.org.uk/

- **2 – Vocational programming**: including career planning, reviewing action plans, and collecting employer information.
- **3 – Job finding**: including identifying employment and labour market opportunities, creating a support network, and identifying additional support needs.
- **4 – Employer engagement**: including job searching, approaching employers, job analysis and matching, and securing employment.
- **5 – On and off the job support**: including job induction and orientation support, stabilisation, fade out, and follow up support.

Edinburgh Guarantee

2.22. The Edinburgh Guarantee supports people of all ages and backgrounds to easily access and progress in fair work, training or further education[8]. It does so through collaboration with a network of employers and partners, ensuring job seekers can find the support they need to progress. The Edinburgh Guarantee was established in 2011 initially to address the needs of school leavers who were unable to move into positive destinations and still has a strong employability support component aimed at young people.

2.23. It also offers employers in the city the opportunity to pledge their support and be supported in the process, for instance through advertising vacancies on The Edinburgh Guarantee Job Board with recruitment and facilitation support, or by accessing funding that can be used towards training, wages and other staff costs. Employers can partner with The Edinburgh Guarantee through a range of means, such as offering employment, placements, workplace visits, providing training, and sponsoring employability sessions and events.

Parent Employability Support Fund (PESF)

2.24. Several Edinburgh-based PESF projects also form part of the Joined up for Jobs network[9]. These are projects that have received funding from the Scottish Government in order to provide support for parents who face barriers to progressing their careers, including help to gain qualifications, improving skills, work experience, advice around money, and motivational support[10].

2.25. **The SPACE & Broomhouse Hub – Workspace Employment and Skills** project supports parents out of work and those in low income employment in South-West Edinburgh, providing access to new skills, interview technique practice and CV development. The project also provides a pro-active, holistic and integrated approach to supporting clients interested in business start-up and provides confidence and skills around applying for self-employed or home working/contract jobs.

2.26. **Access to Industry – Access Data** and **Access Progress** projects including support for Edinburgh-based parents interested in data training/re-training to support digital skills development (Access Data), and identifying barriers to progression for parents who are unemployed through one-to-one caseworker support (Access Progress).

2.27. Enable Scotland's **Progress for Parents** supports parents of disabled children in Edinburgh into employment or to progress in their current employment, with a focus on income maximisation to remove financial barriers. This includes one-to-one support from an Employment Co-ordinator, considering needs around flexible working, digital skills/poverty, and employment rights.

2.28. **The Datakirk – BAMELYTICS** project targets BAME parents who have been disproportionately impacted by the pandemic with a focus on data literacy and upskilling from data professionals/mentors.

[8] https://www.edinburghguarantee.org/
[9] https://www.joinedupforjobs.org/uploads/store/mediaupload/248/file/JUfJ%20PESF%20Presentation.pdf
[10]

This includes blended learning, virtual training, lab sessions and networking and has an employability component, e.g. CV writing, mock interviews, careers advice, and meet the industry events.

3 Affordable Childcare Contracts

Headline findings

- The current Affordable Childcare Contracts model sees £870,000 in funding allocated each year since 2019 to four childcare providers in Edinburgh to deliver affordable, subsidised ELC and OSC provision. These providers are:
  - North Edinburgh Childcare;
  - Smilechildcare;
  - Childcare Connections; and
  - Kidzcare
- In order to access the funded childcare, families must meet eligibility criteria which are assessed annually by each of the providers.
- To receive the subsidy, the normal cost of childcare must take the household below 75% of their median income, which is recognised as relative low income. Families are not eligible for the subsidy if they also receive childcare support costs from alternative sources.
- Childcare providers were given a set of aims and objectives. While some of these aims and objectives have been met, there have been difficulties in achieving others.
- The model enables the childcare providers to provide a consistent level of care to families who need it most.
- The providers felt that they were in a strong position to assess the childcare needs of families and ensure families received childcare support through the subsidy, where appropriate.
- However, a key gap has been in developing strong links between subsidised childcare provision for low income families and access to employability services.
- There is therefore a disconnect between the childcare providers and prospective employability services in Edinburgh.
- Some monitoring data collated by the four providers includes information not related to the Affordable Childcare Contracts model.
- It is clear that the monitoring data collation process will have to be reviewed in future to ensure a clear, consistent and accurate approach to monitoring data collation.

Introduction

3.1. This chapter sets out the strategic context for the review of Affordable Childcare Contracts model, both at the national and local levels. It then describes the model, the rationale behind it in this context, and how it works in practice. The chapter concludes by examining the monitoring processes undertaken as part of the model, as well as analysis of progress around supporting families, where data is available.

Strategic context

National

3.2. The childcare sector across Scotland has undergone several significant changes in recent years and this has been driven largely by the introduction of new policy at a national level. The Scottish Government implemented its national policy to increase the number of funded hours of early learning and childcare (ELC) to 1,140 hours for all three to four-year olds and some two-year olds in August 2021. This has impacted on the provision of childcare services, with providers having to meet higher levels of demand from parents/carers in terms of the number of hours accessed.

3.3. Since the expansion in August 2021, the Improvement Service (IS) and Scottish Futures Trust (SFT) continue to monitor its progress and delivery across all local authorities[11]. The latest report, published in May 2022, indicates that over 121,100 children were accessing funded ELC as of the end of April 2022 – of these, 97% were accessing more than 600 hours and 87% were accessing the full 1,140 hours[12]. There has been a 3% year-on-year increase in numbers of children aged two to five reported to be accessing funded ELC, and among eligible two-year-olds there continues to be year-on-year increases both in the number of children accessing funded ELC and in the proportion of children accessing the full 1,140 hours. The rise in delivery has facilitated an increase in the overall local authority ELC workforce in Scotland, which is reported to have increased by 8,845 FTE since the academic year 2016/17, with an increase of 357 FTE between January and April 2022.

3.4. Following the expansion, the Scottish Government's Programme for Government (PFG) for 2021/22 outlined a range of policy commitments for the sector in Scotland[13]. This includes an offer of funded early learning to all one and two-year olds where a household has a low income. Engagement with families, the childcare sector more widely and academic experts is planned to inform the design of the new offer.

3.5. The PFG also outlines a commitment to develop a system of wraparound out of school care (OSC), providing care before and after school all year round, while supporting parents/carers to have secure and stable employment. The focus here will again be on parents/carers with lower incomes to try and address cost-related barriers to childcare. The Scottish Government is supporting 18 pilot projects to test innovative models of school age childcare for families most at risk of poverty with an evaluation of the pilot projects expected by September 2022.

3.6. There will be a series of workshops delivered to ensure the experiences of childcare users are considered as part of this, with a diverse and inclusive panel set up to include parents, carers, children and young people. The Scottish Government will also publish a 5-year delivery plan in 2022 which will set out the phasing and timescales for delivery of these commitments.

3.7. The development of a new 5-year Workforce Strategy will support the sector, and will take into consideration areas such as capacity, provision, recruitment and retention challenges and priorities for action over the short, medium and long term. Work is also ongoing to develop a plan for OSC provision and the expectation is this will be published in August 2022.

3.8. The Scottish Government published its Tackling Child Poverty Delivery Plan 2022-26, 'Best Start, Bright Futures', in March 2022. Following on from the first Plan 'Every Child, Every Chance'[14], it aims to reduce child poverty in Scotland. One of the key actions is around Connectivity and Childcare, which includes the development of a strategic plan for all childcare policy commitments in summer 2022 and ensuring families in communities across Scotland have accessible childcare options. As part of this, there is a commitment to review how Demand Responsive Transport (DRT) can be used to support low income families. Under the Social Security action area, there is a commitment to increasing the Scottish Child Payment from £20 to £25 when the benefit is extended to under 16s by the end of 2022. Other actions set out in the Plan include:

[11] Analysis is not provided for each individual local authority, i.e. City of Edinburgh

[12] https://www.improvementservice.org.uk/__data/assets/pdf_file/0022/35635/ELC-Delivery-Progress-Report-May-22.pdf

[13] https://www.gov.scot/publications/fairer-greener-scotland-programme-government-2021-22/

[14] https://www.gov.scot/news/tackling-child-poverty-delivery-plan-2022-26/

- Enhancing 'benefit in kind' offers to parents, including around childcare, to increase employment opportunities and ease cost of living pressures.
- Improving access and availability of childcare.

3.9. The Plan sets several targets to be met by 2030, including:

- Fewer than 18% of children living in families in relative poverty in 2023-24, reducing to fewer than 10% by 2030.
- Fewer than 14% of children living in families in absolute poverty in 2023-24, reducing to fewer than 5% by 2030.
- Fewer than 7% of children living in families in combined low income and material deprivation in 2023-24, reducing to fewer than 5% by 2030.

3.10. In March 2022, National Strategy for Economic Transformation (NSET)[15] was launched by the Scottish Government. The Strategy sets out a need to ensure a **fully-functioning childcare sector** as part of delivering a 'Fairer and More Equality Society', which will be vital to enabling parents and carers to return to work or increase their working hours. A strong childcare sector will also help to build on Scotland's No One Left Behind agenda[16], and there are opportunities to link in with employability services and ensure the facilitation of a person-centred approach.

3.11. As part of the NSET's Programme of Action, the Scottish Government will work with employers and trade unions in sectors where lower pay and unstable employment is more common to "*deliver sectoral Fair Work agreements, in partnership with industry and trade unions, that deliver payment of the real living wage, better security of work, and wider 'Fair Work first' standards*".

3.12. Another aim of the Strategy is to 'ensure that Every Contact Counts in delivering an aligned and integrated offer of support for those seeking to move towards, into or progressing within the labour market' through, in part, access to affordable and flexible childcare for individuals and families.

3.13. Work is currently ongoing to undertake a refresh of the evidence base sitting behind Skills Development Scotland's (SDS) ELC Skills Investment Plan (SIP), as well as a review of progress against SIP objectives. SDS published the SIP in January 2018, outlining the skills challenges and opportunities across the childcare sector, whilst providing a picture of the economic and labour market situation, trends in skills and qualification supply and employers' perspectives on the key skills issues affecting sector growth[17]. The SIP builds on the Skills Investment Plan Prospectus, published in March 2017, which presented the first skills report for the ELC sector[18]. The ongoing review of the SIP will consider the current strategic context and policy commitments, incorporating OSC.

3.14. SDS and the Scottish Funding Council (SFC) collaborated on a Skills Alignment Pilot for ELC, which set out to ensure that skills training funded by SDS and SFC would be more collaborative and complementary, and that it would focus on achieving common aims and outcomes for the sector.

Local

3.15. As well as the national strategic context, which has an impact on local childcare provision, capacity and therefore accessibility, there are also a range of local commitments and policies affecting the childcare sector in Edinburgh.

[15] https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/

[16] https://www.gov.scot/publications/no-one-left-behind-delivery-plan/

[17] https://www.skillsdevelopmentscotland.co.uk/media/44206/early-learning-and-children-sip-digital.pdf

[18] https://www.skillsdevelopmentscotland.co.uk/media/43127/early-learning-and-childcare-sip-digital.pdf

3.16. Edinburgh's Economic Strategy: Delivering Good Growth for Everyone, launched in 2018, outlines the challenges around childcare in Edinburgh, particularly around affordability and accessibility[19]. A key action set out in the Strategy is to improve the availability and affordability of childcare for those on low incomes, thus supporting low income families where the cost of childcare is a barrier to looking for and/or sustaining employment. The Strategy notes the Council will work with partners in the private, public and third sectors to improve availability, flexibility and affordability for those families on low incomes. A new Edinburgh Economic Strategy – Stronger, Greener, Fairer – was published in November 20201; however, it does not specifically mention childcare or families[20].

3.17. The Edinburgh Poverty Commission's report 'A Just Capital: Actions to End Poverty in Edinburgh' was published in September 2020 and highlights the relationship between access to affordable childcare and poverty outcomes[21]. Most notably, the report found a lack of access to flexible childcare, learning and employment opportunities which means parents cannot strike a balance between improving their prospects and caring for their families. The report, evidenced and published during the COVID-19 pandemic, also stresses the need for recovery plans to recognise and effectively support the childcare (and social care) sector.

3.18. Following the Edinburgh Poverty Commission's report, the City of Edinburgh Council outlined its 'End Poverty in Edinburgh' Delivery Plan 2020-30, setting out a range of priority actions for the Council and partners to deliver significant step change towards ending poverty in the city[22]. This acknowledged the need for the Scottish Government and partners to consider the childcare sector in any COVID-19 recovery plans, as highlighted in the Edinburgh Poverty Commission report, and called for the City of Edinburgh Council to ensure the provision of flexible early years learning and childcare care.

3.19. The City of Edinburgh Council and NHS Lothian's Local Child Poverty Action Report, published in December 2020, considers progress and action towards reducing the cost of childcare and making it affordable for all families in the city – including through the Affordable Childcare Contracts model. It presents a range of key priorities for the year 2020/21, including whole family support and reducing barriers to employment and attainment.

The Edinburgh model

Background and description

3.20. Within the strategic context set out in the previous section, the Affordable Childcare Contracts model has been in operation across Edinburgh. The model is managed by the City of Edinburgh Council's Business Growth and Inclusion Team (BGI), which aims to support individuals with additional barriers to employment in Edinburgh into work, education and training. As part of this work, the BGI team awards contracts worth over £4 million on an annual basis towards a range of employability services. This includes a supported employment service, as well as small grants to third sector providers to deliver specific employability interventions. The Affordable Childcare Contracts model is part of this funding and has been active for over 10 years, with £870,000 awarded each year since 2019 to four childcare providers in Edinburgh to deliver affordable ELC and OSC provision. These providers are:

- North Edinburgh Childcare
- Smilechildcare
- Childcare Connections; and

[19] https://www.etag.org.uk/wp-content/uploads/2019/10/Edinburgh_Economy_Strategy___June_2018.pdf
[20] https://www.edinburgh.gov.uk/downloads/file/30727/2021-full-version
[21] https://edinburghpovertycommission.org.uk/wp-content/uploads/2020/09/20200930_EPC_FinalReport_AJustCapital.pdf
[22] https://democracy.edinburgh.gov.uk/documents/s29287/Item%207.4%20-%20End%20Poverty%20in%20Edinburgh%20Delivery%20Plan%202020-30.pdf

- Kidzcare

3.21. The four organisations have received varying amounts of funding from the £870,000 total to deliver different levels of service across the city. The providers are located in North Edinburgh, South Edinburgh, Wester Hailes, and Craigmillar, four of the most deprived areas of the city and where childcare costs can be a significant burden for low income families. The overarching aim of the funding is to remove the cost of childcare as a barrier for low income families in these areas and support parents or carers to gain or sustain employment.

3.22. The Affordable Childcare Contracts model covers pre-school nursery and after school (0-12 years). The four providers were initially contracted to deliver subsidised childcare support for a period of three years, from April 2019 – March 2022, with the option of extending this for a further two periods of 12 months each at the discretion of the Council. At the time of reporting, the model has been extended until March 2023.

3.23. The same four providers had previously received funding from the City of Edinburgh Council to deliver subsidised childcare for over 10 years. The Council undertook a period of research and consultation between November 2017 and April 2018, which was co-produced with a range of stakeholders, to review and evaluate the impact of this subsidised provision and understand future needs. The findings from this review set out a range of conclusions, notably that future provision should target families most in need of support, childcare services should be flexible and more affordable, and a future model should provide holistic support to families, i.e. supporting them to secure, sustain and progress in work.

3.24. Following the review, the refreshed Affordable Childcare Contracts model was launched in April 2019 and has sought to incorporate greater employability integration while targeting low income families. The same four providers have offered year-round childcare for low income families as part of the refreshed model, with the intention that they would link in with local, city-wide and national organisations to support the wider needs of the family. This includes support around employability, income maximisation, health and wellbeing, and employment progression.

3.25. In order to access the funded childcare, families must meet certain eligibility criteria. To receive the subsidy, the normal cost of childcare must take the household below 75% of their median income, which is recognised as relative low income. Exceptions to this are considered on a case-by-case basis by the providers and the City of Edinburgh Council. Families are not eligible for the subsidy if they also receive childcare support costs from alternative sources, such as the Scottish Government's 1,140 funded hours, the Department of Work and Pensions, further or higher education institutions, or employers. The eligibility process is assessed annually by each of the providers.

3.26. At the start of the programme, each of the providers agreed with the City of Edinburgh Council a specific number of subsidised places they could offer to families based on internal staffing levels and capacity to deliver. This is also reviewed on an annual basis by the Council.

Performance against aims

3.27. As part of the current Affordable Childcare Contracts model, a set of aims and objectives were set for each of the four childcare providers. These were:

- To assess the childcare needs of families and help to put appropriate childcare solutions in place within their own locality where possible and to signpost to other childcare providers where service cannot be offered;
- To work closely with local employability services to advise and support families who are seeking childcare information and provision to enable them to secure employment;

- To build links with other childcare providers such as childminders and other facilities to support working families to secure flexible childcare that meets their employability needs;
- To maintain or expand current level of uptake of subsidised places for eligible parents/carers;
- To ensure that children in low income households are in receipt of 'high quality early learning and childcare' that maximise their potential in terms of educational and social attainment;
- To support relationships with parents/carers and children to ensure continuity of care and enable positive progressions throughout the setting and the transition into school; and
- To encourage parents/carers to develop a user parenting group or similar, to share information, support and educate on relevant topics.

3.28. Through consultation with the four childcare providers, employability services and the project Steering Group, there is an overriding sense that while some of these aims and objectives have been met, there have been difficulties in achieving others for a variety of reasons. These are explored below and throughout the remainder of the report.

3.29. The providers felt that they were in a strong position to assess the childcare needs of families and ensure families received childcare support through the subsidy, where appropriate. This process was undertaken by the providers by way of a financial assessment with each family at the outset to determine eligibility. In doing so, the providers were able to ensure that families most in need of support to cover the costs of childcare can access it ahead of others where cost is not necessarily a barrier to childcare.

3.30. There was a strong sense among the childcare providers that being part of the model allows them to provide a consistent level of care. Continuity was seen to be a core necessity for parents/carers in the eyes of providers, as one commented:

'Continuity of care is key. Families and children get to know staff. Parents can then look for or go to work in knowledge that their children are safe.'

3.31. This continuity is achievable because the providers know exactly what their level of funding is to provide subsidised places at the start of each year, as well as the number of subsidised places they will offer. Where families are subsidised through the model, it is often the case that they will remain with the provider for several years, either continuing to be subsidised or moving to unsubsidised as a result of improved income, and therefore the families can build strong levels of trust with members of staff. The providers are also able to develop a stronger handle on the issues that families face, so they at least have an understanding of whole family support needs – even if there are some difficulties in addressing these.

3.32. Low income families are also able to access high quality early learning and childcare through the four providers who each have a strong track record in service delivery having been a part of the model in one form or another since 2015. As one of the providers reflected:

'Subsidised childcare means children aged 0-3 have new opportunities for education and socialisation from birth that they might not have had due to high costs.'

3.33. The model means children who otherwise may not have had access to childcare, can access childcare as well as the educational and social experiences that form part of the service. At the same time, parents/carers have greater freedom to focus on other areas such as seeking, gaining and sustaining employment. The access to educational and social development through subsidised provision, particularly at an early age, is therefore seen as a key strength of the model.

3.34. The main gap in the Affordable Childcare Contracts model has been in developing strong links between subsidised childcare provision (and providers) for low income families, and access to employability services. Taking into account the impact of the COVID-19 pandemic, which put significant strain on childcare providers to deliver services while navigating restrictions on premises and staff absence, as well as the demands on childcare providers to implement 1,140 hours, the natural focus of the four providers has been primarily on delivering high-quality childcare to families. Similarly, parents/carers are more likely to see their engagement with the providers only as a route to subsided childcare support, rather than an opportunity to access employability support. In many cases, parents/carers may not be aware of the employability element of the service.

3.35. This means there has been less focus on the employability aspect, which has led to some level of disconnect between the childcare providers and prospective employability services, which are ready to support families where required. There is a need to better develop these links between the two in order to support parents/carers into employment and intelligence sharing between the different services is key to ensuring improved employability solutions and outcomes.

3.36. There is a sense among the childcare providers that there could be more interaction between them, in order to share good practice and discuss solutions to any problems related to the provision of childcare or the model itself. This interaction used to happen more regularly, as one provider commented:

> *'Used to have a lot of engagement [with the other three providers] pre-COVID to share best practice and talk about overcoming challenges.'*

3.37. There was also no evidence that parents/carers had developed a user parenting group or something similar as a means to sharing information, support and educate on relevant topics. This is something that a potential future model could consider and integrate further.

Monitoring and progress

3.38. Each of the four providers was asked to collate and maintain eligibility data on each of their subsidised cohorts. This was done through the Caselink online client management system, managed by the City of Edinburgh Council and Capital City Partnership (CCP), and was intended to ensure an up-to-date record of all families receiving the subsidised support and progress against targets for each of the providers. It was also intended to inform decision-making around annual assessments, i.e. to identify where a family may no longer require the subsidy due to progress in employment.

3.39. The monitoring data provided for the research covers the years 2019/2020 to 2021/22 and is presented below. It sets out a number of aims and targets, and performance against these is analysed by the provider. However, please note that the information presented should be treated with a high degree of caution due to an unreliable data collation process. Feedback from the monitoring data management team suggests some data collated by the four providers, and therefore included in the analysis below, includes information not related to the Affordable Childcare Contracts model, i.e. data on families who have not been in receipt of subsidised support but who have used one of the four providers for childcare. It is clear that this process will have to be reviewed in future to ensure a clear, consistent and accurate approach to monitoring data collation.

3.40. Table 3.1 shows the actual number of families engaged to be lower than the targets across all years. The actual number of families engaged, and the number of families engaged as share of the target, fluctuated over the period, overall decreasing from 2019/20 to 2021/22. The lowest actual numbers of new families were recorded by Childcare Connections, while the lowest share of their target was recorded by Smilechildcare.

Table 3.1: New families subsidised, 2019/20 – 2021/22

Number of new families engaged (subsidised)	Targets	2019/20	2020/21	2021/22	Total 2019-2022	% or p.p. change 2019-22
Childcare Connections	Annual	20	20	20	60	-
	Actual	15	2	32	49	113%
	% vs Target	75%	10%	160%	82%	85 p.p.
Kidzcare	Annual	20	20	20	60	-
	Actual	19	25	8	52	-58%
	% vs Target	95%	125%	40%	87%	-55 p.p.
North Edinburgh Childcare	Annual	100	100	100	300	-
	Actual	49	18	18	85	-63%
	% vs Target	49%	18%	18%	28%	-31 p.p.
Smilechildcare	Annual	154	154	154	462	-
	Actual	40	1	14	55	-65%
	% vs Target	26%	1%	9%	12%	-17 p.p.
Total	***Annual***	***294***	***294***	***294***	***882***	***-***
	Actual	***123***	***46***	***72***	***241***	***-41%***
	% vs Target	***42%***	***16%***	***24%***	***27%***	***-17 p.p.***

Source: Capital City Partnership monitoring data, 2022

3.41 The actual number of total families supported, and the actual number of total families supported as a share of the target, increased from 2019/20 to 2020/21, before decreasing to its lowest point from 2020/21 to 2021/22 (Table 3.2). The total number of families supported overall was below target, and the numbers reported suggest that Kidzcare and Smilechildcare were below target each year. North Edinburgh Childcare had the lowest actual number of subsidised families in 2021/22, while Smilechildcare had the smallest share against their target.

Table 3.2: Total families subsidised, 2019/20 – 2021/22

Total number of families supported (subsidised)	Targets	2019/20	2020/21	2021/22	% or p.p. change 2019-22
Childcare Connections	Annual	60	60	60	-
	Actual	117	36	53	-55%
	% vs Target	195%	60%	88%	-107 p.p.
Kidzcare	Annual	87	87	87	-
	Actual	80	63	46	-43%
	% vs Target	92%	72%	53%	-39. p.p.
North Edinburgh Childcare	Annual	100	100	100	-
	Actual	52	270	20	-62%
	% vs Target	52%	270%	20%	-32 p.p.
Smilechildcare	Annual	271	271	271	-
	Actual	45	18	29	-36%
	% vs Target	17%	7%	11%	-6 p.p.
Total	***Annual***	***518***	***518***	***518***	***-***
	Actual	***294***	***387***	***148***	***-50%***
	% vs Target	***57%***	***75%***	***29%***	***-28 p.p.***

Source: Capital City Partnership monitoring data, 2022

3.42 The pattern in the number of children accessing subsidised places across the four providers reflects the same pattern as the total number of families engaged: it increased from 2019/20 to 2020/21, before decreasing below its initial level in the following year. Table 3.3 shows that Childcare Connections, Kidzcare, and North Edinburgh Childcare fluctuated below and above target, while Smilechildcare was always below target in terms of the number of children accessing subsidised places. North Edinburgh Childcare had both the lowest actual number of subsidised children, and the smallest share against their target, in 2021/22.

Table 3.3: No. children receiving subsidised places, 2019/20 – 2021/22

Number of children receiving subsidised places	Targets	2019/20	2020/21	2021/22	% or p.p. change 2019-22
Childcare Connections	Annual	65	65	65	-
	Actual	135	42	64	-53%
	% vs Target	208%	65%	98%	-109 p.p.
Kidzcare	Annual	87	87	87	-
	Actual	95	64	55	-42%
	% vs Target	109%	74%	63%	-46 p.p.
North Edinburgh Childcare	Annual	150	150	150	-
	Actual	79	380	20	-75%
	% vs Target	53%	253%	13%	-39 p.p.
Smilechildcare	Annual	185	185	185	-
	Actual	52	16	31	-40%
	% vs Target	28%	9%	17%	-11 p.p.
Total	***Annual***	***487***	***487***	***487***	***-***
	Actual	***361***	***502***	***170***	***-53%***
	% vs Target	***74%***	***103%***	***35%***	***-39 p.p.***

Source: Capital City Partnership monitoring data, 2022

3.43 All providers were below target each year from 2019/20 to 2021/22 in terms of the number of families referred to employability services, with the lowest numbers recorded at North Edinburgh Childcare and at Smilechildcare. However, Table 3.4 does show that the actual number of families referred increased from 2019/20 to 2021/22.

Table 3.4: Families referred to employability/support organisations, 2019/20 – 2021/22

Number of families referred to employability/support organisations	Targets	2019/20	2020/21	2021/22	Total 2019-2022	% or p.p. change 2019-22
Childcare Connections	Annual	25	25	25	75	-
	Actual	5	3	5	13	0%
	% vs Target	20%	12%	20%	17%	0 p.p.
Kidzcare	Annual	14	14	14	42	-
	Actual	7	7	12	26	71%
	% vs Target	50%	50%	86%	62%	36 p.p.
North Edinburgh Childcare	Annual	30	30	30	90	-
	Actual	0	0	2	2	N/A
	% vs Target	0%	0%	7%	2%	7 p.p.
Smilechildcare	Annual	20	20	20	60	-
	Actual	2	1	3	6	50%
	% vs Target	10%	5%	15%	10%	5 p.p.
Total	***Annual***	***89***	***89***	***89***	***267***	***-***
	Actual	***14***	***11***	***22***	***47***	***57%***
	% vs Target	***16%***	***12%***	***25%***	***18%***	***9 p.p.***

Source: Capital City Partnership monitoring data, 2022

3.44 The number of families assessed as not requiring the subsidy due to an improved income fluctuated greatly over this period, as Table 3.5 shows. The fact that the number of families with an improved income increased significantly in 2020/21 (by 177%), when the economic impact of COVID-19 meant reduced income for many families, suggests that the reported numbers are unreliable.

Table 3.5: No. families with improved income, 2019/20 – 2021/22

Number of families assessed as not requiring subsidy due to improved income	Targets	2019/20	2020/21	2021/22	Total 2019-2022	% or p.p. change 2019-22
Childcare Connections	Annual	39	6	6	51	-
	Actual	11	1	4	16	-64%
	% vs Target	28%	17%	67%	31%	0 p.p.
Kidzcare	Annual	9	9	9	27	-
	Actual	11	14	6	31	-45%
	% vs Target	122%	156%	67%	115%	36 p.p.
North Edinburgh Childcare	Annual	15	15	10	40	-
	Actual	48	178	4	230	-92%
	% vs Target	320%	1187%	40%	575%	7 p.p.
Smilechildcare	Annual	27	27	27	81	-
	Actual	0	1	0	1	N/A
	% vs Target	0%	4%	0%	1%	5 p.p.
Total	***Annual***	***90***	***57***	***52***	***199***	***-***
	Actual	***70***	***194***	***14***	***278***	***-80%***
	% vs Target	***78%***	***340%***	***27%***	***140%***	***9 p.p.***

Source: Capital City Partnership monitoring data, 2022

3.45 The monitoring data also included postcode information for families accessing the four providers from the period 2019/20 to 2021/22, and this is shown in Table 3.6. Again, please note that the information presented should be treated with a high degree of caution due to an unreliable data collation process.

3.46 The postcode area with the greatest proportion of families accessing any of the four providers based on the monitoring data was EH4 (21%), located in the northwest, with the vast majority of families using North Edinburgh Childcare. This was closely followed by EH11 (20%), located towards the southwest of the city, which saw the vast majority of families use Smilechildcare. Situated further southwest, most families based in EH14 accessed Smilechildcare (13%). Families located in the EH16 area, the southeast of the city, made up 13% of the total number of families with monitoring data available, however EH16 was split across Kidzcare (126) and Childcare Connections (76). The majority of families accessing Childcare Connections, however, were in E17 (64% of families).

Table 3.6: Postcode analysis of families accessing subsidised providers, 2019/20 – 2021/22

Postcode	Childcare Connections	Kidzcare	North Edinburgh Childcare	Smilechildcare	% total
EH4	0	<5	343	<5	21%
EH11	<5	0	5	321	20%
EH14	0	<5	<5	205	13%
EH16	76	126	<5	<5	13%
EH17	156	<5	0	<5	10%
EH5	0	0	154	0	9%
EH6	<5	<5	67	<5	5%
Other Edinburgh	5	71	25	41	9%
Non-Edinburgh/ Unknown	<5	<5	<5	14	1%
Total	**243**	**207**	**600**	**589**	**100%**

Source: Capital City Partnership monitoring data, 2022

3.47 In reviewing the data and through the consultations, it is clear that the monitoring system does not capture evidence of the outcomes and impacts of the subsidised childcare on children, parents/carers and households. The one indicator that gives a sense of changes in the household is the number of families assessed as not requiring subsidy due to improved income. However, the data presented on this indicator is unreliable.

3.48 This lack of outcomes data is an important gap in terms of demonstrating the value of the investment. Individual providers reported that they gather this evidence from parents/carers in a range of formats including case studies and tracking changes in circumstance, income and employment. This is not consistent across providers but is undoubtedly a valuable source of information to assess the efficacy of the subsidised care and its impacts. It is likely that, if future funding streams are accessed to contribute to the cost of the subsidy, they may require more robust and detailed information on the benefits to parents/carers for example: increase in household income, career progression, reduced need for benefits, more sustainable housing, reduced debt, undertaking training and learning, changes to working hours, and improved work life balance.

4 Childcare needs

Headline findings

- In total, 410 subsidised and non-subsided parents/carers in Edinburgh responded to an online survey exploring their current use of childcare, outcomes of affordable childcare, and the future support needs.
- There were 57 (14%) subsidised respondents and 352 (86%) non-subsidised respondents.
- Subsidised respondents were more likely to be employed, or unemployed and looking for work. Non-subsidised respondents were more likely to be unemployed and not looking for work.
- Subsidised respondents tend to have lower income compared to non-subsidised ones. They are more likely to be employed in sectors and jobs with lower pay. Subsidised respondents are also more likely to receive benefits support, e.g. Universal Credit.
- Only a small proportion of subsidised respondents had received employability support (9%), while 68% had not, clearly indicating that the integration of employability and childcare support is an area for development.
- The average annual household income of the subsidised cohort has been decreasing, suggesting an increased reliance on the childcare support.
- Access to affordable childcare has delivered a range of positive benefits and outcomes to parents/carers and children:
  - Improved health and development opportunities
  - Improved job retention for parents/carers;
  - Improved parent/carer mental wellbeing, i.e. better motivation and positive attitude;
  - More access to training and development for parents/carers; and
  - Anticipated future outcomes such as increased income, reduced reliance on benefits, more stable housing.
- Subsidised parents/carers would not have been able to work, and their children would have missed out on the opportunity to learn and develop in good quality childcare, without support.
- Subsidised childcare support has been flexible which has benefited parents/carers working shifts and/or changing rotas.
- Two-thirds (65%) of overall survey respondents reported ongoing or future childcare needs, particularly non-subsidised respondents. This may be because subsidised respondents' needs are better addressed, as 83% said their current support is satisfactory to meet their needs.
- Subsidised users would be more negatively impacted if childcare costs increased. They would have to change their work to use less or no childcare, or have to stop working altogether.
- Non-subsidised parents/carers felt their childcare needs could be improved through lower prices, more flexible booking options, and by having childcare hours available outside of normal working.

Introduction

4.1 Drawing on the online survey and consultations with stakeholders, including employability providers, childcare providers, the steering group, and parents, this section presents an overview of the current use of childcare and support, the outcomes of accessible and affordable childcare, and the future support needs of parents/carers.

Profile of survey respondents

4.2 The survey was hosted on the online platform SurveyMonkey and distributed through a range of channels including: the four childcare providers, Joined up for Jobs[23], One Parent Families Scotland, employability providers, and the City of Edinburgh Council's social media channels. It was aimed at parents/cares living in Edinburgh who were in receipt of subsidised childcare through four providers, as well as all parents/carers who had accessed childcare in Edinburgh.

4.3 Of the 410 people who responded to the survey between May and June 2022, 57 respondents (14%) reported that they were receiving subsidised childcare, 352 (86%) respondents were not, and one did not give an answer to this question. This person is excluded from the remainder of the analysis, as it is not possible to distinguish whether they had access to subsidised childcare or not[24].

Households

4.4 Figures 4.1 to 4.3 provide an analysis of the profile of survey respondents. It shows a higher proportion of respondents from East Edinburgh, and a much smaller number from the city centre or outside Edinburgh. This may have been due to the how the survey was distributed, with the various distribution channels better able to reach East Edinburgh parents.

4.5 Households receiving subsidised childcare were more likely to be lone adult households than those not receiving the subsidy, at 23% compared to 16%. In Scotland, 25% of households with dependent children are lone adult households[25]. This finding suggests that lone adult households are underrepresented among non-subsidised childcare in Edinburgh, though the high share of missing responses (28% for non-subsidised) means this finding should be treated with some caution. Missing responses means respondents did not answer the question, and could be due not understanding the question or survey attrition.

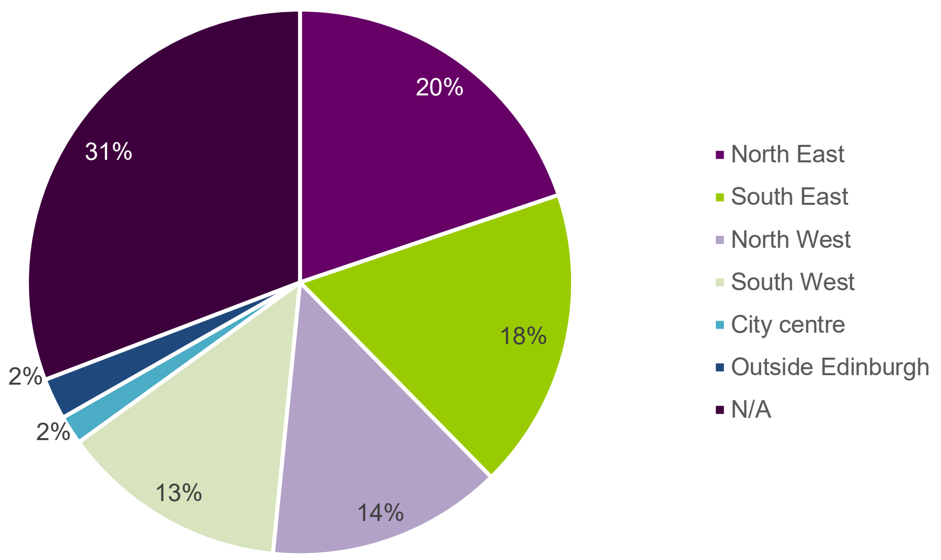
4.6 The survey findings show that respondents typically have families of between one to four children, either in pre-school or school-age childcare, with the largest proportion of families including two children. Non-subsidised parents were more likely to have two children than subsidised parents/carers (29% for the former and 11% for the latter).

4.7 Overall, survey respondents had an average of 1.5 children per family, with subsidised respondents' families being marginally smaller (1.4 children). Subsidised respondents were also more likely to have older children (aged 13 years or older), and less likely to have children aged between 3-5 years old, the latter reflecting the fact that respondents would not receive the subsidy if they were already receiving funded ELC. This has implications for the childcare needs of subsidised parents/carers, who may require access to affordable childcare for very young children, or access to OSC support for older children while the parent/carer works.

[23] https://www.joinedupforjobs.org/
[24] Profile questions were asked at the end of the survey to ensure that the most important data was gathered at the start and to take account of attrition.
[25] https://opfs.org.uk/who-we-are/media/

Figure 4.1: Area of residence

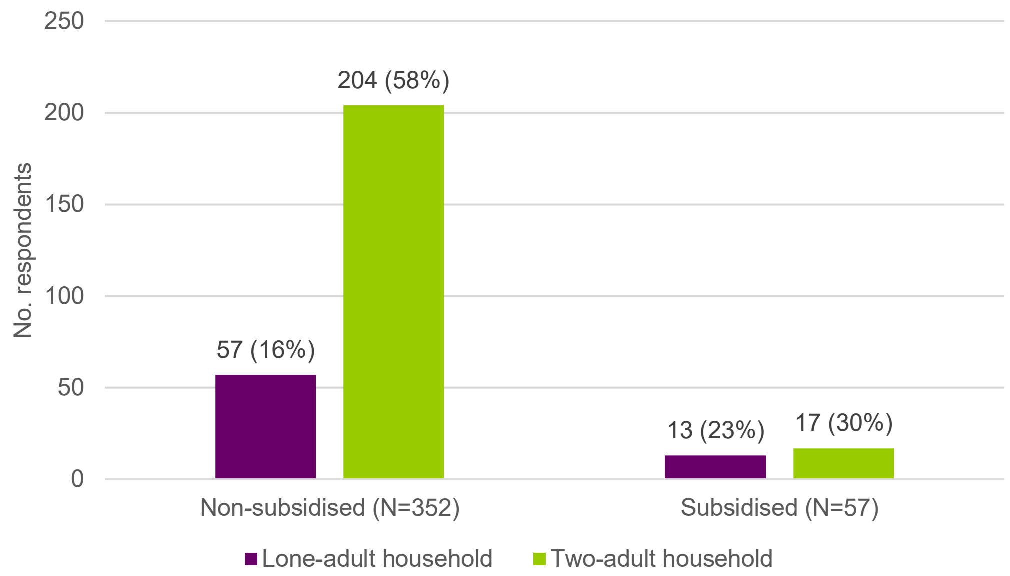
All respondents (N=409)



Source: ekosgen survey 2022

Figure 4.2: Household structure

Non-subsidised and subsidised respondents[26]

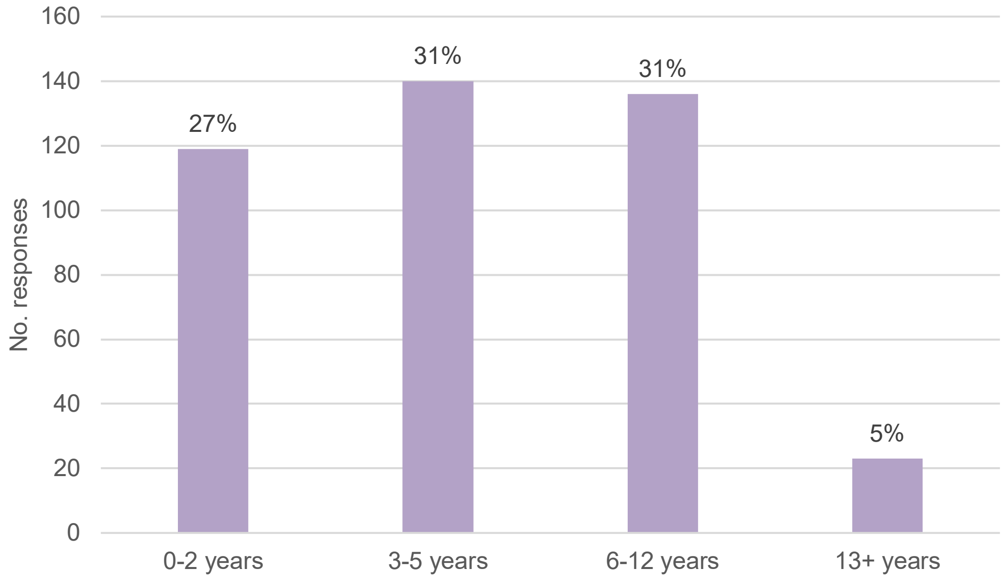


Source: ekosgen survey 2022

[26] Percentages do not add to 100 due to the exclusion of respondents who did not answer the question.

Figure 4.3: Age of respondents' children

All respondents (N=409)



Source: ekosgen survey 2022

Employment and income

4.8 Table 4.1 shows the employment status of subsidised and non-subsidised respondents. Respondents receiving a childcare subsidy were more likely to be in employment than those not receiving a subsidy. Subsidised respondents not in work were proportionally slightly more likely to be looking for work than unsubsidised respondents not in work. This suggests the non-subsidised cohort is more financially secure, which in turn means some parents or carers in the non-subsidised cohort can choose to be inactive or be self-employed, which can come at more risk[27]. The subsidised cohort, on the other hand, is more often in employment, yet qualify for affordable childcare support, suggesting that they are employed in low-paid jobs. Also, in order to be eligible for the subsidy, there is a requirement that the parent or carer be actively looking for work. Exceptions to this would be if the parent or carer is in training or education with an agreement that the subsidy can be used to support this.

[27] With no employee benefits and often unpredictable income, self-employed work is generally riskier than being employed.

Table 4.1: Employment status

Non-subsidised and subsidised respondents

Employment status	Non-subsidised		Subsidised	
	No.	%	No.	%
Employed full-time	127	36%	23	40%
Employed part-time	124	35%	22	39%
Unemployed and not looking for work	19	5%	1[28]	2%
Unemployed and looking for work	17	5%	4	7%
Self-employed	16	5%	1	2%
Unemployed and in education	11	3%	2	4%
Maternity leave	5	1%	0	0%
Employed and in education	1	0.3%	0	0%
Other	2[29]	1%	0	0%
N/A	31	9%	4	7%
Total	***352***	***100%***	***57***	***100%***

Source: ekosgen survey 2022

4.9 Subsidised respondents were more likely than non-subsidised respondents to be employed in retail or in cleaning, two sectors characterised by low wages. This reflects the need to access affordable childcare among these respondents. Health and social care, education, and administration were the main sectors of employment across all respondents.

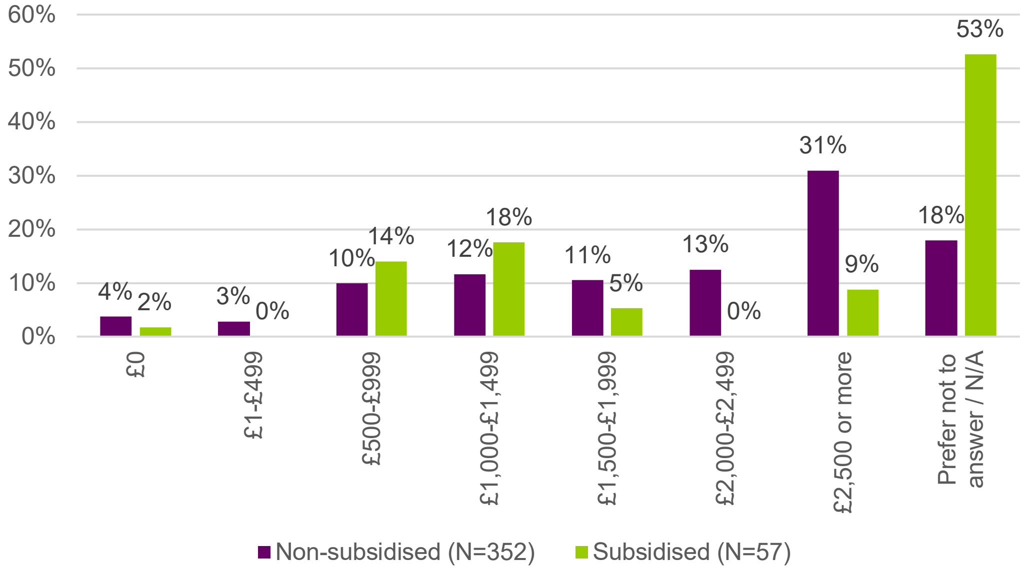
4.10 At 23%, nearly a quarter of all respondents had shift and/or rota working patterns. This equates to 82 people from the non-subsidised cohort and 13 from the subsidised cohort and was the same share for both. The findings suggest that shift or rota working amongst respondents does not necessarily correlate to a need among parents/carers to access subsidised childcare. However, research from the consultation programme evidenced a need for flexible, affordable childcare options among those in shift or rota working.

4.11 As we would expect, respondents receiving the subsidy tend to have lower income levels compared to non-subsidised respondents, as highlighted in Figure 4.4. A higher proportion of subsidised respondents had a monthly household income of less than £1,500 and they were less likely to have an income in excess of £2,500. However, not all households in the lowest income bracket reported receiving subsidised childcare: this might be because they do not meet other criteria, i.e. residing within Edinburgh, living in an area that does not have a subsided childcare service, or may use non-subsidised childcare services, or have access to other childcare support. This demonstrates that there are households that would benefit from the subsidy but cannot or do not access it.

[28] It may be that the respondent is in training and has an agreement to use the funding for that, rather than looking for work.
[29] Of the two respondents who selected ‘Other’, one is in employed relief and the other to be made redundant.

Figure 4.4: Monthly household income

Non-subsidised and subsidised respondents

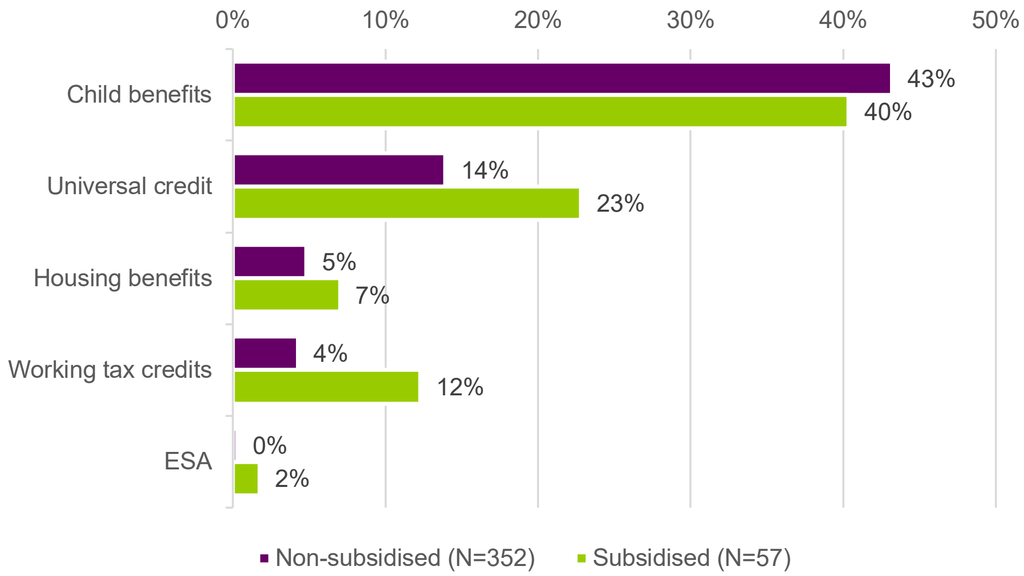


Source: ekosgen survey 2022

4.12 Figure 4.5 sets out the sources of income for households responding to the survey. It shows that non-subsidised and subsidised respondents had similar rates of accessing child benefits. As is expected, subsidised respondents were more likely to be in receipt of Universal Credit, Working Tax Credits, Housing Benefit, and Employment and Support Allowance (ESA). A small proportion of subsidised parents were in receipt of carer allowance and disability benefits. There is a need to further integrate advice services in order to ensure income maximisation for low income families.

Figure 4.5: Income from benefits

Non-subsidised and subsidised respondents



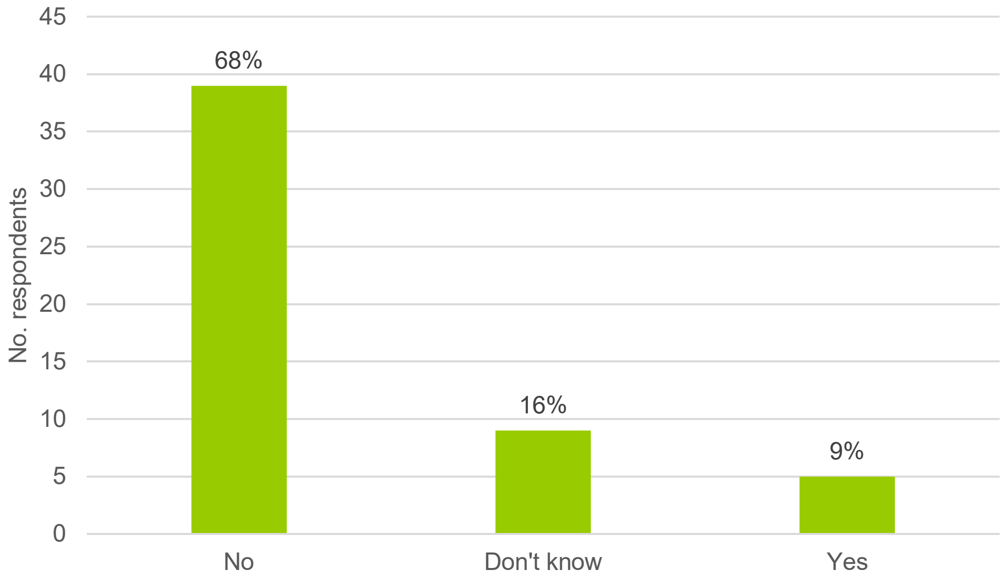
Source: ekosgen survey 2022

4.13 A key aim of the Affordable Childcare Contracts model is that the financial support is integrated with employability support in order to facilitate entry or progress in employment for parents/carers. As set out in Figure 4.6, 68% of the 57 subsidised respondents had not received any employability support, equating to 39 people. Only 9% had received this type of support, which clearly indicates that there has not been the anticipated integration of employability and childcare support and is an area for development. The qualitative research with employability providers, childcare providers and parents indicated that there have been challenges in providing employability support as parents tend to drop off and pick up children, but have no time at these drop-off points to receive information or an employability intervention. There was also some anecdotal evidence from the consultation programme that parents are not fully aware of the employability support aspect of the model, therefore they do not engage with the childcare providers directly to seek it out.

4.14 For those who had received employability support, it centred on information, signposting and resources related to the following areas: access to industry, job centre, employability skills, college courses, training, and support finding a job, including getting a laptop to be able to develop a CV and check job offers. This is a positive finding for those were had accessed employability support and shows there is a strong breadth of support available that could be offered to all subsidised families.

Figure 4.6: Received employability information or support

Subsidised respondents (N=57)

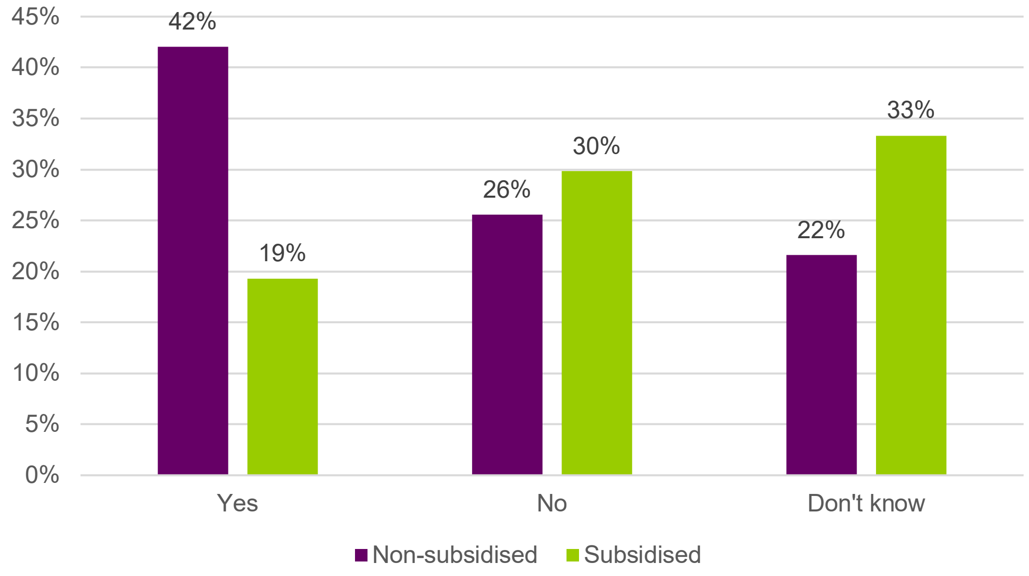


Source: ekosgen survey 2022

4.15 Respondents were asked if employability information and support would be useful going forward and a total of 39% said yes, as seen in Figure 4.7. The share of respondents who would find this service helpful in the future was higher for non-subsidised than subsidised respondents, at 42% and 19% respectively. This shows that there is an appetite for this service, especially among non-subsidised respondents who, as a cohort, may not be as aware of employability information and support services as the subsidised respondents, a small number of whom are likely to have a fair level of awareness given their engagement through the model.

Figure 4.7: Would employability information or support be helpful in the future

Non-subsidised and subsidised respondents



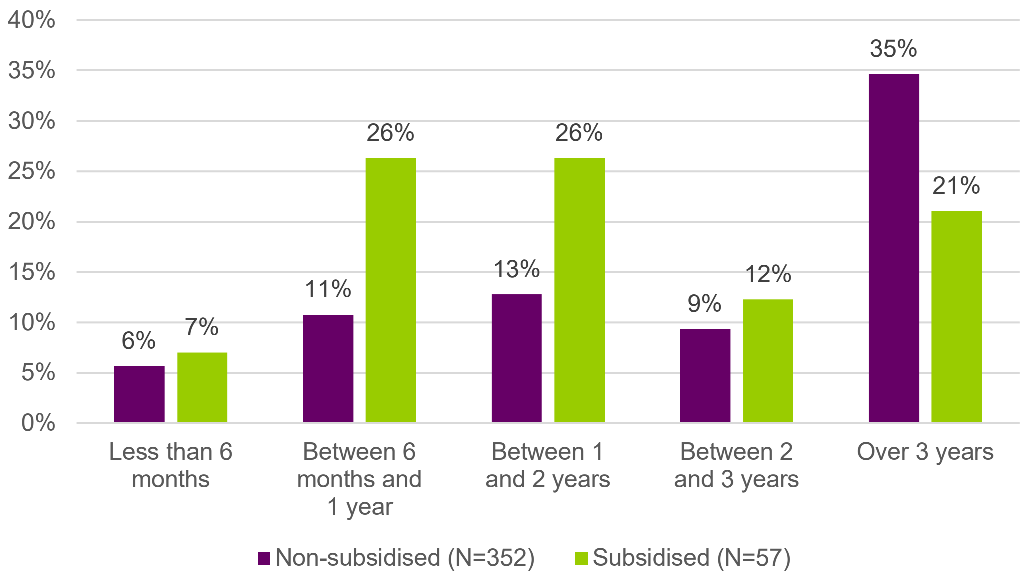
Source: ekosgen survey 2022

Current use of childcare and support

4.16 Figure 4.8 shows that, generally, subsidised respondents were more likely to have been using childcare for a shorter period of time compared to non-subsidised respondents: about half of subsidised respondents have been using childcare for a period of six months to two years, while over a third of non-subsidised respondents have been using it for over three years. This suggests that subsidised respondents are relatively newer to childcare, perhaps having struggled to access it before receiving the subsidy. It also reflects the finding that subsidised families were more likely to include children aged 0-3 years old. A larger proportion of non-subsidised respondents are not currently using childcare compared to subsidised ones (21% and 2%), which is to be expected.

Figure 4.8: Length of use of childcare

Non-subsidised and subsidised respondents

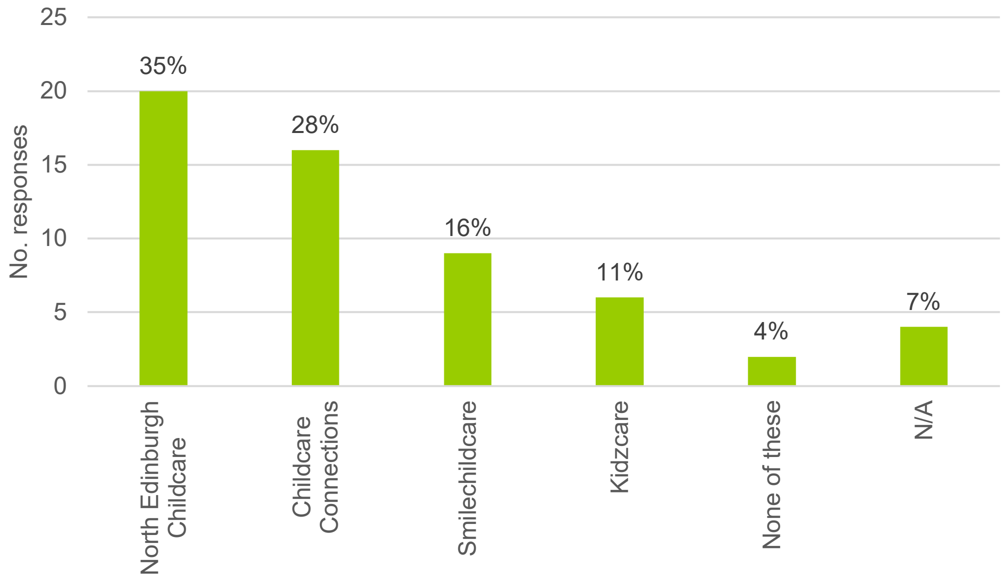


Source: ekosgen survey 2022

4.17 Figure 4.9 shows that there is a good spread of subsidised respondents across the four providers with the biggest proportion reporting that they use North Edinburgh Childcare, followed by Childcare Connections. Taking the targets presented in Chapter 3 as an indication of the size of the four providers, the responses in Figure 4.9 suggest that Childcare Connections is somewhat overrepresented in the survey sample, while Smilechildcare is underrepresented.

Figure 4.9: Childcare providers used

Subsidised respondents (N=57)



Source: ekosgen survey 2022

4.18 Subsidised respondents reported high levels of satisfaction with their childcare provider's processes. Asked to rate their experience of applying for a subsidised childcare place, 62% of respondents who gave a rating said it was very good. In terms of general communication, 63% of respondents who gave an answer rated this as very good. Only two respondents, or 7% of those who gave a rating, found the application process and the general communication to be not good. Overall, this is a positive finding as access to childcare can be difficult for low income families therefore ensuring the application process for the subsidised support is straightforward is important to remove any burden from low income families.

Outcomes of accessible childcare

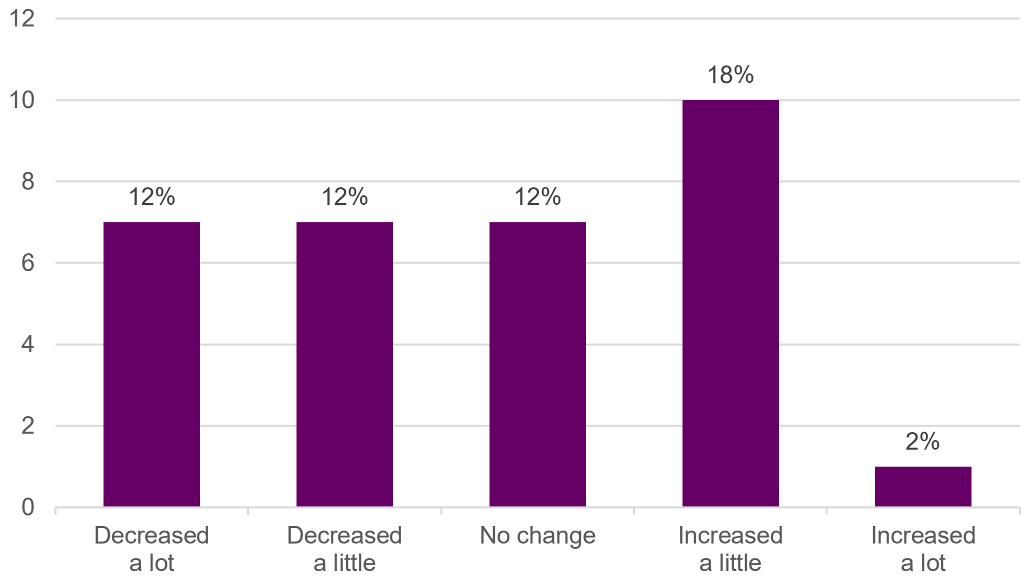
4.19 Figure 4.10 sets out the findings in terms of changes in household income among households receiving subsidised childcare. It shows that about half (44%) of the respondents reported a change in their annual household income since they started using the subsidised childcare support. Around one-quarter (24%) of subsidised respondents said their income had decreased, while 20% said that their income had increased, and 12% that their income had remained the same. Therefore, the decreases in income have been slightly more pronounced than the increases, which suggests the average annual household income of subsidised respondents has somewhat decreased since they started using childcare support. While this is not a positive outcome, it is an expected one given the impact of COVID-19 and the recent macroeconomic instability contributing to poverty and, in particular, to childhood poverty[30]. It also depends on what respondents class as their initial income. For instance, if they count their initial income as out of work and then move into work, their income will have increased. However,

[30] Centre for Civic Innovation – Glasgow City Council (2021). Child Poverty: Understanding the Impact of the COVID-19 Pandemic https://www.glasgow.gov.uk/CHttpHandler.ashx?id=55359&p=0

if respondents class their initial income as from when they start work and are earning then, for instance, COVID is likely to have a negative impact.

Figure 4.10: Change in annual household income since using the childcare support

Subsidised respondents (N=57)[31]



Source: ekosgen survey 2022

4.20 Subsidised respondents reported a wide range of benefits from accessing childcare, for both themselves and their children. In terms of the outcomes for children, there were clear reported health and wellbeing benefits, with 46% reporting this for their children and 30% for themselves. In addition, 44% reported that as a result of the childcare, their children now had better access to learning and development. Five percent of respondents anticipated positive health outcomes for either themselves or their children in the future as a result of accessing childcare, and 4% anticipated better access to learning and development. Overall, outcomes such as improved health and greater access to learning and development opportunities are a very positive result of the affordable childcare model.

4.21 The evidence also shows that, beyond the benefits of the development and wellbeing of their children, the Affordable Childcare Contracts model has also enabled parents and carers to retain their job, and/or move to better-paid and more stable employment. A key reported benefit for respondents was being able to stay in employment (42%) and a further 14% expected this to be the case going forward, as seen in Table 4.2. This is a very important finding and it was reflected in the qualitative research where one self-employed parent shared their experience as a result of accessing the subsidised childcare support. They had been able to build their business and secure their income, which would not have been possible without the subsidised childcare support, as they would not have had any time to focus on their business. This is one example of a very positive outcome for one parent and family.

4.22 Relatively smaller shares of respondents had already seen benefits on job quality, e.g. moving to a more stable job, one that suits family needs, or getting a promotion, as a result of accessing affordable childcare. These benefits are more often anticipated for the future that current for subsidised families, with the most common future anticipated benefit being achieving a promotion at work. This suggests that, while health outcomes and job retainment benefits have been more immediate, job quality benefits can take longer to materialise. Other accrued and expected benefits include: a more stable

[31] Percentages do not add to 100 due to the exclusion of respondents who did not answer the question.

housing situation, fewer benefits requirements, a higher level of household income, and the ability to take up education or training outside of work.

4.23 These are all very important outcomes of the affordable childcare model, delivering against its objectives to support families around employment, education and social attainment needs. Access to affordable childcare has not only improved the health and development opportunities of children but has also the health and job retainment of their parents/carers. For some, it has also increased their income, reduced their reliance on benefits, and made their housing circumstances more stable.

4.24 Access to affordable childcare has allowed parents and carers to access training and development, which is important in developing a range of skills towards professional progression, as well as key in building confidence and personal skills (e.g. time management). One of the childcare providers commented:

‘Subsidised childcare has made a crucial difference for several families who were in a bad place – intervention has come at a crucial time and is consistent.’

Table 4.2: Benefits of Affordable Childcare

Subsidised respondents (N=57)

Benefit	Current benefit		Expected benefit	
	No.	%	No.	%
There are better health and wellbeing outcomes for my child/children	26	46%	3	5%
My child/children have had better access to learning and development	25	44%	2	4%
I have been able to stay in employment	24	42%	8	14%
I am better able to manage finances, including debt	17	30%	6	11%
I have better health and wellbeing outcomes, for example confidence, self-esteem, feeling positive about the future	17	30%	3	5%
I have taken part in training and development at work	15	26%	7	12%
I have fewer benefits requirements, i.e. Universal Credit	14	25%	6	11%
My housing situation is more stable	14	25%	5	9%
I have developed my personal skills (i.e. more confident, improved time management)	12	21%	5	9%
I have moved to a more stable, better quality job	10	18%	9	16%
I have moved to a job that better suits our family needs	9	16%	9	16%
I have a higher level of household income	9	16%	9	16%
It allowed me to take up education/training outside of work	8	14%	8	14%
I have achieved promotion at work	7	12%	12	21%

Source: ekosgen survey 2022

4.25 Subsidised respondents were asked what the counterfactual would be they had they not received childcare support, and the results shown in Table 4.3. A large share of subsidised respondents said that without childcare support they would not have been able to work, and their children would have missed out on the opportunity to learn and develop in good quality childcare. As expected, no access to subsidised childcare would have had a significant financial impact on the cohort. Table 4.3 also shows that without subsidised childcare support the wellbeing of the parents or carers would have been negatively affected too: 35% of subsidised respondents believe their emotional wellbeing would have suffered. Overall, without childcare support the subsidised families would have struggled financially and emotionally, and ultimately the children would have grown up in a more unstable environment. This highlights the significant need for subsidised support for low income families, which has been met through the Affordable Childcare Contracts model.

Table 4.3: Impact if had not received childcare support

Subsidised respondents (N=57)

Impact	No.	%
I would not have been able to work	26	46%
My children would have missed out on the opportunity to learn and develop in good quality childcare	26	46%
My household income would be lower	21	37%
My emotional wellbeing would have suffered	20	35%
I would have increased financial difficulties	19	33%
I could not have improved my employment situation	13	23%
I would not have developed my personal skills such as financial management, time management, household management	8	14%
I would not have been able to take part in learning and education outside of work	7	12%
I would have housing difficulties	6	11%
I would not have been able to take part in training at work	5	9%
I would have required the same level of support benefits, i.e. Universal Credit	5	9%
Not applicable	1	2%

Source: ekosgen survey 2022

4.26 Around a third of subsidised respondents (32%, or 14 people) said receiving childcare support enabled them to access more training and/or education, which is a positive finding. The skills learned or further developed as part of this education and/or training are shown in Table 4.4. Most respondents said they felt more motivated, more positive about the future, and were able to better manage their time. The personal development achieved through education and training would have been harder to achieve without access to subsidised childcare, as parents/carers likely would not have had the time to access education and training. Access to affordable childcare has also been crucial for children, as one provider commented during the primary research:

'Subsidised childcare means children aged 0-3 have new opportunities for education and socialisation from birth that they might not have had due to high costs.'

4.27 Children of all ages being able to access childcare and having time independent from their family to socialise and build relationships is seen as a key benefit. Again, these findings highlight the positive impact of the Affordable Childcare Contracts model.

Table 4.4: Skills from education and/or training

Subsidised respondents who were enabled to access more training and/or education (N=14)

Skills	No.	%
I feel more motivated in my work and personal life	10	71%
Better able to manage my time	8	57%
I feel more positive about the future	8	57%
My confidence has improved	7	50%
Communication	7	50%
Improved financial planning	4	29%
Better understanding of job opportunities	4	29%

Skills	No.	%
Decision-making	3	21%
I have been able to improve my skills in reading writing and my numeracy	2	14%
Professionalism	1	7%

Source: ekosgen survey 2022

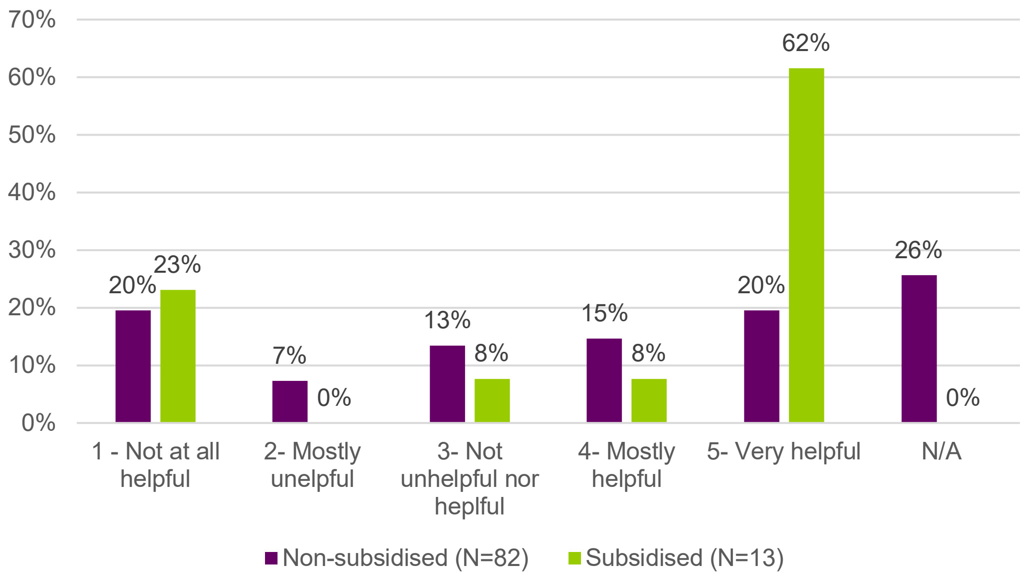
4.28 Close to one-fifth of subsidised respondents (19%, or 11 people) said that receiving childcare support enabled their children to access more training and/or education and this is another positive finding. Through this training/education, the children built their social skills, learning and development, and confidence. One respondent said

'The education provided at Kidzcare is outstanding. My child would have missed out on this.'

4.29 Subsidised respondents found their current childcare to be very helpful in terms of managing work shifts and/or changing rotas, overwhelmingly more than non-subsidised respondents have, as shown in Figure 4.11. This is a clear indication that the flexibility of the Affordable Childcare Contracts model is viewed by the subsidised parents and carers who work shifts and rotas as a real strength, and suggests that all childcare users working on these patterns would benefit from flexible childcare provision. This again is a finding that came out through the primary research with parents and employability providers.

Figure 4.11: How helpful is current childcare with work shifts and/or changing rotas

Non-subsidised and subsidised respondents



Source: ekosgen survey 2022

4.30 The majority of non-subsidised and subsidised respondents aspire to remain employed in their current job. However, most of subsidised respondents aim to be promoted, while the majority of non-subsidised respondents aims to remain at their current level. Non-subsidised respondents are also more likely to aspire to be self-employed or to be employed in a new job at the same level as current, while subsidised respondents are more likely to aspire to be employed in a new job at a higher level. Table 4.5 therefore suggests different future career aspirations across the two cohorts: while the subsidised cohort tends to aspire to progress in employment, the non-subsidised cohort has either stabilised at their current level, suggesting they have already progressed in their career, or is looking to be self-employed, suggesting a more financially stable household environment.

Table 4.5: Future career aspirations

Non-subsidised and subsidised respondents

Future career aspirations	Non-subsidised		Subsidised	
	No.	%	No.	%
Employed in my current job – same level	86	24%	6	11%
Employed in my current job – promoted	74	21%	11	19%
Self-employed	68	19%	0	0%
Employed in a new job – same level	29	8%	2	4%
FE/HE Education or Training	14	4%	1	2%
Employed in a new job – higher level	13	4%	4	7%
Gain employment	13	4%	3	5%
Employed and self-employed	4	1%	0	0%
Not applicable	2	1%	0	0%
Unsure	1	0.3%	4	7%
N/A	48	14%	26	46%
Total	***352***	***100%***	***57***	***100%***

Source: ekosgen survey 2022

4.31 Around 44% of non-subsidised respondents felt their future career aspirations were achievable with their current childcare situation, compared to 39% of subsidised respondents. It should be noted, however, that a much higher share of subsidised respondents did not answer this question, and therefore these numbers may not be indicative of a higher confidence among non-subsidised respondents. Overall, though non-subsidised respondents could potentially have more confidence in their future career aspirations, it is clear that non-subsidised and subsidised respondents have different career aspirations.

4.32 A common theme among non-subsidised respondents as to why their future career aspirations are not achievable is the inability to work more days or hours, often a necessary pathway to career progression. However, the limited availability and flexibility of childcare as well as its high cost, can prevent parents/carers from expanding their commitment to their jobs. As one respondent said:

'Availability is low/non-existent. And cost outweighs benefits of working.'

4.33 Multiple non-subsidised respondents cited the lack of childcare options in the early morning in particular. Other respondents struggled with the lack of options after school:

'I can't find childminder or after school club. I started my new full-time job and I am still on the waiting list to after school club (it is 3 months already).'

4.34 The high cost of childcare also acts as a barrier to some respondents' self-employment aspirations, with one commenting:

'Childcare is too expensive to take the risk of building up a private practice business again, as I did before maternity leave. It could result in making a loss rather than a profit in a bad month.'

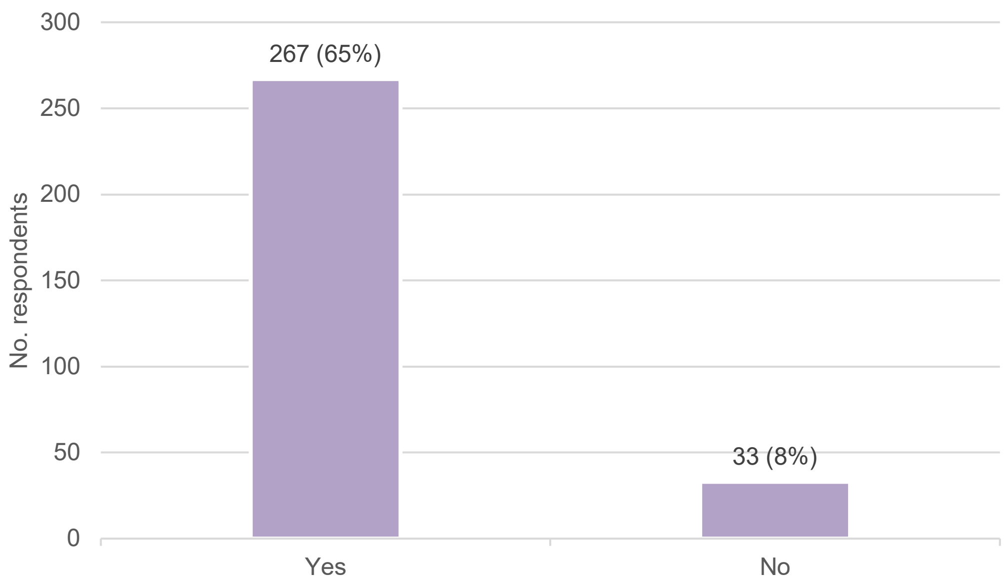
4.35 These are all areas that the Affordable Childcare Contracts model can, and has in many cases, addressed for subsidised families.

Support needs

4.36 Overall, 65% of respondents had ongoing or future childcare needs, as Figure 4.12 shows. Non-subsidised respondents were more likely to have childcare needs going forward compared to subsidised respondents (68% and 51% respectively). While it should be noted that a higher proportion of subsidised respondents did not answer, which makes the finding less certain, it is possible that the needs of subsidised respondents are in the process of being addressed through their engagement with the Affordable Childcare Contracts model.

Figure 4.12: Ongoing or future childcare needs

Non-subsidised and subsidised respondents



Source: ekosgen survey 2022

4.37 The majority (83%) of subsidised respondents said the current childcare support was satisfactory to meeting their needs. Only four subsidised respondents said it was not satisfactory, citing unreliability of the service – while this should be seen in the context of the disruptions that COVID-19 had on staff availability, it does point towards the need for increased staffing which would improve reliability and potentially increase flexibility. However, recruitment and retention are a challenge that the sector across Scotland continues to face.

4.38 Subsidised users would be more impacted from childcare costs increasing, which is to be expected given they are from low income families. If the childcare costs increased, the most common outcome for non-subsidised respondents would be that they would still be able to afford childcare, but it would be financially difficult. Subsidised respondents, on the other hand, would be more likely to have to change their work to use less or no childcare, or they would have to stop working.

4.39 Table 4.6 shows that only one in five (21%) subsidised respondents would still be able to afford childcare, albeit with financial difficulties. This is a significantly lower share than the one in three (34%) non-subsidised respondents who gave this answer. The impact of increased childcare costs would likely mean a lack of access to childcare for subsidised users, and in turn greater implications on their employment outcomes.

Table 4.6: Impact if childcare cost increased

Non-subsidised and subsidised respondents

Impact	Non-subsidised (N=352)		Subsidised (N=57)	
	No.	%	No.	%
I will still be able to afford childcare but it will be difficult financially	118	34%	12	21%

Impact	Non-subsidised (N=352)		Subsidised (N=57)	
	No.	%	No.	%
I will have to change my work to use less or no childcare	96	27%	17	30%
I would have to stop working	70	20%	16	28%
I would ask friends and family to look after my child/children when I am working	54	15%	8	14%
I may not have the same training/education opportunities	47	13%	7	12%
I would have to find a different job that may be less good quality	30	9%	4	7%
It would not have any impact	12	3%	0	0%
Don't know	27	8%	0	0%
N/A	85	24%	29	51%

Source: ekosgen survey 2022

4.40 The accessibility of childcare, like its affordability, is often tightly linked to employment choices. Without accessible childcare, around two in five (43%) non-subsidised respondents would have to stop working, while one in four (24%) would have to change their work to access suitable childcare. Table 4.7 also shows that 13% of respondents would not be able to access childcare at all in this scenario.

4.41 One non-subsidised respondent reflected:

'Because [Edinburgh] schools close at 12.20pm on Friday […] I have no alternative but to use a private childcare provider as there is no free [option]. The cost of paying for childcare on a Friday afternoon is prohibitive so I am obliged to work part time despite this not being what my preference would be.'

Table 4.7: Impact if no accessible childcare

Non-subsidised respondents (N=352)

Impact	No.	%
I would have to stop working	151	43%
I would have to change my work to access suitable childcare	84	24%
I would ask friends and family to look after my child/children when I am working	60	17%
I would not be able to access childcare at all	46	13%
I may not have the same training/education opportunities	42	12%
It would not have any impact	6	2%
Don't know	25	7%
N/A	86	24%

Source: ekosgen survey 2022

4.42 Reducing childcare costs, on the other hand, would mean a better financial position as well as health and wellbeing benefits for many non-subsidised respondents. Table 4.8 shows that close to half of respondents (46%) said they would have a higher level of household income if the cost of childcare was reduced, closely followed by being able to better able to manage finances, including debt (42%). While the financial impact of reduced childcare costs is to be expected, it is interesting to note that a greater availability of affordable childcare would benefit the wellbeing of parents/carers and children: a third of respondents (34%) said they would have better health and wellbeing themselves, and one-quarter would expect better health and wellbeing outcomes for their child or children (25%).

4.43 Finally, while reduced affordability and accessibility of childcare would likely reduce access to training and education opportunities, more affordable childcare would allow parents and carers to access education and training outside of work. These are all potentially very positive outcomes for families who are currently not in receipt of subsidised childcare, should the cost of childcare be reduced.

Table 4.8: Impact if cost of childcare was reduced

Non-subsidised respondents (N=352)

Impact	No.	%
I would have a higher level of household income	162	46%
I would be better able to manage finances, including debt	149	42%
I would have better health and wellbeing outcomes, for example confidence, self-esteem, feeling positive about the future	119	34%
There would be better health and wellbeing outcomes for my child/children	89	25%
My child/children would have better access to learning and development	81	23%
I would be able to move to a job that better suits our family needs	67	19%
I would be able to take up education/training outside of work	64	18%
I would have more job stability	59	17%
My housing situation would be more stable	51	14%
I would have fewer benefits requirements, i.e. Universal Credit	23	7%
It would not have any impact	13	4%
Don't know	18	5%
N/A	86	24%

Source: ekosgen survey 2022

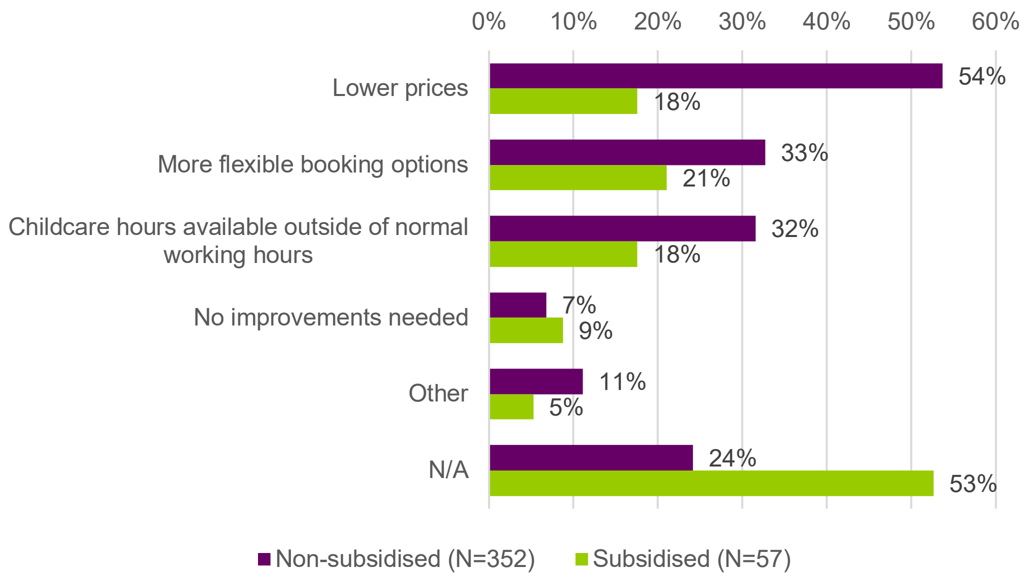
4.44 Larger shares of non-subsidised respondents said that childcare could be improved through lower prices, more flexible booking options, and by having childcare hours available outside of normal working hours, compared to subsidised respondents (Figure 4.13). By comparison, a far lower proportion of subsidised respondents felt lower prices would be needed, suggesting that this aspect has been addressed for many of those receiving subsidised support. On prices, one non-subsidised respondent said:

> *'I needed extra childcare as funding wasn't in my complete hours. There was nowhere to help with childcare upfront costs. All nurseries want upfront and this is impossible when on universal credit as a single parent. […] I ended up having to take an advance/loan from universal credit at £50 a month repayment. I struggled with bus fares in my first month and was given £60 from jobcentre to get clothes and shoes for work. […] It was all a disaster I was so stressed it made my anxiety sky high. I ended up leaving my job with ill health once again. Now currently looking for work again and dreading getting started as feel back at square one.*

4.45 This example from one parent/carer who is not receiving subsidised support highlights that support is required beyond the current delivery scope. While it is unclear why this individual has not been in receipt of subsidised childcare, it is evident that that many non-subsidised users would benefit from aspects of the Affordable Childcare Contracts model being widened to the overall childcare provision, i.e. employability and funding support.

Figure 4.13: How childcare could be improved to meet needs

Non-subsidised and subsidised respondents



Source: ekosgen survey 2022

5 Good practice approaches

Introduction

5.1 This chapter explores good practice approaches in other local authorities to supporting families into employment through childcare intervention or assistance. It describes three approaches in detail before presenting a summary of other examples of support projects and approaches funded through the Access to Childcare Fund, where there is a level of integration between childcare and employability.

5.2 The chapter concludes by identifying key learning points for the City of Edinburgh Council to consider from these approaches.

5.3 It is worth highlighting that the desk research did not find many other equivalent services that sought to combine affordable childcare provision with employability support, which itself is a finding from the research.

Edinburgh – Maximise!

5.4 The Maximise! project is a partnership between CHAI and Children 1st, supported by NHS Lothian, the City of Edinburgh Council and Capital City Partnership, and was first launched in 2018. While Maximise! is an Edinburgh-based project and does not have a central focus on delivering childcare interventions to support employability outcomes, it is important to highlight existing good practice in the Edinburgh that could be better integrated into a future model of affordable childcare.

5.5 Maximise! is a family advice and support initiative that takes a whole family approach to support, with a strong focus on tackling child poverty and opening employment pathways for parents or carers. Following a successful pilot of Maximise! in the South East of Edinburgh in 2018, the service was expanded and embedded within school clusters and early years centres across each of Edinburgh's four localities (South East, North East, North West, and South West), with Maximise! Early Years targeted at families where there is a child aged between 0 and 5. Since the pandemic, the service has become city-wide in all schools. Embedding the service within school clusters and early years centres is a core part of the model's success, ensuring it is easily accessible to families who are in need of support.

5.6 The Maximise! support model is shown in Figure 5.1. It is made up of four integrated teams of three staff across each of the four localities who provide advice, employability and family wellbeing support. Families can select which of the support areas they wish to engage with and can move through each of the support areas depending on their own needs and situation.

5.7 Referrals to the service typically happen through schools or early years centres. This approach means the service can reach families who may need support at the point when the family member is dropping off their children at school. Initial appointments can also be arranged on weekday mornings at set times throughout the week. Thereafter, if it established that further support is required through the service, Maximise! advice workers can work with individual families to develop an Action Plan on how to address their needs. A core part of this approach is relationship-building, with each Maximise! practitioner identifying 'building relationships with families' as central to their practice[32]. This means a significant portion of practice time is spent with families in order to build, or re-build, individual confidence and trust in others – research conducted by the University of Edinburgh found that approximately 70-80% of Maximise! service delivery is spent doing this. It also highlighted the effectiveness of the Maximise! cluster model and intensive family support approaches more generally, particularly for delivering emergency social services to economically distressed communities.

[32] Maximise! Impact Report 2019/20

Figure 5.1: Maximise! model of support

Source: Maximise! Impact Report 2019/20

5.8 Forming the core parts of the model, areas of integrated support include:

- **Advice**: Financial checks and income maximisation; welfare rights; crisis and debt management; housing issues; budgeting help; service cost comparisons; and advocacy and representation across various social welfare issues.
- **Family Wellbeing**: Addressing the wider issues impacting families affected by poverty; stabilising families and increasing independence; establishing positive routines and structures; addition issues; housing and homelessness; parenting skills; social interactions; and physical and mental health issues and disabilities.
- **Employability**: Increasing confidence; looking for employment; applying for jobs; CV and interview preparation; accessing training, education and/or volunteering; progression within work; and in-work support.

5.9 The service places high importance on flexibility and fluidity in order to ensure each part of the model learns from and understands issues across the others. For instance, Family and Wellbeing workers are aware of specific practical and financial questions to consider when assessing and addressing family needs and can assist Advice Workers with information gathering tasks. Similarly, Advice and Employability Workers are trained in trauma-informed approaches, therefore can proactively use appointment time to build trust and understand the mental and emotional wellbeing of families and children.

5.10 Across 2019/20, where the latest data is available, the Maximise! project:

- Supported **901** dependents of families who engaged;
- Supported **197** lone parent families;
- Supported **153** larger families (i.e. with three or more children);
- Supported **37** care-experienced families;

- Supported **97** black and minority ethnic families;
- Delivered **569** appointments;
- Facilitated overall financial gains of almost **£668,000** for families supported; and
- Returned **£30-£39** in social and economic benefits for every £1 invested.

5.11 There is an opportunity to utilise the existing expertise, processes and relationships built through the Maximise! project to address the problems posed by the cost of childcare. Some of this work is already ongoing by the Maximise! team on a case by case basis, for instance where a parent has concerns over the cost of childcare while attempting to gain employment.

5.12 However, establishing childcare support as a core part of the Maximise! model and integrating pathways to subsidised childcare provision through specific providers would broaden this already holistic approach to whole family support. It would ensure greater linkages between key stakeholders within and across the four localities and take advantage of the already-established employability support elements of the service.

Flexible Childcare Services

5.13 Flexible Childcare Services (FCS) Scotland is a service that aims to support parents to be able to engage in employment, training or education as a result of accessible and flexible childcare options[33]. FCS Scotland was launched in 2019 as a charitable organisation following consultation with One Parent Families Scotland (OPFS) where it was found that the lack of flexibility in childcare meant parents/carers were finding it difficult in areas such as returning to work.

5.14 Following consultation with OPFS, two childcare centres in Dundee and Aberdeenshire were established to offer high quality and, importantly, flexible childcare solutions. These were initially designed for one parent families, but were open to all, aiming to support parents/carers to achieve a positive work/life balance. Since then, FCS Scotland has developed centres across Scotland, including in Dundee, Inverness, Keith, and Aberdeenshire, and presented an opportunity for other childcare providers (including workplace nurseries) to adopt the FCS model and develop flexible solutions for families they already support.

5.15 FCS currently has 23 services across eight regions in Scotland, and this includes home-based childcare and mobile crèche services. A core component of the FCS approach to increasing accessibility is its operation of an online booking system called Caerus which facilitates internal staff planning and external childcare booking in a flexible manner.

- **Internal**: FCS services providers can use the online software to plan across a range of areas, notably staff rotas for the coming weeks and months, and the identification potential areas or times where they have either additional capacity or potential gaps in capacity.
- **External**: Parents/carers can use the system to book in childcare slots at an hourly rate, with hours extending beyond the normal 9am-3pm, and instead offering slots from 7am-7pm to accommodate a wider range of working and study patterns.

5.16 Parents/carers can also use an app as part of the FCS Caerus software which enables them to find and manage their childcare bookings. The app allows parents/carers to search through a list of providers who are part of the service offering flexible childcare. Once a provider has been identified, parents/carers are invited to meet with the provider at which point the provider can evaluate and determine their childcare needs. Thereafter, parents/carers complete a registration form and are able to use the app to book childcare slots with the relevant provider. This can be done at any time, and the flexible approach means parents/carers can cancel or change their booking slots where required. Given

[33] https://www.fcss.org.uk/about/

many parents/carers from low income families undertake shift work, the flexible approach to booking through the app and the greater range of booking options each week means accessing childcare around work (or study) commitments is easier.

5.17 Another benefit for parents/carers, and particularly those from low income families, is that FCS does not charge upfront costs (i.e. deposits, holiday retainers) when a childcare slot is booked. This means there is less stress for parents/carers as they are not necessarily tied to a particular booking slot. FCS also provides drop-off and pick-up services in some locations, again taking some of the burden off of parents who may be working or studying.

5.18 As well as functioning as a system for booking and planning, from the provider perspective, the online Caerus system also includes a range of information across areas such as accident records, funding profiles, unused staff capacity, accounts for parents and children, and a dashboard collating various other statistics. The software links into FCS's sessional childcare team which can support providers who are using the service to increase their capacity, as well as enable childcare workers to find more working hours.

5.19 FCS is currently exploring potential links with employability providers to integrate employability support into the service as a way of offering a more holistic support approach to families, one driven by flexible options and greater accessibility.

Fife

5.20 The focus on childcare support in Fife is largely on the delivery of support for school-aged children. The majority of childcare provision in the local authority is delivered by Fife Council with around 50 providers offering childcare places, across both ELC and OSC services. The few exceptions include a handful of nurseries and around eight or nine voluntary childcare services.

5.21 This means childcare support and provision can be managed almost wholly within the Childcare Services team at Fife Council. The team oversees the delivery of childcare provision across Fife as well as funding of this provision and is therefore a key decision-making body in terms of where funding for accessible childcare and employability support goes. The Council also oversees the operation of breakfast cafes which are free of charge and play schemes during school holidays to support families at risk of food poverty.

5.22 As a result, the Childcare Services team at Fife Council is in a strong position to directly provide childcare funding support to families who are most in need, i.e. low-income families, young carers. A pot of money is reserved for this. An example of this in practice would be a single parent who cannot afford childcare because they are not employed, but who needs the childcare support in order to seek, gain and/or sustain employment. In this instance, the Council can fund childcare for this family and support the parent into positive employment outcomes. It could also entail supporting young carers into work while the children they care for receive subsidised childcare through Council providers.

5.23 Through this model of direct contact with families, the Childcare Services team is able to engage with individuals in need of support to identity employability organisations they can access. The employability aspect of support is one that the Childcare Services within Fife Council has plans to integrate more into their childcare provision remit in future.

Access to Childcare Fund: examples

5.24 The Access to Childcare Fund (ACF) aims to test and support childcare solutions that enable more accessible and affordable childcare for families. Its overall objective is to contribute to reducing barriers to childcare facing parents and carers, including costs, availability of hours, and accessibility for children with additional support needs[34]. Funding is provided by the Scottish Government and the ACF is managed by Children in Scotland. Fifteen projects in different parts of Scotland have been awarded grants to explore ways to address the challenges and barriers. Each project aims to enhance the accessibility and affordability of services for low-income families, particularly the six identified priority family groups most at risk from living in poverty as identified in the Tackling Child Poverty Delivery Plan[35]. The following section provides some examples or ACF funded projects and approaches.

5.25 Low Income Families Together (LIFT) is based in Muirhouse in Edinburgh. Many households in the area live below the poverty line and face in-work poverty and there is a relatively high proportion of lone parent households who face particularly childcare issues. LIFT aimed to identify the hours that parents and carers work and when they need childcare. The consultations with families highlighted the issue that the minimum hours that services tend to offer is often more than the household needs, but they have to pay for the hours, even if they do not use them. LIFT aims to tackle this by providing flexible hours, even if a family needs only 30 minutes or an hour

5.26 Parents/carers complete an online form setting out their needs and the information is used by LIFT to plan how many sessions are needed for how many children to allow families to work and only pay for the time they require, as LIFT says:

'at a fraction of the cost they were paying'.

5.27 LIFT is aiming to demonstrate that flexible childcare can be a feasible way of working and help to address in-work poverty.

5.28 Clyde Gateway's ACF funded project is called Supporting Families. It involves a collaboration of delivery partners[36] around a high school in Rutherglen. The project aims to support children aged five and above to access subsidised or free OSC. Combined with this, the families are provided with 'whole family support' based on their needs. This is wrapped around the childcare and covers activities such as wellbeing, fuel and food vouchers, employability interventions and access to leisure opportunities. Clyde Gateway provides match funding for a Family Support worker who works with the families referred into the project.

5.29 Hame fae Hame (HfH) in Shetland is working to develop flexible childcare options for families, both before and after school, with a particular focus on outdoor provision. HfH has developed a family monitoring system to track positive outcomes for families on low incomes. In addition to testing the impact of more use of outdoor space, HfH has introduced breakfast provision as part of its ACF-funded activity to improve the flexibility of the offer.

5.30 The Indigo Childcare Group (ICG) is based in the Castlemilk area of Glasgow. It provides childcare for children from six weeks to 16 years, allowing it to form strong bonds with the families that use the service and gain real insight into their needs at each stage. Through the ACF, ICG is exploring the need for and sustainability of childcare and youth provision at weekends.

5.31 St Mirin's out of school club in Glasgow is working closely with its host school to create a plan to improve the accessibility of the service by extending the hours of care at both sides of the school day. The aim is to better support households with irregular working hours.

5.32 The Scottish Childminding Association (SCMA) piloted a new service in partnership with four local authorities to provide community childminding placements to small groups of children in home learning environments. The service was coordinated by a Childminding Development Officer (CDO), liaising with key stakeholders and partners to match referrals with Community Childminders who are

[34] https://childreninscotland.org.uk/acf-fund/

[35] https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-26/

[36] Partners are One Parent Families Scotland. South Lanarkshire Council Education, and South Lanarkshire Council Leisure and Culture

experienced childminders who have undertaken additional training to carry out the more specialist project activity.

5.33 The pilot service was developed to support access to school age childcare, based on providing funded childminding placements to support children and families over a period time where parents would be able to access out of school care[37]. The intention of the pilot was that parents accessing the service would continue to use childminders for out of school care provision once the funding had ended, ensuring sustainability in the longer term. It included two strands: support for employment to enable low income families to access work, and school aged childcare for families who have children with additional support needs (ASN).

5.34 The pilot aimed to offer 100 placements for the first strand and 20 for the second, with placements offered over a 12-week period at up to 15 hours of childcare support per week to enable access before and after school care. It was intended to be delivered across four local authority areas, including Dumfries and Galloway, Edinburgh, Fife, and North Lanarkshire.

Learning points

5.35 The approaches and best practice identified the chapter can provide a range of key learning points for a future Affordable Childcare Contracts model to consider. This section presents the key learning points from the Maximise! and Fife approaches, as well as from the ACF examples provided. The revised final report will include learning points taken from approaches in Dundee and Stirling, once consultation with these two local authorities has been completed.

5.36 Key learning points are:

- There is a real opportunity to utilise the existing expertise and services in Edinburgh to enhance the employability component of the Affordable Childcare Contracts model. Maximise! has a strong employability support footprint in the city, and there may be scope for boosting the childcare support element of existing services such as the Maximise! project.
- Regarding Maximise! specifically, there is already a Family Wellbeing support function included as part of the Maximise! approach. A future Affordable Childcare Contracts model could engage with and learn from the activities undertaken by Family and Wellbeing workers who form part of this team, as well as potentially become a core part of the Family Wellbeing support package. In doing so, this could then feed into the Employability support function that also forms part of the Maximise! approach.
- Where families initially seek support and engage through other employability services (i.e. Maximise!) there is an opportunity for them to be signposted to the Affordable Childcare Contracts model, and the potential for them to access subsidised childcare support. This exploratory work could form part of the initial appointment process undertaken by employability service, where employability workers have time to identify the needs of families and any immediate actions that can support them.
- There is a great deal of collaborative and cross-function working within the Maximise! approach and team, specifically to ensure that each support area within the service understands and can signpost families to other, relevant areas to meet needs. This would be an important aspect of a future Affordable Childcare Contracts model, particularly to ensure all stakeholders – including childcare providers, employability services, City of Edinburgh Council – are able work together in a cohesive and consistent manner.
- There is an opportunity to take advantage of existing services and software to increase accessibility to childcare, such as FCS approach to flexible childcare and the associated Caerus software. FCS can be applied in the City of Edinburgh Council area, with local

[37] https://www.childminding.org/access-to-childminding

providers using the model to offer flexible childcare slots to parents/carers who have childcare needs beyond the traditional 9am-3pm hours, i.e. as a result of shift working or studying.

- The Childcare Services team at Fife Council can directly allocate funding and support around childcare-related issues to individuals who require it, on a case-by-case basis. While this more bespoke approach may not be feasible in Edinburgh, it may be that a future Affordable Childcare Contracts model could incorporate a more centralised assessment element for families who do not meet eligibility criteria but who would benefit from help to find accessible childcare and access all available support through funding streams and interventions.
- The provision of flexible, accessible childcare hours to enable parents/carers to balance childcare needs with employment, training or education is important is a key point of learning. For instance, this could be informed by feedback from parents/carers on their needs through an online form or portal. This is a similar approach to the Flexible Childcare Services in Dundee, which will be explored further in the revised final report.
- It will also be important for any potential future Affordable Childcare Contracts model to implement a robust monitoring process, i.e. the Hame fae Hame project has an effective process that tracks positive outcomes for families on low incomes.

6 Conclusions and recommendations

Introduction

6.1 This chapter draws together the evidence gathered through the desk review, the survey of parents and carers, and the qualitative research with parents using subsidised childcare, employability providers, and the four childcare providers. It also draws on the themes explored at the Steering Group meetings.

6.2 It sets out the conclusions and then highlights issues for the City of Edinburgh Council to consider and recommendations for the future provision of integrated affordable childcare and employability support.

Conclusions

6.3 There is no doubt that the cost of childcare can make it difficult or impossible for parents/carers to move into and remain in good quality work. In-work poverty through low paid and unreliable employment, often characterised by fluctuations in hours and pay, is high on the policy agenda. The COVID-19 pandemic undoubtedly exacerbated its prevalence and impacts, and these impacts were most keenly felt in some of the lower paid sectors such as Social Care, Retail, and Hospitality. The current steep and persistent rise in the cost of living is also impacting disproportionately on lower income households who do not have the capacity to absorb rising costs. It is therefore arguably more important than ever to support disadvantaged households to sustain and improve their employment circumstance.

6.4 Broadly speaking, the Affordable Childcare Contract model's objectives are to offer high quality childcare solutions for households and integrate this with local employability services. It also aims to encourage parents/carers to establish peer networking to share knowledge and information, provide support and participate in learning and development. In terms of providing childcare, the model has successfully supported a large number of households in Edinburgh and has been very valuable in helping these households to access and cover the cost of childcare for pre-school and school-age children. To date, referrals have tended to be through word of mouth and awareness raising by the childcare providers. There is some anecdotal evidence of referrals from colleges but these are limited, as are referrals through employability providers and community-based organisations. There is scope to broaden and enhance referral routes but this must be balanced with provision and it was reported in the research that generally, the four providers operate with a waiting list. This can mean that subsidised as well as non-subsidised households may not be able to immediately access any or some of the hours they need. Boosting referral routes may therefore generate demand that cannot be met by supply.

6.5 Accessing the subsidised childcare has delivered benefits to children, households and parents/carers. If these are aggregated to community level, then it is reasonable to assume that communities have also benefited by improved outcomes for children and families. Also, if more people in an area are able to enter, sustain and progress in employment, then there is likely to be more money circulating and being spent on good and services locally. These benefits include improved mental and physical wellbeing of children, and enhanced access to learning and development. Given the reported increase in mental wellbeing issues amongst children, and the education attainment gap in Scotland, this is a very important benefit flowing from the subsidised childcare.

6.6 Thinking about employment and skills, there is strong quantitative and qualitative evidence that the subsidised childcare has enabled parents/carers to sustain and for some, improve their employment circumstance by moving to a more stable and better quality job, and one that better fits with their domestic responsibilities personal life. Some have achieved promotion as a result of the childcare they have accessed, and likely linked to this, increased their household income. They also report being better able to manage their finances including debt. It has also helped delivered benefits for the public purse with a quarter of survey respondents reporting that their household now requires to draw down less in terms of benefits such as Universal Credit.

6.7 As well as employment outcomes, parents and carers report that the subsidised childcare has meant that they have been able to develop their skills by participating in training and learning as well as developing their personal skills such as time management.

6.8 Employment and income are key factors in housing security and the health and wellbeing of individuals. This is reflected in the outcomes reported by parents and carers including improvements in confidence, self-esteem, and aspirations. Despite some of the external factors that are adding pressure to many households in Scotland, a substantial proportion of parents and carers accessing the subsidised childcare report feeling more positive about the future as a result of the childcare they access.

6.9 If the subsidy had not been provided or is withdrawn, parents reported that they would find the full cost of childcare difficult to meet. For some, it would mean having to stop working, others reported that they would have to work less or take a lower paid job, and some said they would have to ask relatives and friends to look after their children. They also reported that they would be less able to take part in training and learning opportunities. Many survey respondents who use childcare but do not receive a subsidy indicated that if their childcare costs increased, it would add to financial pressures and for a sizeable proportion it would mean that they would have to stop working or change their work, for example taking on a lower quality job to fit around care. Given the rising costs of living and the fact that overall, wage increases are not keeping pace, it is reasonable to project that the cost of childcare may be more difficult and more prohibitive for households on lower incomes going forward. Rising costs, for example energy, may also mean that childcare providers have to increase fees, so exacerbating the issue of affordability.

6.10 By routing the subsidy through the four childcare providers, the Affordable Childcare Contracts model has supported these services and helped to ensure they have remained viable. That is not to say that they would not still be in place without the subsidy, but there is no doubt that it has enhanced their ability to provide care to both subsidised and non-subsidised households which is a benefit to the wider community as well as local employers, by widening the potential recruitment pool.

6.11 Flexibility of childcare means parents/carers can better balance their childcare needs with other important aspects of their life, such as employability, education or training. This was highlighted strongly through the primary research with parents and employability providers, for instance more flexible, accessible childcare options means parents/carers who are undertaking rota/shift work can better plan their week, which in turn can have positive health and wellbeing outcomes.

6.12 The evidence indicates that the programme has not succeeded in integrating employability support with the subsidised childcare and this is a missed opportunity in terms of supporting parents to move into and enhance their employment.

6.13 The subsidised care is available to parents and carers in employment as well as those looking to take up a job. However, there is no evidence that employability providers are referring people to the subsidised services to enable them to enter employment and the majority (perhaps all) the subsidised childcare is being taken up by parents who are already working. Whilst this is not necessarily an issue as working parents are eligible, it might be worth considering if some of the subsidy and the subsidised places are ring-fenced for people moving into work. This may help to strengthen the link between the childcare provision and employability services.

6.14 Each year, subsidised households are assessed by the childcare providers to check their ongoing eligibility. If their situation improves, in terms of income, then the level of subsidy reduces and if appropriate, the subsidy ceases. It was reported by one provider that they operate a three-tier system and supported households can go up and down the tiers in response to changes. They also reported that if a parent/carer alerts them to a change, this reassessment can be carried out at any point in the year.

6.15 In undertaking the research, it became clear that the performance monitoring data is not adequate in driving or assessing performance against targets. It is incomplete and where data has been provided, it is inconsistent across the four providers. There is a disconnect between what the childcare providers think they should report against the indicators, and what the City of Edinburgh Council and Capital City Partnership intended and expected. This means that the review has not been able to draw any meaningful conclusions on progress towards, and achievement of targets. It also means that the Council cannot actively review and manage performance or accurately identify overall impact on the incomes of supported households. In the study. Combined with this, the study scope did not include a financial assessment of the programme and the economic value and value for money accrued.

6.16 The monitoring system is more aligned to employability provision than childcare and, recognising this, there are plans to create one that is more fit for purpose.

Recommendations

Recommendation 1: Subsidised childcare in Edinburgh

6.17 There remains a need for the cost of childcare to be removed as a barrier for working parents and carers on low incomes in Edinburgh. To use available resources most effectively, this should continue to be targeted at those most in need and who could benefit. Withdrawing the subsidy would make childcare unaffordable to some households and add financial pressure to others. It should be linked to the 1,140 funded hours and be designed to fill the gaps between these funded hours and what the household requires to enhance their employability and income in line with the objectives of the subsidised childcare.

6.18 Consideration should also be given in terms of the flexibility that can be offered to parents and carers in terms of the hours of provision to align with shift working and where people work according to a rota that may change or differ week by week. The Flexible Childcare Services model should be explored in greater detail in order to understand its viability for the City of Edinburgh and how it could be used as part of support package that offers flexible, affordable childcare to low income families in the city. This should include liaison with the FCS team directly as well as engagement with other local authority areas where FCS is currently in use, such as Dundee City Council, to understand the requirements from a Council perspective.

6.19 If it is accepted that some form of support to for affordable childcare will be provided going forward, there are two delivery models that the City of Edinburgh Council should consider:

- Funding (at whatever level) is routed through providers in specific locations in Edinburgh. This could be the current providers or providers that have not been involved to date.
- Funding follows the family, meaning that the subsidy is linked to the child and can be used in participating ELC and OSC providers in any part of Edinburgh.

6.20 Table 6.1 provides an at a glance assessment of the two options against some key considerations.

Table 6.1: Delivery models

Considerations	Funding routed to providers	Funding follows the child and includes Registered Childminders
Enhances viability of providers	• Supports funded providers • Childminders do not benefit from the current Programme	• Minimal impact as the subsidy is spread across more providers • Could support childminders to be viable
Management and administration	• Straightforward and a continuation of current processes	• More complicated and time consuming
Supporting Edinburgh households in need	• Reach limited by the geographic focus on four areas	• Greater reach across the city meaning more equitable access to affordable childcare
Monitoring performance (assuming development of new process)	• A small number of providers can provide monitoring information on a cohort of households relatively easily	• Information gathering likely to be more complex
Integrating with employability services	• Building and sustaining relationships between childcare providers and employability services can be focused • Providers in deprived areas may be more able to provide employability information and referrals	• A large number of childcare providers so less focused integration. • Employers across Edinburgh will have varying knowledge and understanding of employability.

Recommendation 2: Performance monitoring

6.21 The performance monitoring framework and process is due to be redesigned to better reflect the Affordable Childcare Contracts model and objectives. This is very positive, and it is recommended that the new framework is designed to capture quantitative and qualitative data about the households accessing subsidised care and the outcomes that they have accrued as a result. Careful consideration should be given to the range of potential outcomes for the child or children, the parents/carers, and the household. It should also gather data on engagement with employability services as part of an integrated offer. The survey used in this review can be used as a basis. The childcare providers should be given high quality tools to gather the data supported by a short guidance note. The new framework should be piloted with a provider before being rolled out. At regular intervals, for example six-monthly, childcare providers could be asked to provide three or four case studies and this would include capturing engagement activities with employability interventions.

6.22 To undertake a value for money (VfM) assessment in the future, it will be important that the performance monitoring framework gathers detailed and accurate information about the financial outcomes for households for example: income safeguarded; increased income; reductions in benefits. For a robust assessment of VfM, information on attribution would be required, which means the extent to which these outcomes are as a direct result of the intervention (in this case, the subsidised childcare).

6.23 The monitoring system should also record the referral source of each enquiry and subsidised place to monitor the sources and levels. It should also capture the extent to which the enquiry was converted to the offer and take up of a place and where it could not be fulfilled, or there was a delay in fulfilling. This will help to monitor demand and inform future planning and resourcing.

6.24 To support the roll out, there should be an information session with the childcare providers to highlight the importance and benefits of gathering good quality monitoring data to demonstrate impacts. At this session, there should be a live demonstration and walk through of the new monitoring framework and the processes for recording and inputting data, along with data protection protocols.

Recommendation 3: Communications

6.25 Linked to Recommendation 2, regular and productive two-way communication will be increasingly important to shape a refreshed offer and on an ongoing basis, discuss the performance of the Affordable Childcare Contracts model and identify and address any issues as they arise. There was a call from stakeholders in the research, including childcare and employability providers, for more regular and planned engagement between providers and the Council. This could be in the form of quarterly meetings with a standing agenda and scope for particular topics or issues to be added to it as required. It would also offer providers the opportunity to share good practice and discuss any potential issues, for instance around monitoring systems or engagement with employability providers,

Recommendation 4: Referrals

6.26 A more planned and consistent referral process across subsidised provision would broaden the reach of the subsidised places by raising awareness amongst a wider range of households and groups that could benefit. This will of course be driven in part by the decision on the future funding levels and routes, for example if the funding is allocated to providers or follows the child. This will require awareness raising and a system established with potential referral organisations such as employability providers, Welfare Rights Organisations, SDS Careers Advisers, and community-based intermediaries. However, care will have to be taken to ensure that the supply of places and subsidy can adequately meet any increase in demand generated.

Recommendation 5: Achieving more with less

6.27 With pressure on budgets, if the City of Edinburgh Council decides to continue to make provision to support affordable, it is important that it makes best use of all external funding opportunities, and aligns Council and other local resources to achieve more with less. The Tackling Child Poverty Delivery Plan (TCPDP) has committed to significant investment in employability support for parents including allocating key workers and support to childcare. This may be an opportunity to lever in funding for an integrated employability and childcare programme in Edinburgh. The six priority groups identified by the TCPDP are: lone parent families; households with a disabled person; households with three or more children; mothers aged under 25, minority ethnic households; and households with a baby aged less than one year.

6.28 There is also the Parental Transition Fund aimed at tacking financial barriers for parents entering the labour market[38]. It is recognised that the various funding sources will have their own performance and monitoring and reporting requirements which may not align with the monitoring processes and data for the subsidised childcare.

6.29 Alongside the commitments in the Tacking Child Poverty Delivery Plan, the City of Edinburgh Council should track the progress and implications of the commitments of the Programme for Government. As funded ELC is extended to support more low income households in Scotland and OSC wraparound care is implemented, many of the households that the Affordable Childcare Contracts model does and could target for subsidy will have access to other sources of support and mechanism to meet their needs for affordable childcare.

6.30 In this context of change, it is recommended that the progress against these opportunities is closely tracked and the potential impacts on the target households. An audit should be conducted as a working document to gain a very clear understanding and allow the City of Edinburgh Council to continue

[38] https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-26/

to monitor new funding and support for parents in order to inform its own level of subsidy and processes for assessing the individual need of households.

6.31 Added to this, the efficacy of a refreshed process to assess need should be explored in light of these changes and opportunities. This would be similar to a benefits maximisation intervention, aiming to ensure that each household applying for a subsidy is accessing all other support that they are able and eligible for. The subsidy would then be focused on addressing any remaining gap between cost and affordability.

Recommendation 6: Integrating employability

6.32 To maximise the impact of the funding, subsidised childcare in Edinburgh should be more effectively integrated with employability interventions. This should be part of future contracts with the childcare providers as well as employability services. Key Performance Indicator (KPI) for the childcare and employability providers and be integral to the performance monitoring framework.

6.33 This research has identified some barriers to this, and of course the COVID-19 pandemic made this integration particularly difficult. The barriers are around lack of awareness amongst parent/carers of the support available, the pressure on communication opportunities between childcare providers and parents/carers e.g. at drop off and pick up, and lack of consistent and active engagement between employability partners and providers. It will also be important to manage the flow of referrals to the supply of subsidised childcare places and as part of this, the potential expansion in the number of childcare providers who provide this subsidised care, including Registered Childminders.

6.34 In addition, signposting and referral to other agencies would provide more holistic, person-centred support and contribute to enhancing the circumstances of subsidised households. There is anecdotal evidence that this happens, but it is ad hoc and inconsistent.

6.35 Service integration of this type is not always easy, and it requires a carefully planned process and monitoring to assess progress and make adjustments as required to ensure genuine integration of the offer. Based on this, ekosgen recommends the following:

- The findings of this research should be summarised and disseminated to the childcare providers, employability partners, and wider stakeholders to demonstrate the benefits and highlight any issues, in particular the need for more integrated support.
- A short life working group should be established. It would explore the challenges and barriers in more detail and develop a model and approach to integrate subsidised childcare with employability. It should also consider how to best encourage and enable parents to take up the integrated offer and the potential benefits. Membership of this groups should include childcare providers, employability services, the City of Edinburgh Council, and other partners.
- It may be useful to assess the potential, benefits and any issues of specifically creating a partnership between one employability service, and the subsidised childcare offer. This would not necessarily preclude other employability services from referring and signposting, but it may simplify the process of integrating the two strands of support and achieve a clearer and more streamlined combined offer. In the research, the Maximise! project has been identified as a potential key employability and support partner (Chapter 5). Maximise! takes a whole family approach to support which incorporating three strands of support: employability, advice, and family wellbeing.

Appendices

Appendix 1: Consultee list

Table A1.1 presents a list of the organisations consulted as part of the primary research, including one-to-one consultations and focus groups. In addition to the organisations listed below, we consulted with three parents and the Steering Group members in the form of a focus group session.

- ***Table A1.1: Primary research consultees***

Key Stakeholders	
Capital City Partnership (x2)	Community Help and Advice Initiative (CHAI)
City of Edinburgh Council	One Parent Families Scotland
Childcare Providers	
Childcare Connections	North Edinburgh Childcare
Kidzcare	Smilechildcare
Local Authorities	
City of Edinburgh Council	Fife Council
Dundee City Council – Flexible Childcare Services	
Employability Providers	
Canongate Youth	Community Renewal Trust
Children 1st	

Appendix 2: The Childcare Sector in Edinburgh

Definition

The Scottish Government's definition of the childcare sector is based on the Scottish Social Services Council (SSSC) definition. It covers early learning and childcare services, which includes early learning and childcare, school aged childcare and childminder settings. This encompasses:

- All providers of registered day care of children's services who provide care to children under primary school age, including nurseries, playgroups, family centres, creches, and fully outdoor services for children aged 5 and under;
- Care Inspectorate registered childminders and assistants; and
- All providers of Care Inspectorate registered school age childcare in all sectors – local authority, private and third sectors, including breakfast clubs, after-school care and holiday care[39].

For the purposes of this research, Standard Industrial Classification (SIC) codes and SSSC sub-sector definitions have been used to present as comprehensive a picture as possible of the childcare sector in Edinburgh, as far as the data allows. SIC codes are four-digit numerical codes that categorise the industries that companies belong to based on their business activities. The SIC codes relevant to the childcare sector are presented in Table A2.1.

Table A2.1: Childcare SIC codes

SIC code	Industry	Description
85.1	Pre-primary education	Pre-primary education (education preceding the first level). Pre-primary education is defined as the initial stage of organised instruction designed primarily to introduce very young children to a school-type environment, that is, to provide a bridge between the home and a school-based atmosphere.
88.91	Child day-care activities	Activities of day nurseries for pupils, including day-care activities for disabled children.

SSSC workforce data is collected by the SSSC directly from local authorities to detail the actual paid workforce employed in the social service sector in Scotland, of which childcare is a part of. It therefore captures a wider pool of individuals than, for instance, is captured through SIC code data, which draws on sources such as the Business Register and Employment Survey (BRES) and UK Business Counts. BRES, for instance, is based on a survey and estimates across industrial groupings. The SSSC sub-sectors most related to childcare are shown in Table A2.2.

Table A2.2: SSSC childcare sub-sector definitions

Sub-sector	Description
Childminding	A childminder is a person that looks after at least one child (up to the age of 16 years) for more than a total of two hours per day. The childminder looks after the child on domestic premises for reward but not in the home of the child's parent(s). A parent/relative/foster carer of the child cannot be regarded as his/her childminder.
Day care of children	A service which provides care for children on non-domestic premises for a total of more than two hours per day and on at least six days per year. It includes nursery classes, crèches, after school clubs and play groups. The definition does not include services which are part of school

[39] https://www.gov.scot/publications/coronavirus-covid-19-early-learning-childcare-services/

Sub-sector	Description
	activities or activities where care is not provided such as sports clubs or uniformed activities such as Scouts or Guides.

Business base

This section presents the business base for the childcare sector in Edinburgh, based on the SIC and SSSC definitions provided in Tables A2.1 and A2.2. The latest UK Business Count data, drawing on the SIC definition at Table A2.1, shows there were around 135 childcare businesses in Edinburgh in 2021, with the majority of these being Child day-care activities businesses (120). Table A2.3 shows the number of childcare businesses has increased 23% since 2011, with Pre-primary education rising 200%, albeit from a very low base, and Child day-care activities rising 14%. Please note, given UK Business Counts data is based on a survey of businesses, estimates are rounded and therefore any trends derived from a low base value should be treated with caution.

The higher number of Child day-care activities businesses in Edinburgh reflects the national picture and the fact there is a larger volume of childcare demand (i.e. through nursery settings) than demand for pre-primary education, which is targeted at a smaller cohort (i.e. children about to enter their first year of primary school).

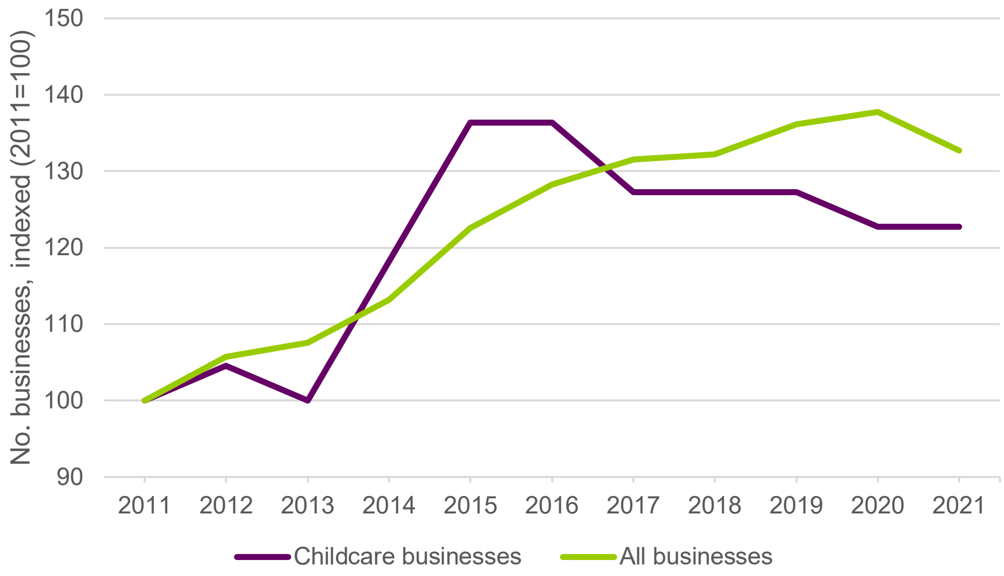
Table A2.3: Number of childcare businesses in Edinburgh, 2011 – 2021

Sector	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	% change 2011-2021
Pre-primary education	5	5	5	10	10	10	10	15	10	10	15	200%
Child day-care activities	105	110	105	120	140	140	130	125	130	125	120	14%
Total childcare	***110***	***115***	***110***	***130***	***150***	***150***	***140***	***140***	***140***	***135***	***135***	***23%***

Source: UK Businesses Count 2022

Figure A2.1 present the trend in business growth across Edinburgh, both for the childcare sector and all businesses, between 2011 and 2021. The number of childcare businesses in Edinburgh grew at a greater rate than the number of all businesses in the city between 2011 and 2016. However, since 2016, there has been a slight decline in the number of childcare business in Edinburgh, whereas growth across all businesses has largely remained steady (with the exception of a small decline between 2020 and 2021, likely due to COVID-19).

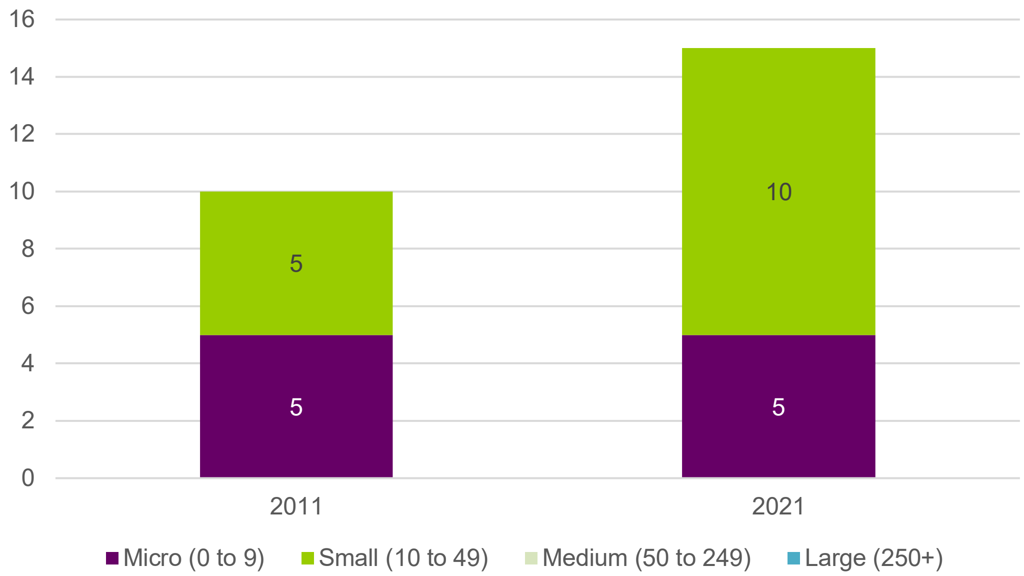
Figure A2.1: Businesses in Edinburgh, 2011 – 2021



Source: UK Business Count 2022

Figure A2.2 shows a breakdown of the Pre-primary education sub-sector in Edinburgh by business size. Albeit from a very low base number, the sub-sector in Edinburgh is made up entirely of micro (zero to nine employees) or small (10 to 49 employees) businesses. In 2021, there were slightly more small businesses than in 2011. This reflects the nature of the sector and service delivery, where smaller settings tend to be the norm.

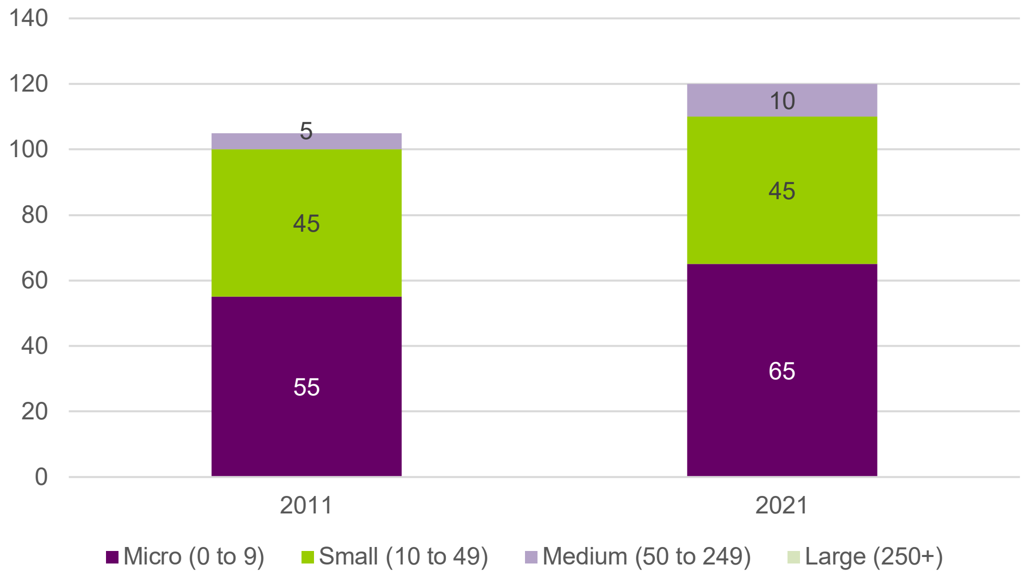
Figure A2.2: Pre-primary education businesses in Edinburgh by size, 2011 and 2021



Source: UK Business Count 2022

Figure A2.3 shows that, unlike Pre-primary education, there were some medium-sized Child day-care activities businesses in Edinburgh in 2021. However, these make up a small proportion of the overall Child day-care activities sub-sector, which is predominantly micro and small businesses. There has been some growth in the number of micro Child day-care activities businesses in Edinburgh since 2011, which may be due to more demand for childcare services as a result of the introduction of 1,140 funded hours in 2021.

Figure A2.3: Child day-care activities in Edinburgh by size, 2011 and 2021

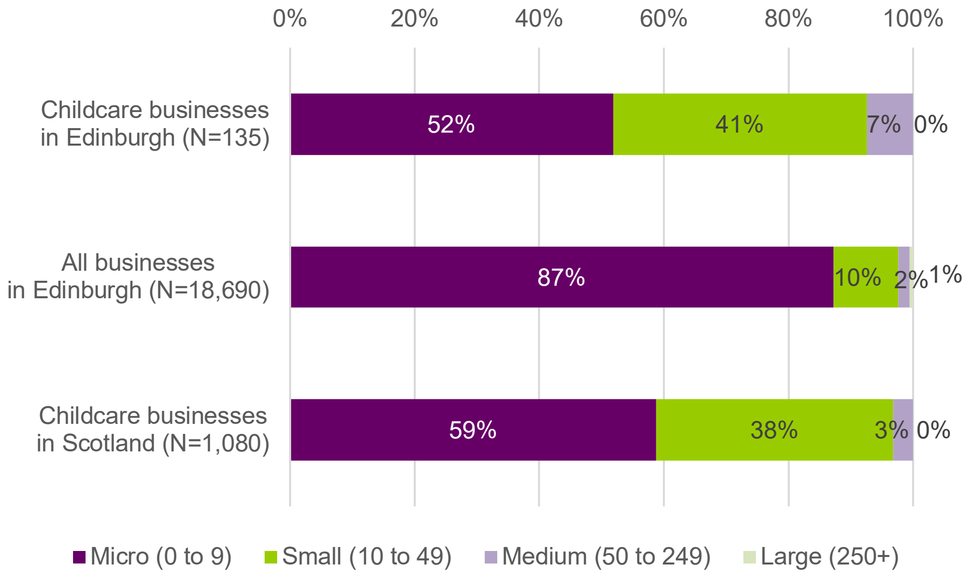


Source: UK Business Count 2022

Figure A2.4 presents a business size breakdown of childcare businesses in Edinburgh in comparison to all businesses in the city, as well as in comparison to all childcare businesses in Scotland. In comparison to all businesses in Edinburgh, childcare businesses tended to be larger in 2021, with just over half (52%) of childcare businesses in Edinburgh micro in 2021, compared to 87% of all businesses in the city. Conversely, 41% of childcare businesses in Edinburgh were small compared to just 10% of all businesses in 2021. This reflects the high demand for childcare provision in Edinburgh, one of Scotland's largest cities, and the need for businesses with a suitably sized workforce to meet this demand.

Compared to all childcare businesses in Scotland, there were proportionally fewer micro childcare businesses in Edinburgh in 2021 (52% versus 59% in Scotland). Childcare businesses in Edinburgh are more likely to fall within the small category (41%) in comparison to Scotland (38%). The higher proportion of micro businesses across Scotland highlights that there are areas across the country where the number of children, and therefore the level of childcare demand, is lower than in Edinburgh. This means fewer staff are needed to meet childcare requirements in these areas.

Figure A2.4: Business size, 2021



Source: UK Business Count 2022

Table A2.4 presents Care Inspectorate data and is based on the definition presented in Table A2.2. It shows that, in 2020, around 59% of social services centres in Edinburgh were childcare-related (either Day care of children or Childminding). These made up just over 8% of all social services centres in Scotland in 2020. The data also indicates there has been a decline in the number of childcare services centres registered with the Care Inspectorate since 2016, down 13%.

Table A2.4: No. of childcare services, 2016 – 2020

Sector	2016	2017	2018	2019	2020		
	No.	No.	No.	No.	No.	% Edinburgh services	% Scotland sector
Day care of children[40]	368	361	352	353	337	30.9%	9.5%
Childminding	376	359	358	331	310	28.4%	7.3%
Total childcare	***744***	***720***	***710***	***684***	***647***	***59.4%***	***8.3%***

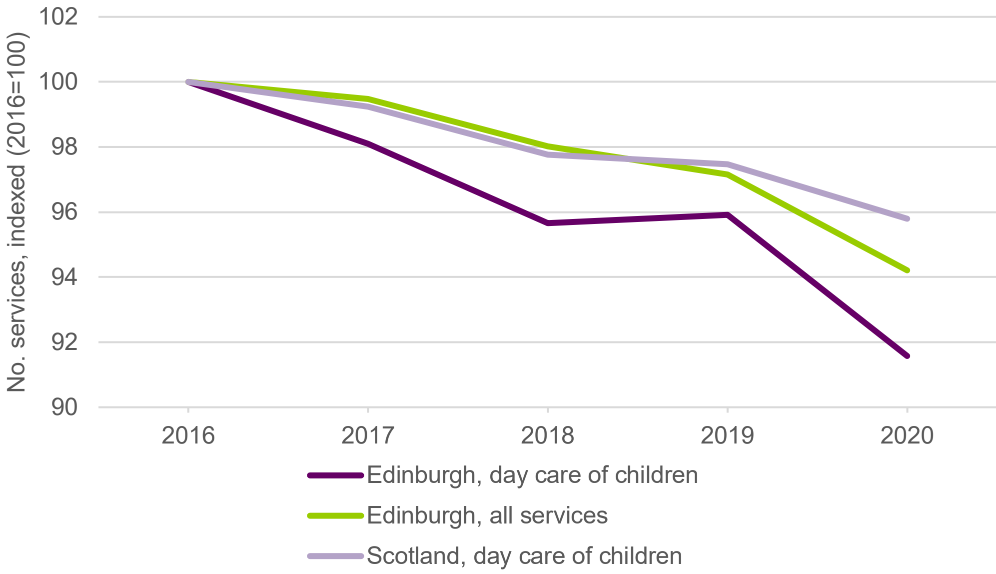
Source: Care Inspectorate 2022

Figures A2.5 and A2.6 compare the decline in Day care of children and Childminding services in Edinburgh with all social services in Edinburgh, as well as all childcare-related services across Scotland. Figure A2.5 indicates the decline in Day care of children services in Edinburgh between 2016 and 2020 was greater than both the decline of all social services in Edinburgh, as well as the decline in the number of Day care of children services across Scotland.

Similarly, Figure A2.6 shows the decline in Childminding services in Edinburgh between 2016 and 2020 was greater than the decline of all social services in Edinburgh. However, it was not as pronounced as the decline in the number of Childminding services across Scotland.

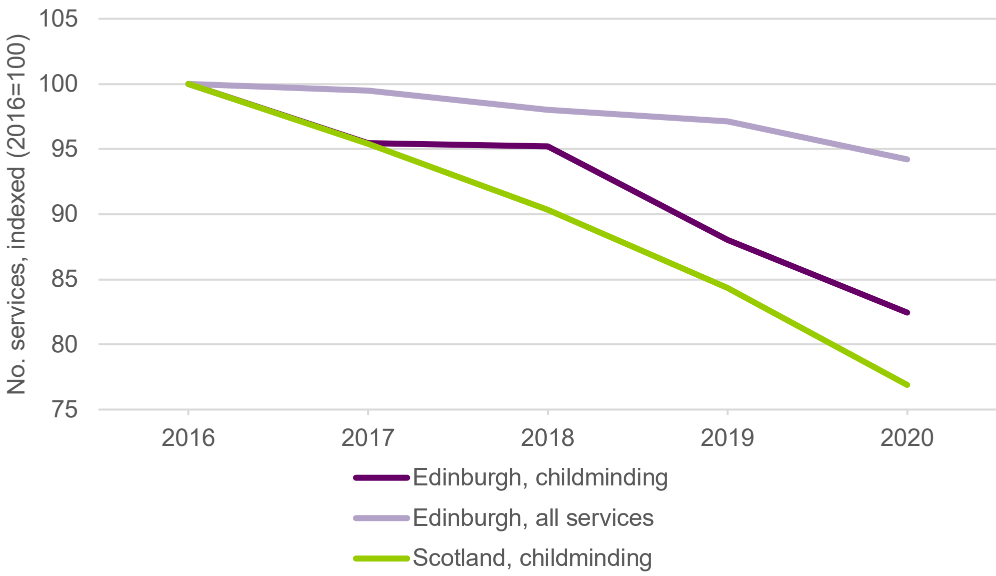
[40] Day care of children includes after school clubs however the data cannot be disaggregated to show all OSC provision. A definitions table is presented Table A2.2.

Figure A2.5: Day care of children no. of services, 2016 – 2020



Source: Care Inspectorate 2022

Figure A2.6: Childminding no. of services, 2016 – 2020



Source: Care Inspectorate 2022

Employment

This section presents the employment base for the childcare sector in Edinburgh, based on the SIC and SSSC definitions provided in Tables A2.1 and A2.2. The latest Business Register and Employment Survey (BRES) data, drawing on the SIC definition, shows there were around 3,100 employees in the childcare sector in Edinburgh in 2020. The majority of employees were in the Child day-care activities sub-sector, reflecting the larger proportion of businesses within that sub-sector.

Table A2.5 shows the number of childcare employees increased by just over 3% between 2016 and 2020, driven entirely by the number of Pre-primary education employees rising by 20%. The number of Child day-care activities employees remained the same between 2016 and 2020 but did fall 17%

between 2019 and 2020. This decline may have been driven by the COVID-19 pandemic and its impact on employment stability.

The higher number of Child day-care activities employees in Edinburgh again reflects the national picture, notably that there is more demand for childcare services through nursery settings than pre-primary education, i.e. where children about to enter their first year of primary school.

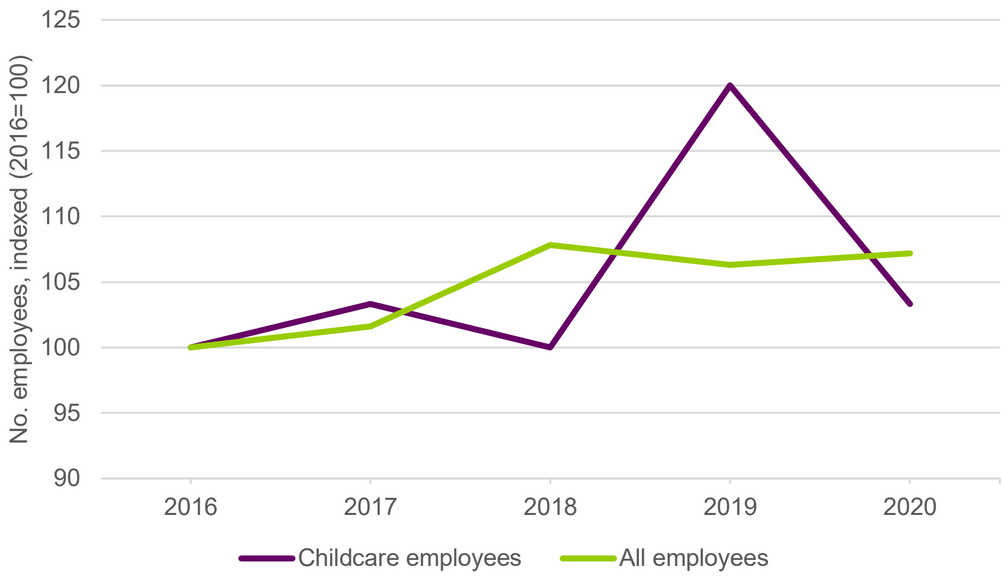
Table A2.5: Childcare employees in Edinburgh, 2016 – 2020

Sector	2016	2017	2018	2019	2020	% change 2016-2020
Pre-primary education	500	600	500	600	600	20.0%
Child day-care activities	2,500	2,500	2,500	3,000	2,500	0%
Total childcare	***3,000***	***3,100***	***3,000***	***3,600***	***3,100***	***3.3%***

Source: BRES 2022

Figure A2.7 shows the change in the number of childcare employees in Edinburgh, compared to all employees in the city, between 2016 and 2020. While there has been a steady rise in the number of overall employees in the city, the number of childcare employees has remained largely the same between 2016 and 2020 – albeit, following a steep rise from 2018 to 2019 and subsequent decline from 2019 to 2020. It may be that the steep rise between 2018 and 2019 was a result of settings increasing their recruitment efforts in preparation for the introduction of 1,140 funded hours (which was originally set to be implemented by August 2020), while the decline in employees thereafter may be due to the pandemic.

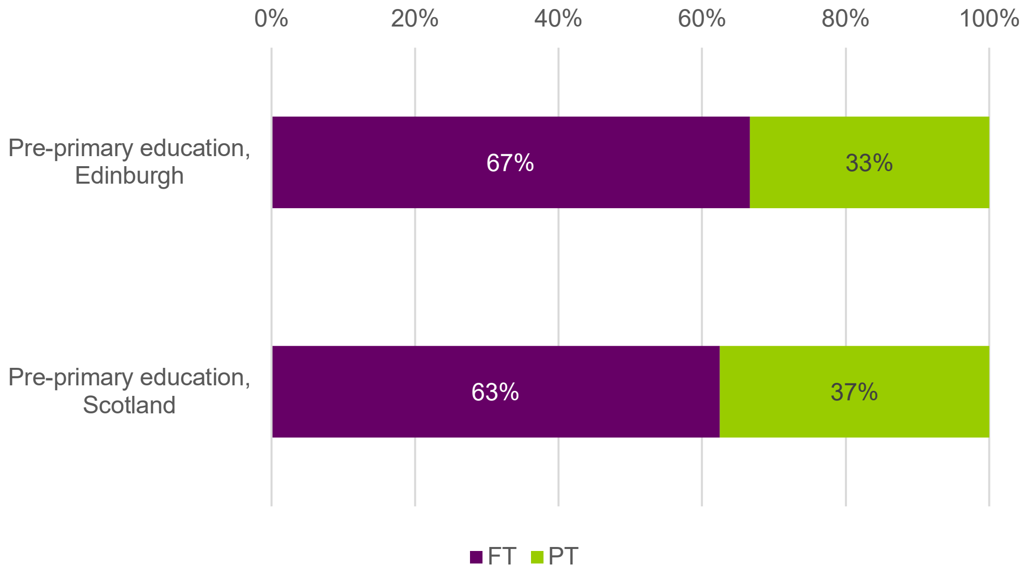
Figure A2.7: Employees in Edinburgh, 2016 – 2020



Source: BRES 2022

Figure A2.8 presents the breakdown of full-time and part-time employees in the Pre-primary education sub-sector in Edinburgh and Scotland in 2020. There were proportionally more full-time employees in the sub-sector in Edinburgh compared to Scotland (67% versus 63%).

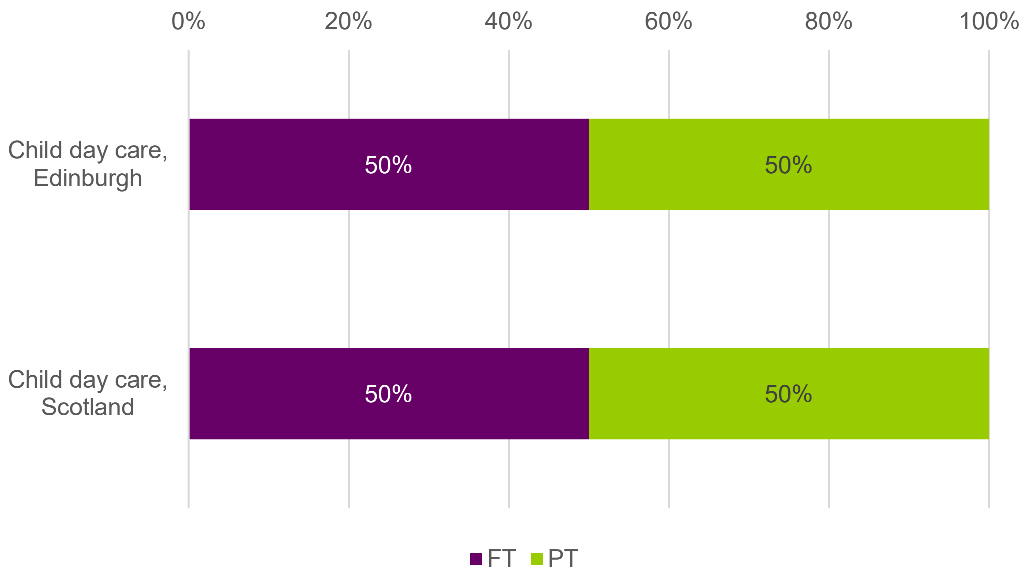
Figure A2.8: Pre-primary education employees by full and part time, 2020



Source: BRES 2022

Figure A2.9 shows the breakdown of full-time and part-time employees in the Child day-care activities sub-sector in Edinburgh and Scotland in 2020. Across both, there were an equal number of full-time and part-time employees.

Figure A2.9: Child day care employees by full and part time, 2020



Source: BRES 2022

Table A2.6 presents the total headcount of the childcare workforce registered through the SSSC between 2016 and 2020. It shows the childcare workforce accounted for 21% of the total social services workforce in Edinburgh in 2020, with Day care of children workers making up the largest number workers within this cohort (4,040). This is unsurprising given the Day care of children sub-sector includes nurseries and pre-primary education settings and therefore has a larger footprint than Childminding.

Despite the decline in the number of Care Inspectorate-registered childcare services in Edinburgh between 2016 and 2020, there was a slight increase in the number of workers across the period (just over 2%). This may indicate a higher share of the workforce being employed in fewer organisations and could have implications for future service delivery if the trend continues. For instance, fewer childcare options for parents and carers to choose from due to fewer Care Inspectorate-registered settings delivering childcare throughout the city.

Table A2.6: Childcare workforce headcount, 2016 – 2020

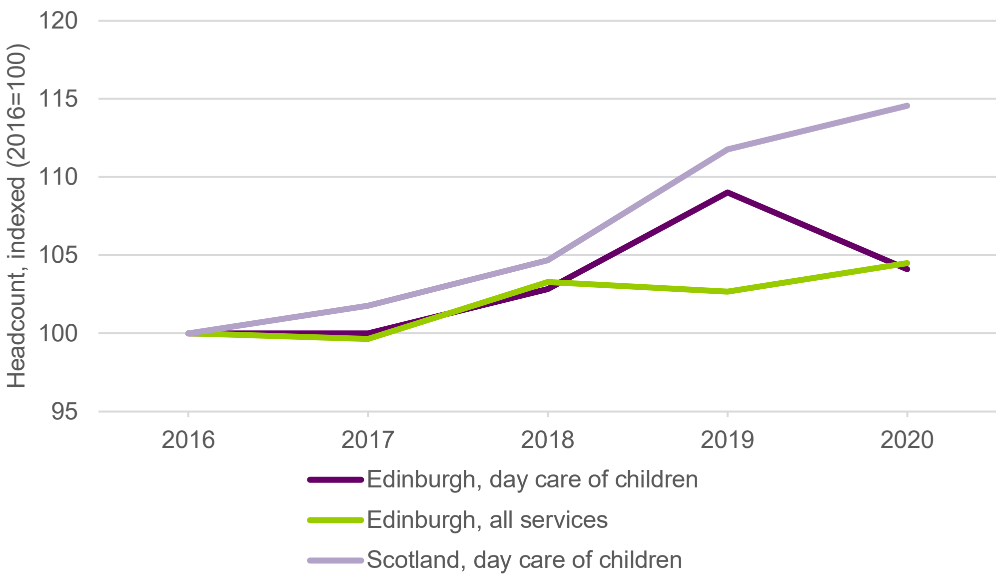
Sector	2016	2017	2018	2019	2020		
	No.	No.	No.	No.	No.	% Edinburgh services	% Scotland sector
Day care of children	3,880	3,880	3,990	4,230	4,040	19.5%	10.5%
Childminding	380	360	360	330	310	1.5%	7.2%
Total childcare	***4,260***	***4,240***	***4,350***	***4,560***	***4,350***	***21.0%***	***10.2%***

Source: SSSC 2022

Figures A2.10 and A2.11 compare the trends in the Day care of children and Childminding workforce in Edinburgh with the total social service workforce in Edinburgh, as well as the workforce across all childcare-related services in Scotland. Figure 2.10 indicates the overall growth in the Day of children workforce in Edinburgh between 2016 and 2020 was around the same level as the growth in the total social services workforce in Edinburgh, but below the rate of growth in the Day care of children workforce across Scotland.

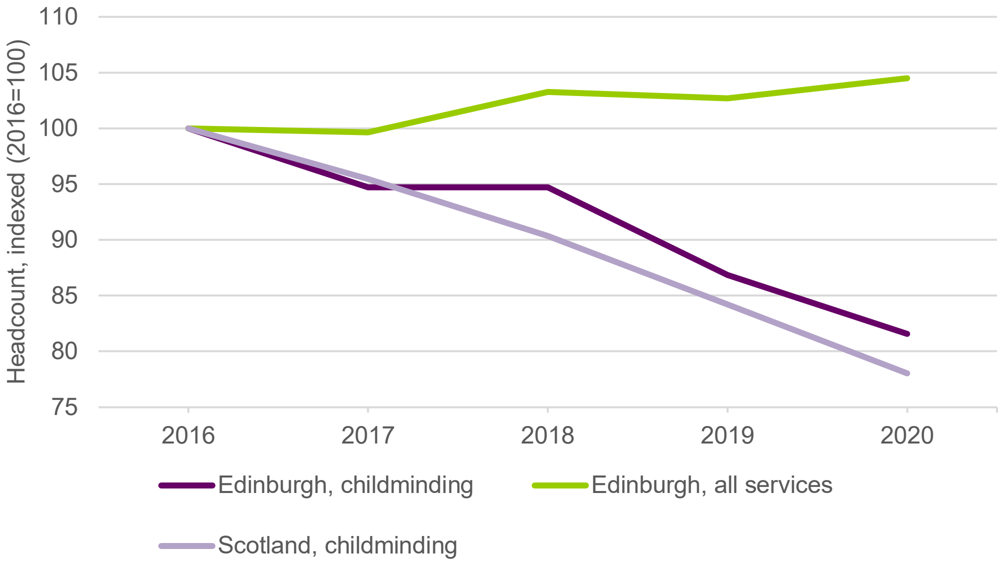
Figure A2.11 shows the decline in the Childminding workforce in Edinburgh between 2016 and 2020 was around the same level as the decline in the total Childminding across Scotland. However, by comparison, the total social services workforce in Edinburgh has risen slightly over the period.

Figure A2.10: Day care of children headcount, 2016 – 2020



Source: SSSC 2022

Figure A2.11: Childminding headcount, 2016 – 2020



Source: SSSC 2022

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

UK Shared Prosperity Fund Update

Executive/routine	**Executive**
Wards	**All**

1. Recommendations

1.1 It is recommended that Committee:

1.1.1 Notes the additional details of the portfolio of projects to be funded as part of the City of Edinburgh Shared Prosperity Fund Investment Plan;

1.1.2 Notes the target outcomes and outputs that the projects aim to achieve with the Shared Prosperity Fund investment;

1.1.3 Agrees that surplus funding is currently kept aside for regional activities and that officers should further explore with city region partners what delivery options are available and report back to Committee with further details;

1.1.4 Notes the contract management and monitoring arrangements that will be put in place to measure the impact and achievements of the Shared Prosperity Fund in Edinburgh; and

1.1.5 Agrees to the suggested reporting arrangements.

Paul Lawrence

Executive Director of Place

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Report

UK Shared Prosperity Fund Update

2. Executive Summary

2.1 On 4 August 2022, Committee approved the recommended bids for the UK Shared Prosperity Fund. Further discussions have now taken place with providers to finalise funding amounts and a summary of the projects, and the funding allocated, is provided as part of this report.

2.2 Projects have also considered the outcomes and outputs they will achieve with the revised funding allocation and details are provided on overall target outcomes and outputs for the programme.

2.3 The report further outlines the arrangements that will be put in place for monitoring and oversight as well as proposed committee reporting arrangements for the duration of the programme.

3. Background

3.1 On 13 April 2022, the UK Government published a prospectus for the new UK Shared Prosperity Fund (SPF). As part of the Levelling Up programme, and as a successor to European Union Structural Funds, the fund proposed that local interventions should be focussed across three investment themes - Community and Place, Supporting Local Business and People and Skills.

3.2 The City of Edinburgh Council allocation, including delivery of the Multiply programme, is almost £12.4m (Appendix 1). Delivery must be completed by the end of March 2025, with all expenditure also incurred by this date.

3.3 On 23 June 2022, the Housing, Homelessness and Fair Work Committee approved a proposed approach to developing a City of Edinburgh UK Shared Prosperity Fund Investment Plan alongside stakeholders and potential delivery partners.

3.4 Following this, an open grants application process was initiated, with applications outlining proposals of projects which would deliver under at least one of the three investment themes, as well as fit with the Council's Business Plan and the Edinburgh Partnership's Local Outcome Improvement Plan.

3.5 On 4 August 2022, Committee approved the panel's recommendations to proceed with 32 out of the 81 bids received.

3.6 Committee acknowledged that, if fully funded, the recommended projects would represent a total investment in excess of the allocation of funds. As such, it was agreed that officers would continue to work with projects to establish detailed funding plans and project deliverables within the financial constraints of the SPF allocation.

3.7 It was also agreed that Committee would receive an annual progress report on programme delivery and would keep projects under review through regular updates, and:

3.7.1 That defined representation of under-represented groups in project delivery would be specifically reported on; and

3.7.2 That the standard clawback clause would be applied to all projects.

3.8 On 25 August 2022, Council agreed, as part of an amended motion, that the Housing, Homelessness and Fair Work Committee would define what needs to be reported in terms of under-represented groups and the need for greater diversity in funding panels both regularly for the current UK SPF allocation and as a framework going forward.

4. Main report

Delivery Programme

4.1 Engagement with the applicants on the 32 recommended bids has now taken place with the funding level and associated outcomes and outputs agreed. These are outlined in Appendix 2 and 3.

4.2 The process leaves a surplus allocation of £750,992 (£271,708 for revenue projects and £479,284 for capital projects). This is reflective of the increased funding model from the UK Government and the fact that many of the projects are unable to scale up to the increased funding level between years two and three.

4.3 Committee agreed in August that, where projects show close alignment with the priorities set out in the Regional Prosperity Framework, officers should invite and seek opportunities for collaboration between city region partners to maximise the impact of funded interventions across the Edinburgh and South-East Scotland City Region area.

4.4 As part of the delivery plan for the Regional Prosperity Framework, a number of initiatives and opportunities have been proposed, which would support the ethos of the SPF and derive maximum impact if delivered regionally (Appendix 4). In line with the UK Government desire to see regional delivery of the SPF, it is therefore recommended that the surplus funding is currently kept aside for regional activities and that officers should further explore with city region partners what delivery options are available and report back to Committee with further details.

Monitoring and reporting

4.5 Given the strong ties to employability and skills development, and to ensure robust contract management and monitoring, a Programme Management Office (PMO) is being established at Capital City Partnership (CCP) to sit alongside the current service team who manage employability grants and contracts on behalf of the Council.

4.6 The PMO will report into a Senior Responsible Officer (SRO) at the Council. This will provide consistency of contract management for third party providers and ensure the programmes complement each other. This PMO will be funded as part of the 4% management fee that is allowable as part of the SPF.

4.7 Delivery partners will record outcomes and outputs using the Helix management information system (which is currently used by providers to measure the impact of Employability (and some Poverty Prevention) contracts and grants).

4.8 Using Helix will provide an opportunity to gather equalities data; if projects are delivering services for clients; and ensure that the funding is reaching the intended target beneficiaries. Using this consistent approach to data gathering will allow the measurement of the impact for Edinburgh citizens.

4.9 This approach will also provide the opportunity to identify the postcodes of beneficiaries to ensure that services are reaching those from areas of multiple deprivation.

4.10 Appendix 5 details the data which will be captured via Helix from clients registering for services. A summary of this data will be reported to Committee with quarterly progress reports.

4.11 It is important to note, that some projects do not specifically support individuals directly and therefore this means of measurement will not be relevant to them. In these instances, the PMO will seek to obtain anecdotal evidence of impact and other relevant information (alongside evidence of achieved outcomes and outputs as agreed).

4.12 UK Government has suggested that the full monitoring and evaluation strategy will be published in the autumn, but the published monitoring and evaluation framework provides some detail on what reporting will comprise.

4.13 The reporting schedule suggests that quarterly summary reports will be requested, alternated with six monthly detailed reports.

4.14 In order to avoid duplication of reporting, it is recommended that, following submission to UK Government, the quarterly progress reports are also submitted to the next appropriate committee. This will include a summary report, highlighting specific delivery achievements and detailing spend, key outputs and outcomes achieved as well as equalities data collected during the time frame.

5. Next Steps

5.1 The UK Government are yet to sign off the Investment Plan. Once this has been agreed, payment for 2022/23 delivery should be made immediately with 2023/24 and 2024/25 payments to be made at the start of those financial years.

5.2 The Council will continue working with projects as they initiate the delivery of their proposals.

5.3 CCP will establish the PMO to contract manage delivery and ensure compliance with UK Government audit requirements.

5.4 The above work will be overseen by a SRO within the Council. The SRO will report on progress and impact of delivery to the Housing Homelessness and Fair Work Committee, Edinburgh Partnership and UK Government.

6. Financial impact

6.1 The Edinburgh allocation for SPF is outlined in Appendix 1. No additional costs to the Council are expected for the delivery of programmes outlined in this paper.

6.2 As noted in Appendix 1, UK SPF guidelines provide for a 4% share of allocated funds to be used in support of programme administration and delivery. The PMO costs will be paid from this administration allocation.

7. Stakeholder/Community Impact

7.1 To support the development of the investment plan, engagement and promotion activities with stakeholders included:

7.1.1 Two online sessions with potential applicants attended by almost 100 participants;

7.1.2 Information and engagement sessions with Council elected members, local MPs and MSPs and the Edinburgh Partnership;

7.1.3 Publication on the Council website of the call for applicants, and application details, including publication of a recording of the launch webinar and presentation materials

7.1.4 Promotion of the call for applications through social media and by email through multiple Council and partner networks, and with support of key partners such as Edinburgh Partnership, EVOC, Edinburgh Chamber of Commerce, CCP, and others.

8. Background reading/external references

8.1 UK Shared Prosperity Fund Prospectus, UK Government, 13 April 2022

8.2 UK Shared Prosperity Fund: Interventions

8.3 UK Shared Prosperity Fund: Outputs and Outcomes

8.4 Edinburgh and South East Scotland Regional Prosperity Framework

9. Appendices

9.1 Appendix 1 - Edinburgh SPF allocation.

9.2 Appendix 2 - Recommended funding allocations for projects funded through the City of Edinburgh SPF Investment Plan.

9.3 Appendix 3 - Target Outcomes and Outputs for the programme.

9.4 Appendix 4 – Shared Prosperity Fund priority projects

9.5 Appendix 5 - Helix Management Information System – Client Registration Form.

Appendix 1: Edinburgh SPF allocation

UK Shared Prosperity Fund – City of Edinburgh Conditional Allocation				
	22-23	**23-24**	**24-25**	**TOTAL**
Revenue	£1,115,330	£2,178,380	£5,355,129	£8,648,839
Capital	£129,458	£311,197	£1,167,562	£1,608,217
TOTAL Core SPF allocation	**£1,244,788**	**£2,489,577**	**£6,522,691**	**£10,257,056**
SPF Admin*	£49,792	£99,583	£260,908	£410,282
MULTIPLY Allocation+	**£647,290**	**£746,873**	**£746,873**	**£2,141,036**
Multiply Admin*	£25,892	£29,875	£29,875	£85,641

*Included in totals above

+Investment planning subject to approval by Education, Children and Families Committee

Appendix 2: Projects to be funded through the City of Edinburgh SPF Investment Plan. Some projects plan to deliver under more than one theme but are listed in the theme where the main outcomes are expected.

SPF Theme – Communities and Places

Organisation Name	Project Name	Description	Agreed Funding Allocation
CHAI Community Help & Advice Initiative	Enabling Financial Resilience for Edinburgh Citizens	Increase current welfare rights and debt advice services within locality community mental health and locality recovery hubs. Expand Growing Families pilot which supports health visitors when asking financial inclusion question.	£809,949
Corstorphine Craigsbank Parish Church	East Craigs Easy Cafe	Upgrading existing community hall by extending the kitchen to broaden its use. A not-for-profit community café will be run providing volunteers work experience, enhancing social capital in an area with pockets of social deprivation whilst combatting social isolation.	£108,116
City of Edinburgh Council - Community Centres	Support to Community Centre Management Committees in Edinburgh	Provide support, development and access to resources to Community Centre Management Committees across the city to enable them to develop sustainable plans for the future and strengthen capacity to deliver services in their local communities.	£290,000
Cyrenians	Cyrenians Levelling Up Initiatives	Set of levelling up initiatives that take a public health approach to reducing homelessness and increasing wellbeing and prosperity across Edinburgh.	£400,000
Edible Estates CIC	Edinburgh Growing Together	Edinburgh Growing Together would support community gardens in Edinburgh's council estates with project anagement/development and community engagement support alongside improvements to infrastructure including new connections to the water mains, new tool storage units, renovation of paths and growing beds.	£303,424
Empty Kitchens Full Hearts	Empty Kitchen Full Hearts Kitchen Assistant Programme, Volunteer Programme and Garden Regeneration	EKFH will build upon its core service delivery - turning surplus food into meals that are delivered to those in need across Edinburgh - with volunteering and job opportunities through Kitchen Assistant and Volunteer Programmes and create a green space within the local community through the regeneration of a garden area.	£148,548
Turn2Us/ Edinburgh Voluntary Organisations Council	Anti Poverty Grants Programme	Supporting 100 individuals in poverty identified through Turn2us Edinburgh Trust grants referral partners to sustainably support people with the cost of living.	£200,000
City of Edinburgh Council Forever Edinburgh	Forever Edinburgh Engaging the local community in Edinburgh's Culture and Tourism Offer.	Engage residents in Edinburgh's cultural offer by launching 'Resident First', inviting residents to enjoy new exhibitions / visitor products first.	£180,000

SPF Theme – Communities and Places			
Organisation Name	**Project Name**	**Description**	**Agreed Funding Allocation**
Fresh Start	Fresh Connections A Fresh Start Programme to Support People Thrive Not Survive.	To help people thrive, not survive. By tackling poverty at a community level, preventing recurring or first-time homelessness, and increasing life chances through community learning activities.	£43,452
The Poverty Alliance	End Poverty Edinburgh	End Poverty Edinburgh is an independent group of citizens formed during the latter stages of the Edinburgh Poverty Commission as a recommendation of their 2020 report, 'A Just Capital', to work closely with Edinburgh Council and include voices of experience in efforts to end poverty in the city	£128,538
Southside Community Centre Association	Southside Soil, Seed and Soul	To clear and replant an overgrown garden at the front of Southside Community Centre (SSCC) while creating practical volunteering opportunities and skill development for local community groups. To scope out plan for disabled access to front instead of back door.	£24,760
City of Edinburgh Council	South Queensferry Accessible Public Conveniences	The construction of accessible new public conveniences at Hawes Pier, South Queensferry	£450,000
Space The Broomhouse Centre and Lifecare	Employment Vibes	Vintage Vibes, innovative social support for lonely/isolated over 60s through long-lasting weekly 1:1 volunteer friendships.	£286,341
Spartans Community Football Academy SCFA	Here For Good	The redevelopment of our Community Youth Work Space will enable wider access to opportunity for local people and reinforce our aim of supporting a thriving neighbourhood that is healthy and safe.	£350,000
Volunteer Centre Edinburgh	Local Volunteering Gateways	Working with local partners in each of the four localities we will develop a holistic programme of gateway opportunities, formal volunteer opportunity development and capacity building for Volunteer Involving Organisations to directly tackle exclusion and inequality of opportunity in communities.	£284,212
		Total Communities and Place Funding Allocation	**£4,007,340**

SPF Theme – Local Business Support		
Name	**Description**	**Agreed Funding Allocation**
Business Gateway	Additional services to the baseline Business Gateway offering which will increase the numbers of high value start-up businesses, increase start-up numbers from previously underrepresented demographics and support first time exporters to enter new markets.	£614,150
Codebase Green Tech and Medtech	GreenTech Accelerator programme that teaches entrepreneurial skills to build new startups. Development of an investment fund that educates and then funds Medtech startups.	£600,000
Edinburgh Chamber of Commerce - 20	Net Zero Edinburgh, which will: - support SME's make a just transition to net zero - deliver a five step programme, supported by events, toolkits and knowledge sharing - align with the Just Economic Transition programme - support innovative decarbonisation projects	£300,000
Everyone's Edinburgh - Business For Good	Delivering a single, clear strategy and message from a newly formed Partner Alliance to drive business engagement with the principles and practice of 'business for good'. This will create a critical mass of businesses actively using our advice, education, training and network to positively shift the business ecosystem.	£12,500
Forever Edinburgh Destination Marketing	To extend The Story Never Ends visitor campaign in Y1 and develop a new city marketing campaign for 2023-25.	£200,000
	Total Local Business Support Funding Allocation	**£1,726,650**

SPF Theme - People and Skills

Organisation Name	Project Name	Description	Agreed Funding Allocation
ACE IT Scotland SCIO	Helping people over 50 access the digital world	One-to-one person-centred digital skills coaching for people over 50. Coaching delivered by trained volunteers and staff at centrally located office and partner sites around Edinburgh.	£139,800
APEX Scotland	Steps to Skills Academy	Delivery of sector-based skills academy, targeting sectors that are experiencing recruitment challenges, with a focus on those aged 16 and over with a history of offending and/or at risk of offending. 1-2-1 support, life, and career skills, accredited and non- accredited training, sector-based placements and employer engagement	£470,620
Capital City Partnership	MacMillan Skills Hub	The MacMillan Skills Hub will offer a local corridor of support in an area of high deprivation, with the focus on access to training, careers advice and job matching to opportunities created through the significant regeneration plans at the Waterfront development.	£353,000
The Challenges Group	Making Work Work	Making Work Work – for Women Returners (MWW) Programmes to connect women to learn, collaborate, create, catalyse change and make work work. Physical and virtual spaces which facilitate hybrid and virtual working and promote the social economy.	£291,878
Edinburgh Rape Crisis Centre Volunteering	ERCC Volunteering & Training Programme	Volunteering opportunities for women, who will develop transferable trauma informed skills and knowledge supporting those affected by sexual violence. Volunteers will undergo a bespoke rape crisis training program and supervised long term placement at ERCC.	£55,753
Edinburgh Women's Aid	Works 4 Woman	Works4Women is an employability programme that supports women who have experienced domestic abuse. It is run by Edinburgh Women's Aid in partnership with Shakti Women's Aid (which serves women in the BME community). We propose continuing and expanding the capacity of our comprehensive services through an additional part-time staff member.	£157,248
Enable Scotland	All in Edinburgh	The Edinburgh Supported Employment Consortium (ESEC) will deliver a supported employment model increasing jobs and supporting retention of jobs for those clients furthest removed from the labour market.	£800,000 (funding towards existing service contract)
Networking Key Services (NKS) Limited	Communities Empowered	NKS will empower South Asians through build capacity and resilience and, use asset-based approach where people realise their skills to improve their life chances. By establishing a baseline of needs and skills through a survey, enhancing existing and learning new skills will be supported along with training volunteer equality champions.	£80,000

SPF Theme - People and Skills			
Organisation Name	**Project Name**	**Description**	**Agreed Funding Allocation**
People know How	Reconnect Edinburgh	Partner with organisations/local communities to run weekly digital & wellbeing support sessions for 40 plus weeks each year. Coordinate with EVOC to deliver digital training sessions to third sector staff member/volunteers to become Tech Buddies	£120,000
The Bike Station	Shifting Gears	Funding for our flagship community programme Shifting Gears, an evidence-based approach to support marginalised communities and those from low-socio economic backgrounds to recover from the pandemic, mitigate the impact of the cost-of-living crisis and climate emergency, enhance life and employment skills, and provide much needed work experience and employment opportunities.	£104,605
Young Persons Consortium	The Young Person's Consortium Edinburgh: Opportunities for All	The Young Person's Consortium will deliver employability and enterprise support to unleash the economic potential of 15-30-year-olds furthest from the labour market. We will offer impactful interventions/activities, tailored to the needs of individuals and employers/businesses. Provision will reduce economic inactivity and boost job prospects/Covid recovery, reflecting UK and national/local priorities	£788,888
		Total People and Skills Funding Allocation	**£3,361,792**

Appendix 3: Programme Outcomes and Outputs

Communities and Place Outputs	
Number of commercial buildings developed or improved (numerical value)	92
Number of organisations receiving non-financial support (numerical value)	15
Number of facilities supported/created (numerical value)	50
Number of local events or activities supported (numerical value)	1,095
Amount of green or blue space created or improved (m2)	4,000
Number of events/participatory programmes (numerical value)	120
Number of volunteering opportunities supported (numerical value)	575
Number of projects (numerical value)	200
Number of people reached (numerical value)	11,5000
Number of people attending training sessions (numerical value)	130
Number of feasibility studies supported (numerical value)	1
Number of households receiving support	3000

Communities and Place Outcomes	
Greenhouse gas reductions (decrease in Tonnes of Co2e)	435
Improved perception of facilities/amenities (% increase)	200
Increased users of facilities/amenities (% increase)	100
Improved perception of facility/infrastructure project (% increase)	80
Improved engagement numbers (% increase)	50
Increased number of web searches for a place (% increase)	2
Volunteering numbers as a result of support (numerical value)	950
Increased number of projects arising from funded feasibility studies (% increase)	50
Number of premises with improved digital connectivity (numerical value)	15

Supporting Local Business Outputs	
Number of businesses receiving financial support other than grants (numerical value)	50
Number of businesses receiving non-financial support (numerical value)	392
Number of businesses receiving grants (numerical value)	60
Number of potential entrepreneurs provided assistance to be business ready (numerical value)	300

Supporting Local Business Outcomes	
Number of new businesses created (numerical value)	335
Number of businesses introducing new products to the firm (numerical value)	50
Number of organisations engaged in new knowledge transfer activity (numerical value)	250
Number of businesses with improved productivity (numerical value)	50
Number of businesses increasing their export capability (numerical value)	60

People and Skills Outputs	
Number of economically inactive people engaging with keyworker support services (numerical value)	485
Number of economically inactive people supported to engage with the benefits system (numerical value)	320
Number of socially excluded people accessing support (numerical value)	300
Number of people supported to access basic skills (numerical value)	50
Number of people receiving support to gain employment (numerical value)	200
Number of people supported to engage in life skills (numerical value)	2,275
Number of people supported onto a course through providing financial support (numerical value)	45
Number of people supported to participate in education (numerical value)	5
Number of volunteering opportunities supported (numerical value)	810
Number of people retraining (numerical value)	75
Number of people in employment engaging with the skills system (numerical value)	20
Number of people supported to gain a qualification or complete a course (numerical value)	1,529

People and Skills Outcomes	
Number of people sustaining engagement with keyworker support and additional services (numerical value)	120
Number of people in employment, including self-employment, following support (numerical value)	80
Number of people in education/training (numerical value)	65
Number of people experiencing reduced structural barriers into employment and into skills provision	110
Number of people gaining qualifications, licences and skills (numerical value)	5
Number of people engaged in life skills support following interventions (numerical value)	1,100
Number of people gaining a qualification or completing a course following support (numerical value)	1,479

Appendix 4: Regional Shared Prosperity Framework Priority Projects

Project	Intervention
Regional Energy Masterplan	S2: Support and improvement of community assets and infrastructure projects, including those that increase communities' resilience to natural hazards, and support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs).
Regional Climate Risk assessment	S2: Support and improvement of community assets and infrastructure projects, including those that increase communities' resilience to natural hazards, and support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs).
Forth Estuary Collaboration Network	S2: Support and improvement of community assets and infrastructure projects, including those that increase communities' resilience to natural hazards, and support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs). S17: Funding for the development and support of appropriate innovation infrastructure at the local level.
Regional Transport Masterplan	S2: Support and improvement of community assets and infrastructure projects, including those that increase communities' resilience to natural hazards, and support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs). S17: Funding for the development and support of appropriate innovation infrastructure at the local level.
Establish a regional visitor economy partnership to create and deliver a regional visitor economy development plan	S7: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area. S14: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.
Community Wealth Building	S10: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change S11: Funding to support relevant feasibility studies.
Green Skills – Net Zero Accelerator	S13: Support for linking communities together and with employment opportunities with a focus on decarbonization S37: Green skills courses to ensure we have the skilled workforce to support the Just Transition to a net zero economy and climate resilience, with a particular focus on vulnerable or low-income groups who will be disproportionately affected by climate change. Retraining support for those in high carbon sectors, providing career guidance and supporting people to seek employment in other sectors

Appendix 5: Helix Management Information System – Client Registration Form

NOLB Post July 2022 – CCP

Status : (None)
Client : (None)

1: Forename

2: Surname

3: Address Line 1

4: Address Line 2

5: Address Line 3

6: Address Line 4

7: Postcode

8: Phone Number

9: Mobile Number

10: Contactable

- ☐ *Contactable by email*
- ☐ *Contactable by phone*
- ☐ *Contactable by sms*

11: Registration Date

1/8

12: How did you hear about us?

Other

Further details...

13: NI Number

__ __ __ __ __ _

14: Employment Status at Start Date

- ◯ *Employed*
- ◯ *Self Employed*
- ◯ *Unemployed*
- ◯ *Economically Inactive*
- ◯ *School Pupil*
- ◯ *Not Recorded*

15: If employed, in which sector?

- ☐ *Employment Sector at Registration*

16: Rate of Pay at Start Date (if employed)

- ☐ *Starting Income*

17: Email Address

18: Length of Time Out of Work

- ◯ *12 months up to 2 years*
- ◯ *2 years up to 5 years*
- ◯ *5 years or more*
- ◯ *6 months up to 12 months*
- ◯ *Less than 6 months*
- ◯ *Never worked*
- ◯ *Not Recorded*

19: Highest Level of Qualification at start date ℹ

- ◯ *ISCED Level 0 - No Qualification*
- ◯ *ISCED Level 1*
- ◯ *ISCED Level 2*
- ◯ *ISCED Level 3*
- ◯ *ISCED Level 4*
- ◯ *ISCED Level 5*
- ◯ *ISCED Level 6*
- ◯ *ISCED Level 7*
- ◯ *ISCED Level 8*

20: Date of Birth

21: Gender

22: Trans status

○ *Trans satus*

23: Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?

☐ *Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?*

24: NOLB Scottish Government Health Related Questions

- ☐ *Autistim Spectrum Disorder*
- ☐ *Deafness or partial hearing loss*
- ☐ *Blindness or partial sight loss*
- ☐ *Learning disability*
- ☐ *Learning difficulty*
- ☐ *Other developmental disorder*
- ☐ *Physical disability*
- ☐ *Mental health condition*
- ☐ *Long-term illness, disease or condition*
- ☐ *Full or partial loss of voice or difficulty speaking*
- ☐ *Other condition*

25: If you have answered yes to any of the proceeding questions does your condition or illness reduce your ability to carry-out day-to-day activities

○ *Disability 2*

26: Select if the participant has no long term health conditions- havent answered yes to any of the questions in Q27

○ *No condition*

27: Ethnic Origin

28: Relgion, religious denomination or body

- ○ *None - Religion*
- ○ *Church of Scotland*
- ○ *Roman Catholic*
- ○ *Other Christian*
- ○ *Muslim*
- ○ *Buddhist*
- ○ *Sikh*
- ○ *Jewish*
- ○ *Hindu*
- ○ *Pagan*
- ○ *Other religion*
- ○ *Prefer not to say - Religion*

29: Sexual Orientation

- ○ *Heterosexual / Straight*
- ○ *Gay / Lesbian*
- ○ *Bisexual*
- ○ *Other*
- ○ *Prefer not to say - Sexual Orientation*

30: Participant characteristics and circumstances

- ☐ ***Armed Forces veteran***
- ☐ ***Asylum seeker***
- ☐ ***Criminal convictions***
- ☐ ***Homeless or affected by housing exclusion***
- ☐ ***No or Limited work experience***
- ☐ ***Refugee***
- ☐ ***Substance related conditions***
- ☐ ***Childcare***

Whether participant has faced barriers to employment as a result of childcare. This can include a range of potential scenarios, including but not limited to: -Lack of available childcare -Lack of affordable childcare -Lack of awareness of available childcare

- ☐ ***Transport***

Whether a participant has faced barriers to employment as a result of transport. This can include a range of potential scenarios, including but not limited to: -Lack of available transport links between place of residence and employment -Cost of transport -Unaware of eligibility for concessionary travel

- ☐ ***Current Substance Use***
- ☐ ***Care experienced - Barriers***
- ☐ ***Caring Responsibilities***
- ☐ ***At risk of becoming NEET***
- ☐ ***From Employment Deprived Areas***
- ☐ ***From Remote Rural Areas***
- ☐ ***From Rural Areas***
- ☐ ***Living in a jobless household***
- ☐ ***Living in a jobless household with dependent children***
- ☐ ***Living in a single adult household with dependent children***
- ☐ ***Long term physical illness***
- ☐ ***Long term unemployed - Barriers***
- ☐ ***Looked after young person***
- ☐ ***Low Income Employed***
- ☐ ***Low Income Household***
- ☐ ***Low Skilled***
- ☐ ***Mental health issues***
- ☐ ***Migrants people with a foreign background, minorities (including marginalised communities such as the Roma)***
- ☐ ***Primary carer of a child/children (under 18) or adult***
- ☐ ***Underemployed***

31: Parental Status

- ○ ***Parent in a couple***
- ○ ***No Children***
- ○ ***Single Parent***

32: Family Information

- ☐ ***Number of dependent children***
- ☐ ***Disabled child or adult within family?***
- ☐ ***Age of youngest dependent child***
- ☐ ***Are you living with dependent children?***

33: Accessing funded childcare

- ☐ ***Accessing funded childcare***

34: Accessing eligible 2 year old place

- ☐ ***Accessing eligible 2 year old place***

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Essential Edinburgh - City Centre Business Improvement District, Renewal Ballot March 2023

Executive/routine	**Executive**
Wards	**City Centre**

1. Recommendations

1.1 It is recommended that Housing, Homelessness and Fair Work Committee:

1.1.1 Approve progress towards a renewal ballot for Essential Edinburgh (by not exercising the option to veto);

1.1.2 Note that Essential Edinburgh are required to submit a business plan to Council and Scottish Government by 15 December 2022 and that Council are required to assess the business plan by 12 January 2023; and

1.1.3 Note the process for making a voting decision on Council owned properties that incur the Business Improvement District (BID) levy.

Paul Lawrence

Executive Director of Place

Contact: Al Bryce, Contracts and Programme Manager, Business Growth & Inclusion

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Report

Essential Edinburgh - City Centre Business Improvement District, Renewal Ballot March 2023

2. Executive Summary

2.1 This report provides an update on the upcoming renewal ballot for Essential Edinburgh, the city centre Business Improvement District (BID) and summarises:

2.1.1 Essential Edinburgh achievements over its last five-year term;

2.1.2 Proposals for Essential Edinburgh's fourth term (2023-2028); and

2.1.3 How the Council will proceed with the casting of their vote for properties within the BID area.

3. Background

3.1 Essential Edinburgh, the Edinburgh City Centre BID, was established in 2008 and is in the final year of its third five-year term. A renewal ballot is now required for a fourth term. The process for a BID renewal ballot is set out in legislation. Guidelines are also provided by Scotland's Improvement Districts.

3.2 Essential Edinburgh plays an active role in the city centre and their many programmes, projects, partnerships, and initiatives over the last 15 years have delivered a range of initiatives to support business growth and ensure the area is a leading place to visit, work and do business.

4. Main report

4.1 Over the current five-year term, Essential Edinburgh have delivered a range of additional, enhanced services and projects to improve the city centre.

4.2 These programmes and initiatives have led to:

4.2.1 Footfall up 9.8% during campaign activity;

4.2.2 Retail sales 1.5% above Scottish average during campaign activity;

4.2.3 Hospitality sales up 6.1% during campaign activity;

4.2.4 Recorded crime down 66%;

4.2.5 179 Homeless people into accommodation with help from Cyrenians partnership;

4.2.6 628,100kg of litter collected by the Clean Team; and

4.2.7 900 Tonnes of CO2 saved from landfill disposal.

4.3 Plans for the next five years include the continuation of similar core business support services and key initiatives to support inclusion including maintaining the training and recruitment support at zero cost for levy-paying businesses; building on the successful partnership with homeless charity Cyrenians through funding outreach workers; and investment in upgraded cleaning equipment.

Business Consultation

4.4 Essential Edinburgh have continued consultation with levy payers during the run up to the renewal ballot including circulation of their draft plans, face to face meetings, information sessions and events.

4.5 In November 2021, Essential Edinburgh sent out a survey to all businesses in the BID area. 121 responses were received and of those 69 indicated they would support a further term. This represents 12% of the whole BID area and 57% of the responses to the survey, above the 5% required by legislation.

4.6 The survey results formed the basis of the draft Business Plan which was circulated to all members and followed up with one to one visits and meetings to discuss the contents

4.7 Members can also access a web page which has all the information on the renewal ballot and a further opportunity to provide feed back on the draft plan. It will be updated regularly as they approach the ballot period with news, video testimonials and how to vote guides. It can be viewed at Essential Edinburgh Renewal 2023-28.

Legislative Steps

4.8 Legislation requires that Essential Edinburgh provide 154 days' notice of their intention to hold a ballot. They did so by writing to the Chief Executive of the Council in August 2022.

4.9 Essential Edinburgh is further required to submit its business plan to both the Council and Scottish Government 98 days prior to the ballot. This is due by 15 December 2022. An early draft of this business plan has been included with this report at Appendix 1.

4.10 The Council, in conjunction with the Scottish Government, is required to assess the business plan within 28 days of receipt (by 12 January 2023). It has discretion to approve the proposals and authorise the ballot or exercise a veto should valid reason be found.

4.11 Valid reasons are that the local authority consider that the BID proposals are likely to:

4.11.1 Conflict with any structure plan, local plan, strategic development plan or local development plan which has been approved or adopted under the principal Act and which applies to the proposed business improvement district or any part of it;

4.11.2 Conflict to a material extent with any policy formally adopted by and contained in a document published by the authority (whether or not the authority are under a statutory duty to prepare such a document); or

4.11.3 Lead to a significantly disproportionate financial burden being imposed on:

4.11.3.1 Any person entitled to vote in the ballot on the proposals; or

4.11.3.2 Any class of such persons, as compared to other such persons or classes.

4.12 It is considered that these criteria do not apply here, and therefore the Council cannot exercise their veto.

Council's Vote in the Ballot

4.13 Any owner of property within the BID area is entitled to vote in the ballot. The Council owns two properties within the BID area:

4.13.1 The Assembly Rooms; and

4.13.2 The Bus Station.

4.14 The total BID levy paid on these properties in 2022/23 was £3,721.85.

4.15 The actual vote (or votes) has to be submitted by an officer of the Council. Committee have previously delegated this responsibility to the Executive Director of Place, in consultation with the Convener and Vice Convener of Housing, Homelessness and Fair Work, the Convener and Vice Convener of Finance and Resources and local ward members.

4.16 In respect of the vote for multiple properties, Committee have previously also agreed that:

4.16.1 In the event that the Council had multiple properties within the BID area, the Council would cast the same vote for all properties;

4.16.2 Should the Convener and Vice Convener of Housing, Homelessness and Fair Work, the Convener of Finance and Resources and local ward Councillors not reach consensus on how the Council vote should be cast, they would be asked to cast one further vote by way of a poll. The majority outcome of the poll would determine the Council overall vote; and

4.16.3 In the event of a tie in any poll carried out under 1.1.2, the Leader of the Council should be given a casting vote.

4.17 It is recommended that both the delegation and the process for votes for multiple properties remain in place.

5. Next Steps

5.1 If Committee approves the recommendations of this report:

5.1.1 Officers will continue to work with Essential Edinburgh towards a re-ballot;

5.1.2 Officers will liaise with City Centre Ward Councillors and the Conveners of Housing, Homelessness and Fair work and Finance and Resource Committees to assess the final business plan and agree the voting intention for the two Council owned properties in the area; and

5.1.3 Officers will make arrangements for the process of administering the ballot, with ballot papers being issued on 9 February 2023. The renewal ballot will close on 23 March 2023 and the declaration is expected on 27 March 2023.

6. Financial impact

6.1 Essential Edinburgh is an established BID therefore development of the business plan is self-funded.

6.2 The City of Edinburgh Council is required to carry out the ballot count including issuing lost ballots and administering proxy appointments. Based on previous votes, this is estimated as one officer full-time for six weeks in the lead-up to the ballot and four officers on the day of the ballot for vote counting. This will be funded by Essential Edinburgh.

6.3 There are currently two properties within the BID that the Council is responsible for the levy on – the Assembly Rooms and the Bus Station. The total BID levy paid on these properties in 2022/23 was £3,721.85.

6.4 Council retains 3% of all levy funds collected via business rates as contribution towards administering the collection.

7. Stakeholder/Community Impact

7.1 Essential Edinburgh have been working closely with the businesses located within the BID throughout the last term and during the development of the business plan for the next proposed term. The majority of businesses have approved the BID in the last three ballots. The upcoming ballot outcome will determine if the stakeholders agree with the business plan.

8. Background reading/external references

8.1 Essential Edinburgh website.

8.2 Scottish Government BID guidance.

8.3 Scottish Government legislation on BID arrangements.

8.4 Scotland's Improvement Districts guidance.

9. Appendices

9.1 Appendix 1 - Business Plan (Draft/Private).

by virtue of paragraph(s) 6 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Contract Extensions for Activity Agreement Hubs and Joint Co-Production with No-one Left Behind – Phase 3

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

1. Recommendations

1.1 It is recommended that Housing Homelessness and Fair Work Committee:

1.1.1 Approve the extension of the existing Activity Agreement Hub Grants, for a 12-month period from 1 April 2023 until 31 March 2024, at a total maximum value of £200,000.00;

1.1.2 Note that preparation is underway for No One Left Behind (NOLB) Phase 3 funding that is expected to sit within local authorities from 2024 onwards, at an expected value of £1m annually for the City of Edinburgh Council; and

1.1.3 Approve the joint co-production for NOLB Phase 3 and the existing Activity Agreement service with relevant stakeholders and citizens. The anticipated service start date for NOLB Phase 3 and the revised Activity Agreement Hubs service is from April 2024 onwards.

Paul Lawrence

Executive Director of Place

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Report

Contract Extensions for Activity Agreement Hubs and Joint Co-Production with No-one Left Behind – Phase 3

2. Executive Summary

2.1 This report seeks approval to extend the current five Activity Agreement Hubs for a 12-month period from 1 April 2023 until 31 March 2024, at a total maximum value of £200,000.00.

2.2 This is to allow sufficient time for a joint co-production process for the Activity Agreement Hubs and NOLB Phase 3 implementation.

3. Background

3.1 Currently, a blended third sector and internal employability delivery model is utilised in Edinburgh.

Activity Agreement Hubs

3.2 The Council currently funds Activity Agreement (AA) Hubs via Scottish Government NOLB funding with £200,000 split equally across five organisations per year.

3.3 On 31 October 2019, the Housing, Homelessness and Fair Work Committee approved the current delivery of the AA Hubs. In June 2021, officers were notified that one of the providers was unable to meet their obligations and wished to withdraw from the agreement. As reported to Committee on 2 September 2021, a quick small grants process was undertaken and from two bids, one provider was selected to deliver services in North West and North East Edinburgh (excluding the wider Leith area) since then.

3.4 The Hubs are currently delivered via Third Sector providers Barnardos, Canongate Youth, Citadel, CHAI and Dunedin Canmore, with support from City of Edinburgh Council staff.

3.5 Collectively they support up to 160 young people at risk of leaving school without a positive destination annually. The hubs aim to increase young people's confidence, by engaging them in Stage 1 activity and supporting their progression along the Employability Strategic Skills Pipeline.

No One Left Behind Phase 3

3.6 Currently, Fair Start Scotland is Scotland's devolved employment support service. Fair Start Scotland provides 12-18 months of tailored, flexible, and person-centred pre-employment support to people who want help to find and stay in fair and sustainable work.

3.7 The service also works with employers to help with recruitment and support for the employer and their new employee by offering up to 12 months in-work support.

3.8 As part of the Scottish Government rollout of NOLB Phase 3 is expected to be implemented from April 2024. This phase entails the ending of Fair Start Scotland and funding would be allocated to Local Authorities to implement services locally, in alignment with local employability strategies.

3.9 The current Fair Start Scotland contract is valued at £15m annually. Based on the assumption that the full amount is transferred to Local Authorities and using the same allocation methodology as for other NOLB funding, this translates to approximately £1m of funding for City of Edinburgh Council.

4. Main report

4.1 The role of AA Hubs need considered in the context of changes to the employability funding landscape and the impact of the pandemic on young people's aspirations since they were originally commissioned in 2019.

4.2 Meanwhile, the implementation of NOLB Phase 3 will allow the Local Employability Partnership to consider an expansion of the existing Job Strategy for Edinburgh.

4.3 A full co-production process, combining the two, will allow a greater insight in how existing delivery can be best complemented with NOLB Phase 3 funding in order to strengthen Edinburgh's Strategic Skills Pipeline and tackle the inequalities associated with barriers to employment.

4.4 To allow time to conduct an in-depth and joint co-production process, it is recommended to extend the current AA Hubs services by 12 months, until the end of March 2024. This would allow a year to do full joint co-production with relevant stakeholders and citizens, while minimising disruption and allowing a continuation of service for all young people currently engaged in AA Hubs during the period of co-production.

4.5 The existing providers are performing well and targets for last year were all exceeded (Appendix 1) and a similar level of performance in 2022/23 in expected.

4.6 The anticipated service start date for NOLB Phase 3 and updated AA service is April 2024.

5. Next Steps

5.1 If Committee approves the recommendations of this report, the grant agreements with the current five AA Hub providers will be extended to 31 March 2024.

5.2 The joint co-production will commence for NOLB Phase 3 and AA services. This will be led by a steering group made up of members of the Local Employability Partnership who have a strategic overview of employability delivery in the city.

5.3 Current AA Hub providers will be consulted throughout this process and will be encouraged to partake in the co-production process to help shape the services. All funding information will be published on The Joined Up for Jobs Noticeboard and Public Contract Scotland, as appropriate.

5.4 A further report will be presented to the Housing Homelessness and Fair Work Committee in Autumn 2023 outlining recommendations for approval. If approved, new provisions would commence in April 2024.

6. Financial impact

6.1 The cost of extending these contracts from 1 April 2023 to 31 March 2024 would be £200,000. This cost will be met from the Scottish Government's NOLB allocation.

6.2 The current national programme spend for Fair Start Scotland is circa £15m. The Council's allocation for NOLB Phase 3 is yet to be confirmed by the Scottish Government but, based on the assumption that the full amount is transferred to Local Authorities and using the same allocation methodology as for other NOLB funding, this translates to approximately £1m of funding for City of Edinburgh Council.

7. Stakeholder/Community Impact

7.1 All AA Hubs to be extended were originally awarded using a co-production methodology. The review and subsequent procurement and any replacement service specifications required will again be co-produced. This will be undertaken through a fully consultative process that includes and takes account input from key stakeholders, service providers and service users.

7.2 An Integrated Impact Assessment and Data Protection Impact Assessment will be completed as part of the coproduction exercise for input into service specifications.

8. Background reading/external references

8.1 No One Left Behind Delivery Plan.

8.2 Fair Start Scotland - Statement.

8.3 Fair Start Scotland – Employment Support.

8.4 Fair Start Scotland 3 Year Reports and Delivery Stats.

9. Appendices

9.1 Appendix 1 - Overall performance of the five Activity Agreement Hubs in 2021/22.

Appendix 1: Overall performance of the 5 Activity Agreement Hubs in 2021/22

New Engagements		Clients Supported		Individual Clients Achieving an Outcome		Total jobs	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
164	174	220	249	110	118	22	30

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 01 December 2022

Living Hours City – Response to a motion from Councillor Campbell

Executive/routine
Wards
Council Commitments

1. Recommendations

1.1 It is recommended that the Housing, Homelessness and Fair Work Committee:

1.1.1 Congratulates the Edinburgh Living Wage Action Group on winning the ‘Outstanding Leadership’ award at this year’s Scottish Living Wage Awards

1.1.2 Notes that the Edinburgh Living Wage Action Group will discuss and agree its plans for action during 2023 at its next meeting, and that these discussions will include potential actions to promote the living hours movement, and engage further with Edinburgh Festivals organisations

1.1.3 Notes that for the Council to consider adoption of the Living Hours standard, a significant programme of policy research would be required to assess the risks, costs, and potential benefits for Council services and workers

1.1.4 Notes that commitment to such a programme at this time would adversely affect the Council’s ability to meet existing policy development commitments relating to poverty and fair work.

Richard Carr

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Report

Living Hours City – Response to a motion from Councillor Campbell

2. Executive Summary

2.1 This report responds to a motion proposed by Councillor Campbell at the City of Council meeting of 30 June 2022.

2.2 The report notes that during its first year of operation the Edinburgh Living Wage Action Group the city has seen 120 Edinburgh employers commit to paying the real living wage, providing 1,400 workers with a direct pay rise. Following this success, the group was awarded recognition for ‘Outstanding Leadership’ at the 2022 Scottish Living Wage Awards.

2.3 With regard to the Living Hours movement, the report further notes that 17 organisations are officially recognised as ‘Living Hours’ employers in Scotland, 2 of which are based in Edinburgh and members of the Edinburgh Living Wage Action Group. No local authorities are currently recognised as Living Hours employers.

2.4 The Council has been a Living Wage employer since 2016 and is committed to providing fair work for its employees. Before the Council to consider accreditation as a Living Hours employer, the report identifies three key questions to be addressed in detail – impacts on staff affected, impacts of service deliverability, and impacts on council budgets.

2.5 The report notes that addressing these questions would represent a significant policy research programme, commitment to which would impact on officers’ ability to deliver existing policy programmes such as the living wage action plan, the gig economy action plan, and aspects of the Council’s End Poverty Delivery Plan.

2.6 While supportive of Living Hours principles, given current commitments and capacity pressures the report does not recommend that further policy research is undertaken on these questions at this time. The report does recommend that further discussions take place with Living Wage Scotland on ways in which the Council and the Edinburgh Living Wage Action Group can support the progress of the Living Hours movement.

3. Background

3.1 This report responds to a motion proposed by Councillor Campbell at the City of Edinburgh Council meeting of 30 June 2022 regarding living hours city and the Edinburgh Living Wage City Action Group.

3.2 The motion agreed that Council:

3.2.1 “Recognises the fantastic work of the Living Wage Action Group, and the positive news that the city has doubled the number of businesses signing up to become accredited, reaching record numbers of accreditations since becoming a Living Wage City. Recognises too the importance of fair wages and fair work in helping residents deal with the cost of living crisis.

3.2.2 Further notes that the Living Hours movement is becoming increasingly recognised as crucial to tackling poverty, and that there is a disproportionately high number of workers in precarious work in the lowest paid sectors such as retail, hospitality and health and social care, sectors which represent a significant number of jobs in Edinburgh.

3.2.3 Also notes that workers in Fringe venues are vulnerable to precarious conditions and unfair work practices as highlighted by the Fair Fringe group.

3.2.4 Agrees that ensuring workers have at least four weeks notice of shifts, a guaranteed minimum of 16 hours and a contract that accurately reflects the hours should be the aim of every Local Authority.

3.2.5 Agrees in principle that Edinburgh should become Living Hours City, and instructs the Housing, Homelessness and Fair Work Convener to take forward discussions with the Living Wage Action Group and Living Wage Scotland on how to make this happen.

3.2.6 Further agrees to include a strand of work in the Living Wage Action Plan to identify how best to include Edinburgh's festivals in the Living Wage City

3.2.7 Agrees the Housing, Homelessness and Fair Work Committee will receive a report in two cycles setting out progress on this and including any barriers the Council would face in becoming a Living Hours employer, and how these can be overcome."

4. Main report

Making Edinburgh a Living Wage City

4.1 The Edinburgh Living Wage Action Group was launched in November 2021. Chaired by the Convener of the Council’s Housing Homelessness and Fair Work Committee, the group is a partnership of 11 member organisations including private sector businesses (large corporate and SME), Edinburgh Chamber of Commerce, University of Edinburgh, Scottish Financial Enterprise, Unite the Union, as well as third sector organisations.

4.2 The group aims to:

4.2.1 Encourage more Edinburgh employers to become Real Living Wage accredited businesses (with an annual target of 100 new accreditations)

4.2.2 Reduce the number of Edinburgh workers earning below the living wage, and increase the number who experience fair work, and

4.2.3 Make a critical contribution to the city's goal to End Poverty by 2030.

4.3 In November 2022, the group announced that a total of 120 new real living wage accreditations had been recorded in Edinburgh during the first year of its operation, including very high take up rates among key target sector employers such as hospitality and catering businesses. These new commitments have resulted in direct pay increases for 1,400 Edinburgh workers this year, with further guaranteed future uplifts in line with the nationally set real living wage.

4.4 Following this announcement, the group were recognised for 'Outstanding Leadership' at the 2022 Scottish Living Wage Awards. The awards citation noted that "*The judging panel were impressed with the immediate impact the Action Group has had in Edinburgh, the growth seen in the area and the ways in which they are using their influence*".

The Living Hours Movement

4.5 Since its inception in 2001, the nationwide campaign for a Living Wage has ensured that more than 59,000 workers in Scotland have received an extra £370 million in their wages.

4.6 Building on this progress and recognising that many low paid workers also struggle to get the hours they need to make ends meet. Research published in 2021 showed that :

4.6.1 About 20% of workers in Scotland experience insecure work (uncertainty over hours or income), particularly in sectors such as care, construction, and hospitality.

4.6.2 43% of the working population (80% of shift workers) receive less than four weeks' notice for working hours, shifts or work schedules.

4.6.3 26% of the working population have experienced unexpected cancellations of shifts

4.6.4 21% of workers do not have the guarantee of at least 16 hours per week, and 50% of which would like to work more hours if given the option.

4.7 In response to these pressures, in 2019 the Living Wage Foundation developed a new standard and accreditation scheme for those employers that can offer Living Hours alongside a real Living Wage. Living Hours calls on employers to provide workers with the right to:

4.7.1 Decent notice periods for shifts of at least 4 weeks' notice, with guaranteed payment if shifts are cancelled within this notice period

4.7.2 A contract that reflects accurate hours worked, and

4.7.3 A guaranteed minimum of 16 hours a week (unless the worker requests otherwise).

4.8 In doing so, the campaign aims to provide employers with a toolkit to ensure workers can have a secure and predictable income around which to build household budgets.

4.9 A total of 17 organisations in Scotland are now accredited Living Hours employers, two of which – Abrdn, and Edinburgh Dog and Cat Home – are members of the Edinburgh Living Wage Action Group. Edinburgh's is the only Living Wage Place group in Scotland with such representation. The group as a whole is, indeed, supportive of the living hours principle and is committed to promoting fair work beyond pay alone. It's five year action plan includes an existing commitment to:

4.9.1 "Explore the potential for use or development of existing schemes (including Fair Fringe Charter, Construction Charter, Living Hours campaign and others) to promote living wage take up and wider fair work goals."

4.10 During 2022, group members have acted as ambassadors for the Living Hours movement through hosting workshops and publishing blogs and case studies which describe the challenges and benefits of the living hours commitment for SMEs in Scotland.

Becoming a Living Hours Council

4.11 While living wage accreditations have seen a significant increase in recent years, most strongly in Edinburgh, levels of take and penetration for the Living Hours campaign have been much more modest. In general terms, recent patterns suggest that while growing numbers of employers are committed to fair work principles, the application of these principles to contracting for hours worked has proved more complex to implement than for pay levels alone.

4.12 This has been equally true for local authorities. At present, while 23 local authorities in Scotland are accredited Real Living Wage employers, none have as yet been accredited as or made a commitment to become a Living Hours employer.

4.13 For this Council, an initial consultation with Living Wage Scotland and Council colleagues has identified three key questions which would need to be addressed in detail before the Council could consider signing up to the living hours standard. These include:

4.13.1 The scale of impact and potential benefits for staff

4.13.2 Impacts on deliverability of Council services, and

4.13.3 Impacts on Council budgets.

4.14 **Impact on Council workers**: 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.

4.15 An initial analysis suggests that the majority of Council workers would be unaffected by the changes needed to become a Living Hours employer. Workers affected by the change would be largely focused on staff engaged on a casual or a supply basis. For such workers, the Council already ensures that all staff have a range of appropriate rights and protections that are consistent with fair work principles, including:

4.15.1 No obligation on the worker to accept an engagement offered and no obligation on the Council to offer work. This offers both parties a degree of flexibility and does not create a mutuality of obligation

4.15.2 A rate of hourly pay that is at least the Local Authority Living Wage rate

4.15.3 An enhancement to their hourly rates at the end of each assignment to ensure that they are adequately remunerated in respect of all holiday pay to which they are entitled under the Working Time Regulations 1998.

4.15.4 Eligibility for Statutory Sick Pay where normal conditions are satisfied, and

4.15.5 The right to choose to participate in the appropriate Local Government or Teachers' Pension Scheme by opting in.

4.16 Adoption of the Living Hours standard would mean an extension of these rights for casual and supply workers in line with the requirements highlighted in paragraph 4.7. Further research would be required, however, to fully scope and identify:

4.16.1 The number and profile of staff affected by the change

4.16.2 The specific roles and services those staff support, and

4.16.3 The views and opinions of affected staff to the contractual changes a living hours standard would imply.

4.17 **Impact on service design and delivery**: While 90% of Council FTEs are employed on a permanent basis, a number of core Council services are designed and delivered with the use of a flexible workforce comprising casual/supply or agency workers.

4.18 Such workers are typically used to ensure services have the agility necessary, over and above core workforce, to manage workload peaks over the year, cover temporary short term resource gaps, absence and vacancies, meet new pressures (relating to events, harsh weather or other factors) or ensure the quick completion of new work which is time sensitive.

4.19 Ensuring that all such resource requirements could be met in line with the living hours standard in a way that meets business needs and meets the Council’s statutory duties, would require a change in service models and ways of working for a number of core Council services. Potential services affected would include schools, management of council buildings, care services, culture and events, and others. These changes are potentially complex, and further work would be required to fully understand the deliverability of a living hours working model, its potential risks and benefits.

4.20 **Impact on Council budgets**: The Living Hours standard would require the Council to guarantee a four week notice period for any proposed shift cancelled within a four week notice period. As noted above, further research would be required to identify how many current workers might be affected by this change. However, it is likely that such a commitment would pose an additional budget risk to the Council, and that this risk would need to be formally factored into the Council Budget and funded on a recurrent basis.

4.21 Again, further work would be required to assess the scale and nature of this risk and associated funding pressures.

5. Next Steps

5.1 This report sets out a number of key questions that would need to be fully addressed in detail before the Council could consider a recommendation to become a Living Hours employer. Scoping and addressing these questions represent a potentially significant policy research programme, the commitment to which would have impacts on the deliverability of existing policy development and implementation plans.

5.2 In particular, officers are concerned that commitment to this programme at this time would significantly impact officers' ability to successfully progress with existing commitments on delivery of the Edinburgh Living Wage Action Plan, Gig Economy action plan, and aspects of the Council's End Poverty Delivery Plan.

5.3 In light of these capacity concerns, while supportive of the principles of the Living Hours movement, officers do not recommend that further research is carried out at this time to progress the Council's potential commitment to the Living Hours standard.

5.4 Notwithstanding these challenges, the following next steps are recommended:

5.4.1 The Convener of the Housing Homelessness and Fair Work Committee to meet with representatives of Living Wage Scotland in January 2023 to further discuss ways the Council and the Edinburgh Living Wage Action Group can support the Living Hours movement.

5.4.2 The Edinburgh Living Wage Action Group will plan its priorities and actions for the next 12 months at its next meeting. This will include discussion of potential actions to continue to support the Living Hours movement, and to strengthen engagement with Edinburgh Festivals groups.

6. Financial impact

6.1 Actions described in this report can be taken forward within existing agreed budgets. As set out in the report, Council adoption of the Living Hours standard would bring additional potential risks for Council budgets which would need to be funded on an annual recurring basis.

7. Stakeholder/Community Impact

The Edinburgh Living Wage Action Group is a collaboration of stakeholders and partners from the private sector, academia, third sector and trades unions.

8. Background reading/external references

8.1 Fair Work Action Plan and Living Wage Edinburgh, 2 September 2021, Housing Homelessness and Fair Work Committee

9. Appendices

none

Housing, Homelessness and Fair Work Committee

10.00am, Thursday 1 December 2022

Appointments to the Homelessness Task Force

Executive/routine	**Executive**
Wards	**All**
Council Commitments	

1. Recommendations

1.1 To agree to re-establish the Homelessness Task Force and to agree the remit set out in the Appendix to the report.

1.2 To appoint membership of the Homelessness Task Force.

Richard Carr
Interim Executive Director of Corporate Services

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Report

Appointments to the Homelessness Task Force

2. Executive Summary

2.1 Working Groups that were appointed during the previous Council term (2017-22) ceased at the end of the term. Working Groups for the current term have not yet been appointed – it is proposed that all committees will appoint to Working Groups after the new political management arrangements have been agreed by Council.

2.2 However, to ensure that the important work overseen by the foregoing Homelessness Task Force does not stall, it is recommended that this group be re-established and appointed.

2.3 The proposed membership structure and remit of this working group is detailed in the Appendix to this report

3. Background

3.1 A report agreed by Full Council on 24 June 2021 on Political Management Arrangements recommended that working groups would remain virtual in the short term, and that "An assessment should be made as to whether, in the long term, some working groups should remain virtual. The findings of this assessment would be reported back to Council as part of the next review of political management arrangements."

4. Main report

4.1 The membership of the previous iteration of this group was made up of one member from each political group. Committee should consider whether this should continue or whether the membership should be proportionate to that of the Council.

4.3 The proposed remit of the Homelessness Task Force is based on that of the previous group.

5. Next Steps

5.1 Not applicable.

6. Financial impact

6.1 Not applicable.

7. Stakeholder/Community Impact

7.1 Not applicable.

8. Background reading/external references

8.1 Appointments to Working Groups 2021/22 – Report by the Executive Director of Corporate Services

8.2 Minute of the Housing, Homelessness and Fair Work Committee of 2 September 2021 (item 13)

9. Appendices

9.1 Appendix 1 – Homelessness Task Force

Homelessness Task Force

Homelessness Task Force

Membership - 5 members
(1 Labour, 1 SNP, 1 SLD, 1 Green, 1 Conservative)

Councillor (Convener) Councillor

Councillor Councillor

Councillor

Proposed Remit

- Build on existing prevention work which further reduces homelessness presentations.
- Reduce the number of people rough sleeping, accessing temporary accommodation and living in insecure accommodation.
- Increase the supply of quality council led temporary accommodation provision, reducing the reliance on bed and breakfast.
- Ensure that appropriate support is available for all homeless people who require it.

Last Met: 20 March 2022

Expected completion date: to be reviewed in September 2023

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Accessible Housing Study

Executive/routine	**Executive**
Wards	**All**
Council Commitments	

1. Recommendations

1.1 It is recommended that Housing, Homelessness and Fair Work Committee:

1.1.1 Notes the key findings, recommendations and next steps from the Accessible Housing Study; and

1.1.2 Notes the joint work between housing, health and social care and Housing Association partners which is contributing to increased provision of homes that support independent living, including wheelchair accessible homes.

Paul Lawrence

Executive Director of Place

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Report

Accessible Housing Study

2. Executive Summary

2.1 The Housing Service commissioned a study into accessible housing to increase understanding of accessible and wheelchair housing currently available in the city and future need, to inform strategic planning across Housing, Homelessness and Health and Social Care, including informing a cross tenure wheelchair housing target. A report summarising the findings of the study is included as Appendix 1.

2.2 The study demonstrates there is a continuing need and demand for accessible housing overall and outlines the challenges in meeting this need in the context of Edinburgh's housing stock profile and market pressures. It includes the importance of the location of homes in terms of access to support, amenities and workplace as well as the accessibility features and safety of the external environment. It also highlights some of the difficulties in obtaining robust data in this area of work.

2.3 The report also sets out the good work already underway to build more accessible housing in the city by our affordable housing partners. However, new build housing only accounts for a small proportion of overall stock in the city so making best use of existing stock is also important in enabling people to live in a home that meets their needs, with the provision of services such as adaptations playing an important role.

2.4 The primary research, service user and stakeholder engagement carried out for this study have provided useful insights and will be used to inform further work, as will recommendations on improving data collection.

3. Background

3.1 Edinburgh has the oldest housing in Scotland, with almost half (48%) of homes built before 1945. Over 60% of homes in Edinburgh are flats, compared to the Scottish average of 36%. Both factors bring challenges in relation to adapting and upgrading homes and in meeting accessible housing needs from existing stock.

3.2 Private sector and affordable new build homes developed over recent years are generally more accessible, but form a small part of the overall housing stock in the city.

3.3 Housing need and demand is also high, with only 16% of Edinburgh's housing stock being social rent, compared to the Scottish average of 24%. Around 70% of Council homes and 50% of Registered Social Landlord (RSL) homes are allocated to homeless households.

3.4 As part of the homeless assessment, households with potential mobility needs are referred to the Council's Home Accessibility Referral Team (HART) who can award Gold priority if the household has a need for accessible or ground floor accommodation to meet their needs.

3.5 There are around 45-50 households per year assessed as homeless who are awarded a Gold priority due to their mobility needs. In the six months from April to September 2022, 12% of lets from Choice landlords went to Gold priority households.

3.6 Scottish Government Guidance published in 2019 set a requirement to define wheelchair accessible housing targets across tenure to "*recognise the role appropriate housing can play in supporting disabled people to live full and independent lives, to work, to play, and to be active members of our communities.*"

3.7 The purpose of setting a target is to provide a greater focus and commitment to the delivery of wheelchair accessible housing across all tenures, which can be evidenced through annual reporting.

3.8 To inform the setting of a cross tenure, wheelchair accessible housing target and to inform strategic planning across Housing, Homelessness and Health and Social Care, the Housing Service commissioned an Accessible Housing Study.

3.9 The study was carried out by Arneil Johnston consultancy between June 2021 and July 2022 and involved secondary data collection, primary research survey work, service user interviews and engagement with wider stakeholders.

3.10 There are widely recognised challenges in assessing current provision and unmet needs for accessible, specialist and wheelchair housing in Scotland including:

3.10.1 No universally agreed standards or definitions of what is meant by accessible housing;

3.10.2 Limited availability of hard data particularly on the extent and nature of provision and unmet housing need across a range of disabilities and health conditions;

3.10.3 The tool developed by Scottish Government for carrying out Housing Need and Demand Assessment does not enable information to be collected on detailed requirements for accessible or wheelchair housing; and

3.10.4 Fragmented data across partners and professionals with limited insight on housing need, demand and supply in the private housing sector.

4. Main report

Accessible Housing Study

4.1 The study demonstrates there is a continuing need and demand for accessible housing overall, as well as for homes which are not specially designed but which provide support through a Core and Cluster model, for example.

4.2 It highlights the importance of location of homes in terms of access to support, amenities and workplace as well as the accessibility features and safety of the external environment.

4.3 The study also outlines the challenges in meeting this need in the context of Edinburgh's housing stock profile and market pressures, as well as the difficulties in obtaining robust data in this area of work.

4.4 The primary research was undertaken via a household survey delivered by Research Resource (a professional market research agency) and was focused on better understanding the profile of existing homes which meet accessible housing standards and needs of households across tenures in the city.

4.5 A total of 400 telephone interviews were carried out alongside an online survey which returned 266 valid responses.

4.6 The primary research found that 92% of survey respondents were very or fairly satisfied with their home and how it meets their needs, with other issues such as repairs/maintenance and affordability also playing a part in satisfaction.

4.7 83% said their home was suitable or very suitable for meeting the needs of the household now, compared to a figure of 89% saying their home was suitable or very suitable for meeting the household needs when they first moved into their home.

4.8 Evidence from the survey suggests that 44% of households in Edinburgh contain a household member with a long-term health condition or disability (although not all long-term health conditions or disabilities directly affect physical mobility). 58% of this cohort believe their home meets their needs well but 53% said they have trouble managing stairs at home.

4.9 Of the 44% of households in Edinburgh which contain a household member with a long-term health condition or disability, 34% require adaptations but do not have them.

4.10 Only 8% of respondents stated that they need to move from their existing home into a new property within the next two years, with 13% saying they would like to move. In both instances, the need or preference to move to a level access or accessible home was a factor for some households.

4.11 Research findings suggests that just 27% of homes across the city could be accessible to a person using a wheelchair, offering access from street level and movement around the property without difficulty.

4.12 Edinburgh's housing stock profile is particularly limiting from a housing accessibility perspective due to the age of dwellings, the high proportion of flats and the low number of level access options.

4.13 Feedback from survey respondents, service users and stakeholders also identified a need for more information and support to be provided to enable people to search for suitable properties to rent or buy and to get advice on adaptations.

4.14 This could include the provision of more information on accessibility of homes that are advertised as well as information to help applicants assess the likelihood of being successful in securing a home in their preferred location.

4.15 Providing information on accessibility of homes and supporting applicants to bid is an area of work that will continue to be prioritised through EdIndex and with colleagues in the Home Accessibility Referral Team.

4.16 Further work on influencing how accessibility is featured in advertising homes for market rent and sale can be considered as part of the next steps, given that this is where the majority of people in the city find a home.

4.17 The research study has reached a number of conclusions that will help assess the extent and nature of existing specialist housing provision, unmet need and requirements across the City. It has provided:

4.17.1 Proposed standard definitions of what is meant by wheelchair and accessible housing that partners can implement and use going forward;

4.17.2 Analysis of the extent of data to determine existing provision and highlighted gaps that could be addressed to improve this insight;

4.17.3 An opportunity to strengthen and/or build partnership working across services, organisations and sectors and the sharing of data and casework to improve outcomes for people with specialist housing needs;

4.17.4 Insight on unmet needs through the primary research element of the project;

4.17.5 An opportunity for services users to influence research outcomes and resulting strategic interventions; and

4.17.6 A framework to assess the requirements for wheelchair and accessible housing and allow the Council to work up targets for wheelchair housing.

4.18 Adopting standard definitions across partners is challenging and it would be helpful if this was addressed nationally. The Scottish Government is currently reviewing the Housing for Varying Needs standard and has committed to introducing new building standards from 2025/26 to underpin a Scottish Accessible Homes Standard which all new homes must achieve, providing opportunities to establish common definitions around accessible housing.

4.19 The primary research, service user and stakeholder engagement has provided useful insights and will be used to inform further work, as will the recommendations on improving data collection.

4.20 In this sense, the Study can be seen as a good starting point on which to build on recommendations and actions with partners. Some of the key areas for future development include:

4.20.1 Enhance the provision of wheelchair and accessible homes in the city across tenures, engaging with key partners to set achievable targets, taking into account factors such as property size and location;

4.20.2 Build on the insight needed to better understand existing provision and improve capture of information on accessibility across tenures;

4.20.3 Consider the role of regulation and engagement with private developers to enhance the contribution to wheelchair and accessible housing supply;

4.20.4 Develop mechanisms to support the gathering of newly forming needs, including working with health and social care partners to improve data sharing and analysis, contributing to early planning and commissioning for accessible housing and housing and support models that support independent living;

4.20.5 Consider the role of in-situ solutions given the prevalence of existing supply;

4.20.6 Explore ways of improving data sharing and monitoring between partners;

4.20.7 Work with partners to explore feasibility of dedicated role to act as a conduit between heath, social care and housing to improve data sharing and analysis and planning joint work to deliver in situ and new build solutions to meet accessible needs and wider needs for specialist housing; and

4.20.8 Ensure planning policy and a placemaking approach to development contributes to improved accessibility of the wider environment and infrastructure, as well as provision of homes in locations across the city.

4.21 An indicative cross tenure wheelchair housing target is included in the Strategic Housing Investment Plan (SHIP) 2023/24-2027/28. The methodology used to arrive at this target is set out in section 9 in Appendix 1. The target has been set at 7% of all completions annually.

4.22 In practice, the current target of 10% for affordable housing will be retained as this is well understood by partners and reflects the fact that the affordable sector currently delivers more wheelchair housing than the private sector.

4.23 The current SHIP forecasts that around 8% of grant funded homes for completion will be wheelchair designed. It is anticipated that this will increase to 10% as projects are progressed to detailed design stage. The 10% target will be subject to review following more detailed discussions with partners and stakeholders and as data collection is improved.

4.24 The challenges in implementing and monitoring delivery of a target for private sector housing have been raised by local authorities since the Scottish Government introduced guidance on cross tenure target setting.

4.25 These include difficulties in holding private developers to a target without specific planning mechanisms being in place and in monitoring details of private sector developments.

4.26 Further discussions with Planning colleagues will determine whether there are policies or upcoming changes from National Planning Framework (NPF) 4 that could support increased delivery.

4.27 However, engaging with the private sector to encourage delivery of wheelchair housing and accessible housing overall, discussing any barriers to delivery, is the approach being taken more generally.

4.28 The proposed introduction of a new Scottish Accessible Homes Standard, as noted earlier, should provide an opportunity to enhance accessibility standards across all tenures.

4.29 Challenges in delivering affordable housing at scale, with additional costs relating to wheelchair or specialist housing, need to be taken into account in terms of overall deliverability.

Delivery of new accessible homes

4.30 Much has been achieved already in delivering and planning for new accessible homes and homes that support people to live independently. In the last three years, relationships have strengthened between colleagues in the Council's housebuilding team and health and social care colleagues, including Occupational Therapists.

4.31 Regular discussions now take place at an early stage in the design and planning of new affordable housing to maximise opportunities to provide accessible homes and homes that meet other specified needs, including core and cluster accommodation, identified as a need by health and social care partners.

4.32 Examples of new homes being provided through the Council's affordable housebuilding programme include those at North Sighthill, a mixed tenure development that includes 96 homes for social rent and 88 mid-market rent homes. 10% of all social rented homes delivered are purpose-built homes for wheelchair users and their families.

4.33 Seven new-build flats have been delivered for Health and Social Care partners in a core and cluster model, providing accommodation for people with learning disabilities. The project completed in November 2022.

4.34 Phases 1 (completed in November 2019) and 2 (due to complete in February 2023) in Dumbryden Gardens in Wester Hailes will see the development of almost 100 new affordable homes.

4.35 These homes are a mix of social rent and mid-market rent and include a number of purpose-built fully accessible homes for wheelchair users and their families. In recent months, work has also been ongoing to progress designs for eight new-build affordable homes intended for tenants with learning disabilities and forensic care and risk management needs.

4.36 All are either currently hospital in-patients, or within the custodial system. A bespoke specification for these homes has been prepared by colleagues in Edinburgh Health and Social Care Partnership (EHSCP), and this has formed the basis of the architect's designs.

4.37 Proposals for a new intergenerational development at Powderhall comprise a new 128 space early year's centre on the ground floor and accessible housing for independent living above.

4.38 The housing comprises 19 fully wheelchair adapted homes and eight designed to amenity standard. The intergenerational project is pioneering, being among the first of its kind in Scotland in the co-location of nursery and older persons housing and will offer health and well-being benefits for the older residents and new learning and social opportunities for children attending the nursery.

4.39 A former Council depot site at Cowan's Close in Edinburgh's Southside will include proposals for a block of wheelchair accessible homes; in total 19 accessible flats of a range of sizes including family accommodation.

4.40 The development will also comprise a landscaped, wheelchair accessible garden offering amenity and growing space for residents. The garden also proposes a 'story corner' for the nursery opposite the site allowing, as with Powderhall, opportunities for interaction between residents and the children attending the nursery.

4.41 The Council's housebuilding team are also in discussions with Registered Social Landlord (RSL) partners about the provision of accessible homes on upcoming Council sites, building on the ongoing provision of accessible and wheelchair homes by RSL partners through their development programmes.

4.42 The Silverlea site in North West Edinburgh is currently in design development and secured planning consent in summer 2022. The site will comprise of 72 homes for social rent by the Council and 19 homes for social rent by Blackwood, an RSL partner.

4.43 The 19 social rented homes that will be owned and managed by Blackwood will be specially adapted for wheelchair users and have been developed to their bespoke design standards. Four of the Council homes will be leased to Health & Social Care to help meet the needs of people with complex needs who require housing & support.

Existing homes

4.44 One of the points raised by partners attending the study Stakeholder event was that new build housing only accounts for a small proportion of overall stock in the city so making best use of existing stock is also important in enabling people to live in a home that meets their needs.

4.45 As highlighted in the study, this can be challenging in Edinburgh given the age of the housing and the high proportion of flatted accommodation.

4.46 Making good use of an existing building is demonstrated in the refurbishment of a former Council owned housing block in Niddrie Mains Road that had been used for many years as office accommodation.

4.47 The property was vacated several years ago and required complete renovation to bring it back into use. The property was sold to LAR Housing Trust, who completed the extensive renovation of the six flats in June 2021.

4.48 The flats provide much needed accommodation for adults with learning disabilities and autism. Three of the first tenants to move in were relocated from hospital settings, which was very much welcomed by the EHSCP as a lack of suitably robust and accessible housing can lead to people living in inappropriate placements or in hospital long-term.

4.49 Since the Council's Acquisitions and Disposals programme began the Council has sold 20 ground floor properties in blocks where the Council was a minority owner. However, over the same period the Council has purchased 24 ground floor homes in blocks where it already owns at least 50% of the homes and has also purchased 13 main door houses.

4.50 Overall, the programme is increasing the Council's supply of affordable and accessible homes. It is important to note that not all ground floor properties are necessarily fully accessible and may have steps leading into the property.

4.51 Adaptations are important in supporting independent living and preventing falls and hospital admissions for example and it is important that adaptations are adequately resourced, delivered effectively and sit well alongside other services supporting independent living, including care and support, advice and information services.

5. Next Steps

5.1 It is proposed that a Working Group bringing together Housing, Health and Social Care and Planning colleagues alongside other stakeholders will be set up to consider how to take forward the proposed actions set out at 4.11.

5.2 Discussions are required with internal and external partners on the make of the Working Group and how best to align the work of the group with existing groups that are in place to support the work of Edinburgh Integration Joint Board (EIJB). The Working Group will need to consider the resources needed to take forward proposed actions; included a dedicated resources that would require additional funding.

6. Financial impact

6.1 New affordable homes are part funded through the Affordable Housing Supply Programme. The amount of grant funding made available for each affordable home increased in 2021.

6.2 However, the increase in construction costs has meant that it has had a limited impact on viability as it still only represents around 35% of the cost of an affordable home. Wheelchair units are, on average, around 25% larger than those for general needs and have higher specification for things like kitchens and bathrooms.

6.3 The additional costs associated with developing wheelchair units, and other specialist housing, was a key point raised by stakeholders at the Accessible Housing Study event, particularly at the current time where overall costs have increased significantly.

6.4 Adaptations to Council homes are funded through the Housing Revenue Account (HRA), with funding provided to RSLs through the Affordable Housing Supply Programme. The Council has set a budget of £1m each year for private sector adaptation grants.

6.5 Since 2013/14 the Council has invested £6.3 million on adapting 1,433 Council Homes. The Council's Scheme of Assistance also assists private owners with adaptations to their homes and in the last five years the Council have funded £6.9million of property adaptations.

7. Stakeholder/Community Impact

7.1 Primary research survey work was a key part of the accessible housing study, as well as service user interviews and stakeholder engagement activity, all of which have informed the recommendations.

7.2 It is proposed that a working group will be set up to take forward recommendations and activity relating to joint housing and health and social care work. As part of this, further engagement with service users and relevant stakeholders will be considered.

8. Background reading/external references

8.1 [Wheelchair accessible housing target: guidance note.]

9. Appendices

9.1 Appendix 1 - Accessible Housing Study Report.

Arneil Johnston

City of Edinburgh Council

Accessible Housing Study Final Report

October 2022

Investors in People — We invest in people Platinum

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1 Purpose of the Study

The outcomes of this study provide detailed analysis and insight into the extent and nature of accessible, specialist and wheelchair homes across Edinburgh and improve understanding of the proportion of homes suitable for and required by specialist needs groups. It will also help inform an understanding of the implications of meeting the need for wheelchair and accessible housing within the Council's wider commitments to address housing need and implement the Rapid Rehousing Transition Plan (RRTP).

Scottish Government Guidance published in 2019 set a requirement to define wheelchair accessible housing targets across tenure as part of the Local Housing Strategy framework to *"recognise the role appropriate housing can play in supporting disabled people to live full and independent lives, to work, to play, and to be active members of our communities."* The purpose of setting a target is to provide a greater focus and commitment to the delivery of wheelchair accessible housing across all tenures, which can be evidenced through annual reporting.

There are recognised challenges in assessing current provision and unmet needs for accessible, specialist and wheelchair housing including:

- No universally agreed standards or definitions of what is meant by accessible housing
- Limited availability of hard data particularly on the extent and nature of provision and unmet housing need across a range of disabilities and health conditions
- Fragmented data across partners and professionals with limited insight on housing need, demand and supply in the private housing sector.

In order to overcome these challenges and provide robust evidence to inform strategic planning, this study was commission by City of Edinburgh Council (CEC) to carry out an Accessible Housing Study in June 2021.

2 Current context

Edinburgh's population is projected to grow by 13% over the next 25 years. This population growth is significantly higher than in Scotland (2.5%). The rate of growth for older people is significant at 75% for the 75+ age group. The growth expected in the older person cohort will have a major impact on the demand for housing, health and care interventions.

The need for accessible homes competes with the need for more homes generally. The Council's Annual Update on Progress against the Rapid Rehousing Transition Plan in August 2022 noted:

- 2,403 households were assessed as homeless, or threatened with homelessness in 2021/22, an increase of 23% on the previous year
- As at March 2022 there were 5,315 cases where the Council has a duty to provide settled housing – an increase of 28.5% from the previous year.
- The average time taken in 2021/22 to close applications assessed as homeless or threatened with homelessness stood at 618 days, an increase of 21% from the previous year.
- There has been a steady increase in the number of households in temporary accommodation since 2015/16 where the number of households in temporary accommodation was 1,205 compared to a figure of 2,753 in 2021/22. The average length of stay in temporary accommodation for the year to March 2022 was 317 days.

The challenges of meeting both the needs of the RRTP objectives and accessible housing are amplified by the following facts:

- Edinburgh has one of the lowest proportions of social housing Scotland with only 16% of homes in social rent compared to the national average of 24%.
- Annual lets are typically 2,200 per annum across the common housing register so including lets of both the Council and partner RSLs. This number is less than the number of households assessed as homeless or threatened by homelessness for the last financial year.
- Circa 70% of Council homes and 50% of Registered Social Landlord (RSL) homes are allocated to homeless households through the silver priority and there is a commitment to maintain these levels.
- The Choice Based Letting process sees on average 150 bids for available homes and there are 21,200 households currently registered on the Common Housing Register – EdIndex.

Accessible social housing stock:

- 16% of homes in Edinburgh are in the social rented sector, 8% lower than the average for Scotland overall.
- 84% of social housing is general needs, of the 16% that is specialist, over half of this is sheltered housing.
- Since 2004/05 the number of older or ambulant property completions in the social rent sector averages at 37 per year and wheelchair completions have averaged at 21 per year.
- 53% of social housing stock in Edinburgh is tenemental which may make adaptations more challenging.

Accessible private sector stock:

- Of the 948 properties listed for sale on ESPC Website, October 2021, 219 (23%) had some accessible features, mostly lifts.

- The Edinburgh Access Panel advises on how to improve accessibility for people with disabilities in the built environment.
- Since 2011 there have been 411 building warrant applications for alterations improving accessibility in private dwellings and 22 planning applications have been received for private housing with specialist needs.

Accessible private rented sector stock:

- 23% of Edinburgh's households are in the Private Rented Sector which is significantly higher than the average for Scotland (13%).
- 15% of private rented sector households contain one or more Long-Term Sick or Disabled (LTSD) person in Edinburgh which is less than half the average for Scotland (32%).
- 9% of private rented sector homes are adapted; below the average for Scotland (15%).
- There is a lack of information available on the accessibility of the stock in the PRS despite it accounting for a quarter of the housing market.
- As Edinburgh's private rent stock profile is older, this is likely to make property adaptations more challenging even if landlords allow them.
- 51% and 95% of stock in owner occupation and private rented sector respectively is flatted accommodation in Edinburgh which may make adaptations more challenging.

Adapted housing stock profile:

- In the nine years to 2021, CEC has spent £6.3M on adapting 1,433 properties, with wet floor showers accounting for 72% of all adaptations.
- On average, 11% of all RSL Edinburgh based properties have been adapted, but this figure varies from 0% to 100% depending on the social landlord.
- Bathroom adapted stock accounts for 63% of all adapted units in the RSL sector.
- The Council's Scheme of Assistance also assists private owners with adaptations to their homes.

Expressed demand for wheelchair and accessible housing:

- 21,213 applicants were on the common social housing register, EdIndex, as at May 2021.
- 1,423 (7%) of applicants would not like a general needs property.
- 4,561 (22%) considered themselves or someone on the application to be disabled, albeit this is their self-assessment of their disability needs and is unvalidated.
- 439 applicants said they need to use a wheelchair, with 305 (70%) not currently in wheelchair adapted property.
- Average wait times for wheelchair applicants is higher and for those waiting over a year it ranges from 590 days for a 1 bed property to 1,048 days for a 3 or 4 bed property.
- The average time to get a home in Edinburgh with gold priority is around 300 days.
- 9% of all EdIndex properties were allocated to Gold Priority applicants in 2021/22

3 Methodology to Research Study

The study was undertaken using four key strands to pull together information on wheelchair and accessible housing and provide insights from households across the city, service users and key partners/stakeholders through:

- **Primary Research -** The primary research was undertaken via a household survey delivered by Research Resource (a professional market research agency) and was focused on better understanding the profile of existing homes which meet accessible housing standards. A total of 400 telephone interviews were carried out alongside an online survey which returned 266 valid responses.
- **Service User Consultation -** Arneil Johnston worked with partners delivering health, social care and housing services to encourage participation in the research, as well as third sector disability support and advocacy groups. In total nine service users were interviewed over weeks beginning 28 February and 7 March 2022. In advance of the interviews a short video was issued to participants to explain the background to the project and the aims and objectives of the study.
- **Stakeholder Engagement –** An analysis of stakeholder consultation feedback enabled a number of key themes to emerge, which should influence and guide CEC partnership work to finalise wheelchair housing estimates as the basis for setting targets. It may also allow partners to consider opportunities for developing and improving services and offerings in relation to wheelchair and accessible housing.
- **Desk based analysis -** A range of data capture tools were assembled to enable us to work with partners to audit and map existing information sources across the Council, RSL partners, Edinburgh Health and Social Care Partnership (EHSCP) and the third sector. This information was supplemented with a range of nationally available datasets on the demographic, economic, health, care and housing profile of households across the city.

A multi-agency Project Steering Group was used to validate the outcomes of the secondary analysis and to scope out the range of interventions that should be considered as part of the strategic response to addressing unmet need for accessible, wheelchair and specialist housing.

A conference event was held on 11 May 2022 for partners and stakeholders to examine perspectives on the range of strategic responses and interventions needed to meet wheelchair and accessible housing estimates, including:

- Partner services from across CEC including Housing, Homelessness, Planning, Building Control, Community Safety
- Housing Market Partnership representatives including RSLs, private developers, private landlords, letting agents, estate agents, Care & Repair etc
- Health & Social Care partnership representatives from planning, commissioning and delivery teams
- Third sector disability support and advocacy groups such as Edinburgh Disability Forum, ECAS, Disability Equality Scotland, Enable, Inclusion Scotland and Housing Options Scotland.

The involvement and engagement of stakeholders who provide access to, manage, develop or commission accessible, specialist and wheelchair housing is an important element of understanding the range of potential options and interventions to meet need; as well as testing how the partnerships could be further developed or supported to enhance delivery.

4 Data Gaps

In developing the desk-based analysis and gathering and assembling data across partners, it became very apparent that there are clear gaps in insight and intelligence around the current supply of and unmet need for wheelchair and accessible specialist housing. In particular, there are gaps in intelligence in relation to:

- Reliable data on adapted/accessible attributes for council stock. Information on adaptations to Council homes is collated and gathered for advertising void properties on Edindex and ARC reporting but is not fed into the main housing management information system.

- Accessible and adapted stock in the owner occupied sector. There is information collected in relation to grant funding for adaptions but this is not shared or used elsewhere. It also means that information from privately funded adaptations is unknown other than where held by planning/building control.

- Information on accessible features in the private rented sector stock as the landlord registration process does not collect this.

- Demand for accessible housing out with the social rented sector. While the primary research will have addressed this to some degree there is potential to make better use of information held by social care caseworkers, on the individual circumstances of households requiring specialist housing, to assist with planning and commissioning accessible homes.

Furthermore, available data is fragmental across housing, planning, social care, health and voluntary sector partners with no processes or systems in place to gather or share existing information across planners, commissioners and service providers.

5 Key findings: Telephone and Online Survey

A total of 400 telephone interviews were carried out alongside an online survey which returned 266 valid responses. The telephone survey mirrored the online survey but provided an opportunity to carry out more detailed questioning and data collection. This provided a statistically robust sample across with City offering data confidence to +/-3.8%. The results from the surveys then were weighted by tenure, age and household composition to provide representative outcomes.

92% of survey respondents were very or fairly satisfied with their home and how it meets their needs, with other issues such as repairs/maintenance and affordability also playing a part in satisfaction. In a different question, 83% said their home was suitable or very suitable for meeting the needs of the household now, compared to a figure of 89% saying their home was suitable or very suitable for meeting the household needs when they first moved into their home.

8% of respondents stated that they need to move from their existing home into a new property within the next 2 years, with 13% saying they would like to move. In both instances, the need or preference to move to a level access or accessible home was a factor for some households but other factors such as moving to a bigger or smaller home were a factor for some respondents.

Analysis of Edinburgh's housing stock profile reveals that it is predominately flatted, older in age and less adaptable than the wider housing stock profile in Scotland. The high proportion of households living at height and without access to a lift, further exacerbates the accessibility of homes.

Crucially, research findings suggests that **just 27% of homes across the City could be accessible to a person using a wheelchair** offering access from street levels and movement around the property without difficulty. Applying these findings to the housing stock profile across the City reveals the extent of homes that would not offer housing accessibility to those with health conditions or disabilities, including:

- 73% which are NOT accessible to someone in a wheelchair including:
  - 59% of all homes (149,000) which have internal stairs (both low rise and flatted dwellings)
  - 46% of flatted homes (117,500) on the first floor or above
  - 39% of homes at height (100,000) without access to a lift.

By triangulating these findings, the research suggests that roughly one third of the City's housing stock could offer accessible options to households with a health condition or disability, with the majority of dwellings (two thirds) not offering accessibility. Other considerations that can affect accessibility will of course include the local environment e.g. if there are steep hills, accessible parking and good transport links.

It can be concluded that Edinburgh's housing stock profile is particularly limiting from a housing accessibility perspective; with the age of dwellings, the proportion of flats and the low number of level access options driving the barriers faced by households who require wheelchair or accessible housing.

Primary research evidence suggests that 44% of households in Edinburgh contain a household member with a long term health condition or disability (although not all long term health conditions or disabilities directly affect physical mobility). Whilst this incidence is similar to the rate for Scotland at 44% (Scottish House Condition Survey 2017-19), there is evidence of notable levels of housing unsuitability experienced by this population. 42% of households with a health condition or disability state that their current home does not need meet needs of the household. Furthermore, 53% of households with a health condition or disability have trouble managing stairs at home.

At least a third of households with a health condition or disability currently need adaptations, based on their own self-assessment, to make their home more suitable for the needs of the households, suggesting a key role for in-situ solutions in improving the accessibility of the City's housing stock. 31% of households with a health condition or disability already have adaptations in their home and 39% of those with a disability have equipment/aids to help, the majority being in the 75+ age group.

Up to a third of households with a health condition or disability (29%) suggest that their needs cannot be met in their current home and that they would require to move to special forms of housing to meet their housing need (it should be noted that special forms of housing in this context incudes accommodation without stairs/level access housing).

Unmet need for special forms of housing is dominated by households who self-assess a requirement for ground floor or level access housing. This is significantly higher than those who specify wheelchair housing, specialist housing for older people or specialist supported housing but may be influenced by preferences for ground floor accommodation. This evidences that there is a need (and potentially a preference) for more generally accessible housing in the City.

These research outcomes offer a unique insight into accessible housing provision across the City, as well as unmet need for accessible housing solutions, suggesting that housing accessibility in Edinburgh is particularly challenging given:

- The proportion of homes across the City which are not accessible and are potentially difficult to adapt (estimated to be around two thirds of all dwellings)
- The proportion of households with a long term health condition or disability who do not feel their current home meet the needs of household members (over 40%), although this could include households who do not require accessible housing but feel their home (or location/wider environment) does not meet their needs for other reasons.

6 Key Findings: Service User Consultation

Evidence of households with lived experience was essential to the research study to ensure it influences the strategic interventions developed by partners. In total nine service users were interviewed over weeks beginning 28 February and 7 March 2022. Key findings from the lived experience research are summarised as follows:

- the need for more accessible homes in the City across tenures as well as homes which are not specially designed but which provide support through Core and Cluster model for example
- the need for information and support where necessary to be provided to enable people to search for suitable properties and get advice on adaptations
- the importance of location of homes in terms of access to support, amenities and workplace as well as the accessibility features and safety of the external environment
- provision of information to help people better understand the allocations policy and priorities and the information needed to support applications and to manage expectations in terms of the limited number of homes available in some areas.
- consider the feasibility of automated bidding to assist Gold Priority applicants (social housing)
- how practical solutions in design can help independent living
- how residents can access information on homes that are accessible or could be made accessible including homes that are not in the social rented sector as some people have aspirations and means to buy.
- better/more accurate information provided in terms of accessibility features.
- that private developers have a role in meeting accessible housing need through practical design and building standards

Being able to find what houses that were suitable for their needs and if the properties were fully accessible, especially for wheelchair users, was a real challenge identified by some participants. Often information on properties would suggest they were accessible e.g. ground floor but on viewing it they would find there were still stairs at the access. This applied to private housing as well and while it was felt that information has improved on some estate agents' sites, there is still a gap in information on the actual accessibility features.

When asked what changes could be made to their current home that would make it easier to live in now and in the future there was a variety of responses. These ranged from minor equipment e.g. smaller toilet frame to avoid trip hazard for visually impaired person to major equipment such as a tracking hoist in the bedroom for a wheelchair user. A couple of participants expressed frustration that their landlord had refused to allow them to adapt their home.

When asked to describe their ideal home of the future location, in relation to family/social networks, amenities and proximity to workplace, was ranked highly as a factor for almost all participants. The idea of remaining in their existing community was important to those who relied on family support or whose needs would be better served in familiar surroundings. Some were happy to compromise on property type (flat/house) and size/number of bedrooms if they could get a property in the right place.

Location was also a factor in the frustration for some around how long it takes to find a suitable accessible home in the social rented sector with one participant noting "*My main frustration is the lack of suitable accessible houses advertised to bid on each week especially in the areas I would consider living in.*"

External environment and safety also featured in the participants ideal home of the future with some commenting on the challenges they faced with pavements/streets and crossings.

The importance of good quality care and support as well as appropriate accommodation was also stressed by many of the participants.

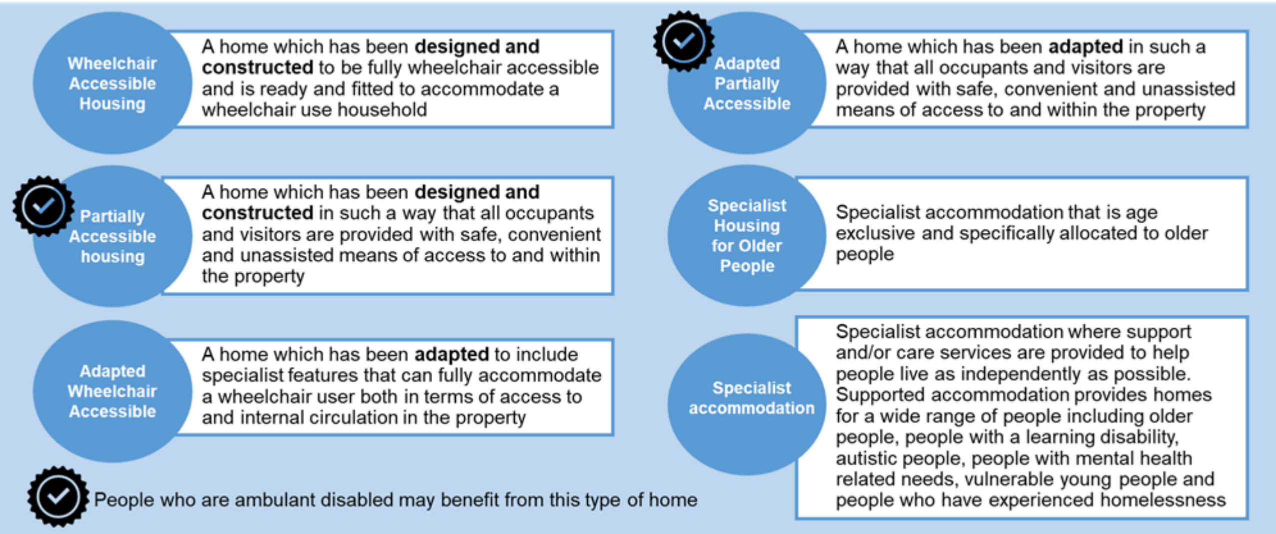
7 Key Findings: Accessible Housing Stakeholder Conference

Key findings are summarised below:

- There is developer support for consistent design specifications aligned to definitions around wheelchair and accessible housing agreed by this study. Whilst the Housing for Varying Needs Review should address this issue at a national level, significant work has been progressed locally to agree terminology and definitions as the basis of developing design specifications
- Successful delivery needs to be supported by regulation and/or guidance as market encouragement alone will not be effective
- Development viability and costs are substantial barriers to delivering any proposed targets for wheelchair and accessible housing. Current construction inflation aligned to increasing costs for specifically designed homes with grant levels remaining static, mean a realistic approach to setting targets that are deliverable will be required and need to consider adaptability of new build homes in broader sense
- Delivery of wheelchair and accessible housing needs to be wider than new supply in order to meet the scale of requirements identified, particularly as new build only accounts for small proportion of overall stock. Understanding existing stock, infrastructure requirements and how properties could be adapted and contribute to the supply requirements is essential
- The information on wheelchair and accessible housing within the private sector is limited, this should be considered when defining the overall need for this specialist type of housing and a flexible approach in policy decision making around requirements considered
- Working in collaboration with Health and Social Care Partnership to understand service user requirements from their perspective along with sharing of data and findings to align future requirements will improve and enhance the evidence base
- Continuation of household survey work on an annual basis could be beneficial, particularly in assessing the scale of unmet newly forming need for those with wheelchair and accessible housing needs
- Ensuring accessibility of services, particularly around the ability to make housing applications and bid for homes will be essential. Digital inclusion and equality of opportunity will be important factors for consideration to ensure those with identified need have the ability to access suitable housing now and, in the future
- There is a need to be imaginative on future housing delivery planning for wheelchair and accessible housing. The adaptation and or reuse or change of use of existing built assets should be considered
- The role of market housing and Mid Market Rent in contributing to wheelchair and accessible housing should be carefully considered, particularly in relation to ensuring accessible homes are located throughout different areas in the city.
- Housing affordability for wheelchair and accessible housing across all tenures is a concern for those requiring this specialist type of housing
- It is essential that there is a placemaking focus on the provision of wheelchair and accessible housing to avoid over delivery in specific areas, to ensure appropriate infrastructure investment and a strategic focus beyond numbers to ensure wellbeing and community are at the heart of the homes being provided.
- The importance of joined up approach to provision of support to help people live independently.

8 Common definitions

Given one of the major challenges was the lack of universally agreed standards or definitions of what is meant by accessible housing, the partnership launch event was also used to co-produce a common set of definitions for wheelchair and accessible housing. Partners and stakeholders developed the following range of common definitions for accessible and wheelchair housing to ensure clear and consistent language use is achieved by all partners.



These definitions provide a sound basis to improve multi-agency collaboration and partnership working on data collection, needs assessment, planning and commissioning

9 Wheelchair Housing Requirements

Primary and secondary research outcomes have been synthesized to develop a baseline calculation on the scale of housing estimates for wheelchair homes. The estimates can be used as the basis of setting all tenure wheelchair targets as required by Scottish Government, considering relevant factors that could affect the pace and scale of future delivery.

Research evidence has enabled the delivery of a baseline housing needs calculation which sets out housing estimates for wheelchair housing in Edinburgh.

The estimate of current need for wheelchair housing:

- **Step 1:** takes into account EdIndex register information, the Accessible Housing Survey Results (self-assessed methods to determine requirements) and the Mind the Step Calculation for Edinburgh.
- **Step 2:** this is then split over the five-year delivery period to give an annual backlog.
- **Step 3:** an estimate of new annual need is applied.
- **Step 4:** this is then added to the backlog to give an estimate of total annual need.

9.1 Current Need for Wheelchair Housing

A number of estimates were used to derive a measure of current need for wheelchair housing requirements including the outcomes of the 2022 accessible housing survey, local measures of demand for wheelchair housing derived from EdIndex Register information and a calculation reflecting the Mind the Step methodology applied in an Edinburgh context. The EdIndex register may include applicants who are suitably housed in terms of their housing need but have a preference to move e.g. to another area, to downsize etc.

The 2022 Accessible Survey reveals that of the 44% of households in Edinburgh who have a household member with a long term health condition or disability, 28.6% currently have an unmet need for a specialist housing solution i.e. their needs cannot be met in their existing home.

Information from applicants on the EdIndex Housing Register, in terms of households who self-identified as requiring wheelchair housing, and households who expressed need for accessible housing was also taken into account.

Finally, the ‘Mind the Step’ Methodology was applied to create estimates for Edinburgh. ‘Still Minding the Step’ was published by CIH Scotland and Horizon Housing Association in 2018 and offers a nationally recognised methodology for calculating the number of wheelchair users in housing need, estimating the number of wheelchair homes required to meet unmet need in Scotland. Using the results of the Scottish Household Survey, the Mind the Step Calculation estimates the number of indoor wheelchair users in housing need and the number of outdoor wheelchair users in housing need to calculate how many wheelchair homes are required. Future estimates are then calculated using household growth projections.

Using all of the evidence available, the various data sources were triangulated to provide estimates of **current** need for wheelchair housing.

	Wheelchair housing
Estimate of **current** backlog need	**761**

9.2 Newly Arising Need for Wheelchair Housing

Estimating new annual need is calculated by considering the annual growth rates in wheelchair users derived from the Mind the Step calculation methodology. Applying the same logic, the calculation applies a 7% annual increase to each backlog need scenario, producing an average annual estimate of new need for wheelchair housing as follows:

	Wheelchair housing
Average annual estimate	**54**

9.3 Wheelchair Housing requirements estimate

Estimates of current and newly arising need for wheelchair housing are then adjusted to take into account the number of existing homes available each year to meet unmet need. As there is no available data on the turnover or development of wheelchair homes in the private housing sector, statistics on the projected number of available social housing units are utilised. The existing annual supply of wheelchair housing in the social housing sector is estimated as follows:

	Wheelchair housing
Annual Stock Turnover: CEC & RSLs	**48**

Adjusting total annual need for wheelchair housing with current annual housing turnover creates the following housing estimate using an average scenario for backlog need:

Average scenario	Wheelchair housing
Annual estimate of need	158
5 year estimate of need	791

Annual and 5-year estimates of unmet need for wheelchair housing

Total annual estimates for all tenure wheelchair housing is therefore around **158** homes per annum. When benchmarked against average annual completions in Edinburgh (2,425 homes) this accounts for 7% of all annual housing completions. A baseline measure of wheelchair housing requirements by tenure over a 5 year projection period was established, using the Steady Growth assumption from the Council's recent Housing Need and Demand Assessment (HNDA) calculation in terms of overall housing estimates by tenure.

10 Summary and Recommendations

10.1 Accessible Housing Study Conclusions

This research study has delivered a number of benefits that will help assess the extent and nature of existing specialist housing provision, unmet need and requirements across the City. It has provided:

- Standard definitions of what is meant by wheelchair and accessible housing that partners can implement and use going forward
- Analysis of the extent of data to determine existing provision and highlighted gaps that could be addressed to improve this insight
- An opportunity to strengthen and/or build partnership working across services, organisations and sectors and the sharing of data and casework to improve outcomes for people with specialist housing needs
- Insight on unmet needs through the primary research element of the project
- An opportunity for services users to influence research outcomes and resulting strategic interventions
- A framework to assess the requirements for wheelchair and accessible housing and allow the Council to work up targets for wheelchair housing.

10.2 Accessible Housing Study Recommendations

Throughout the course of this study a number of areas for improvements and recommendations have been assembled that the Council may wish to consider and take forward with partners to:

- enhance the provision of wheelchair and accessible homes in the city across tenures, engaging with key partners to set achievable targets, taking into account factors such as property size and location
- build on the insight needed to better understand existing provision and improve capture of information on accessibility across tenures
- consider the role of regulation and engagement with private developers to enhance the contribution to wheelchair and accessible housing supply
- develop mechanisms to support the gathering of newly forming needs, including working with health and social care partners to improve data sharing and analysis, contributing to early planning and commissioning
- consider the role of in-situ solutions given the prevalence of existing supply
- explore ways of improving data sharing and monitoring between partners
- Work with partners to explore feasibility of dedicated role to act as a conduit between health, social care and housing to improve data sharing and analysis and planning joint work to deliver in situ and new build solutions to meet accessible needs and wider needs for specialist housing.
- Ensure planning policy and a placemaking approach to development contributes to improved accessibility of the wider environment and infrastructure, as well as provision of homes in locations across the city.

It is recommended that the Council's Steering Group for this project also reviews the detailed primary research results, service user consultation feedback and stakeholder feedback, to draw up a delivery plan for the recommendations and further work based on customer and stakeholder insights.

11 Acknowledgements

Arneil Johnston would like to express their gratitude to the:

- Steering Group Members for guiding and supporting this project
- Stakeholders and partners who willingly gave up their time to attend the launch and conference events and provided invaluable contributions as well as data
- Residents of Edinburgh who took the time and effort to complete the online and telephone surveys
- The service users who were able to offer their lived experience and spoke so openly about this.

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Empty Homes Annual Report

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

1. Recommendations

1.1 It is recommended that the Housing, Homelessness and Fair Work Committee notes the contents of this report, which has been produced in response to a report approved by the Housing, Homelessness and Fair Work Committee on 4 November 2021.

Paul Lawrence

Executive Director of Place

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Report

Empty Homes Annual Report

2. Executive Summary

2.1 The Council's Empty Homes Officer works to bring private sector empty homes back into use. On 4 November 2021 the Housing, Homelessness and Fair Work Committee approved a motion for the preparation of a business case for the Empty Homes Officer (EHO) post to become a permanent role. It was proposed that the funding for this post should come from income generated from Council Tax and Council Tax debt arising from Empty Homes.

2.2 This report updates Committee on the appointment of an EHO on a permanent basis and provides an update by setting out the work of the EHO since 4 November 2021.

3. Background

3.1 An EHO post was first introduced on a pilot basis in 2019, for up to two years, jointly funded by the Council and the Scottish Empty Homes Partnership.

3.2 On 4 November 2021, the Housing, Homelessness and Fair Work Committee considered an Empty Homes update which set out the potential to mainstream funding for the role of the EHO, detailed how the work of the EHO supports wider Council objectives on ending homelessness, and described the processes which are in place for following up debt recovery on empty properties.

3.3 Committee approved the following motion:

3.3.1 To note the report, which had been produced in response to a report approved by the Housing, Homelessness and Fair Work Committee on 14 January 2021; and

3.3.2 To agree that a business case for the EHO post to continue, funded from income generated (as set out in 4.13 and 4.14), would be prepared for consideration as part of the 2022/23 budget setting process.

4. Main report

Permanent appointment of an Empty Homes Officer (EHO)

4.1 Following the Committee decision, on 4 November 2021, a business case was prepared to seek to appoint an EHO on a permanent basis. It was proposed that the funding for this post would come from Council Tax and Council Tax debt identified by the EHO arising from empty homes.

4.2 The business case was subsequently approved and, following a recruitment exercise, an EHO was appointed on a permanent basis in April 2022. The mainstreaming of the EHO role will ensure that Empty Homes continue to be specifically targeted to be brought back into use, while the role continues to develop and identify best practice and proactive methods of engagement with owners of empty homes.

Progress since 4 November 2021

4.3 Housing supply in Edinburgh remains under pressure in the wake of the pandemic and increasing demand. This, together with the economic pressures of rising inflation and interest rates, will continue to put people at the risk of homelessness. Any increase in housing stock contributes to mitigating these risks in Edinburgh.

4.4 Bringing empty homes into use can contribute to increasing the housing supply but, as previously reported, the owner occupied market in the city has been buoyant and therefore most empty homes being returned to use have remained in that sector.

4.5 The EHO has worked with colleagues from across the Council to resolve complaints and remedy issues resulting from long term empty homes. Examples of some of the activities carried out by the EHO include:

4.5.1 Receiving complaints and reports from members of the public, internal and external stakeholders about empty homes in Edinburgh;

4.5.2 Proactively identifying empty homes from Council systems or while visiting properties and/or areas affected by empty homes;

4.5.3 Addressing the backlog of empty homes enquiries or complaints resulting from the pandemic where restrictions were a barrier for properties requiring physical visits or assessments;

4.5.4 Successfully tracing and engaging owners of empty homes which have been empty in excess of 10 years and have generated numerous neighbour complaints;

4.5.5 A pilot initiative including Environmental Health, Pest Control and Social Work teams arranged for the clearance of two empty properties where owners had been unable to do this themselves. This enabled these properties to be auctioned or otherwise sold, returning them to the housing market;

4.5.6 Where an owners needs additional support because of vulnerabilities they have been given advice, guidance and support to assist in the process and practicalities of clearing and selling their properties;

4.5.7 Providing VAT reduction entitlement advice and guidance to owners seeking to renovate empty homes and bring them back into use;

4.5.8 Working with Council Tax teams to correct records, facilitate recovery and add empty homes premiums to properties which had not already been identified as empty homes; and

4.5.9 Engaging with the Scottish Empty Homes Partnership, contributing to the development of the Empty Homes Framework and keeping abreast of best practice and legislative development.

Empty Homes reports received

4.6 The table below summarises the Empty Homes reports received by the Council since 2016, providing a breakdown of those still under active investigation and those which have been completed.

Year	Empty Homes report received	Active investigations	Investigations completed
2016	32	7	25
2017	71	13	58
2018	59	16	43
2019	88	28	60
2020	141	58	83
2021	183	58	125
2022 (to date)	143	76	67
Total	**717**	**256**	**461**

4.7 Analysis of a sample of 61 properties brought back into use after being empty homes since 1 January 2022 to date shows 48% have come back into use as owner occupied properties, 46% have been privately let and 6% have returned to use by the City of Edinburgh Council or via a Housing association.

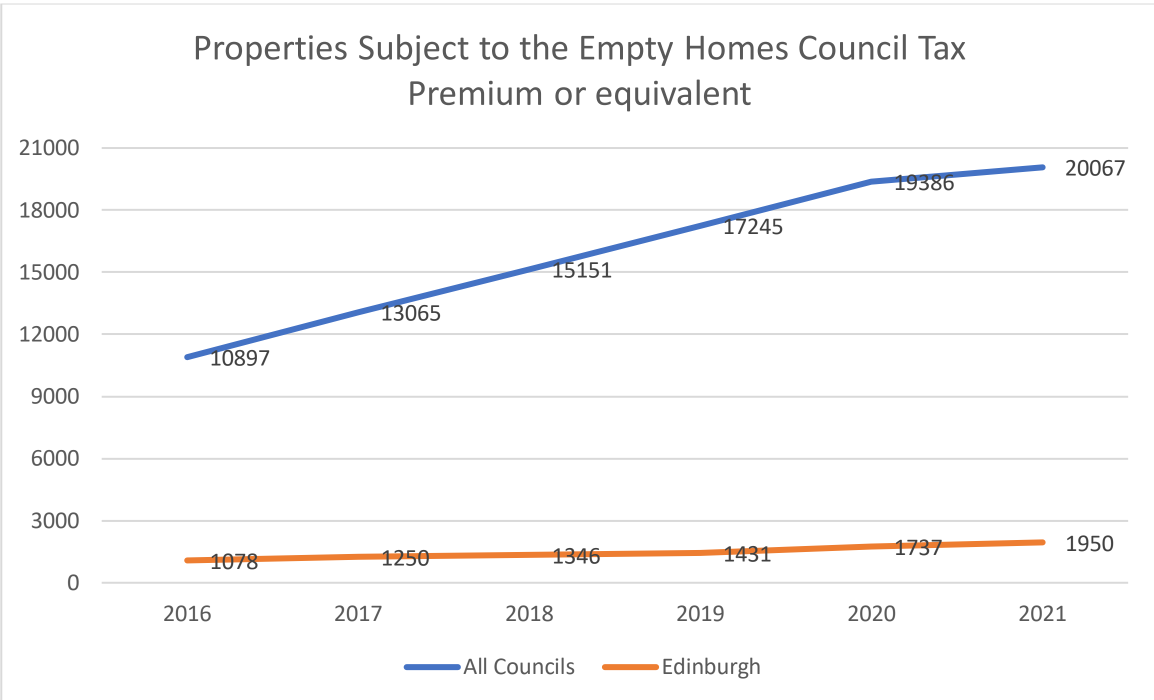
Income identified from unpaid Council Tax or Council Tax debt

4.8 The EHO role is funded by Council Tax and Council Tax debt arising from Empty Homes, which is a by-product of the investigation and case management of empty homes by the EHO. Since the figures were reported to the November 2021 Committee, the EHO has continued to work closely with Council Tax teams and identified a further £966,000 of unpaid Council Tax and Council Tax debt arising from empty homes. A full breakdown is provided below.

Council Tax debt identified by EHO	£370,000
Council tax arrears – Information identified by EHO	£122,000
Ongoing investigation net value (where more information is required before these can be passed on to Council Tax Teams)	£250,000
Deceased occupant or tenant /inactive cases identified by the EHO	£101,000
100% premiums added to Council Tax systems by EHO to date	£48,000
100% premiums yet to be added (est. value)	£75,000
Total value identified for recovery	**£966,000**

Moving Forward

4.9 1,950 properties are currently recorded by the Council as having been empty for more than one year, while not listed for sale or let and not being used as a second home. This is an increase of 233 properties since November 2021, which continues an upward trend which has been observed over the last five years. While this does reflect a national trend, it is intended that the EHO will investigate this trend aiming to intervene where possible to assist owners to bring these properties back in to use.



5. Next Steps

5.1 The role of the EHO will continue to be developed, with a number of active enquiries and new approaches being explored to bring as many empty homes back into use as possible.

5.2 Where barriers are identified, these will continue to be explored and discussed with partners, including the Scottish Empty Homes Partnership, to identify opportunities or areas where a new approach to empty homes may be required.

6. Financial impact

6.1 Leaving a home empty costs money and loses money for the owner and the Council. This is money that could be being spent in the local economy, generating further additional expenditure as a result. It is estimated that the cost of leaving a two to three bed property empty is between £8,638 and £10,438 (rent loss, maintenance, insurance and Council Tax). Bringing an empty home back into use can also help prevent reactive spend associated with addressing anti-social behaviour and can have a positive impact on the value of neighbouring homes.

7. Stakeholder/Community Impact

7.1 Empty homes are more prone to anti-social behaviour than an occupied home as they can be entered more easily either by squatters or people looking to use the property for anti-social purposes or to commit anti-social acts. As a result, areas with concentrations of empty homes can trap local authorities and other public agencies into a spiral of reactive spend.

7.2 The EHO continues to work closely with colleagues in debt recovery in the council on empty homes and bringing in additional income through proactively identifying long-term empty homes where the 100% Council Tax premium can be applied. Work is also ongoing with Edinburgh Shared Repairs Service (helping to find owners and engage with them on shared repairs cases).

7.3 EHO advice and intervention has resulted in positive feedback from empty home owners.

8. Background reading/external references

8.1 Empty Homes Update – January 2021.

8.2 Empty Homes Update – November 2021.

9. Appendices

9.1 None.

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Place Directorate - Revenue Budget Monitoring 2022/23 - Month Five Forecast

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

1. Recommendations

1.1 It is recommended that the Housing, Homelessness and Fair Work Committee notes:

1.1.1 That the Housing Revenue Account (HRA) is forecasting a contribution of £5.534m to the Strategic Housing Investment Fund (SHIF) from revenue generated in 2022/23 as part of the capital investment programme funding strategy (decreased from £6.130m per the approved budget);

1.1.2 The Homelessness Service is projecting an overspend of £8.040m at month five in 2022/23 (increased from £5.5m at month three);

1.1.3 The Place General Fund (GF) services within the remit of the Committee are forecasting that 'business as usual' (excluding Covid-19 impact) will break even in 2022/23 after drawing down £0.528m from Council provisions made to cover inflationary impacts; and

1.1.4 The Place GF Covid-19 impact for services within the remit of the Committee is forecast at a cost of £0.148m in 2022/23 which can be met within the earmarked budget provision.

Paul Lawrence

Executive Director of Place

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Report

Place Directorate - Revenue Budget Monitoring 2022/23 - Month Five Forecast

2. Executive Summary

2.1 This report sets out the month five 2022/23 revenue monitoring position for the Housing Revenue Account (HRA), Homelessness Services and Place Directorate General Fund (GF), focusing on services within the scope of this Committee.

2.2 The month five forecast for the HRA in 2022/23 is a balanced position after transferring £5.534m from revenue to the Strategic Housing Investment Fund (SHIF) for planned capital investment in forthcoming years.

2.3 The Homelessness service month five forecast in 2022/23 is an overspend of £8.040m (increased from £5.5m at month three).

2.4 The month five GF 'business as usual' revenue forecast for services within the remit of this Committee is for a break-even outturn against budget. Whilst this is an improvement from the position reported at month three, the only change in the forecast is an agreement to apply Council inflationary pressures provision to address the £0.528m additional cost within communal stairwells of housing blocks.

2.5 The GF Covid-19 impact for services within the remit of this Committee is forecast to be a net cost of £0.148m. This forms part of the overall Place forecast of £8.292m in respect of the cost of the Covid-19 impact and is within the provision provided for within the Council's 2022/23 approved budget. This represents the impact on GF Housing related services from continuing adherence with public health guidance to protect staff, tenants and customers; including reduced income generated by Housing Operations resulting from changes to working practices.

3. Background

3.1 The HRA is a ring-fenced statutory account. The HRA is funded from rents for Council housing and related assets and is used to fund the provision of Council housing in line with tenants' priorities. The annual approved HRA budget is derived from the longer-term strategy approved by Council.

3.2 The 2022/23 net budget for Homelessness Services is £50.5m and, such is the extent of budget pressures, the approved budget for 2022/23 contains £17.6m of additional investment relative to the equivalent budget for 2020/21.

3.3 For presentational purposes, Homelessness Services is reported separately in reports to Finance and Resources and this Committee and is not implicit within the Place (GF) grouping. The Place (GF) services within the remit of this Committee refers to Housing Operations, Business Growth and Inclusion, Commercial Development and Investment, Shared Repairs Service, Mixed Tenure Investment Service and all other Housing activity which is not exclusively for the benefit of Council tenants such as stair cleaning services and garage rentals.

4. Main report

Housing Revenue Account (HRA) – 2022/23 Month five forecast – variance and risk analysis

4.1 The summary variances and risks in respect of HRA income, costs and revenue contribution to the SHIF are as follows:

4.1.1 **Income** – The income forecast at month five is £103.308m which when compared to the budget of £103.651m is an adverse variance of £0.343m. Favourable variances are forecast in several related areas including arrears and bad debts and income equal to the delivery costs incurred by the HRA from the handover of properties to Edinburgh Living. However, adverse variances persist in areas such as void rent loss; and

4.1.2 **Costs** – Whilst there is a projected overspend in repairs and maintenance of £2.042m, this is not unexpected due to fewer jobs being undertaken whilst restrictions were in place following public health guidance to keep employees and tenants safe. The costs will require to be monitored going forward to ensure the efficiencies set out in the Housing Service Improvement Plan (HSIP) are met. The Housing Management favourable forecast variance of £1.875m is in the main driven by projected underspends in staffing costs from recruitment delay and cost efficiencies driven out by and parallel to the HSIP process. Debt servicing costs are currently shown to be more or less ‘on budget’, this will be kept under review and reported going forward to reflect the borrowing requirement in respect of spend on the capital investment programme.

4.2 The impact of the above is that £5.534m is currently forecast to be transferred to the SHIF as part of the future capital investment programme and wider HRA Business Plan objectives. This is £0.596m less than the budgeted contribution, however both downside and upside risks will be actively monitored and managed wherever possible.

4.3 Risks, including the impact of Universal Credit and cost of living crisis on collection of rental income and the impact on repairs and maintenance services as public health guidance is relaxed will be closely monitored and reported as appropriate moving forward. An element of contingency has been factored into the HRA Business Plan in respect of such risks and will be periodically assessed.

Homelessness Services – 2022/23 Month five forecast – variance and risk analysis

4.4 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 £8.0m (increased from £5.5m at month three) are now apparent in 2022/23, mainly comprising:

4.4.1 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;

4.4.2 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;

4.4.3 Costs of the Haymarket Welcome Centre, funding for which remains to be confirmed;

4.4.4 Increased Council costs for Housing First;

4.4.5 A reduction in the assumed Housing Benefit recovery rate for those accommodated in dispersed flats relative to projections as of period three; and

4.4.6 Net costs to accommodate current and future increases in homeless Ukrainian households following the end of initial six-month hosting arrangements.

4.5 Given these trends and the full-year effect of increases anticipated in the remainder of the current year, the revenue budget framework for 2023/24 now incorporates an additional £33.7m (109%) for homelessness-related expenditure relative to the equivalent budget for 2020/21.

4.6 Officers continue to develop homelessness prevention models, however there is a risk, nonetheless, that the sum above will increase further should additional accommodation be required for homeless Ukrainian households following the ending or breakdown of current hosting arrangements and the removal of local connection which comes into force on 29 November.

General Fund – 2022/23 month five forecast – 'business as usual'

4.7 The 2022/23 GF forecast for 'business as usual' services within the remit of this Committee is a break-even position compared to budget. This forecast reflects an agreement that the increased energy costs (£0.528m) in relation to non HRA housing stairwells can be contained within the corporate budget provision for inflationary pressures.

4.8 The cost of Covid-19 measures within Housing Operations is forecast to be £0.148m at month five and this can be accommodated within the assumptions made in the 2022/23 budget in respect of the Covid-19 costs to the Council.

2022/23 Budget – Approved Budget Savings

4.9 There are no new approved savings to be delivered by services within the remit of this Committee as part of the 2022/23 budget motion.

2022/23 Budget – Approved Service Investment

4.10 As part of the decisions made by Council in setting the 2021/22 budget, Elected Members approved 2022/23 service investments of £0.525m for services within the remit of this Committee: £0.400m for Disability Employment Services; and £0.125m as year two of funding in respect of regulation of short term lets. In February 2022, as part of the 2022/23 budget process the Council approved further additional investment to deliver priority Council objectives which includes £0.050m for the 'Forever Edinburgh' website development and £0.500m for net zero communities, which includes pilots of a collaborative approach to retrofitting of private housing. The forecast assumes that these budgets will be fully utilised.

4.11 The above 2022/23 month five forecasts form part of the overall Council position set out at Finance and Resources Committee on 10 November 2022.

5. Next Steps

5.1 The Place Directorate is committed to delivering mitigating management action to address identified budget pressures wherever possible. Progress will be reported to Committee at agreed frequencies. Work is regularly undertaken to identify and mitigate financial risks as part of a rolling process of budget management.

5.2 In terms of Homelessness services identified pressures and risks, opportunities to expand existing preventative and demand management activity, including income maximisation work and property purchasing to lessen the need to use more expensive temporary accommodation, will continue to be examined. The service is actively implementing additional preventative services to support households and avoid the need for them to enter temporary accommodation and to support people to move out of temporary accommodation and into settled accommodation as quickly as possible. The impact of these initiatives will be actively monitored and reported to the Council Leadership Team on a regular basis. Officers will work with partners and landlords in the city to increase the amount of suitable temporary accommodation available.

6. Financial impact

6.1 The Council's Financial Regulations set out Executive Directors' responsibilities in respect of financial management, including regular consideration of their service budgets. The Executive Director of Place regularly reviews the directorate budget position alongside the identification and implementation of management actions to mitigate budget pressures.

7. Stakeholder/Community Impact

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

8. Background reading/external references

8.1 Item 7.4 - Revenue Monitoring 2022/23 - Month 5 Report - Finance and Resources Committee - 10 November 2022.

8.2 Item 7.6 - Capital Monitoring 2022-23 – Month 5 Position - Finance and Resources Committee - 10 November 2022.

8.3 Item 7.7 - Place/Homelessness Financial Monitoring – Housing, Homelessness and Fair Work Committee - 29 September 2022.

9. Appendices

9.1 Appendix 1 – Place Directorate - HRA Revenue – 2022/23 Month Five Forecast.

Appendix 1 – Place Directorate - HRA Revenue – 2022/23 Month Five Forecast

	2022/23 Budget £m	2022/23 Month Five Forecast £m	2022/23 Month Five Forecast Variance £m
Net Income	**103.651**	**103.308**	**0.343**
Expenditure			
Housing Management	37.689	35.815	**-1.875**
Repairs and Maintenance	20.247	22.289	**2.042**
Environmental Maintenance	2.625	2.766	**0.141**
Covid-19 Specific Costs	0.000	0.000	**0.000**
Debt Servicing	36.960	36.905	**-0.055**
Contribution to Strategic Housing Investment Fund	6.130	5.534	**-0.596**
Total Expenditure	**103.651**	**103.308**	**-0.343**

Notes:

The Strategic Housing Investment Fund is made up of the Repairs and Renewals Reserve and the Council Tax Discount Fund. It is an element of the funding strategy for the capital investment programme.

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday 1 December 2022

Housing Land Audit and Completions Programme 2022 – referral from the Planning Committee

Executive/routine
Wards
Council Commitments

1. For Decision/Action

1.1 The Planning Committee has referred a report on the Housing Land Audit and Completions Programme 2022 to the Housing, Homelessness and Fair Work Committee for information.

Richard Carr

Interim Executive Director of Corporate Services

Contact: Lesley Birrell, Committee Services
Legal and Assurance Division, Corporate Services
E-mail: lesley.birrell@edinburgh.gov.uk

Referral Report

Housing Land Audit and Completions Programme 2022 – referral from the Planning Committee

2. Terms of Referral

2.1 On the 2 November 2022, the Planning Committee considered a report summarising the findings of the 2022 Annual Housing Land Audit and Completions Programme (HLACP).

2.2 The HLACP was used to assess the supply of land for housing and the delivery of new homes within the City of Edinburgh Council area. It recorded the amount of land available for house building , identified any constraints affecting development and assessed the land supply against the housing supply target and housing land requirement set by the Strategic Development Plan (SDP) for South East Scotland.

2.3 The audit demonstrated that there was more than enough unconstrained housing land to meet the remaining housing land requirement in full and that the programmed completions up to 2026 was enough to meet the housing supply target for the remainder of the development plan period.

2.4 The Planning Committee agreed:

1) To note the findings of the report including The Housing Land Audit and Completions Programme 2022 set out in appendix 1 of the report.

2) To refer the report to the Scottish Government for information.

3) To refer the report to the Housing, Homelessness and Fair Work Committee for information.

3. Background Reading/ External References

3.1 Minute of the Planning Committee – 2 November 2022

3.2 Planning Committee – 2 November 2022 webcast

4. Appendices

Appendix 1 – Report by the Executive Director of Place

Planning Committee

2.00pm, Wednesday, 2 November 2022

Housing Land Audit and Completions Programme 2022

Executive/routine	**Executive**
Wards	**All**
Council Commitments	

1. Recommendations

1.1 It is recommended that Planning Committee:

1.1.1 Notes the findings of this report including Appendix 1, The Housing Land Audit and Completions Programme 2022;

1.1.2 Agrees to refer this report to the Scottish Government for information; and

1.1.3 Refers this report to the Housing, Homelessness and Fair Work Committee for information.

Paul Lawrence

Executive Director of Place

Contact: Iain McFarlane, Programme Director City Plan

E-mail: iain.mcfarlane@edinburgh.gov.uk | Tel: 0131 529 2419

Report

Housing Land Audit and Completions Programme 2022

2. Executive Summary

2.1 The purpose of this report is to summarise the findings of the 2022 annual Housing Land Audit and Completions Programme (HLACP).

2.2 The HLACP is used to assess the supply of land for housing and the delivery of new homes within the City of Edinburgh Council area. It records the amount of land available for house building; identifies any constraints affecting development; and assesses the land supply against the housing supply target and housing land requirement set by the Strategic Development Plan (SDP) for South East Scotland.

2.3 The audit demonstrates that there is more than enough unconstrained housing land to meet the remaining housing land requirement in full and that the programmed completions up to 2026 is enough to meet the housing supply target for the remainder of the development plan period.

2.4 Delivery rates are the highest ever recorded and should these rates continue, there is enough effective land for housing to last for eight years.

3. Background

3.1 The SDP for Edinburgh and South East Scotland was approved by Scottish Ministers in June 2013. Supplementary guidance on housing land was approved in 2014 and sets the Housing Supply Target for the City of Edinburgh Council area for the period to 2024. The adopted Edinburgh Local Development Plan (2016) extended the target to 2026.

3.2 Scottish Planning Policy (SPP) requires local authorities to maintain a five year supply of effective housing land at all times to ensure that the housing land requirement is met. The annual HLACP is used to monitor the effective housing land supply. It will also be used to inform infrastructure decisions through the Local Development Plan (LDP) Action Programme.

3.3 On 6 October 2016, the Planning Committee considered a report on the Housing Land Audit and Delivery Programme 2016 that utilised a new approach to auditing land for housing and housing delivery. Previously, the housing land supply was measured in terms of the anticipated output or completions programme.

3.4 The conclusion was that, although there was sufficient effective housing land to meet the housing land requirement set by the SDP, the anticipated delivery of new homes was below the five year completions target. The report acknowledged that there was a need to increase delivery of new homes in the short term and set out several ways that the Council was seeking to do so.

3.5 On 12 October 2017, Planning Committee considered a report on the Housing Land Audit and Delivery Programme 2017 which further enhanced the audit process by identifying the steps needed to increase housing delivery on a site by site basis.

3.6 The approach to assessing the amount of land available for housing and the rate of delivery of new homes as separate issues has been consistently applied since Committee approval in 2016.

4. Main report

4.1 For a housing site to be considered 'effective', it must be free of all constraints that would prevent development. Sites are considered against a range of criteria set out in Planning Advice Note 2/2010 "Affordable Housing and Housing Land Audits" (PAN 2/2010). These include ownership, physical (e.g. slope, aspect, stability, flood risk, access), contamination, deficit funding, marketability, infrastructure and land use. PAN 2/2010 also states that "The contribution of any site to the effective land supply is that portion of the expected output from the site which can be completed within the five year period".

4.2 The alternative approach to measuring housing land supply and delivery, approved by Planning Committee, recognised that delivery of new homes can be affected by many economic and demand factors unrelated to the land supply. As well as the anticipated completions programme, the Council also considers the capacity of unconstrained land available for development.

4.3 The schedules within the 2022 HLACP have been discussed and agreed as reasonable with Homes for Scotland.

Housing Land Supply

4.4 As at 31 March 2022, there was enough land free of planning constraints and available for development for 22,679 houses. There was also land for a further 7,358 houses on sites where there was a constraint as set out in schedule 4 of Appendix 1.

4.5 The effective land supply is varied in type, size and location. It is spread over a range of locations and includes brownfield (52%) and greenfield (48%) sites as shown on the map attached as Appendix 2.

Housing Supply Target and Housing Land Requirement

4.6 The housing supply target is the policy view of the number of homes that will be delivered over the LDP period. For the City of Edinburgh, this was set by the South East Scotland SDP and its supplementary guidance. To ensure that the housing supply target can be met, additional land must be made available to allow for flexibility of range and choice.

4.7 On 29 September 2021, Planning Committee approved a new proposed LDP, City Plan 2030, for its statutory period of representation. The plan includes new housing supply targets and housing land requirements along with proposals for a generous supply of land to meet the targets. Once adopted, the housing targets and land requirements will replace those in the LDP (2016) set by the SDP. New proposals in Proposed City Plan 2030 do not count towards the current targets and housing land requirements and are not contained in HLACP 2022. However, some of the sites that were allocated in LDP (2016), and have not yet been delivered, have been carried over as proposals into the new proposed plan.

Housing Delivery

4.8 Delivery of new homes is influenced by a range of factors including economic fluctuations, supply of skills and materials, movement in the local and national housing market and other commercial considerations.

4.9 Following the recession from 2008, the market recovered and completions increased from 1,191 in 2012/13 to 2,967 in 2019/20. The Covid-19 pandemic and national lockdown in the second quarter of 2020 caused a fall in completions to 1,700 for the year to April 2021. However, the fall in housebuilding activity was temporary and completions in 2021/22 increased again to 2,786 – the second highest annual completion total recorded over the last 20 years. The programme of completions over the next five years is the highest ever recorded in over 30 years of housing land audits.

4.10 Emerging from the 2008 recession, the delivery of new housing was helped by an increase in the building of affordable homes. Prior to that, affordable tenures accounted for around 17% of all houses built in the city but nearly 50% for 2011-2015. Recovery in the mainstream housing market, along with continued high affordable completions, have resulted in the all-tenure completion rate now being above the pre-recession level. The rate of delivery of new homes will also be influenced by the impact of Build to Rent developments, where the pace of delivery seeks to meet strong rental demand and is not constrained by the mortgage market and potentially also by improvements in construction methods.

4.11 Table 1 compares the supply of available effective housing land against the remaining development plan housing land requirement and anticipated completions for the period up to 2026 against the remaining development plan housing supply target. Previous HLACPs have compared anticipated completions to a five year completions target but this is no longer possible as the development plan target only extends to 2026. The table also shows the number of years that the effective land supply will last at current rates of development.

Table 1. Housing Land Supply and Anticipated Completions Programme

Housing Supply Target 2009 to 2019	22,300
Housing supply Target 2019 to 2024	7,210
Housing Supply Target 2024 to 2026	2,884
Housing Supply Target 2009 to 2026	**32,394**
Average 5 year supply target 2009 to 2026	*9,528*
Housing Land Requirement 2009 to 2026	**35,633**
Completions 2009 to 2022	26,437
Housing Supply Target 2022 to 2026	**5,957**
Supply	**Output**
Remaining Housing Land Requirement **9,196**	Supply Target 2022 to 2026 **5,957**
Effective Housing Land Supply **22,679**	Completions Programme 2022 to 2026 **11,683**
Years Supply at current delivery rate **8.0**	5 year completions programme* **14,202**

** Previously referred to as the five year effective land supply*

4.12 Table 1 demonstrates that the capacity of effective housing land (22,679) is significantly above the remaining development plan housing land requirement (9,196) and programmed completions up to 2026 (11,683) is more than sufficient to meet the remaining development plan housing supply target (5,957). Anticipated completion rates in Edinburgh are at the highest level ever recorded and based upon these rates, there is enough effective housing land to last for a further eight years. The five year completions programme (14,202) is 50% higher than the average five year housing supply target set by the development plan for the entire plan period 2009 to 2026.

Windfall sites

4.13 These are sites that are not specifically allocated for housing in the LDP but come through the planning system as planning applications. The LDP assumed that a certain amount of development would occur on windfall sites (4,656 units) contributing to meeting the housing supply target. Since April 2015, 10,448 homes have been granted planning permission on such sites and of those, 2,842 are for affordable homes. Some 76% are on brownfield land.

National Planning Framework 4

4.14 Scottish Government is currently preparing National Planning Framework 4 (NPF4) – the long-term plan for development and investment across Scotland which will set out national planning policies, national developments and strategy. In November

2020, Scottish Government published a position statement which detailed potential changes that are being considered to national planning policies.

4.15 A key change being considered is to replace the current focus on maintaining a five year supply of effective housing land with a longer term perspective to enable future plans to promote immediate deliverability and viability, and steer development to appropriate locations in line with LDP spatial strategy, informed by an infrastructure-first approach. Land take-up would be monitored through completions with additional land releases triggered in line with the development plan, when the need for additional capacity is demonstrated.

4.16 The Council's approach to monitoring land supply and delivery of homes is closely aligned with the Scottish Government's considered policy change with a focus on the factors that are affecting delivery on individual sites alongside the anticipated rates of delivery. This helps to identify where there is potential to increase delivery of homes on the current land supply and when additional land releases may be required to maintain current rates of delivery.

4.17 Homes for Scotland are consulted during the preparation of the HLACP and advise on the likely delivery rates for each site. The 2017 HLACP was the first audit to include an assessment of factors that could accelerate delivery and this approach has been continued. Twelve different actions were identified and applied on an individual site by site basis broadly grouped as relating to ownership or control of a site, the planning system and other regulatory processes and the development industry. Details of these are on pages 12 to 14 of Appendix 1.

Increasing Housing Delivery

4.18 On 24 August 2017, Council approved its five year business plan including an objective to build 20,000 new affordable homes over the next ten years. The Strategic Housing Investment Plan (SHIP) sets out the delivery plan for new affordable homes and is reported to the Housing, Homelessness and Fair Work Committee each year. The latest SHIP, covering the period 2022/27, was approved by Housing, Homelessness and Fair Work Committee on 4 November 2021. It identifies a pipeline of 11,188 affordable homes that could be approved for site start and 10,124 potential completions delivered over the next five years through a through a mix of grant funding, Registered Social Landlords (RSLs) own finance, finance raised by private developers, institutional investment, developer contributions and Housing Revenue Account (HRA) funding. The report identifies the challenges to delivering affordable housing at scale as construction industry capacity, availability of grant funding for social rented homes and control of sites for development.

4.19 In March 2018, a report was presented to the then Housing and Economy Committee on Delivering Land for Affordable Housing. This report set out a series of actions that should be taken to secure land and increase control over the pace of housing development. The actions include increased engagement with private land owners, exploring the potential for re-provisioning industrial estates, a review of the

Affordable Housing Policy (AHP) and establishing a public sector land and property group.

4.20 In January 2021, the Housing, Homelessness and Fair Work Committee considered a report on the land strategy to support delivery of affordable housing and brownfield regeneration. The report recognised that building on brownfield land maximises the use of existing infrastructure and mitigates the sizeable financial impact on the Council of delivering infrastructure. Council owned land supply is becoming increasingly limited as is the potential to acquire sites on the open market. Therefore, alternative models to deliver regeneration and affordable housing on private sector sites needs to be explored. The strategy set out in the report is intended to support the delivery of place-based area regeneration in partnership with local communities with the Council acting as enabling developer, de-risking Planning and infrastructure requirements. A strategy that prioritises brownfield land for development will require significant and active intervention by the Council, potentially using compulsory purchase powers. Private and public sector partnerships are identified as key mechanisms for securing investment and developing sites that cannot be acquired and developed by the Council. The HRA Business Plan includes £125m for land acquisition over the next ten years.

Conclusions

4.21 There is more than enough effective land available for development in the city for Edinburgh to meet the current housing land requirement set by the Strategic Development Plan for South East Scotland.

4.22 Programmed completions over the next four years is more than sufficient to meet the remainder of the development plan housing supply target to 2026.

4.23 Current rates of delivery are the highest ever recorded and at these rates of delivery, there is enough effective land in Edinburgh to last for a further eight years.

5. Next Steps

5.1 The next annual Housing Land Audit and Completions Programme will be carried out in Spring 2023 and reported to Planning Committee in Autumn 2023.

6. Financial impact

6.1 This report and its recommendations have no financial impact on service or Council budgets.

7. Stakeholder/Community Impact

7.1 No formal consultation is required in connection with this report. However, the contents of the schedules within the housing land audit and completions programme were agreed as reasonable with the representative body of the private house building industry, Homes for Scotland.

7.2 There is no equalities impact arising as a result of this report's analysis and recommendations. Therefore, it was not considered necessary to carry out a full Integrated Impact Assessment.

7.3 There are no direct sustainability impacts arising from this report.

8. Background reading/external references

8.1 Planning Committee, 6 October 2016 - Housing Land Audit and delivery programme 2016.

8.2 Planning Committee, 12 October 2017 - Housing Land Audit and Delivery Programme 2017.

8.3 Planning Committee, 29 September 2021- City Plan 2030 – Approval of Proposed Plan for statutory representation period.

8.4 Housing and Economy Committee, 22 March 2018 - Delivering land for affordable housing.

8.6 Housing, Homelessness and Fair Work Committee, 14 January 2021 - Land Strategy to Support Delivery of Affordable Housing and Brownfield Regeneration.

8.7 Housing, Homelessness and Fair Work Committee, 4 November 2021 - Strategic Housing Investment Plan (SHIP) 2022-2027.

8.8 Planning Committee, 7 August 2019 - Affordable Housing Policy Delivery.

8.9 Fourth National Planning Framework: Position Statement

8.10 Local Development Plan

8.11 Scotland 2045 – fourth National Planning Framework – draft: consultation

8.12 Housing and Economy Committee: 2 November 2017 - City Housing strategy

9. Appendices

9.1 Appendix 1 – Housing Land Audit and Completions Programme 2022.

9.2 Appendix 2 – Map of the established land supply in City of Edinburgh.

Appendix 1

Housing Land Audit & Completions Programme 2022

Housing Land Audit and Completions Programme 2022

1. Introduction

2. Housing Land Supply
- Established land supply
- Effective land supply
- Constrained land
- Greenfield / Brownfield analysis

3. Housing Delivery
- Completions
- Factors affecting delivery
- Affordable housing
- Windfall development
- Accuracy of the audit

4. Housing Land Requirement and Housing Supply Target

5. Schedules

1. INTRODUCTION

The Housing Land Audit and Completions Programme (HLACP) 2022 is an assessment of the housing land supply in the City of Edinburgh Council area as at 31 March 2022. The audit attempts to programme expected housing completions over the audit period, April 2022 to March 2027 and details completions that took place over the year April 2021 to March 2022.

Sites included in the HLACP are housing sites under construction, sites with planning consent for housing, sites in adopted or finalised Local development plans and, as appropriate, other buildings and land with agreed potential for housing development. The audit does not include new proposals from the proposed City Plan 2030. All new development, redevelopment, conversion and subdivision of both houses and flats are included but rehabilitation of existing housing is excluded. The HLACP gives a detailed picture of the supply of housing land in terms of the number of housing units that the land can accommodate. It also sets out a programme of expected completions over the next 5 years and in the longer term.

The HLACP comprises schedules for each housing site with four or more units. Smaller sites are not detailed individually but are included as an aggregate figure only. Based upon past completion rates, the audit assumes that 75% of small sites will be developed over the five year period but does not attempt to identify which ones. The estimates of programmed completions are prepared by the City of Edinburgh Council in consultation with Homes for

Scotland and other house builders. A summary of the housing land supply, site details including completions programme, details of units completed over the previous 12 months and a list of constrained sites are contained in schedules 1 to 4 at the end of this report.

2. HOUSING LAND SUPPLY

Established Land Supply

The established land supply is all land identified for housing including sites allocated in the local development plan, sites which have been granted planning consent for housing and other land with agreed potential for new house building. The established land supply is made up of "effective housing land" - land free of all constraints that would prevent development taking place and "constrained" sites - sites which cannot be developed without some form of remedial action.

On 31 March 2022, the established land supply in the City of Edinburgh Council area was 30,037. This included land free of all planning constraints for 22,679 dwellings and land for a further 7,358 dwellings on sites that are currently considered constrained.

Effective land supply

For a housing site to be considered **effective**, it must be free of all constraints that would prevent development. Sites are considered against a range of criteria set out in Planning Advice Note 2/2010 "Affordable Housing and Housing Land Audits" (PAN 2/2010). These criteria include ownership, physical (e.g. slope, aspect, stability, flood risk, access), contamination, deficit funding, marketability, infrastructure and land use.

When assessed against the criteria contained in PAN 2/2010, there is land free of planning constraints for 22,679 dwellings in the City of Edinburgh Council. This includes 7,051 dwellings on sites currently under construction, 12,154 dwellings on sites with planning consent but where development has not yet started and a further 3,181 dwellings on sites that have not yet received planning consent – mostly sites allocated in the Local Development Plan. The remaining 293 dwellings are on small sites that are not listed separately within the audit.

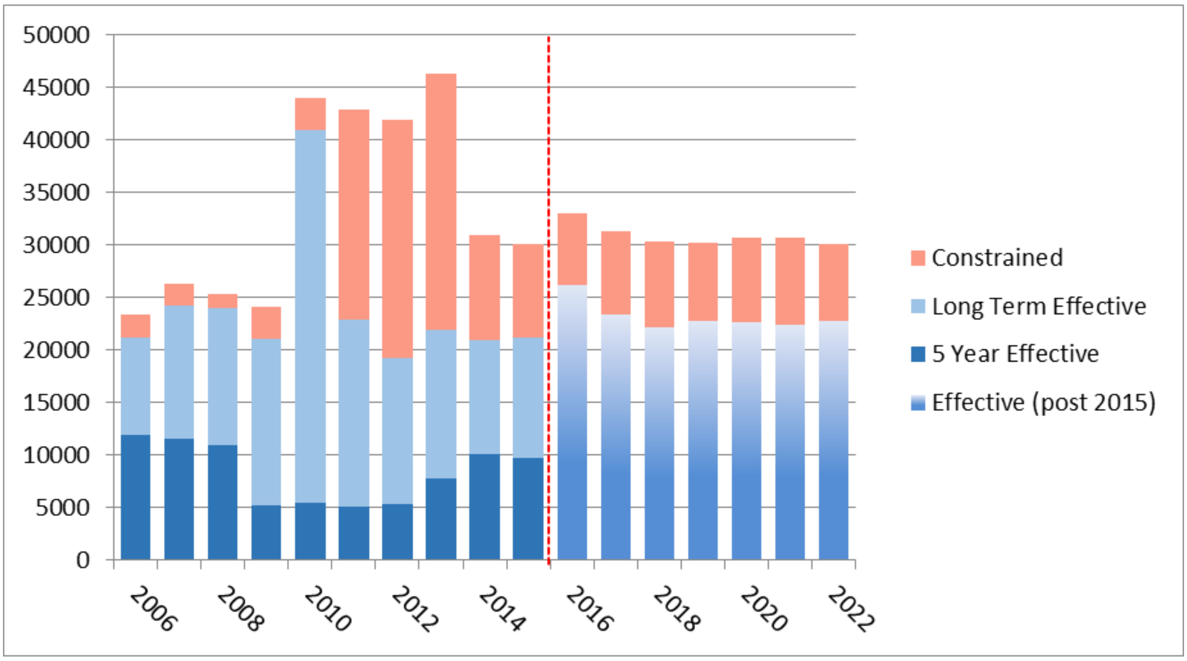
Figure 1 below shows how the established land supply in Edinburgh has changed over the last seventeen years. Prior to 2016, only units programmed for development over the first 5 years were considered to represent the effective land supply. Since 2016, the HLACP considers the **supply** of land separately from programmed **delivery** and defines land as either:

'**Effective**'. Land free of development constraints and available for the construction of housing; and
'**Constrained**.' Land on which development cannot currently take place without remedial action.

The chart, therefore, shows three categories of land up to 2015 - the effective land supply programmed for development over the next five years, effective land supply programmed in the longer term and constrained land. From 2016, only two categories of land are shown – effective and constrained.

The five year effective land supply fell dramatically following the credit crunch and subsequent recession in 2008/09. As reduced credit availability affected both the development industry and house buyers, the rate of development slowed, reducing the five-year programme of development intentions. Fewer new applications were submitted on windfall land, resulting in the reduction of the overall land supply as completions on land already partially developed outstripped new land entering the supply. Between 2009 and 2012, the five-year effective supply fell to around 5,200 (1,050 per year) – around half the level of the previous three years. Following the adoption of the current Local Development Plan in 2016, the effective land supply increased to over 25,000 units – the highest it has been since the early 2000s. The exception to this was of 2010 where there was a spike in effective eland supply caused by a local plan allocation and an application for around 18,000 units at Leith Docks. As consent was not issued, the site was moved from the long-term effective supply into constrained in 2011. Following a change in Forth Ports' intentions to concentrate on port-related activities and changes to the national and local planning policy context, a large part of the area around Leith Docks was removed from the housing land supply entirely in 2014, reducing the capacity from 18,000 to around 5,600. This has been reduced further in 2016 to 2,700 following the publication of the LDP report of examination. Over the last 5 years the effective and established land supply have remained stable suggesting that new land coming forward as windfall is at a similar rate to the number of units completed each year.

Figure 1: Make-up of the established land supply



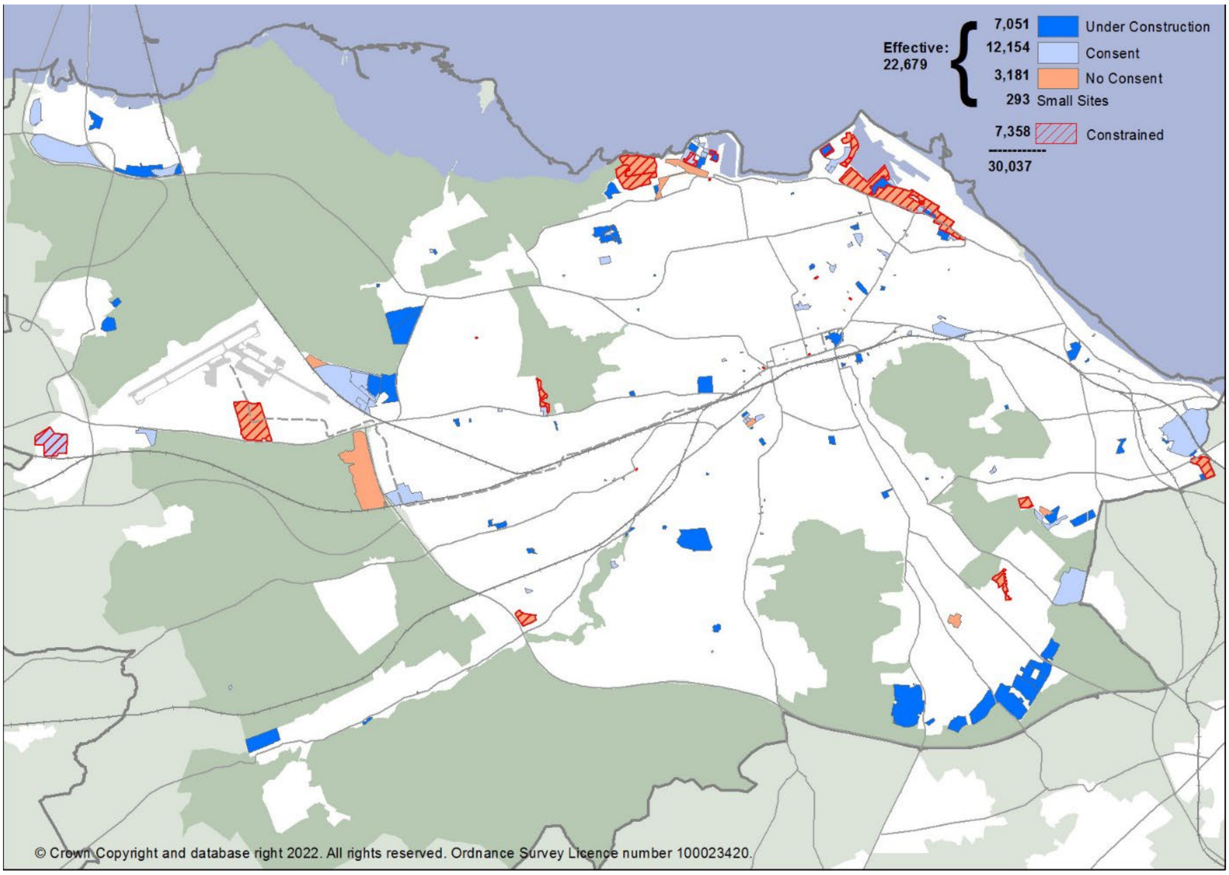
Constrained Land

Constrained sites are those on which development cannot take place without some form of remedial action. Such constraints include:

- Ownership: the site is in the ownership or control of a party which can be expected to develop it or to release it for development. Where a site is in the ownership of a local authority or other public body, it should be included only where it is part of a programme of land disposal;
- Physical: the site, or relevant part of it, is free from constraints related to slope, aspect, flood risk, ground stability or vehicular access which would preclude its development. Where there is a solid commitment to removing the constraints in time to allow development in the period under consideration, or the market is strong enough to fund the remedial work required, the site can be included in the effective land supply;
- Contamination: previous use has not resulted in contamination of the site or, if it has, commitments have been made which would allow it to be developed to provide marketable housing;
- Deficit funding: any public funding required to make residential development economically viable is committed by the public bodies concerned;
- Marketability: the site, or a relevant part of it, can be developed in the period under consideration;
- infrastructure: the site is either free of infrastructure constraints, or any required infrastructure can be provided realistically by the developer or is committed to by another party to allow development;
- Land use: housing is the preferred use of the land in planning terms, or if housing is one of a range of possible uses, other factors such as ownership and marketability point to housing being a realistic option.

Map 1 below shows the land supply in terms of effective and constrained sites. A schedule of constrained sites, including the nature of constraint, is included as schedule 4.

Map 1. Established Housing Land Supply 2022



Greenfield / Brownfield analysis

Excluding small sites, 10,922 units of the remaining capacity of effective sites (22,386) are categorised as being on greenfield land. This represents 49% of the total. In the early 2000s, less than 10% of the effective land supply was greenfield. The Local Development Plan allocated over 8,500 units on greenfield land and this has been a major factor in increasing the overall proportion of greenfield sites in the city. It is expected that the proportion of greenfield land will decrease in future years as the current greenfield sites are built out and future windfall sites are likely to be mainly brownfield land.

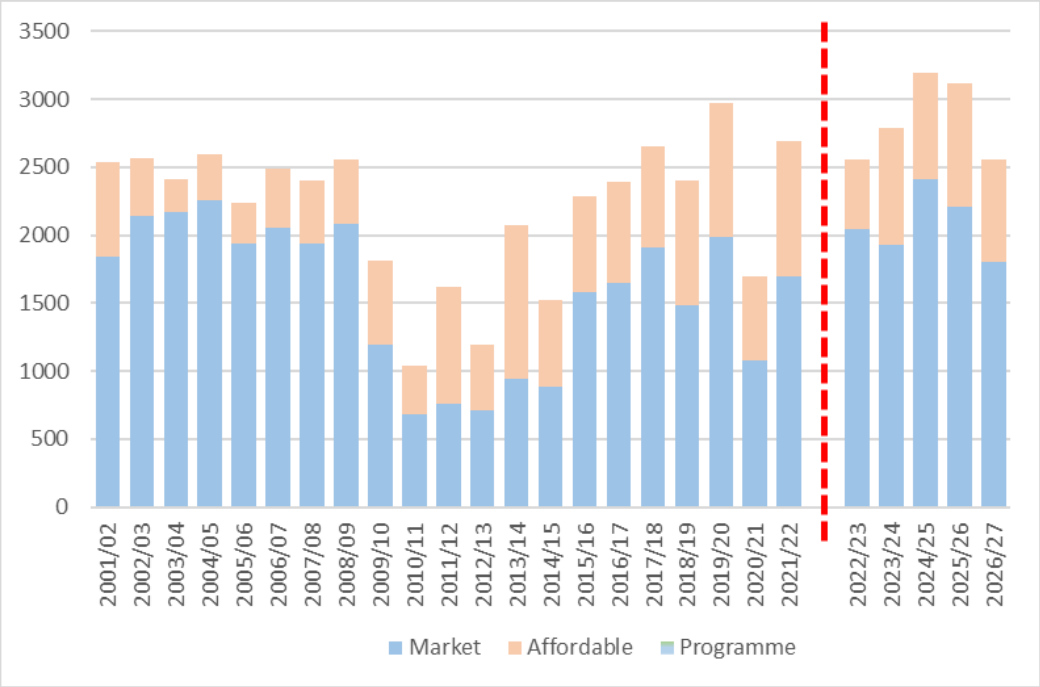
3. HOUSING DELIVERY

Completions

Mirroring the situation with the changes to the effective land supply, the effect of the credit crunch and subsequent recession was followed by a steep decline in the annual number of completed dwellings. Completions have been increasing since 2013 with the number of completions in 2019/20 being the highest recorded since 1998. The national lockdown in response to the Covid-19 pandemic in March 2020 has resulted in a considerable reduction in completions over the year to March 2021. Development activity quickly returned to pre-pandemic levels and the number of completions over the last year increased to 2,786.

The actual number of completions in the future could be higher than programmed as it is likely that some additional housing completions will take place on windfall sites that are not yet in the land supply. Figure 2 below charts historic housing completions and programmed completions for the next 5 years.

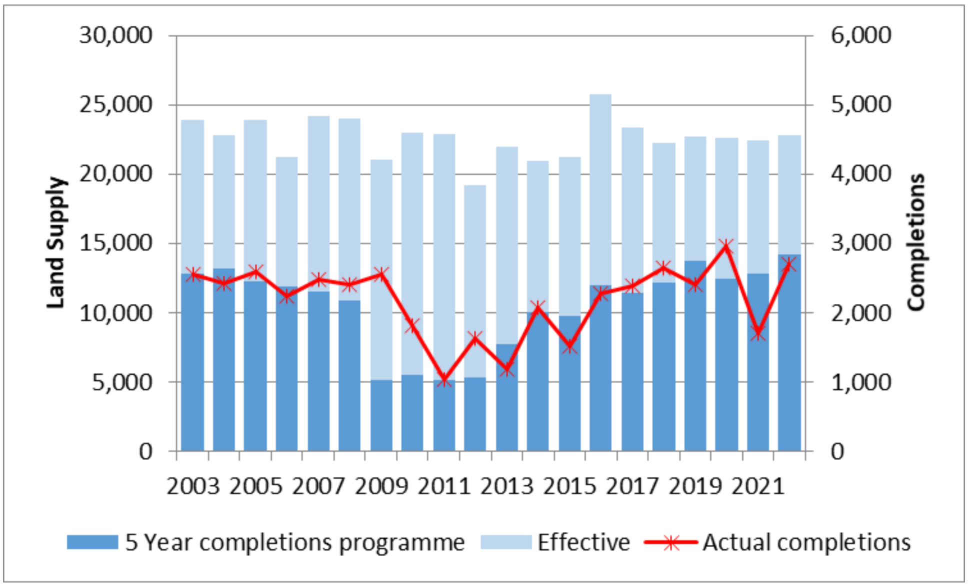
Figure 2. Historic and Programmed Housing Completions



Factors Effecting Housing Delivery

Delivery of new homes is not solely dependent on the supply of effective land. The housing market will react to both local and national changes in the economy causing completions rates to increase and decrease. This was particularly noticeable following the credit crunch in the late 2000s and again, for a shorter period in 2020, when the national lockdown in response to the Covid-19 pandemic caused development to temporarily halt resulting in a reduction of completions from nearly 3,000 in 2019/20 to 1,700 over the year to March 2021. Figure 3 below shows the effective land supply, the five year completions programme (previously referred to as the five year effective land supply) and the number of completions that actually took place over the period 2003 to 2021. As the land supply and five year completions programme relate to a period of five years and the number of completions refers to a single year, they are shown against different scales on the chart.

Figure 3. Housing land supply and housing delivery



Affordable Housing

Affordable housing tenures account for around 25% of the current effective land supply (5,783 units). Between 2001 and 2011, affordable tenures accounted for 19% of all dwellings completed in Edinburgh. Over the last few years, affordable completions have accounted for a much higher proportion, averaging over 38% of all dwellings completed since 2011. Numerically, affordable housing completions have increased in recent years but the large proportional shift is more a consequence of a reduction in market completions following the credit crunch. The number of market completions has increased again markedly over the last few years, from 890 in 2014/15 to an average of 1,630 per year since.

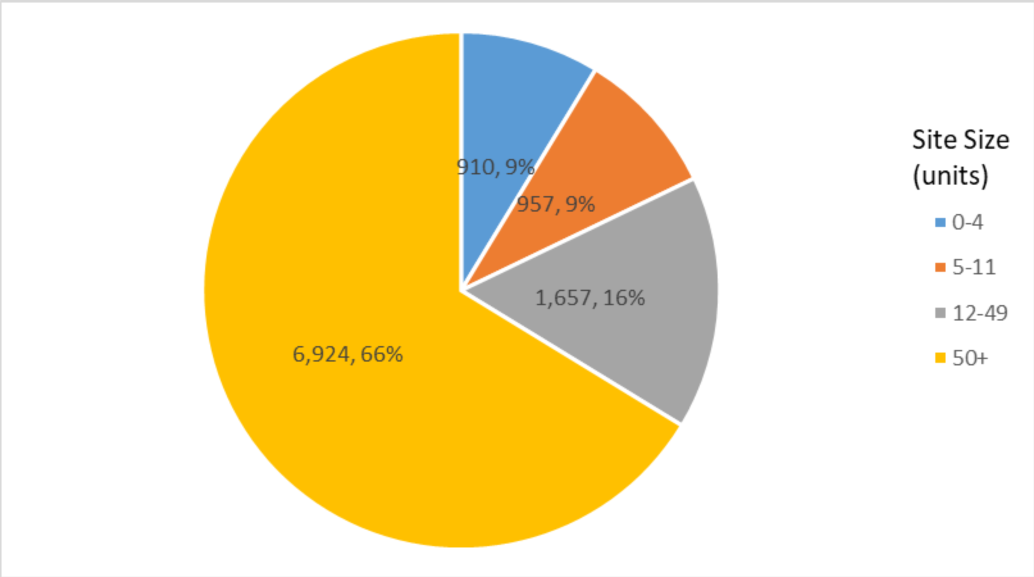
Windfall Development

To avoid over allocating housing land, the Local Development Plan assumed a certain amount of development would occur on unplanned sites that would come through the planning system. Development on these unallocated sites would still contribute to meeting the housing supply target set by the Strategic Development Plan. The adopted LDP assumed a contribution of 4,656 units from windfall sites – 1,694 to be delivered by 2019 with the remaining 2,962 between 2019 and 2026.

Since April 2015, 10,448 homes have received planning consent on windfall sites. Of these 2,842 units will be affordable.

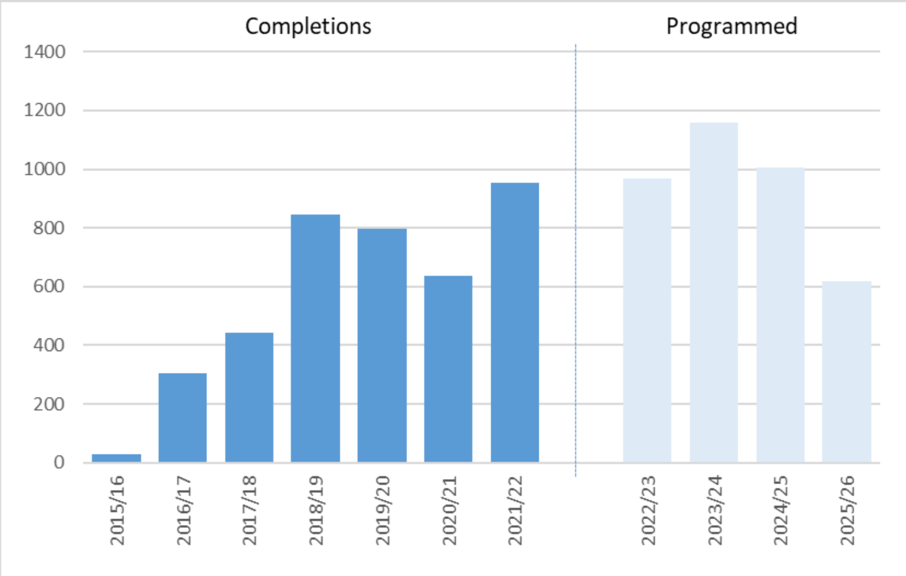
The windfall sites cover a range of sizes with over half the consented units being major developments (sites of over 50 units). The size distribution of windfall sites is show in figure 4 below.

Figure 4 Housing units consented on windfall sites since 2015 by size of site



Between 2015 and 2019, there were 1,621 units completed on windfall sites – slightly below the target of 1,690. There has been a further 2,387 windfall homes completed since 2019 meaning the remaining target set by the LDP is 648 units over the next 4 year. With 3,751 windfall homes programmed over the next 4 years the remaining LDP target is likely to be significantly surpassed. The actual number of windfall completions is likely to be higher still as additional windfall sites receive planning consent. The number of units completed since 2015 and units programmed over the next four years (to the end of the development plan period) are shown in Figure 5. The number of units completed starts very low and rises each year. This is to be expected as there is a lead in time between consent and completions and only sites gaining consent after 2015 are regarded as windfall.

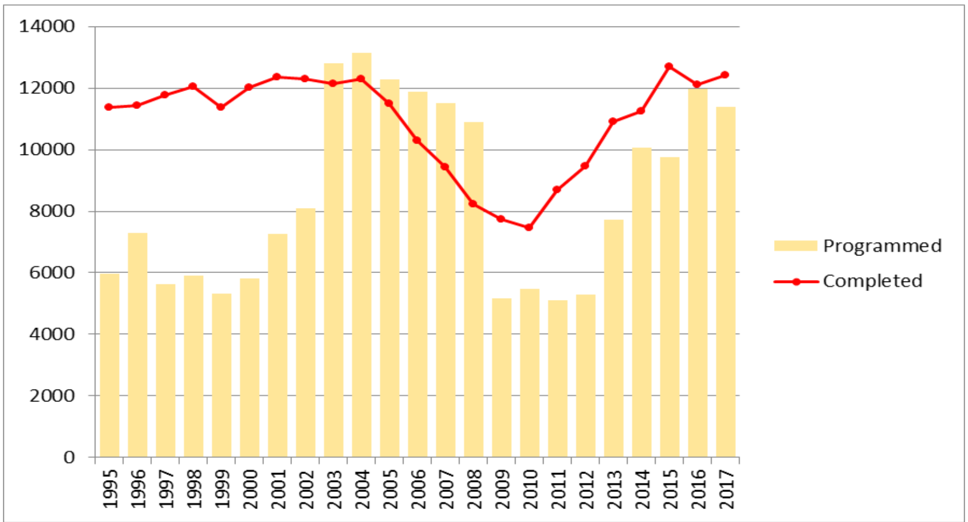
Figure 5 Units completed and programmed on windfall sites



Accuracy of Completions Programme

Estimating future completions for the delivery programme is not an exact science – some sites will be built out faster than anticipated and some slower. Further, some sites may not be developed at all or be developed for uses other than housing and additional windfall sites will provide completions not anticipated at the base date of the audit. Figure 6 below compares the number of completions programmed over a five period to the number of completions that actually occurred over the same five year period for each housing audit since 1995.

Figure 6: 5 Year completions programme and actual completions over the five year period



During the mid 1990s to early 2000s, far fewer units were programmed than the number of completions that actually took place. This may be due to development taking place at a faster pace with many windfall sites gaining consent and being built out in the five year period in question. From 2003 until 2008, the audit programme was much closer to actual completions. The programme was actually slightly higher than actual completions, the difference increasing up to 2008. This period of time included the credit crunch which caused a steep decline in completions which wasn't anticipated when the audits were programmed. The opposite effect can be seen for 2009 to 2012 when anticipated completions were low, but as recent completion rates have started to increase once more, the five year completions count has been higher than was anticipated at the base date of the audits. It should also be noted that only land allocated for housing at any given year is programmed in the above figures – the actual completions figures will include additional windfall sites that come forward in future years.

4. HOUSING SUPPLY TARGET AND HOUSING LAND REQUIREMENT

SPP defines the Housing Supply Target as "*a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy, taking into account wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements ...*"

The housing supply target for the City of Edinburgh is set by the approved 2013 Strategic Development Plan (SDP) and its supplementary guidance on housing land (SG). The SG sets the housing supply target for the city at 22,300 units for the period to 2019 and a further 7,210 for the period to 2024. The LDP Report of Examination recommended extending the supply target by an additional 2,884 for the two years to 2026. To ensure that the target can be met, additional land must be made available to allow for flexibility of range and choice. An additional 10% is added to the target to obtain the housing land requirement.

The annual average supply target for the period up to 2019 is considerably higher than for the periods beyond 2019. This is due to two factors:

- The Housing Needs and Demand Study identified a significant backlog of households currently in need of affordable housing which should be addressed early. This backlog is on top of newly arising need and demand and is all added to the housing land requirement of the first period.
- House building during the first period has been affected by the credit crunch and subsequent recession resulting in lower completion rates than required. The shortfall is added to the remaining requirement of the first period raising the annual average needed even further, to a level nearly 15% above the highs achieved in the early 2000s.

Table 1 below compares the supply of effective land available for housing in the City of Edinburgh to the remaining housing land requirement. The table also shows the programme of completions for the next four years compared to the remaining development plan housing supply target. As there are only 4 years remaining in the development plan period, it is not possible to show the five year completions programme against a five year completions target accounting for completions to date. However the table shows the average five year completions target for the entire development plan period. Finally, the table shows the number of years that the effective land supply will last at current rates of development.

Table 1: Effective housing land supply against requirement by period

Housing Supply Target 2009 to 2019	22,300
Housing supply Target 2019 to 2024	7,210
Housing Supply Target 2024 to 2026	2,884
Housing Supply Target 2009 to 2026	**32,394**
Average 5 year Supply Target 2009 to 2026	9,528
Housing Land Requirement 2009 to 2026	**35,633**
Completions 2009 to 2022	26,437
Housing Supply Target 2022 to 2026	**5,957**
Supply	**Output**
Remaining Housing Land Requirement **9,196**	Supply Target 2022 to 2026 **5,957**
Effective Housing Land Supply **22,679** Years Supply at current delivery rate **8.0**	Completions Programme 2022 to 2026 **11,683** 5 year completions programme **14,202**

* Previously referred to as the 5 year effective land supply

The table demonstrates that there is more than enough land, free from development constraints, to meet the remaining development plan housing land requirement. The table further demonstrates that programmed delivery to 2026 will result in the entire development plan housing supply target being exceeded. Whilst there is no longer a 5 year supply target, the current 5 year completions programme is almost 50% above the average 5 year target for the entire development plan period (2009 – 2026). At current rates of delivery, there is enough effective land for housing to last for eight years.

Increasing Housing Delivery

Further to identifying constraints that prevent delivery of new homes, HLACP2021 also attempts to identify the actions required to increase the delivery rates on effective sites. These factors affecting delivery were discussed and agreed with Homes for Scotland alongside the programmed delivery rate. These factors are not intended to be viewed as solutions in themselves to increasing delivery, rather they should be viewed as identifying the steps that would need to be taken in order for the agreed delivery rates to be accelerated. In many cases, the site may already be being developed at an acceptable rate. Twelve different actions were identified and applied on an individual site by site basis. The twelve factors can be broadly grouped as;

- factors relating to ownership or control of a site
- factors related to the planning system
- factors related to the development industry

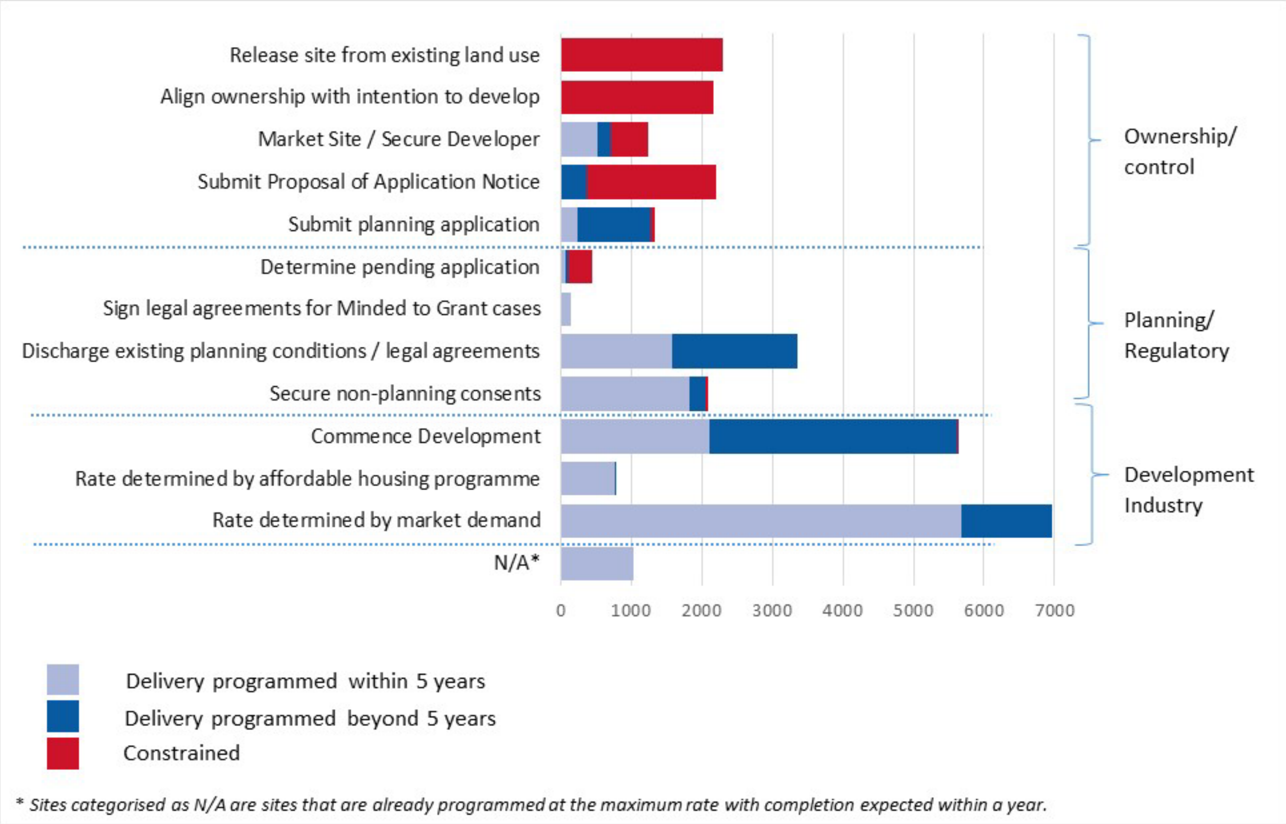
Figure 7 below shows the numbers of units (excluding small sites) affected by each of the 12 delivery factors. For each factor, the graph shows the number of units programmed for completion within 5 years as a lighter shade and units programmed beyond 5 years as a darker shade.

Sites categorised as affected by factors related to the development industry have a greater proportion of units programmed within the next 5 years than sites affected by other factors. These sites are already in the control of house builders with planning consent secured and in many cases are already under construction.

Sites affected by factors related to the planning system are fewer in number than those affected by development industry factors but, due to uncertainty around the issuing of planning permission/legal agreements, have a higher proportion of units programmed beyond the five year period. In total, there are 2,028 units programmed beyond the five year period on effective sites affected by factors related to the planning system.

Finally, there are 1,625 units programmed beyond the five year period on effective sites affected by factors related to ownership or control. These are largely allocated sites that are not yet in the control of a house builder or sites for which a planning application has yet to be submitted. The majority of constrained sites are constrained by factors relating to ownership or control of the site, especially sites that are still in use for other purposes and sites that are not being promoted for housing development by the land owner.

Figure 7. Factors affecting the delivery of homes



5. SCHEDULES

The following schedules give further details of the housing land supply in the City of Edinburgh Council area including:

1. Summary of the housing land supply and completions programme
2. Completions programme on site by site basis
3. Actual housing completions 2021/22 by site
4. Schedule of constrained sites
5. Housing sites broken down by factors affecting delivery rates
6. List of sites removed from the audit since HLACP 2021. This list includes all sites that are no longer regarded as housing sites. It does not include sites which have been completed. These sites will be included in Schedule 3 – Housing Completions.

Schedule 1 – Established Land Supply

Housing Land Audit and Completions Programme 2022

Schedule 1. Land supply and delivery summary

	Housing Land Supply				Completions Programme								
					Programmed Completions								
Status	**Total site capacity**	**Total affordable units**	**All completions by 31/3/22**	**Total dwellings remaining**	**22/23**	**23/24**	**24/25**	**25/26**	**26/27**	***Total 22/27***	**27/28**	**28/29**	**Post 2029**
Under Construction	10,444	3,260	3,393	7,051	2,467	2,155	1,172	715	362	6,821	230	0	0
Consent	12,154	2,815	0	12,154	58	571	1,967	2,243	1,871	6,710	1,179	1,146	3,119
No Consent	3,181	757	0	3,181	0	0	0	100	278	378	404	550	1,849
Small Sites	297	0	4	293	58	59	59	59	58	293	0	0	0
Total Effective Supply	**26,076**	**6,832**	**3,397**	**22,679**	**2,583**	**2,785**	**3,198**	**3,117**	**2,569**	**14,202**	**1,813**	**1,696**	**4,968**
Market	*19,244*	*0*	*2,348*	*16,896*	*2,041*	*1,937*	*2,421*	*2,210*	*1,835*	*10,394*	*1,337*	*1,414*	*3,751*
Affordable	*6,832*	*6,832*	*1,049*	*5,783*	*542*	*848*	*777*	*907*	*734*	*3,808*	*476*	*282*	*1,217*
Constrained	7,717	2,170	359	7,358									
Total Established Supply in City of Edinburgh	***33,793***	***9,002***	***3,756***	***30,037***									

Schedule 2 – Site Details

Housing Land Audit and Completions Programme 2022

Schedule 2: Site Details

Site Ref (N=New site in 2022)	Site Name /Address	Developer (Or Owner)	Area /ha	Brf/ Grf	Consent Type	Consent Date	Consent U/C	Housing Land Supply: Total Dwellings	Houses	Flats	Total affdble units	Complete by 04/22	Remaining as at 04/22	Completions Programme – Expected Completions: 22/23	23/24	24/25	25/26	26/27	Total 22-27	27/28	28/29	Post 2029
LDP Allocations																						
3825	LDP CC2: New Street	Artesan	0.8	B	FULL	Dec-16	Sep-19	167	10	157	0	52	115	14	0	50	51	0	115	0	0	0
4338.6	LDP CC3: Fountainbridge	Moda Living (Springside) Ltd.	0.6	B	FULL	Nov-18	Mar-21	205	0	205	0	0	205	100	105	0	0	0	205	0	0	0
4338.7	LDP CC3: Fountainbridge	Moda Living (Springside)	1.1	B	FULL	Sep-21		140	0	140	0	0	140	0	0	70	70	0	140	0	0	0
4900.1	LDP CC3: Fountainbridge (Phase 1)	City Of Edinburgh Council	3.7	B	NONE			258	0	258	0	0	258	0	0	0	0	78	78	90	90	0
4900.1B	LDP CC3: Fountainbridge (Phase 1.1)	City Of Edinburgh Council.	0.4	B	FULL	Oct-19		113	0	113	113	0	113	0	0	0	50	63	113	0	0	0
4900.1A	LDP CC3: Fountainbridge (Phase 1.1)	City Of Edinburgh Council	0.5	B	FULL	May-19		64	0	64	32	0	64	0	0	64	0	0	64	0	0	0
	Market							32			0	0	32	0	0	32	0	0	32	0	0	0
	Affordable							32			32	0	32	0	0	32	0	0	32	0	0	0
4900.2	LDP CC3: Fountainbridge (Vastint)	Vastint	1.2	B	FULL	Mar-21		234	11	223	58	0	234	0	0	50	50	50	150	50	34	0
	Market							176			0	0	176	0	0	50	50	20	120	22	34	0
	Affordable							58			58	0	58	0	0	0	0	30	30	28	0	0
5245.2	LDP Del 4: Edinburgh Park / South Gyle	Parabola	15.0	G	FULL	Jan-22		1737	0	1737	434	0	1737	0	0	0	100	100	200	200	200	1137
	Market							1,303			0	0	1,303	0	0	0	75	75	150	150	150	853
	Affordable							434			434	0	434	0	0	0	25	25	50	50	50	284
3424.11	LDP EW 1A: Western Harbour	Forth Properties Limited.	17.6	B	FULL	Jun-20		800	0	800	0	0	800	0	0	50	100	100	250	100	100	350
N 3424.11A	LDP EW 1A: Western Harbour	Edinburgh Forthside Developments Limit	0.9	B	FULL	Sep-21		205	0	205	0	0	205	0	50	100	55	0	205	0	0	
4894.1D	LDP EW 1C: Salamander Place Phase 5	Teague Homes (UK), Miller Homes & Cruc	2.7	B	FULL	Sep-19	Mar-21	155	44	111	0	117	38	38	0	0	0	0	38	0	0	0
4894.1E	LDP EW 1C: Salamander Place Phase 6 and 7	Cruden Homes (East) Ltd / Teague Homes	1.1	B	FULL	Nov-19		151	0	151	151	0	151	0	0	50	50	51	151	0	0	0
3105A	LDP EW 2A: West Shore Road - Forth Quarter	City of Edinburgh Council	4.3	B	FULL	Oct-21	Mar-22	444	0	444	257	0	444	0	50	100	100	100	350	94	0	0
	Market							187			0	0	187	0	20	40	40	40	140	47	0	0
	Affordable							257			257	0	257	0	30	60	60	60	210	47	0	0
3733A.8	LDP EW 2B: Waterfront WEL - Waterfront Avenue	CEC		B	FULL	Mar-22	Mar-22	75	0	75	63	0	75	0	25	50	0	0	75	0	0	0
	Market							12			0	0	12	0	0	12	0	0	12	0	0	0
	Affordable							63			63	0	63	0	25	38	0	0	63	0	0	0
3733A	LDP EW 2B: Waterfront WEL - Central Dev Area	Various	7.1	B	NONE	Jul-03		1074	0	0	327	0	1074	0	0	0	50	100	150	100	100	724
	Market							747			0	0	747	0	0	0	38	75	113	75	75	484
	Affordable							327			327	0	327	0	0	0	12	25	37	25	25	240
3744A.4	LDP EW 2C: Granton Harbour - Plot 31	Granton Central Developments Ltd.	0.6	B	OUT	May-21		97	0	97	0	0	97	0	0	0	0	97	97	0	0	0
3744A.6	LDP EW 2C: Granton Harbour - Plot 29	Granton Central Developments Ltd.	0.7	B	FULL	Sep-19		100	100	100	0	0	100	0	0	0	50	50	100	0	0	0
3744A.7	LDP EW 2C: Granton Harbour Plots 26 and 27	Link	1.9	B	FULL	Jun-06	Mar-18	264	0	264	264	132	132	0	0	0	0	0	0	132	0	0
3744A.9	LDP EW 2C: Granton Harbour Plots 9a/9b	Granton Central Developments Ltd.	0.8	B	FULL	Mar-20		104	0	104	0	0	104	0	0	50	54	0	104	0	0	0
3744A.8	LDP EW 2C: Granton Harbour Plots S1 and S2	Port Of Leith Housing Association.	2.2	B	FULL	Aug-17	Mar-21	302	0	302	302	0	302	0	50	50	100	102	302	0	0	0
3744A.10	LDP EW 2C: Granton Harbour	GCD Ltd.	8.3	B	FULL	May-20		171	18	153	0	0	171	0	0	21	40	40	101	40	30	0
3744A.11	LDP EW 2C: Granton Harbour	GCD Ltd.	8.3	B	FULL	May-20		98	0	98	0	0	98	0	0	0	38	60	98	0	0	0
4893A	LDP EW1B: CLW - Ocean Drive	CALA Management Ltd.	5.2	B	FULL	Aug-18	Mar-19	390	33	357	97	145	245	120	119	6	0	0	245	0	0	0
	Market							293			0	145	148	79	69	0	0	0	148	0	0	0
	Affordable							97			97	0	97	41	50	6	0	0	97	0	0	0
N 4893D	LDP EW1B: CLW - Baltic Street	Sundial Properties Ltd.	1.1	B	FULL	Aug-21		18	0	18	18	0	18	0	18	0	0	0	18	0	0	0
4893B	LDP EW1B: CLW - Bath Road	BDW Trading Ltd.	1.7	B	FULL	Aug-19	Mar-21	212	0	212	53	0	212	55	74	64	19	0	212	0	0	0
	Market							159			0	0	159	29	47	64	19	0	159	0	0	0
	Affordable							53			53	0	53	26	27	0	0	0	53	0	0	0
N 4893C	LDP EW1B: CLW - Bath Road	BDW Trading Ltd.	0.8	B	FULL	Sep-21		95	0	95	23	0	95	0	0	45	50	0	95	0	0	
	Market							72			0	0	72	0	0	45	27	0	72	0	0	0
	Affordable							23			23	0	23	0	0	0	23	0	23	0	0	0
3760	LDP HSG 1: Springfield	Cala	12.0	G	FULL	Nov-21		176	89	87	44	0	176	0	28	69	79	0	176	0	0	0
	Market							132			0	0	132	0	28	50	54	0	132	0	0	0
	Affordable							44			44	0	44	0	0	19	25	0	44	0	0	0

Housing Land Audit and Completions Programme 2022

Schedule 2: Site Details

Site Ref (N=New site in 2022)	Site Name /Address	Developer (Or Owner)	Area /ha	Brf/ Grf	Consent Type	Consent Date	U/C	Housing Land Supply: Total Dwellings	Houses	Flats	Total affdble units	Complete by 04/22	Remaining as at 04/22	Completions Programme – Expected Completions: 22/23	23/24	24/25	25/26	26/27	Total 22-27	27/28	28/29	Post 2029
3747	LDP HSG 5: Hillwood Rd	Taylor Wimpey	4.9	G	FULL	Dec-21		132	96	36	33	0	132	0	20	49	63	0	132	0	0	0
	Market							*99*			*0*	*0*	*99*	*0*	*20*	*34*	*45*	*0*	*99*	*0*	*0*	*0*
	Affordable							*33*			*33*	*0*	*33*	*0*	*0*	*15*	*18*	*0*	*33*	*0*	*0*	*0*
4773	LDP HSG 11: Shrub Place	Places For People (Shrubhill) Ltd.	2.1	B	FULL	May-16	Mar-17	342	0	342	225	219	123	53	70	0	0	0	123	0	0	0
	Market							*117*			*0*	*49*	*68*	*35*	*33*	*0*	*0*	*0*	*68*	*0*	*0*	*0*
	Affordable							*225*			*225*	*170*	*55*	*18*	*37*	*0*	*0*	*0*	*55*	*0*	*0*	*0*
4773A	LDP HSG 11: Shrub Place - Tramway WkShop	The Engine Yaerd Ltd.	0.1	B	FULL	Oct-21	Mar-22	43	0	43	0	0	43	0	43	0	0	0	43	0	0	0
3754	LDP HSG 17: Greendykes (areas K and L)	Craigmillar JVC	15.8	B	NONE			129	0		0	0	129	0	0	0	0	0	0	29	50	50
3754.6	LDP HSG 17: Greendykes Road (areas N,Q,P,R)	Taylor Wimpey	3.9	B	FULL	Sep-18	Mar-20	169	111	58	0	38	131	50	50	31	0	0	131	0	0	0
3753.6	LDP HSG 18: New Greendykes Areas A,E	Persimmon Homes.	4.0	G	FULL	May-21	Mar-22	165	114	51	0	0	165	100	65	0	0	0	165	0	0	0
3753.7	LDP HSG 18: New Greendykes Areas H/AH1	Persimmon Homes.	4.8	G	OUT	Jul-10		128	110	18	25	0	128	0	33	60	35	0	128	0	0	0
	Market							*103*			*0*	*0*	*103*	*0*	*33*	*60*	*10*	*0*	*103*	*0*	*0*	*0*
	Affordable							*25*			*25*	*0*	*25*	*0*	*0*	*0*	*25*	*0*	*25*	*0*	*0*	*0*
5246.1	LDP HSG 19: Maybury East	Taylor Wimpey UK Limited.	13.0	G	FULL	May-20	Mar-22	250	205	45	63	0	250	79	70	75	26	0	250	0	0	0
	Market							*187*			*0*	*0*	*187*	*59*	*55*	*60*	*13*	*0*	*187*	*0*	*0*	*0*
	Affordable							*63*			*63*	*0*	*63*	*20*	*15*	*15*	*13*	*0*	*63*	*0*	*0*	*0*
5246.2.1	LDP HSG 19: Maybury Central - 1	West Craigs Ltd & Dunedin Canmore.	0.1	B	FULL	May-20		5	5	0	0	0	5	0	5	0	0	0	5	0	0	0
5246.2.2	LDP HSG 19: Maybury Central - 2	Dunedin Canmore.	2.8	G	FULL	Dec-20		158	35	123	158	0	158	0	0	58	100	0	158	0	0	0
5246.2.3	LDP HSG 19: Maybury Central - 3	Dunedin Canmore.	2.6	G	FULL	Dec-20		142	43	99	142	0	142	42	100	0	0	0	142	0	0	0
5246.2.4	LDP HSG 19: Maybury Central - 4	Miller Homes Limited & West Craigs Lim	7.4	G	FULL	Sep-21	Mar-22	213	198	15	0	0	213	50	50	50	63	0	213	0	0	
5246.2.5	LDP HSG 19: Maybury Central - 5	BDW Trading Ltd & West Craigs Limited.	7.6	G	FULL	Dec-21		269	210	59	0	0	269	16	50	50	50	50	216	53	0	0
5246.2	LDP HSG 19: Maybury Central - Remainder	West Craigs Ltd.	58.8	G	OUT	Sep-19		899	0	0	125	0	899	0	27	102	192	238	559	225	115	0
	Market							*774*			*0*	*0*	*774*	*0*	*27*	*102*	*142*	*163*	*434*	*225*	*115*	*0*
	Affordable							*125*			*125*	*0*	*125*	*0*	*0*	*0*	*50*	*75*	*125*	*0*	*0*	*0*
5246.3	LDP HSG 19: Maybury West	Roseberry Estates	4.5	G	NONE			130	0	0	33	0	130	0	0	0	0	0	0	25	50	55
	Market							*97*			*0*	*0*	*97*	*0*	*0*	*0*	*0*	*0*	*0*	*15*	*40*	*42*
	Affordable							*33*			*33*	*0*	*33*	*0*	*0*	*0*	*0*	*0*	*0*	*10*	*10*	*13*
5247A	LDP HSG 20: Cammo	CALA Management Ltd	28.2	G	FULL	Jan-20	Mar-20	197	83	114	0	44	153	66	76	11	0	0	153	0	0	0
5247B	LDP HSG 20: Cammo	BDW Trading Ltd	28.2	G	FULL	Jan-20	Mar-20	458	185	273	164	32	426	80	120	90	90	46	426	0	0	0
	Market							*294*			*0*	*32*	*262*	*80*	*70*	*50*	*50*	*12*	*262*	*0*	*0*	*0*
	Affordable							*164*			*164*	*0*	*164*	*0*	*50*	*40*	*40*	*34*	*164*	*0*	*0*	*0*
5248	LDP HSG 21: Broomhills	BDW Trading Ltd.	24.6	G	FULL	May-17	Mar-18	671	572	99	158	559	112	82	30	0	0	0	112	0	0	0
	Market							*513*			*0*	*401*	*112*	*82*	*30*	*0*	*0*	*0*	*112*	*0*	*0*	*0*
	Affordable							*158*			*158*	*158*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
5251.1	LDP HSG 24: Gilmerton Station Road	Miller Homes Ltd	7.9	G	FULL	Mar-17	Mar-18	198	151	47	0	177	21	21	0	0	0	0	21	0	0	0
5251.2	LDP HSG 24: Gilmerton Station Road	Persimmon Homes	9.7	G	FULL	Aug-21	Mar-20	302	245	57	77	99	203	150	53	0	0	0	203	0	0	0
	Market							*225*			*0*	*64*	*161*	*108*	*53*	*0*	*0*	*0*	*161*	*0*	*0*	*0*
	Affordable							*77*			*77*	*35*	*42*	*42*	*0*	*0*	*0*	*0*	*42*	*0*	*0*	*0*
5251.3	LDP HSG 24: Gilmerton Station Road	BDW	12.4	G	FULL	Jun-18	Dec-19	315	270	45	78	138	177	45	45	45	42	0	177	0	0	0
	Market							*237*			*0*	*71*	*166*	*34*	*45*	*45*	*42*	*0*	*166*	*0*	*0*	*0*
	Affordable							*78*			*78*	*67*	*11*	*11*	*0*	*0*	*0*	*0*	*11*	*0*	*0*	*0*
5252	LDP HSG 25: Candlemaker's Park	Taylor Wimpey / South East Edinburgh D	6.9	G	FULL	May-18	Mar-19	149	125	24	37	109	40	40	0	0	0	0	40	0	0	0
	Market							*112*			*0*	*107*	*5*	*5*	*0*	*0*	*0*	*0*	*5*	*0*	*0*	*0*
	Affordable							*37*			*37*	*2*	*35*	*35*	*0*	*0*	*0*	*0*	*35*	*0*	*0*	*0*
5254.3	LDP HSG 27: Newcraighall East Phase 5	Avant Homes	17.0	G	FULL	Mar-21	Mar-22	29	29	0	6	0	29	29	0	0	0	0	29	0	0	0
	Market							*23*			*0*	*0*	*23*	*23*	*0*	*0*	*0*	*0*	*23*	*0*	*0*	*0*
	Affordable							*6*			*6*	*0*	*6*	*6*	*0*	*0*	*0*	*0*	*6*	*0*	*0*	*0*
5710	LDP HSG 28: Ellens Glen Road	LDP site	4.0	B	NONE			240	0	0	60	0	240	0	0	0	0	0	0	60	60	120
	Market							*180*			*0*	*0*	*180*	*0*	*0*	*0*	*0*	*0*	*0*	*45*	*45*	*90*
	Affordable							*60*			*60*	*0*	*60*	*0*	*0*	*0*	*0*	*0*	*0*	*15*	*15*	*30*

Housing Land Audit and Completions Programme 2022

Schedule 2: Site Details

Site Ref (N=New site in 2022)	Site Name /Address	Developer (Or Owner)	Area /ha	Brf/ Grf	Consent Type	Consent Date	U/C	Housing Land Supply: Total Dwellings	Houses	Flats	Total affdble units	Complete by 04/22	Remaining as at 04/22	Completions Programme – Expected Completions: 22/23	23/24	24/25	25/26	26/27	Total 22-27	27/28	28/29	Post 2029
5711	LDP HSG 29: Brunstane	Dandara	48.3	G	OUT	Nov-20		1330	0	0	332	0	1330	0	40	120	120	100	380	75	75	800
	Market							*998*			*0*	*0*	*998*	*0*	*30*	*90*	*90*	*75*	*285*	*55*	*55*	*603*
	Affordable							*332*			*332*	*0*	*332*	*0*	*10*	*30*	*30*	*25*	*95*	*20*	*20*	*197*
5712	LDP HSG 32: Buileyon Road	CALA	38.4	G	FULL	Feb-22		980	490	490	245	0	980	0	66	136	152	154	508	153	154	165
	Market							*735*			*0*	*0*	*735*	*0*	*50*	*102*	*114*	*115*	*381*	*114*	*115*	*125*
	Affordable							*245*			*245*	*0*	*245*	*0*	*16*	*34*	*38*	*39*	*127*	*39*	*39*	*40*
5713	LDP HSG 33: South Scotstoun	Taylor Wimpey East Scotland.	18.8	G	FULL	Jun-19	Mar-20	306	214	92	69	51	255	50	50	50	50	55	255	0	0	0
	Market							*237*			*0*	*51*	*186*	*50*	*20*	*20*	*41*	*55*	*186*	*0*	*0*	*0*
	Affordable							*69*			*69*	*0*	*69*	*0*	*30*	*30*	*9*	*0*	*69*	*0*	*0*	*0*
N 5713.1	LDP HSG 33: South Scotstoun (Dimma Park)	Taylor Wimpey East Scotland.	5.6	G	FULL	Jun-21		72	72	0	0	0	72	0	0	32	40	0	72	0	0	0
5706	LDP HSG 38: Ravelrig Road	CALA Management Ltd.	14.0	G	FULL	Apr-17	Mar-18	140	116	24	36	127	13	13	0	0	0	0	13	0	0	0
	Market							*104*			*0*	*91*	*13*	*13*	*0*	*0*	*0*	*0*	*13*	*0*	*0*	*0*
	Affordable							*36*			*36*	*36*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
5717	LDP HSG 39: Lasswade Road	Persimmon / Miller	14.2	G	FULL	Jan-18	Mar-19	260	227	33	65	227	33	33	0	0	0	0	33	0	0	0
	Market							*195*			*0*	*162*	*33*	*33*	*0*	*0*	*0*	*0*	*33*	*0*	*0*	*0*
	Affordable							*65*			*65*	*65*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
5704	LDP HSG 40: SE Wedge South - Edmonstone	Snaefell Holdings (UK) Ltd.	27.2	G	FULL	Oct-21		696	298	398	174	0	696	0	0	50	50	50	150	100	100	346
	Market							*522*			*0*	*0*	*522*	*0*	*0*	*38*	*38*	*38*	*114*	*88*	*88*	*232*
	Affordable							*174*			*174*	*0*	*174*	*0*	*0*	*12*	*12*	*12*	*36*	*12*	*12*	*114*
Other Housing Sites																						
N 6403	Abbey Lane	Artisan Abbeyhill Ltd And Unite Group	0.5	B	FULL	Sep-21		66	0	66	0	0	66	0	0	33	33	0	66	0	0	
5720	Abbey Mount	Abbey Mount Estates Ltd C/O Agent	0.0	B	FULL	May-19	Mar-21	11	0	11	0	0	11	11	0	0	0	0	11	0	0	0
N 6475	Abercorn Terrace	Abercorn Care Ltd.	0.1	B	FULL	Aug-21		8	0	8	0	0	8	0	8	0	0	0	8	0	0	
N 6453	Abercromby Place	Mr Fursman	0.0	B	FULL	Nov-21		5	0	5	0	0	5	0	0	5	0	0	5	0	0	
6028	Almondhill	Almond Hill Kirkliston Ltd.	1.7	G	FULL	Dec-19	Mar-22	11	11	0	0	0	11	11	0	0	0	0	11	0	0	0
6294	Alva Street	Phoenix Developments.	0.0	B	FULL	Apr-20	Mar-21	6	0	6	0	0	6	6	0	0	0	0	6	0	0	0
5882	Ashley Place	Cornhill Building Services Limited.	0.5	B	FULL	Oct-21		58	0	58	13	0	58	0	0	28	30	0	58	0	0	0
	Market							*45*			*0*	*0*	*45*	*0*	*0*	*15*	*30*	*0*	*45*	*0*	*0*	*0*
	Affordable							*13*			*13*	*0*	*13*	*0*	*0*	*13*	*0*	*0*	*13*	*0*	*0*	*0*
6271	Barnton Avenue West	New Age Developers.	0.4	B	FULL	Jan-20	Mar-22	15	0	15	0	0	15	15	0	0	0	0	15	0	0	0
6297	Barnton Brae	Mr L Rennie.	0.3	B	FULL	Apr-20		11	0	11	0	0	11	0	0	11	0	0	11	0	0	0
5888	Belford Road	AMA (Belford) Ltd.	0.3	B	FULL	Jan-22		50	0	50	0	0	50	0	0	50	0	0	50	0	0	0
6299	Bell's Brae	Sundial Properties.	0.0	B	FULL	Jun-21	Mar-22	10	0	10	0	0	10	10	0	0	0	0	10	0	0	0
6282	Bonnington Road Lane	Platform	1.9	B	FULL	Oct-21		464	0	464	130	0	464	0	0	99	0	176	275	0	189	0
	Market							*334*			*0*	*0*	*334*	*0*	*0*	*74*	*0*	*132*	*206*	*0*	*128*	*0*
	Affordable							*130*			*130*	*0*	*130*	*0*	*0*	*25*	*0*	*44*	*69*	*0*	*61*	*0*
6211	Braid Road	Pentland Investments Ltd.	0.2	B	FULL	Jun-20		7	0	7	0	0	7	0	7	0	0	0	7	0	0	0
N 6423	Broughton Road	City Of Edinburgh Council.	1.2	G	FULL	Nov-21		27	0	27	27	0	27	0	0	13	14	0	27	0	0	
4402	Brunstane Road South	South Castle Properties Limited.	0.5	B	FULL	May-14	Mar-12	12	12	0	0	11	1	1	0	0	0	0	1	0	0	0
6307	Burdiehouse Road	BDW and Hallam land management	7.5	G	FULL	May-20	Mar-21	116	95	21	30	32	84	45	39	0	0	0	84	0	0	0
	Market							*86*			*0*	*32*	*54*	*30*	*24*	*0*	*0*	*0*	*54*	*0*	*0*	*0*
	Affordable							*30*			*30*	*0*	*30*	*15*	*15*	*0*	*0*	*0*	*30*	*0*	*0*	*0*
4917A	Calder Road	The City Of Edinburgh Council.	2.6	B	FULL	Nov-15	Mar-18	184	35	149	184	124	60	60	0	0	0	0	60	0	0	0
6308	Calton Road	Square & Crescent Ltd Square & Crescen	0.1	B	FULL	Jul-20	Mar-22	22	0	22	5	0	22	22	0	0	0	0	22	0	0	0
	Market							*17*			*0*	*0*	*17*	*17*	*0*	*0*	*0*	*0*	*17*	*0*	*0*	*0*
	Affordable							*5*			*5*	*0*	*5*	*5*	*0*	*0*	*0*	*0*	*5*	*0*	*0*	*0*
6309	Cammo Road	Mr Terry Heneaghan	0.3	B	FULL	Oct-20	Mar-21	6	6	0	0	0	6	6	0	0	0	0	6	0	0	0
6080	Canaan Lane	Mr Phillip Sunderland	0.0	B	FULL	Nov-18	Mar-22	10	0	10	0	0	10	10	0	0	0	0	10	0	0	0
6122	Canon Street	Thistle Property Group.	0.0	B	FULL	Dec-18	Mar-22	11	0	11	0	0	11	11	0	0	0	0	11	0	0	0
6311	Castle Street	Middlebrook Properties Ltd.	0.0	B	FULL	Apr-20	Mar-22	9	0	9	0	0	9	9	0	0	0	0	9	0	0	0
5574	Clearburn Crescent	Mr David Rae	0.2	B	FULL	Nov-21	Mar-22	10	0	10	0	0	10	10	0	0	0	0	10	0	0	0
6313	Clovenstone Gardens	J Smart & Co (Contractors) PLC.	0.6	G	FULL	Jan-21		69	0	69	69	0	69	0	0	30	39	0	69	0	0	0

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Schedule 2: Site Details

Site Ref (N=New site in 2022)	Site Name /Address	Developer (Or Owner)	Area /ha	Brf/ Grf	Consent Type	Consent Date	Consent U/C	Housing Land Supply: Total Dwellings	Houses	Flats	Total affdble units	Complete by 04/22	Remaining as at 04/22	Completions Programme: Expected Completions 22/23	23/24	24/25	25/26	26/27	Total 22-27	27/28	28/29	Post 2029
6135	Colinton Road	Rutherford Colinton.	0.0	B	FULL	Oct-19	Mar-20	5	0	5	0	0	5	5	0	0	0	0	5	0	0	0
6314	Colinton Road	Eastern Properties Ltd & Westerwood Lt	0.4	B	FULL	Jun-20	Mar-21	19	0	19	0	0	19	9	10	0	0	0	19	0	0	0
5898	Constitution Street	GA Group Ltd.	0.1	B	FULL	Oct-19	Mar-22	9	0	9	0	0	9	0	9	0	0	0	9	0	0	0
6315	Corbiehill Road	Mr Rupinder Bal.	0.1	B	FULL	May-20		5	0	5	0	0	5	0	0	5	0	0	5	0	0	0
6316	Corbieshot	Robertson Living Ltd.	2.3	G	FULL	Nov-20	Mar-21	54	50	4	13	23	31	18	13	0	0	0	31	0	0	0
	Market							*41*			*0*	*23*	*18*	*18*	*0*	*0*	*0*	*0*	*18*	*0*	*0*	*0*
	Affordable							*13*			*13*	*0*	*13*	*0*	*13*	*0*	*0*	*0*	*13*	*0*	*0*	*0*
6318	Corstorphine Road	AMA (New Town) Ltd.	0.8	B	FULL	Aug-20	Mar-21	28	5	23	7	0	28	14	14	0	0	0	28	0	0	0
	Market							*21*			*0*	*0*	*21*	*14*	*7*	*0*	*0*	*0*	*21*	*0*	*0*	*0*
	Affordable							*7*			*7*	*0*	*7*	*0*	*7*	*0*	*0*	*0*	*7*	*0*	*0*	*0*
6317	Corstorphine Road	Sundial Dundas (Corstorphine) Ltd.	1.6	B	FULL	Sep-20		76	0	76	0	0	76	0	0	16	30	30	76	0	0	0
5423	Craighouse Road	Quartermile Developments	19.8	B	FULL	Nov-14	Mar-17	145	43	102	0	55	90	30	30	30	0	0	90	0	0	0
6320	Craigmillar Park	Cala Management Ltd	1.4	B	FULL	Nov-20	Mar-21	48	27	21	0	0	48	13	35	0	0	0	48	0	0	0
6323	Dickson Street	Dickson Street Limited	0.0	B	FULL	Dec-20		7	0	7	0	0	7	0	0	7	0	0	7	0	0	0
6280	Duddingston Road West	KLN Properties.	0.8	B	FULL	Feb-22		131	0	131	0	0	131	0	30	30	30	41	131	0	0	0
6325	Duddingston Road West	Stone Acre Projects Ltd	0.4	B	FULL	Jun-20	Mar-21	8	8	0	0	0	8	8	0	0	0	0	8	0	0	0
6177	Dumbiedykes Road	Mr F Martone	0.0	B	FULL	Aug-20		11	0	11	0	0	11	0	0	11	0	0	11	0	0	0
6249	Dumbryden Drive	Robertson Partnership Homes	1.0	B	FULL	Nov-19	Mar-22	49	14	35	49	0	49	15	34	0	0	0	49	0	0	0
N 6451	Dumbryden Gardens	Robertson Construction Group	0.1	B	FULL	Nov-21		8	0	8	0	0	8	0	0	8	0	0	8	0	0	
N 6519	East of Milburn Tower	Murray Estates Lothian Limited	55.9	G	NONE			1350	0	0	337	0	1350	0	0	0	50	100	150	100	200	900
	Market							*1,013*			*0*	*0*	*1,013*	*0*	*0*	*0*	*38*	*75*	*113*	*75*	*175*	*650*
	Affordable							*337*			*337*	*0*	*337*	*0*	*0*	*0*	*12*	*25*	*37*	*25*	*25*	*250*
6328	Edinburgh Road	PANACEA Property.	0.0	B	FULL	Jan-21		5	0	5	0	0	5	0	5	0	0	0	5	0	0	0
6329	Eyre Place	Mr Lindsay McArthur.	0.0	B	OUT	May-20		7	0	7	0	0	7	0	0	0	7	0	7	0	0	0
6331	Falcon Road West	AMA (New Town) Ltd.	0.1	B	FULL	Dec-20		11	0	11	0	0	11	0	11	0	0	0	11	0	0	0
6025	Fishwives Causeway	Barrat	4.9	B	FULL	Apr-18	Mar-19	435	76	359	108	227	208	80	80	48	0	0	208	0	0	0
	Market							*327*			*0*	*148*	*179*	*76*	*55*	*48*	*0*	*0*	*179*	*0*	*0*	*0*
	Affordable							*108*			*108*	*79*	*29*	*4*	*25*	*0*	*0*	*0*	*29*	*0*	*0*	*0*
4946	Gayfield Square	MacTaggart and Mikel	0.0	B	FULL	Nov-21		11	0	11	0	0	11	0	11	0	0	0	11	0	0	0
N 6422	George Street	Mitchells And Butlers Plc.	0.1	B	FULL	May-21		6	0	6	0	0	6	0	6	0	0	0	6	0	0	0
N 6396	Gorgie Road	Spindlehawk Ltd.	0.2	B	FULL	Apr-21		35	0	35	8	0	35	0	0	15	20	0	35	0	0	
	Market							*27*			*0*	*0*	*27*	*0*	*0*	*15*	*12*	*0*	*27*	*0*	*0*	*0*
	Affordable							*8*			*8*	*0*	*8*	*0*	*0*	*0*	*8*	*0*	*8*	*0*	*0*	*0*
N 6470	Gorgie Road	Chesser Homes Ltd.	0.1	B	FULL	Feb-22		8	0	8	0	0	8	0	0	8	0	0	8	0	0	0
4728	Groathill Road South	Beaufort Property Company Ltd.	0.1	B	FULL	Apr-21	Mar-19	12	0	12	0	0	12	12	0	0	0	0	12	0	0	0
N 6399	Gylemuir Road	Artisan Edinburgh Corstorphine.	1.0	B	FULL	Apr-21	Mar-22	126	0	126	31	0	126	0	26	50	50	0	126	0	0	
	Market							*95*			*0*	*0*	*95*	*0*	*26*	*35*	*34*	*0*	*95*	*0*	*0*	*0*
	Affordable							*31*			*31*	*0*	*31*	*0*	*0*	*15*	*16*	*0*	*31*	*0*	*0*	*0*
N 6404	Fettes Row	Izar V Lux S. A R. L (c/o Turley).	2.4	B	FULL	Sep-21		349	0	349	88	0	349	0	0	50	50	100	200	100	49	
	Market							*261*			*0*	*0*	*261*	*0*	*0*	*50*	*50*	*56*	*156*	*56*	*49*	*0*
	Affordable							*88*			*88*	*0*	*88*	*0*	*0*	*0*	*0*	*44*	*44*	*44*	*0*	*0*
5919	Ford's Road	AMA (New Town) Ltd.	0.1	B	FULL	Apr-18	Mar-22	9	0	9	0	0	9	0	9	0	0	0	9	0	0	0
N 6496	Hopetoun Street	Bield Housing & Care.	0.0	B	FULL	Oct-21		5	0	5	0	0	5	0	0	0	5	0	5	0	0	0
N 6518	Iona Street	Iona Street Edinburgh Ltd.	0.5	B	full	Jan-22	Mar-22	80	0	80	20	0	80	20	20	40	0	0	80	0	0	0
	Market							*60*			*0*	*0*	*60*	*10*	*10*	*40*	*0*	*0*	*60*	*0*	*0*	*0*
	Affordable							*20*			*20*	*0*	*20*	*10*	*10*	*0*	*0*	*0*	*20*	*0*	*0*	*0*
6350	Jeffrey Street	Leonardo John Dalton House Ltd.	0.3	B	FULL	Oct-20	Mar-22	31	0	31	8	0	31	0	31	0	0	0	31	0	0	0
	Market							*23*			*0*	*0*	*23*	*0*	*23*	*0*	*0*	*0*	*23*	*0*	*0*	*0*
	Affordable							*8*			*8*	*0*	*8*	*0*	*8*	*0*	*0*	*0*	*8*	*0*	*0*	*0*
6285	Lanark Road	Abbotswell Developments	0.4	B	FULL	Feb-20	Mar-22	57	0	57	12	0	57	0	57	0	0	0	57	0	0	0
	Market							*45*			*0*	*0*	*45*	*0*	*45*	*0*	*0*	*0*	*45*	*0*	*0*	*0*
	Affordable							*12*			*12*	*0*	*12*	*0*	*12*	*0*	*0*	*0*	*12*	*0*	*0*	*0*
N 6514	Lanark Road	Thistle Residential.	0.2	B	FULL	Oct-19	Mar-22	25	0	25	0	0	25	0	0	25	0	0	25	0	0	
5947	Lanark Road West	George Dunbar And Sons Builders Ltd.	1.0	B	FULL	Jun-17	Mar-19	53	0	53	12	29	24	24	0	0	0	0	24	0	0	0
	Market							*41*			*0*	*17*	*24*	*24*	*0*	*0*	*0*	*0*	*24*	*0*	*0*	*0*

Housing Land Audit and Completions Programme 2022

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Site Ref (N=New site in 2022)	Site Name /Address	Developer (Or Owner)	Area /ha	Brf/ Grf	Consent Type	Consent Date	Consent U/C	Housing Land Supply: Total Dwellings	Houses	Flats	Total affdble units	Complete by 04/22	Remaining as at 04/22	Completions Programme: Expected Completions 22/23	23/24	24/25	25/26	26/27	Total 22-27	27/28	28/29	Post 2029
	Affordable							*12*			*12*	*12*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
N 6434	Lanark Road West	Whyalla Investments Ltd.	0.1	B	FULL	Nov-21		6	0	6	0	0	6	0	6	0	0	0	6	0	0	0
6178	Lasswade Road	Bellway / Miller	18.6	G	FULL	Mar-19	Sep-19	335	299	36	83	187	148	74	74	0	0	0	148	0	0	0
	Market							*252*			*0*	*146*	*106*	*74*	*32*	*0*	*0*	*0*	*106*	*0*	*0*	*0*
	Affordable							*83*			*83*	*41*	*42*	*0*	*42*	*0*	*0*	*0*	*42*	*0*	*0*	*0*
N 6527	Laverockbank Road	Mackenzie And Mackenzie LLP.	0.0	B	FULL	Mar-21	Mar-22	7	7	0	0	0	7	0	7	0	0	0	7	0	0	0
6354	Leith Walk	Mr George Duff.	0.1	B	FULL	Dec-20		10	0	10	0	0	10	0	0	0	10	0	10	0	0	0
N 6415	Leith Walk	Drum (Steads Place) Ltd & CAMVO 123 Lt	1.2	B	FULL	Oct-21		152	0	152	38	0	152	0	0	52	50	50	152	0	0	
	Market							*114*			*0*	*0*	*114*	*0*	*0*	*33*	*31*	*50*	*114*	*0*	*0*	*0*
	Affordable							*38*			*38*	*0*	*38*	*0*	*0*	*19*	*19*	*0*	*38*	*0*	*0*	*0*
6067	London Road	Place Development, City Of Edinburgh C	11.6	B	FULL	Oct-20		596	0	596	149	0	596	0	0	25	50	50	125	50	100	321
	Market							*447*			*0*	*0*	*447*	*0*	*0*	*25*	*25*	*25*	*75*	*25*	*75*	*272*
	Affordable							*149*			*149*	*0*	*149*	*0*	*0*	*0*	*25*	*25*	*50*	*25*	*25*	*49*
5027	London Road	Drum Property Group.	0.8	B	FULL	Aug-20		116	0	116	29	0	116	0	0	56	60	0	116	0	0	0
	Market							*87*			*0*	*0*	*87*	*0*	*0*	*56*	*31*	*0*	*87*	*0*	*0*	*0*
	Affordable							*29*			*29*	*0*	*29*	*0*	*0*	*0*	*29*	*0*	*29*	*0*	*0*	*0*
6001	Long Dalmahoy Road	Mr C Hardy	0.3	B	FULL	Jun-21		8	8	0	0	0	8	0	0	8	0	0	8	0	0	0
5801	Madeira Street	Port Of Leith Housing Association.	0.1	B	FULL	May-16	Mar-17	12	0	12	12	8	4	0	0	0	0	0	0	4	0	0
N 6411	Manor Place	Manor Developments Edinburgh Ltd.	0.0	B	FULL	Jul-21	Mar-22	6	0	6	0	0	6	6	0	0	0	0	6	0	0	0
5544	Marionville Road	Dandara Limited.	0.5	B	FULL	Jan-21		113	10	103	28	0	113	0	0	72	41	0	113	0	0	0
	Market							*85*			*0*	*0*	*85*	*0*	*0*	*50*	*35*	*0*	*85*	*0*	*0*	*0*
	Affordable							*28*			*28*	*0*	*28*	*0*	*0*	*22*	*6*	*0*	*28*	*0*	*0*	*0*
6161	Meadowbank	City Development Office Ltd.	0.0	B	FULL	Mar-19	Mar-22	11	0	11	0	0	11	0	11	0	0	0	11	0	0	0
N 6405	Meadow Place Road	Westpoint Homes Ltd.	0.2	B	FULL	Nov-21	Mar-22	24	0	24	6	0	24	0	12	12	0	0	24	0	0	
	Market							*18*			*0*	*0*	*18*	*0*	*6*	*12*	*0*	*0*	*18*	*0*	*0*	*0*
	Affordable							*6*			*6*	*0*	*6*	*0*	*6*	*0*	*0*	*0*	*6*	*0*	*0*	*0*
6359	Melville Street	MSC Development LLP.	0.1	B	FULL	Aug-20	Mar-21	11	0	11	0	0	11	11	0	0	0	0	11	0	0	0
N 6481	Morningside Road	83S Ltd.	0.0	B	FULL	Jan-22		10	0	10	0	0	10	0	0	0	10	0	10	0	0	0
N 6482	Morningside Road	83S Ltd.	0.1	B	FULL	Jan-22		11	0	11	0	0	11	0	0	0	11	0	11	0	0	0
N 6555	Newcraighall Road	Panacea (Scotland) Limited.	0.0	B	FULL	Mar-22	Mar-22	10	10	0	0	0	10	10	0	0	0	0	10	0	0	0
6369	North Castle Street	Ms Dawn Shan.	0.0	B	FULL	Nov-20	Mar-21	6	0	6	0	0	6	6	0	0	0	0	6	0	0	0
3623	Ocean Drive	S1 Developments Ltd.	1.1	B	FULL	Nov-20		338	0	338	85	0	338	0	0	50	100	188	338	0	0	0
	Market							*253*			*0*	*0*	*253*	*0*	*0*	*38*	*75*	*140*	*253*	*0*	*0*	*0*
	Affordable							*85*			*85*	*0*	*85*	*0*	*0*	*12*	*25*	*48*	*85*	*0*	*0*	*0*
6184	Oxgangs Green	Hopefield Partnership Ltd.	1.5	B	FULL	May-19	Mar-20	85	6	79	85	34	51	51	0	0	0	0	51	0	0	0
N 6416	Oxgangs Path	New Age Developers Ltd.	0.1	B	FULL	Dec-21		11	2	9	0	0	11	0	11	0	0	0	11	0	0	
5159.2	Pennywell Road	City Of Edinburgh Council.	3.2	B	FULL	Dec-17	Sep-19	136	0	136	136	12	124	24	50	50	0	0	124	0	0	0
5159.3	Pennywell Road	Urban Union	7.7	B	FULL	Jan-18	Jun-19	315	140	175	181	106	209	50	50	50	50	59	209	0	0	0
	Market							*134*			*0*	*32*	*102*	*25*	*25*	*25*	*25*	*52*	*102*	*0*	*0*	*0*
	Affordable							*181*			*181*	*74*	*107*	*25*	*25*	*25*	*25*	*7*	*107*	*0*	*0*	*0*
4996.4	Pennywell Road	CEC	2.2	B	OUT	Sep-13		99	99	0	0	0	99	0	0	0	33	33	66	33	0	0
N 5159.2B	Pennywell Road	City Of Edinburgh Council & North Edin	0.6	B	FULL	Nov-21		6	0	6	0	0	6	0	6	0	0	0	6	0	0	0
6374	Pinkhill	Dandara.	0.4	B	FULL	Jun-20	Mar-22	46	0	46	11	0	46	23	23	0	0	0	46	0	0	0
	Market							*35*			*0*	*0*	*35*	*23*	*12*	*0*	*0*	*0*	*35*	*0*	*0*	*0*
	Affordable							*11*			*11*	*0*	*11*	*0*	*11*	*0*	*0*	*0*	*11*	*0*	*0*	*0*
N 6459	Pipe Lane	Portobello Sands Ltd C/o Agent.	0.1	B	FULL	Sep-21		10	0	10	0	0	10	0	0	0	10	0	10	0	0	
6113	Pitt Street	Buckley Building UK Ltd.	0.0	B	FULL	Oct-21		8	0	8	0	0	8	0	8	0	0	0	8	0	0	0
N 6454	Polwarth Terrace	Canal View Care Ltd.	0.2	B	FULL	Nov-21	Mar-22	6	0	6	0	0	6	6	0	0	0	0	6	0	0	
6039	Prestonfield Avenue	First Construction Ltd.	0.1	B	FULL	Aug-21		9	0	9	0	0	9	0	9	0	0	0	9	0	0	0
N 6520	Redhall House Drive	Mr Dildar Singh Gold	0.0	B	FULL	Mar-22		8	2	6	0	0	8	0	0	2	6	0	8	0	0	0
5834	Restalrig Road	A'ila Modaraba.	0.0	B	FULL	Sep-20	Mar-21	6	0	6	0	0	6	6	0	0	0	0	6	0	0	0
5836	Rosefield Place	Badenoch Homes Ltd.	0.1	B	FULL	Jul-20	Mar-18	6	0	6	0	0	6	6	0	0	0	0	6	0	0	0
3762	RWELP HSG : Ferrymuir Gait	Ambassador Living	4.7	B	FULL	Oct-20	Mar-21	124	89	36	31	0	124	0	50	50	24	0	124	0	0	0
	Market							*93*			*0*	*0*	*93*	*0*	*19*	*50*	*24*	*0*	*93*	*0*	*0*	*0*

Housing Land Audit and Completions Programme 2022

Schedule 2: Site Details

Site Ref (N=New site in 2022)	Site Name /Address	Developer (Or Owner)	Area /ha	Brf/ Grf	Consent Type	Consent Date	U/C	Housing Land Supply: Total Dwellings	Houses	Flats	Total affdble units	Complete by 04/22	Remaining as at 04/22	Completions Programme: Expected Completions 22/23	23/24	24/25	25/26	26/27	*Total 22-27*	27/28	28/29	Post 2029
	Affordable							*31*			*31*	*0*	*31*	*0*	*31*	*0*	*0*	*0*	*31*	*0*	*0*	*0*
6382	Sciennes Road	Downing Students (Meadows) LP Inc.	1.5	B	FULL	Aug-20	Mar-22	126	8	118	31	0	126	0	26	50	50	0	126	0	0	0
	Market							*95*			*0*	*0*	*95*	*0*	*11*	*34*	*50*	*0*	*95*	*0*	*0*	*0*
	Affordable							*31*			*31*	*0*	*31*	*0*	*15*	*16*	*0*	*0*	*31*	*0*	*0*	*0*
N 6526	Shandwick Place	DS Landsburgh Limited.	0.0	B	FULL	Mar-20		6	0	6	0	0	6	0	0	6	0	0	6	0	0	0
6254	Simon Square	Seven Hills Property Ltd.	0.0	B	FULL	Nov-19	Mar-21	6	0	6	0	0	6	6	0	0	0	0	6	0	0	0
6191	South Fort Street	Blake Property Company LLP & BDW Trad	0.7	B	FULL	May-19	Mar-22	115	0	115	28	0	115	43	57	15	0	0	115	0	0	0
	Market							*87*			*0*	*0*	*87*	*37*	*35*	*15*	*0*	*0*	*87*	*0*	*0*	*0*
	Affordable							*28*			*28*	*0*	*28*	*6*	*22*	*0*	*0*	*0*	*28*	*0*	*0*	*0*
N 6398	St Peter's Place	LAR Housing Trust.	0.1	B	FULL	Aug-21	Mar-22	16	4	12	16	0	16	0	8	8	0	0	16	0	0	
4793	St James Centre	TIAA Henderson Real Estate.	0.5	B	FULL	Sep-16	Mar-19	150	0	150	0	0	150	150	0	0	0	0	150	0	0	0
6289	St John's Road	Mactaggart And Mickel Commercial Devel	0.5	B	FULL	Mar-20		36	4	32	9	0	36	0	4	16	16	0	36	0	0	0
	Market							*27*			*0*	*0*	*27*	*0*	*4*	*16*	*7*	*0*	*27*	*0*	*0*	*0*
	Affordable							*9*			*9*	*0*	*9*	*0*	*0*	*0*	*9*	*0*	*9*	*0*	*0*	*0*
N 6486	Telford Drive	Cullross Ltd/Port Of Leith Housing Ass	0.1	B	FULL	Nov-21	Mar-22	11	0	11	0	0	11	0	11	0	0	0	11	0	0	
6022	The Wisp	Springfield Properties PLC	1.6	G	FULL	Mar-20	Mar-20	139	0	139	35	0	139	39	50	50	0	0	139	0	0	0
	Market							*104*			*0*	*0*	*104*	*24*	*30*	*50*	*0*	*0*	*104*	*0*	*0*	*0*
	Affordable							*35*			*35*	*0*	*35*	*15*	*20*	*0*	*0*	*0*	*35*	*0*	*0*	*0*
6387	Timber Bush	Office Suites UK Ltd & James Hay Pensi	0.0	B	FULL	Nov-20		5	0	5	0	0	5	0	5	0	0	0	5	0	0	0
N 6433	Torphichen Street	ADM Edinburgh.	0.0	B	FULL	Jul-21		7	0	7	0	0	7	0	7	0	0	0	7	0	0	
6160	Viewforth	CALA Management Ltd.	0.9	B	FULL	Mar-19	Sep-19	104	0	104	17	68	36	36	0	0	0	0	36	0	0	0
	Market							*87*			*0*	*68*	*19*	*19*	*0*	*0*	*0*	*0*	*19*	*0*	*0*	*0*
	Affordable							*17*			*17*	*0*	*17*	*17*	*0*	*0*	*0*	*0*	*17*	*0*	*0*	*0*
5983	Warriston Road	Artisan Cannonmills	0.7	B	FULL	Jul-17	Mar-19	180	0	180	45	32	148	74	74	0	0	0	148	0	0	0
	Market							*135*			*0*	*32*	*103*	*40*	*63*	*0*	*0*	*0*	*103*	*0*	*0*	*0*
	Affordable							*45*			*45*	*0*	*45*	*34*	*11*	*0*	*0*	*0*	*45*	*0*	*0*	*0*
6244	Wellflats Road	Dandara Limited.	5.4	G	FULL	Sep-21	Mar-22	124	116	8	31	0	124	42	60	22	0	0	124	0	0	0
	Market							*93*			*0*	*0*	*93*	*31*	*45*	*17*	*0*	*0*	*93*	*0*	*0*	*0*
	Affordable							*31*			*31*	*0*	*31*	*11*	*15*	*5*	*0*	*0*	*31*	*0*	*0*	*0*
5984	Wellington Place	Port of Leith HA	0.1	B	FULL	Jun-21		35	0	35	35	0	35	0	0	35	0	0	35	0	0	0
6021	West Bowling Green Street	WBG Partnership.	0.4	B	FULL	Jul-18	Mar-20	77	0	77	19	0	77	37	40	0	0	0	77	0	0	0
	Market							*58*			*0*	*0*	*58*	*28*	*30*	*0*	*0*	*0*	*58*	*0*	*0*	*0*
	Affordable							*19*			*19*	*0*	*19*	*9*	*10*	*0*	*0*	*0*	*19*	*0*	*0*	*0*
4502	West Coates	Cala Evans Restoration Ltd And City &	7.4	B	FULL	Jun-16	Mar-17	203	0	203	0	179	24	24	0	0	0	0	24	0	0	0
	Small Sites							297			0	4	293	58	59	59	59	58	293	0	0	0
All Sites								**26,076**	**0**	**0**	**6,832**	**3,397**	**22,679**	**2,583**	**2,785**	**3,198**	**3,117**	**2,569**	**14,202**	**1,813**	**1,696**	**4,968**
	Market							*19,244*	*0*	*0*	*0*	*2,348*	*16,896*	*2,041*	*1,937*	*2,421*	*2,210*	*1,835*	*10,394*	*1,337*	*1,414*	*3,751*
	Affordable							*6,832*	*0*	*0*	*6,832*	*1,049*	*5,783*	*542*	*848*	*777*	*907*	*734*	*3,808*	*476*	*282*	*1,217*

Schedule 3 – Completions 2021/22

Housing Land Audit and Completions Programme 2022

Schedule 3: Completions 2021/22

Site Ref Site completed ıring 2021/22)		Site Name	Developer	Brf/ Grf	Total Dwellings	Houses	Flats	affordable units	Completions up to 03/21 Total	Market	Affordable	**Completions 04/21 to 03/22 Total**	Market	Affordable	Units Remaining Total	Market	Affordable
LDP Allocations																	
	3825	LDP CC2: New Street	Artesan	B	167	10	157	0	0	0	0	52	52	0	115	115	0
C	4338.5	LDP CC3: Fountainbridge	Fountain North Ltd.	B	125	0	125	0	0	0	0	125	125	0	0	0	0
C	3424.10	LDP EW 1A: Western Harbour- Sandpiper Drive	Robertson Living.	B	40	0	40	40	0	0	0	40	0	40	0	0	0
C	4894.1C	LDP EW 1C: Salamander Place phase 3 and 4	Crudden and Teague	B	199	0	199	199	0	0	0	199	0	199	0	0	0
	4894.1D	LDP EW 1C: Salamander Place Phase 5	Teague Homes (UK), Miller Homes & Cruden	B	155	44	111	0	0	0	0	117	117	0	38	38	0
C	3733A.5	LDP EW 2B: Upper Strand Phs 3	Places for People	B	89	0	89	33	0	0	0	89	56	33	0	0	0
C	3744A.3	LDP EW 2C: Granton Harbour - Plot 3	Port Of Leith Housing Association.	B	104	0	104	104	0	0	0	104	0	104	0	0	0
	4893A	LDP EW1B: CLW - Ocean Drive	CALA Management Ltd.	B	390	33	357	97	60	60	0	85	85	0	245	148	97
	4773	LDP HSG 11: Shrub Place	Places For People (Shrubhill) Ltd.	B	342	0	342	225	201	49	152	18	0	18	123	68	55
C	3965	LDP HSG 12: Albion Road	Places for People	B	205	48	157	0	175	175	0	30	30	0	0	0	0
	3754.6	LDP HSG 17: Greendykes Road (areas N,Q,P,R)	Taylor Wimpey	B	169	111	58	0	0	0	0	38	38	0	131	131	0
C	3753.5	LDP HSG 18: New Greendykes Areas C & D	Sheratan Ltd + Persimmon Homes (East S	G	145	115	30	0	81	81	0	64	64	0	0	0	0
	5247A	LDP HSG 20: Cammo	CALA Management Ltd	G	197	83	114	0	0	0	0	44	44	0	153	153	0
	5247B	LDP HSG 20: Cammo	BDW Trading Ltd	G	458	185	273	164	0	0	0	32	32	0	426	262	164
	5248	LDP HSG 21: Broomhills	BDW Trading Ltd.	G	671	572	99	158	429	323	106	130	78	52	112	112	0
	5251.1	LDP HSG 24: Gilmerton Station Road	Miller Homes Ltd	G	198	151	47	0	151	151	0	26	26	0	21	21	0
	5251.2	LDP HSG 24: Gilmerton Station Road	Persimmon Homes	G	302	245	57	77	26	16	10	73	48	25	203	161	42
	5251.3	LDP HSG 24: Gilmerton Station Road	BDW	G	315	270	45	78	23	23	0	115	48	67	177	166	11
	5252	LDP HSG 25: Candlemaker's Park	Taylor Wimpey / South East Edinburgh D	G	149	125	24	37	67	67	0	42	40	2	40	5	35
C	5254.2	LDP HSG 27: Newcraighall East Phase 4	Avant Homes	G	37	37	0	10	0	0	0	37	27	10	0	0	0
	5713	LDP HSG 33: South Scotstoun	Taylor Wimpey East Scotland.	G	306	214	92	69	11	11	0	40	40	0	255	186	69
C	5716	LDP HSG 37: Newmills Road	Cala Management Ltd.	G	206	91	115	51	178	154	24	28	1	27	0	0	0
	5706	LDP HSG 38: Ravelrig Road	CALA Management Ltd.	G	140	116	24	36	101	65	36	26	26	0	13	13	0
	5717	LDP HSG 39: Lasswade Road	Persimmon / Miller	G	260	227	33	65	150	85	65	77	77	0	33	33	0
Other Sites																	
C	5993	Bernard Street	J & M Cameron Properties Ltd	B	11	0	11	0	0	0	0	11	11	0	0	0	0
	6307	Burdiehouse Road	BDW and Hallam land management	G	116	95	21	30	0	0	0	32	32	0	84	54	30
	4917A	Calder Road	The City Of Edinburgh Council.	B	184	35	149	184	64	0	64	60	0	60	60	0	60
	6316	Corbieshot	Robertson Living Ltd.	G	54	50	4	13	0	0	0	23	23	0	31	18	13
	5423	Craighouse Road	Edinburgh Napier University And Craigh	B	145	43	102	0	30	30	0	25	25	0	90	90	0
C	6205	Duddingston Row	21st Century Homes.	B	40	2	38	40	0	0	0	40	0	40	0	0	0
C	5918	Figgate Street	Figgate Street Developments	B	6	0	6	0	0	0	0	6	6	0	0	0	0
	6025	Fishwives Causeway	Barrat	B	435	76	359	108	108	108	0	119	40	79	208	179	29
C	6190	George Street	Lightstorm Estates Ltd.	B	6	0	6	0	0	0	0	6	6	0	0	0	0
C	6061	Gorgie Road	AMA (New Town) Ltd.	B	48	9	39	0	0	0	0	48	48	0	0	0	0
C	6040	Great Junction Street	Glenprop2.	B	37	0	37	0	0	0	0	37	37	0	0	0	0
	5947	Lanark Road West	George Dunbar And Sons Builders Ltd.	B	53	0	53	12	12	0	12	17	17	0	24	24	0
	6178	Lasswade Road	Bellway / Miller	G	335	299	36	83	67	51	16	120	95	25	148	106	42

Housing Land Audit and Completions Programme 2022

Schedule 3: Completions 2021/22

(Site completed during 2021/22)	Site Ref	Site Name	Developer	Brf/ Grf	Total Dwellings	Houses	Flats	affordable units	Completions up to 03/21 Total	Completions up to 03/21 Market	Completions up to 03/21 Affordable	**Completions 04/21 to 03/22 Total**	Completions 04/21 to 03/22 Market	Completions 04/21 to 03/22 Affordable	Units Remaining Total	Units Remaining Market	Units Remaining Affordable
C	5800	Longstone Road	Castle Rock Edinvar Housing Associatio	G	157	50	107	38	153	115	38	4	4	0	0	0	0
C	5803	Maritime Lane	Zonal Retail Data System Ltd.	B	8	0	8	0	0	0	0	8	8	0	0	0	0
C	6233	Melville Street	Dragon Development Edinburgh.	B	11	0	11	0	0	0	0	11	11	0	0	0	0
C	6029	Newhaven Road	Queensberry Properties	B	52	0	52	13	15	15	0	37	24	13	0	0	0
C	6276	Niddrie Mains Road	CCG (Scotland) Ltd.	B	136	0	136	136	0	0	0	136	0	136	0	0	0
C	6290	Ocean Drive	Abercastle Developments Ltd.	B	5	0	5	0	0	0	0	5	5	0	0	0	0
	6184	Oxgangs Green	Hopefield Partnership Ltd.	B	85	6	79	85	0	0	0	34	0	34	51	0	51
C	6046	Peffermill Road	21st Century Homes.	B	30	0	30	30	0	0	0	30	0	30	0	0	0
	5159.3	Pennywell Road	Urban Union	B	315	140	175	181	12	12	0	94	20	74	209	102	107
C	6050	Randolph Crescent	Randolph Development LLP.	B	8	0	8	0	0	0	0	8	8	0	0	0	0
C	6166	Randolph Crescent	Square & Crescent Ltd	B	8	0	8	0	0	0	0	8	8	0	0	0	0
C	6207	Randolph Crescent		B	7	0	7	0	0	0	0	7	7	0	0	0	0
	6160	Viewforth	CALA Management Ltd.	B	104	0	104	17	20	20	0	48	48	0	36	19	17
C	5546	Warriston Road	Canonmills No. 5 LTD.	B	11	0	11	0	0	0	0	11	11	0	0	0	0
	5983	Warriston Road	Artisan Cannonmills	B	180	0	180	45	0	0	0	32	32	0	148	103	45
C	5866	West Bowling Green Street	HB Villages Developments Limited.	B	24	0	24	0	0	0	0	24	24	0	0	0	0
C	4502	West Coates	Cala Evans Restoration Ltd And City &	B	203	0	203	0	157	157	0	22	22	0	24	24	0
		Small Sites										92	90	2			
		Total Completions 2021/2022										**2786**	**1716**	**1070**			

Schedule 4 – Constrained Sites

Housing Land Audit and Completions Programme 2022

Schedule 4: Constrained Sites

Ref	Address	Developer/applicant	Housing Units Total	Afford.	Comp.	Remain	Last Consent Type	Date	Constraint
5244	LDP Emp 6 IBG	LDP Site	350	88	0	350			No housing use established
3424	LDP EW 1A: Western Harbour	Forth Ports	669	0	0	669	Jul-02	OUT	Consent expired - flood risk
3424.1	LDP EW 1A: Western Harbour - Platinum Point	Gregor Shore Plc.	452	0	226	226	Apr-04	FULL	Owner not ready to market
3424.6	LDP EW 1A: Western Harbour View	AB Leith Ltd.	258	0	0	258	May-13	FULL	Owner not ready to market
4893	LDP EW 1B: Central Leith waterfront	Forth Ports	1444	361	0	1444			Multiple ownership - Site mostly in use
4894	LDP EW 1C: Leith Waterfront -Salamander Place		719	180	0	719			Much of site in use (Commercial)
3105B	LDP EW 2A: West Shore Road - Forth Quarter	City of Edinburgh Council	779	273	0	779	Oct-03	OUT	Some land contamination - no consent
3744A.2	LDP EW 2C: Granton Harbour	Gregor Shore PLC.	288	0	133	155	Jul-05	FULL	Owner not ready to market
3744B	LDP EW 2C: Granton Harbour	Various	347	190	0	347	May-21	OUT	Site in use (commercial)
3733B	LDP EW 2D: Waterfront - WEL - North Shore	Various	988	346	0	988			Site in use (commercial)
4157	LDP HSG 15: Castlebrae	LP site	145	0	0	145			Lp site. No consent
5254	LDP HSG 27: Newcraighall East (East Part)	LDP Site	88	22	0	88	Sep-15	OUT	Railway line/ Electricity pylons
5257	LDP HSG 30: Moredunvale Road	LDP Site	200	200	0	200			Not currently in Counicl's disposal plan
5256	LDP HSG 31: Curriemuirend	CEC	188	188	0	188			Not currently in Counicl's disposal plan
5132	LDP HSG 4: West Newbridge	FAO Mr Campbell Black	490	245	0	490	May-20	FULL	Not marketed
4897	LDP HSG 7: Edinburgh Zoo		80	20	0	80			Site in alternative use
6248	Ardshiel Avenue	Southside Company Services Ltd	6	0	0	6	Nov-19	FULL	Site not progressed.
6210	Bath Road	Kindplease Ltd.	6	0	0	6	Jul-19	FULL	Consent now expired
5727	Beaverbank Place	Tourist Services Edin Ltd.	8	0	0	8	Feb-21	FULL	New application for change of use to leisure
5928	Gorgie Road	Caledonian Heritable	11	0	0	11	Dec-19	FULL	Site In use as public bar
6200	Hopetoun Crescent	K & S Mir Ltd.	6	0	0	6	Jun-19	FULL	Consent now expired
6011	Ocean Drive	Port of Leith HA	57	57	0	57	Jan-18	FULL	Consent Expired (Jan 2021)
6228	Princes Street	ECF Edinburgh Retail.	17	0	0	17	Aug-19	FULL	No Progress - viability
5011	Shandwick Place	Mr Tom Diresta c/o Agent	11	0	0	11	Apr-19	FULL	No Progress - viability
6076	West Granton Road	ED Consilium Ltd.	11	0	0	11	Jun-19	FULL	Consent expired
	Small sites		99	0	0	99			
	Total Constarined		7717	2170	359	7358			

Schedule 5 – Delivery Factors

Housing Land Audit and Completions Programme 2022

Schedule 5: Factors affecting delivery

Ref	Site Name	Developer/applicant	Capacity	Affordable	Complete	Remaining	Delivery in 5 years	Delivery beyond year 5
Completion rates at maximum								
5720	Abbey Mount	Abbey Mount Estates Ltd C/O Agent	11	0	0	11	11	0
6028	Almondhill	Almond Hill Kirkliston Ltd.	11	0	0	11	11	0
6294	Alva Street	Phoenix Developments.	6	0	0	6	6	0
6271	Barnton Avenue West	New Age Developers.	15	0	0	15	15	0
6299	Bell's Brae	Sundial Properties.	10	0	0	10	10	0
4402	Brunstane Road South	South Castle Properties Limited.	12	0	11	1	1	0
4917A	Calder Road	The City Of Edinburgh Council.	184	184	124	60	60	0
6308	Calton Road	Square & Crescent Ltd Square & Crescen	22	5	0	22	22	0
6309	Cammo Road	Mr Terry Heneaghan	6	0	0	6	6	0
6080	Canaan Lane	Mr Phillip Sunderland	10	0	0	10	10	0
6122	Canon Street	Thistle Property Group.	11	0	0	11	11	0
6311	Castle Street	Middlebrook Properties Ltd.	9	0	0	9	9	0
5574	Clearburn Crescent	Mr David Rae	10	0	0	10	10	0
6135	Colinton Road	Rutherford Colinton.	5	0	0	5	5	0
5898	Constitution Street	GA Group Ltd.	9	0	0	9	9	0
6325	Duddingston Road West	Stone Acre Projects Ltd	8	0	0	8	8	0
5919	Ford's Road	AMA (New Town) Ltd.	9	0	0	9	9	0
4728	Groathill Road South	Beaufort Property Company Ltd.	12	0	0	12	12	0
6350	Jeffrey Street	Leonardo John Dalton House Ltd.	31	8	0	31	31	0
6285	Lanark Road	Abbotswell Developments	57	12	0	57	57	0
5947	Lanark Road West	George Dunbar And Sons Builders Ltd.	53	12	29	24	24	0
6527	Laverockbank Road	Mackenzie And Mackenzie LLP.	7	0	0	7	7	0
4894.1D	LDP EW 1C: Salamander Place Phase 5	Teague Homes (UK), Miller Homes & Crud	155	0	117	38	38	0
4773A	LDP HSG 11: Shrub Place - Tramway Wshop	The Engine Yaerd Ltd.	43	0	0	43	43	0
5248	LDP HSG 21: Broomhills	BDW Trading Ltd.	671	158	559	112	112	0
5251.1	LDP HSG 24: Gilmerton Station Road	Miller Homes Ltd	198	0	177	21	21	0
5252	LDP HSG 25: Candlemaker's Park	Taylor Wimpey / South East Edinburgh D	149	37	109	40	40	0
5254.3	LDP HSG 27: Newcraighall East Phase 5	Avant Homes	29	6	0	29	29	0
5706	LDP HSG 38: Ravelrig Road	CALA Management Ltd.	140	36	127	13	13	0
5717	LDP HSG 39: Lasswade Road	Persimmon / Miller	260	65	227	33	33	0
6411	Manor Place	Manor Developments Edinburgh Ltd.	6	0	0	6	6	0
6161	Meadowbank	City Development Office Ltd.	11	0	0	11	11	0
6359	Melville Street	MSC Development LLP.	11	0	0	11	11	0

Housing Land Audit and Completions Programme 2022

Schedule 5: Factors affecting delivery

Ref	Site Name	Developer/applicant	Capacity	Affordable	Complete	Remaining	Delivery in 5 years	Delivery beyond year 5
6555	Newcraighall Road	Panacea (Scotland) Limited.	10	0	0	10	10	0
6369	North Castle Street	Ms Dawn Shan.	6	0	0	6	6	0
6184	Oxgangs Green	Hopefield Partnership Ltd.	85	85	34	51	51	0
5159.2B	Pennywell Road	City Of Edinburgh Council & North Edin	6	0	0	6	6	0
6374	Pinkhill	Dandara.	46	11	0	46	46	0
6454	Polwarth Terrace	Canal View Care Ltd.	6	0	0	6	6	0
5834	Restalrig Road	A'ila Modaraba.	6	0	0	6	6	0
5836	Rosefield Place	Badenoch Homes Ltd.	6	0	0	6	6	0
6254	Simon Square	Seven Hills Property Ltd.	6	0	0	6	6	0
4793	St James Centre	TIAA Henderson Real Estate.	150	0	0	150	150	0
6486	Telford Drive	Cullross Ltd/Port Of Leith Housing Ass	11	11	0	11	11	0
4502	West Coates	Cala Evans Restoration Ltd And City &	203	0	179	24	24	0
Rate Determined by Market Demand								
6307	Burdiehouse Road	BDW and Hallam land management	116	30	32	84	84	0
6314	Colinton Road	Eastern Properties Ltd & Westerwood Lt	19	0	0	19	19	0
6316	Corbieshot	Robertson Living Ltd.	54	13	23	31	31	0
6318	Corstorphine Road	AMA (New Town) Ltd.	28	7	0	28	28	0
5423	Craighouse Road	Quartermile Developments	145	0	55	90	90	0
6320	Craigmillar Park	Cala Management Ltd	48	0	0	48	48	0
6519	East of Milburn Tower	Murray Estates Lothian Limited	1350	337	0	1350	150	1200
6025	Fishwives Causeway	Barrat	435	108	227	208	208	0
6399	Gylemuir Road	Artisan Edinburgh Corstorphine.	126	31	0	126	126	0
6518	Iona Street	Iona Street Edinburgh Ltd.	80	20	0	80	80	0
6514	Lanark Road	Thistle Residential.	25	0	0	25	25	0
6178	Lasswade Road	Bellway / Miller	335	83	187	148	148	0
4338.6	LDP CC3: Fountainbridge	Moda Living (Springside) Ltd.	205	0	0	205	205	0
3105A	LDP EW 2A: West Shore Road - Forth Quarter	City of Edinburgh Council	444	257	0	444	350	94
3744A.9	LDP EW 2C: Granton Harbour Plots 9a/9b	Granton Central Developments Ltd.	104	0	0	104	104	0
4893B	LDP EW1B: CLW - Bath Road	BDW Trading Ltd.	212	53	0	212	212	0
4893C	LDP EW1B: CLW - Bath Road	BDW Trading Ltd.	95	23	0	95	95	0
4893A	LDP EW1B: CLW - Ocean Drive	CALA Management Ltd.	390	97	145	245	245	0
4773	LDP HSG 11: Shrub Place	Places For People (Shrubhill) Ltd.	342	225	219	123	123	0
3754.6	LDP HSG 17: Greendykes Road (areas N,Q,P,R)	Taylor Wimpey	169	0	38	131	131	0

Housing Land Audit and Completions Programme 2022

Schedule 5: Factors affecting delivery

Ref	Site Name	Developer/applicant	Capacity	Affordable	Complete	Remaining	Delivery in 5 years	Delivery beyond year 5
3753.6	LDP HSG 18: New Greendykes Areas A,B	Persimmon Homes.	165	0	0	165	165	0
5246.2.4	LDP HSG 19: Maybury Central - 4	Miller Homes Limited & West Craigs Lim	213	0	0	213	213	0
5246.1	LDP HSG 19: Maybury East	Taylor Wimpey UK Limited.	250	63	0	250	250	0
5247B	LDP HSG 20: Cammo	BDW Trading Ltd	458	164	32	426	426	0
5247A	LDP HSG 20: Cammo	CALA Management Ltd	197	0	44	153	153	0
5251.3	LDP HSG 24: Gilmerton Station Road	BDW	315	78	138	177	177	0
5251.2	LDP HSG 24: Gilmerton Station Road	Persimmon Homes	302	77	99	203	203	0
5713	LDP HSG 33: South Scotstoun	Taylor Wimpey East Scotland.	306	69	51	255	255	0
5713.1	LDP HSG 33: South Scotstoun (Dimma Park)	Taylor Wimpey East Scotland.	72	0	0	72	72	0
6405	Meadow Place Road	Westpoint Homes Ltd.	24	6	0	24	24	0
5159.2	Pennywell Road	City Of Edinburgh Council.	136	136	12	124	124	0
5159.3	Pennywell Road	Urban Union	315	181	106	209	209	0
3762	RWELP HSG : Ferrymuir Gait		124	31	0	124	124	0
6382	Sciennes Road	Downing Students (Meadows) LP Inc.	126	31	0	126	126	0
6191	South Fort Street	Blake Property Company LLP & BDW Tradi	115	28	0	115	115	0
6398	St Peter's Place	LAR Housing Trust.	16	16	0	16	16	0
6022	The Wisp	Springfield Properties PLC	139	35	0	139	139	0
6160	Viewforth	CALA Management Ltd.	104	17	68	36	36	0
5983	Warriston Road	Artisan Cannonmills	180	45	32	148	148	0
6244	Wellflats Road	Dandara Limited.	124	31	0	124	124	0
6021	West Bowling Green Street	WBG Partnership.	77	19	0	77	77	0
Rate determined by affordable housing programme								
6249	Dumbryden Drive	Robertson Partnership Homes	49	49	0	49	49	0
4900.1B	LDP CC3: Fountainbridge (Phase 1.1)	City Of Edinburgh Council.	113	113	0	113	113	0
3744A.8	LDP EW 2C: Granton Harbour Plots S1 and S2	Port Of Leith Housing Association.	302	302	0	302	302	0
5246.2.2	LDP HSG 19: Maybury Central - 2	Dunedin Canmore.	158	158	0	158	158	0
5246.2.3	LDP HSG 19: Maybury Central - 3	Dunedin Canmore.	142	142	0	142	142	0
5801	Madeira Street	Port Of Leith Housing Association.	12	12	8	4	0	4
Commence Development								

Housing Land Audit and Completions Programme 2022

Schedule 5: Factors affecting delivery

Ref	Site Name	Developer/applicant	Capacity	Affordable	Complete	Remaining	Delivery in 5 years	Delivery beyond year 5	
6475	Abercorn Terrace	Abercorn Care Ltd.	8	0	0	8	8	0	
5888	Belford Road	AMA (Belford) Ltd.	50	0	0	50	50	0	
6282	Bonnington Road Lane	Platform	464	130	0	464	275	189	
6211	Braid Road	Pentland Investments Ltd.	7	0	0	7	7	0	
6317	Corstorphine Road	Sundial Dundas (Corstorphine) Ltd.	76	0	0	76	76	0	
6328	Edinburgh Road	PANACEA Property.	5	0	0	5	5	0	
6331	Falcon Road West	AMA (New Town) Ltd.	11	0	0	11	11	0	
4946	Gayfield Square	MacTaggart and Mikel	11	0	0	11	11	0	
6434	Lanark Road West	Whyalla Investments Ltd.	6	0	0	6	6	0	
4900.1	LDP CC3: Fountainbridge (Phase 1)	City Of Edinburgh Council	258	0	0	258	78	180	
4900.1A	LDP CC3: Fountainbridge (Phase 1.1)	City Of Edinburgh Council	64	32	0	64	64	0	
5245.2	LDP Del 4: Edinburgh Park / South Gyle	LDP Site	1737	434	0	1737	200	1537	
3424.11A	LDP EW 1A: Western Harbour	Edinburgh Forthside Developments Limit	205	0	0	205	205	0	
3424.11	LDP EW 1A: Western Harbour	Forth Properties Limited.	800	0	0	800	250	550	
4894.1E	LDP EW 1C: Salamander Place Phase 6 and 7	Cruden Homes (East) Ltd / Teague Homes	151	151	0	151	151	0	
5246.2.1	LDP HSG 19: Maybury Central - 1	West Craigs Ltd & Dunedin Canmore.	5	0	0	5	5	0	
5246.2.5	LDP HSG 19: Maybury Central - 5	BDW Trading Ltd & West Craigs Limited.	269	0	0	269	216	53	
5704	LDP HSG 40: SE Wedge South - Edmonstone	Snaefell Holdings (UK) Ltd.	696	174	0	696	150	546	
6415	Leith Walk	Drum (Steads Place) Ltd & CAMVO 123 Lt	152	38	0	152	152	0	
6067	London Road	Place Development, City Of Edinburgh C	596	149	0	596	125	471	
6001	Long Dalmahoy Road	Mr C Hardy	8	0	0	8	8	0	
6387	Timber Bush	Office Suites UK Ltd & James Hay Pensi	5	0	0	5	5	0	
6433	Torphichen Street	ADM Edinburgh.	7	0	0	7	7	0	
5984	Wellington Place	Port of Leith HA	35	35	0	35	35	0	
6076	West Granton Road	ED Consilium Ltd.	11	0	0	11	0	11	Constrained
Market Site / Secure Developer									
6248	Ardshiel Avenue	Southside Company Services Ltd & Rothe	6	0	0	6	0	6	Constrained
6210	Bath Road	Kindplease Ltd.	6	0	0	6	0	6	Constrained
3825	LDP CC2: New Street	Artesan	167	0	52	115	115	0	
3744A.11	LDP EW 2C: Granton Harbour	GCD Ltd.	98	0	0	98	98	0	
3744A.10	LDP EW 2C: Granton Harbour	GCD Ltd.	171	0	0	171	101	70	
3744A.6	LDP EW 2C: Granton Harbour - Plot 29	Granton Central Developments Ltd.	100	0	0	100	100	0	
3744A.4	LDP EW 2C: Granton Harbour - Plot 31	Granton Central Developments Ltd.	97	0	0	97	97	0	

Housing Land Audit and Completions Programme 2022

Schedule 5: Factors affecting delivery

Ref	Site Name	Developer/applicant	Capacity	Affordable	Complete	Remaining	Delivery in 5 years	Delivery beyond year 5	
3744A.7	LDP EW 2C: Granton Harbour Plots 26 and 27	Link	264	264	132	132	0	132	
5132	LDP HSG 4: West Newbridge	FAO Mr Campbell Black	490	245	0	490	0	490	Constrained
5011	Shandwick Place	Mr Tom Diresta c/o Agent	11	0	0	11	0	11	Constrained
Secure non-planning consents									
6403	Abbey Lane	Artisan Abbeyhill Ltd And Unite Group	66	0	0	66	66	0	
6453	Abercromby Place	Mr Fursman	5	0	0	5	5	0	
5882	Ashley Place	Cornhill Building Services Limited.	58	13	0	58	58	0	
6297	Barnton Brae	Mr L Rennie.	11	0	0	11	11	0	
5727	Beaverbank Place	Tourist Services Edin Ltd.	8	0	0	8	0	8	Constrained
6423	Broughton Road	City Of Edinburgh Council.	27	27	0	27	27	0	
6313	Clovenstone Gardens	J Smart & Co (Contractors) PLC.	69	69	0	69	69	0	
6315	Corbiehill Road	Mr Rupinder Bal.	5	0	0	5	5	0	
6323	Dickson Street	Dickson Street Limited	7	0	0	7	7	0	
6280	Duddingston Road West	KLN Properties.	131	0	0	131	131	0	
6177	Dumbiedykes Road	Mr F Martone	11	0	0	11	11	0	
6451	Dumbryden Gardens	Robertson Construction Group	8	0	0	8	8	0	
6404	Fettes Row	Izar V Lux S. A R. L (c/o Turley).	349	88	0	349	200	149	
6422	George Street	Mitchells And Butlers Plc.	6	0	0	6	6	0	
6470	Gorgie Road	Chesser Homes Ltd.	8	0	0	8	8	0	
6396	Gorgie Road	Spindlehawk Ltd.	35	8	0	35	35	0	
6200	Hopetoun Crescent	K & S Mir Ltd.	6	0	0	6	0	6	Constrained
6496	Hopetoun Street	Bield Housing & Care.	5	0	0	5	5	0	
4900.2	LDP CC3: Fountainbridge (Vastint)	Vastint	234	58	0	234	150	84	
4893D	LDP EW1B: CLW - Baltic Street	Sundial Properties Ltd.	18	18	0	18	18	0	
3760	LDP HSG 1: Springfield	Cala	176	44	0	176	176	0	
3747	LDP HSG 5: Hillwood Rd	Taylor Wimpey	132	33	0	132	132	0	
6354	Leith Walk	Mr George Duff.	10	0	0	10	10	0	
5027	London Road	Drum Property Group.	116	29	0	116	116	0	
5544	Marionville Road	Dandara Limited.	113	28	0	113	113	0	
6482	Morningside Road	83S Ltd.	11	0	0	11	11	0	
6481	Morningside Road	83S Ltd.	10	0	0	10	10	0	
3623	Ocean Drive	S1 Developments Ltd.	338	85	0	338	338	0	
6416	Oxgangs Path	New Age Developers Ltd.	11	0	0	11	11	0	

Housing Land Audit and Completions Programme 2022

Schedule 5: Factors affecting delivery

Ref	Site Name	Developer/applicant	Capacity	Affordable	Complete	Remaining	Delivery in 5 years	Delivery beyond year 5	
6459	Pipe Lane	Portobello Sands Ltd C/o Agent.	10	0	0	10	10	0	
6113	Pitt Street	Buckley Building UK Ltd.	8	0	0	8	8	0	
6039	Prestonfield Avenue	First Construction Ltd.	9	0	0	9	9	0	
6228	Princes Street	ECF Edinburgh Retail.	17	0	0	17	0	17	Constrained
6520	Redhall House Drive	Mr Dildar Singh Gold	8	0	0	8	8	0	
6526	Shandwick Place	DS Landsburgh Limited.	6	0	0	6	6	0	
6289	St John's Road	Mactaggart And Mickel Commercial Devel	36	9	0	36	36	0	
Discharge existing planning conditions / legal agreements									
6329	Eyre Place	Mr Lindsay McArthur.	7	0	0	7	7	0	
3753.7	LDP HSG 18: New Greendykes Areas H/AH1	Persimmon Homes.	128	25	0	128	128	0	
5246.2	LDP HSG 19: Maybury Central	West Craigs Ltd.	899	125	0	899	559	340	
5711	LDP HSG 29: Brunstane	EDI	1330	332	0	1330	380	950	
5712	LDP HSG 32: Buileyon Road	CALA	980	0	0	980	508	472	
Sign legal agreements for Minded to Grant cases									
4338.7	LDP CC3: Fountainbridge	Moda Living (Springside)	140	0	0	140	140	0	
Determine pending application									
5244	LDP Emp 6 IBG	LDP Site	350	88	0	350	0	350	Constrained
4996.4	Pennywell Road	CEC	99	0	0	99	66	33	
Submit planning application (if PAN period concluded for major applications)									
3733A.8	LDP EW 2B: Waterfront - Waterfront Avenue	CEC	75	63	0	75	75	0	
3733A	LDP EW 2B: Waterfront WEL - Central Dev Area	Various	1074	327	0	1074	150	924	
3754	LDP HSG 17: Greendykes (areas K and L)	Craigmillar JVC	129	0	0	129	0	129	
6011	Ocean Drive	Port of Leith HA	57	57	0	57	0	57	Constrained

Housing Land Audit and Completions Programme 2022

Schedule 5: Factors affecting delivery

Ref	Site Name	Developer/applicant	Capacity	Affordable	Complete	Remaining	Delivery in 5 years	Delivery beyond year 5	
Submit Proposal of Application Notice (major applications)									
3424	LDP EW 1A: Western Harbour	Forth Ports	669	0	0	669	0	669	Constrained
3105B	LDP EW 2A: West Shore Road - Forth Quarter	City of Edinburgh Council	779	273	0	779	0	779	Constrained
5246.3	LDP HSG 19: Maybury West	Roseberry Estates	130	33	0	130	0	130	
5710	LDP HSG 28: Ellens Glen Road	LDP site	240	60	0	240	60	180	
5257	LDP HSG 30: Moredunvale Road	LDP Site	200	200	0	200	0	200	Constrained
5256	LDP HSG 31: Curriemuirend	CEC	188	188	0	188	0	188	Constrained
Align ownership with intention to develop									
3424.1	LDP EW 1A: Western Harbour - Platinum Point	Gregor Shore Plc.	452	0	226	226	0	226	Constrained
3424.6	LDP EW 1A: Western Harbour View	AB Leith Ltd.	258	0	0	258	0	258	Constrained
4893	LDP EW 1B: Central Leith waterfront	Forth Ports	1444	361	0	1444	0	1444	Constrained
3744A.2	LDP EW 2C: Granton Harbour	Gregor Shore PLC.	288	0	133	155	0	155	Constrained
5254	LDP HSG 27: Newcraighall East (East Part)	LDP Site	88	22	0	88	0	88	Constrained
Release site from existing land use									
5928	Gorgie Road	Caledonian Heritable	11	0	0	11	0	11	Constrained
4894	LDP EW 1C: Leith Waterfront -Salamander Place		719	180	0	719	0	719	Constrained
3744B	LDP EW 2C: Granton Harbour	Various	347	190	0	347	0	347	Constrained
3733B	LDP EW 2D: Waterfront - WEL - North Shore	Various	988	346	0	988	0	988	Constrained
4157	LDP HSG 15: Castlebrae	LP site	145	0	0	145	0	145	Constrained
4897	LDP HSG 7: Edinburgh Zoo		80	20	0	80	0	80	Constrained

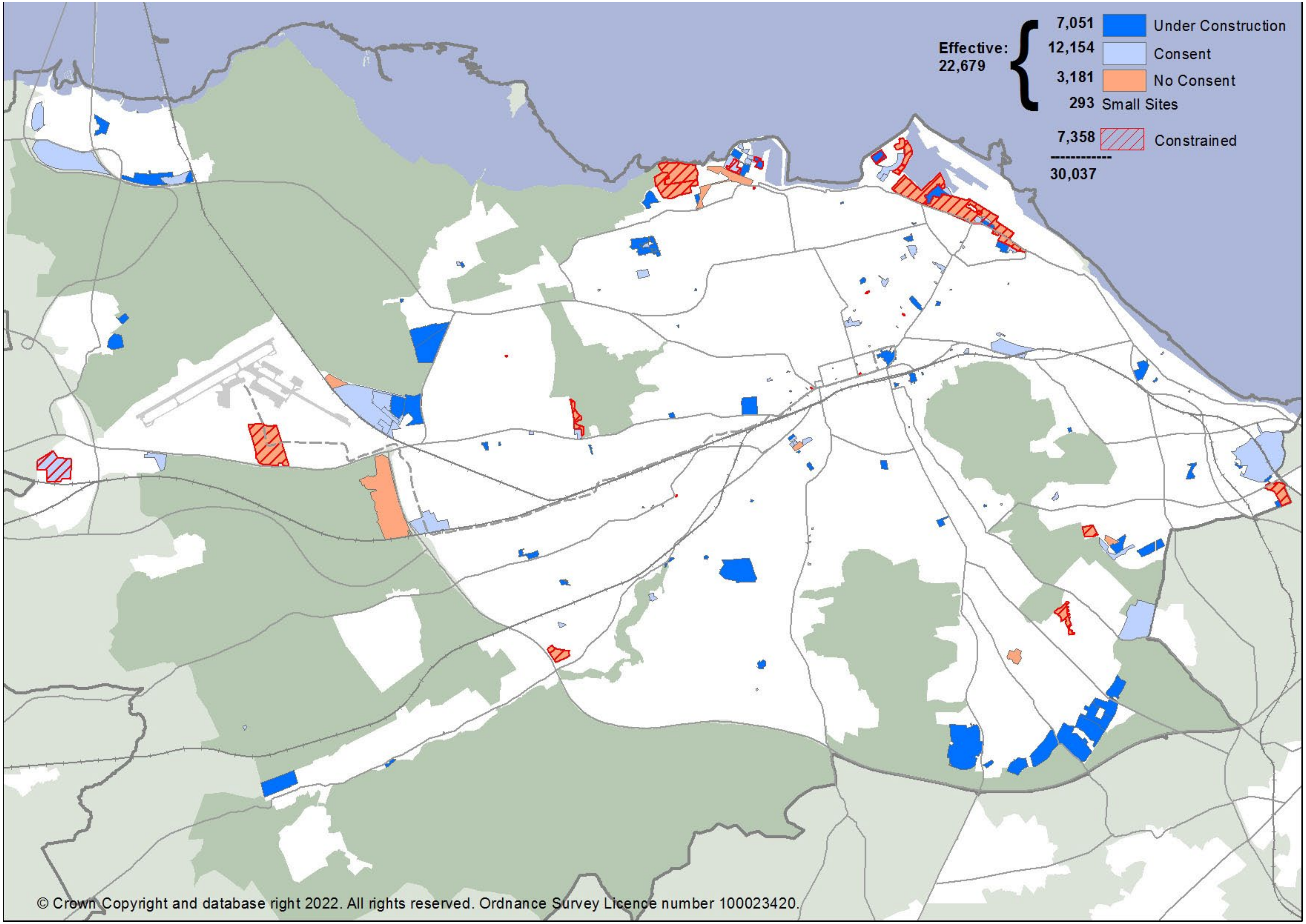
Schedule 6 – Deleted Sites

Housing Land Audit and Completions Programme 2022

Schedule 6: Sites deleted since Housing Land Audit and Completions Programme 2021

Ref	Site Name /Address	Developer (Or Owner)	Capacity 2020	Reason for deletion
6152	Barnton Avenue West	Barnton Avenue West Ltd.	7	Consent Lapsed
6330	Eyre Terrace	The Royal Bank Of Scotland	70	Superceded by other application
6187	Frederick Street	Plumbing Pensions UK Ltd.	5	Consent Lapsed
3754.3	LDP HSG 17: Greendykes Road	Craigmillar Eco Housing Co-op	10	Consent lapsed
6017	London Road	Murascot Ltd.	30	Developed for student housing
6515	Lower Gilmore Place	Glencairn Properties C/o Agent.	20	Developed for student housing
6158	Mitchell Street	J.N.L Property Investments.	9	Consent Lapsed
6157	Stead's Place	McGregor MOT Centre.	11	Consent Lapsed

Appendix 2 – Established Housing Land Supply 2022



by virtue of paragraph(s) 12 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

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by virtue of paragraph(s) 1, 12, 15 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

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