

Notice of meeting and agenda

Housing, Homelessness and Fair Work Committee

10.00am, Thursday 9 March 2023

Dean of Guild Court Room - City Chambers

This is a public meeting and members of the public are welcome to 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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

Contacts

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1. Order of Business

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

2. Declaration of Interests

- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

3. Deputations

- 3.1 If any.

4. Minutes

- 4.1 Minute of the Housing, Homelessness and Fair Work Committee of 1 December 2022 – submitted for approval as a correct record 11 - 30

5. Forward Planning

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6. Business Bulletin

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7.6	UK Shared Prosperity Fund Update – Report by the Executive Director of Place	145 - 148
7.7	Response to motion by Councillor Dalgleish – Energy Efficiency Task Force – Report by the Executive Director of Place	149 - 158
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8. Routine Decisions

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8.4	Place Directorate - Revenue Budget Monitoring 2022/23 - Month Eight Forecast – Report by the Executive Director of Place	261 - 268

9. Motions

9.1 By Councillor Campbell – Damp and Mould

“Committee

Notes, following the tragic death of Awaab Ishak who died of a respiratory condition caused by mould in his home, that the Scottish Housing Regulator wrote to all social landlords to request that they “consider the systems they have in place to ensure their tenants’ homes are not affected by mould and dampness and that they have appropriate, proactive systems to identify and deal with any reported cases of mould and damp timeously and effectively.”

Notes that the current process was agreed by the HHFW committee in June 2021 and includes assurance that the council will:

- give tenants the name of a person that will look after their case,
- organise a full dampness survey to be carried out in their home

- let tenants know what the survey finds
- organise any repairs, including fixing emergency issues like leaks,
- put right any cosmetic damage,
- keep tenants updated on what happens next,
- check if tenants are happy with what we have done.

Notes that many tenants are not experiencing this process in full, particularly in terms of the named person to look after their case, having survey results shared and being kept updated on the process.

Further notes that an update report to committee in January 2022 included actions at 4.15 which included:

- Recruitment of surveyors specialising in damp and mould
- Administrative support for case management
- Enhanced contract management
- Review of training and support for staff

Agrees to receive an update report on damp and mould in one cycle which:

- Sets out detail of the current systems in place so that councillors can consider these in line with the request from the Scottish Housing Regulator including analysis on performance
- Detail of current cases including case length and location, timeframes for repairs to be completed, tenant satisfaction , performance on 'getting it right first time' and causes of damp and mould
- Updates on the outstanding actions at 4.15 from the report in January 2022
- Sets out an additional decant process to be added to the current commitment which includes a risk assessment and looking at the health and wellbeing of tenants including risk factors such as age and existing health conditions such as

respiratory or other illnesses

- A heat map of damp and mould cases across the city aligned with the a map showing the proposed capital programme for whole house retrofit
- Detail of the process for using damp and mould repairs case data to help inform the long term capital programme and asset management strategy
- Detail of how data from damp and mould repairs cases can be used to prioritise the sequencing of stock condition surveys”

9.2 By Councillor Caldwell - Taking stock of affordable housing by ward in the City of Edinburgh

“Committee

Notes

- 1) The 2017 - 2022 Council term’s committed target to producing 10,000 affordable homes by 2022.
- 2) The 2022 – 2027 Council term’s committed target to producing 25,000 Council affordable homes by 2032.
- 3) That this needs to be achieved in partnership both with existing Council-owned land and developments, and developers within the private sector.
- 4) In 2022, the Council approved an annual HRA budget strategy which included a 10 year £2.9bn capital programme and £1.3bn revenue programme, predicated on a minimum 2% annual rent increase, and that Council deferred decision on the agreed FY 2023-24 3% rent increase expenditure to the Housing, Homelessness and Fair Work committee due 11th May 2023.
- 5) There is disparity between both SIMD quadrants and Council wards across the city in terms of both affordable housing amenity and deprivation levels.
- 6) Land value and cost of development varies across the city and is further complicated by other local factors such as

the number of conservation areas.

Requests

A report within one cycle on the last 5 years (FYs 2017-2022), split into the 17 wards, that make up the City of Edinburgh detailing;

- 1) How many affordable homes, as part of the HRA Business Plan, during those years have been;
 - Granted planning permission.
 - Underwent construction by the end of FY2022.
 - Built to completion.
- 2) How many planning applications were granted where a commuted sum was agreed for the affordable homes.
- 3) How many approved affordable homes have been delivered within each ward and, in cases where that was not possible, what has happened to the commuted sum.
- 4) What were the main barriers to affordable housing being delivered on site and what is being done to overcome this.
- 5) The percentage of housing-led development sites (by ward) which did not include affordable housing as part of the New Homes Strategy.”

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.

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Minutes

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Present

Councillors Meagher (Convener), Bruce, Caldwell, Campbell, Dobbin, Flannery, Key (substituting for Councillor Kumar) (Items 10-23), Kumar (Items 1-9), Parker, Rae, Watt and Whyte.

1. Minutes

Decision

To approve the minute of the Housing, Homelessness and Fair Work Committee of 29 September 2022 as a correct record.

2. Work Programme

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

Decision

To note the Work Programme.

(Reference – Work Programme, submitted.)

3. Rolling Actions Log

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

Decision

- 1) To agree to close the following actions:
 - Action 1 – Edinburgh International Conference Centre Annual Update
 - Action 2 (2) – Rent Collection and Assistance for Council Tenants
 - Action 4 (2) – Parental Employability Support
 - Action 5 (1&2) – Update on the Housing Service Improvement Plan
 - Action 7 – Business Bulletin
 - Action 9 – Capital City Partnership – Progress Update
 - Action 11 – Homelessness Services – Statutory Returns
 - Action 12 (2) – HR Budget Strategy

- 2) To request that letters issued as part of action 12 (2) be circulated to members.
- 3) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log, submitted.)

4. Business Bulletin

The Business Bulletin for December 2022 was presented.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, submitted.)

5. Housing Land Strategy Report

Details were provided of the findings from the market engagement exercise which looked at more innovative ways of delivering affordable housing to accelerate delivery rates. Market conditions had changed dramatically since this exercise began and this was reflected in the proposed approach. Rather than move forward with lease based proposals, it was considered better to focus on the opportunities being presented directly by land-owners. These opportunities were included as part of an updated Housing Land Strategy and the sites were also included in the 2023-2028 Strategic Housing Investment Plan (SHIP).

Decision

- 1) To note the findings and opportunities which emerged from the Prior Information Notice (PIN) market engagement process.
- 2) To note approval would be sought from Finance and Resources Committee for purchase of homes or sites with progress reported to Committee via briefings and Business Bulletin updates.
- 3) To request a percentage breakdown of homes in social housing, midmarket rent etc.

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

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

An update was provided on the progress of the transition strategy for The EDI Group Limited which aimed to close it and its subsidiary companies and bring their projects and assets into the Council.

Decision

- 1) To note the report.
- 2) To refer the report to the Governance, Risk and Best Value Committee.
- 3) To note that ward members would be provided with information and progress updates on the remaining land at New Brunstane (the east field).

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

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

An update was provided on the performance of the Edinburgh International Conference Centre (EICC) in the year ending 31 December 2021. The performance reflected the ongoing recovery from the significant difficulties that COVID-19 had 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, had been signed-off by its auditor.

Decision

- 1) To note the annual performance update for 2021 provided by Edinburgh International Conference Centre (EICC), as detailed in Appendix 1 of the report by the Executive Director of Place.
- 2) To note the EICC Statement of Accounts for 2021 as reported to CEC Holdings Ltd and the audit findings as detailed in Appendices 2 and 3 of the report by the Executive Director of Place respectively.
- 3) To refer the report to the Governance, Risk and Best Value Committee for information.
- 4) To note that EICC would offer a briefing session for Elected Members to discuss their plans, in the new year, and that to request that a schedule of planned repayments be presented at this session.

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

Declarations of Interest

Councillor Whyte made a transparency statement as a board member of the EICC and EDI Group.

Councillor Meagher made a transparency statement as a member of CEC Holdings.

8. **Edinburgh International Conference Centre – Shareholders' Agreement and Strategic Delivery Agreement**

Details were provided of 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. A new Strategic Delivery Agreement (SDA) between the Council and Edinburgh International Conference Centre Hotels Limited (EICCH) was proposed in order to give the Council additional oversight of the project.

Decision

To continue consideration of the matter to the meeting in March 2023 to allow for further formal consultation with the Boards of EICC and CEC Holdings, and an officer briefing with members of the Housing, Homelessness and Fair Work Committee.

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

Declarations of Interest

Councillor Whyte made a transparency statement as a board member of the EICC and EDI Group.

Councillor Meagher made a transparency statement as a member of CEC Holdings.

9. Strategic Housing Investment Plan (SHIP) 2023-28

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 was anticipated that over 8,300 homes would have been approved for site start and 6,900 affordable homes completed. The SHIP set 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, Registered Social Landlords' (RSLs) own finance, finance raised by private developers, institutional investment, developer contributions and Housing Revenue Account (HRA) funding. However, current funding levels would only allow for 600 new grant funded homes to be approved each year; a 200% uplift would be required to achieve the SHIP.

Motion

- 1) To approve the Strategic Housing Investment Plan (SHIP) 2023-28 for submission to the Scottish Government.
- 2) To note the report set 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.
- 3) To note the SHIP included 9,473 homes that would require grant funding through the Affordable Housing Supply Programme (AHSP). Which would require over three times the amount of grant funding set out in current resource planning assumptions.
- 4) To note 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.
- 5) To note that the SHIP would be reviewed annually and officers would continue to seek opportunities to accelerate delivery of affordable housing and secure more grant funding.

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment 1

- 1) To approve the Strategic Housing Investment Plan (SHIP) 2023-28 for submission to the Scottish Government.
- 2) To note the report set 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.

- 3) To note the SHIP included 9,473 homes that would require grant funding through the Affordable Housing Supply Programme (AHSP). Which would require over three times the amount of grant funding set out in current resource planning assumptions.
- 4) To note 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.
- 5) To note that the SHIP would be reviewed annually and officers would continue to seek opportunities to accelerate delivery of affordable housing and secure more grant funding.
- 6) To note point 3.2.4 in the Draft Council Business Plan that went to Policy and Sustainability Committee on 17 November 2022 which stated:
 - 3.2.4 Increase the number of homes for affordable rent, with a target to build 25,000 council owned homes over the next 10 years.
- 7) To note the Edinburgh Labour Manifesto for the 2022 Council Elections stated:

Edinburgh Labour would:

 - Start a programme to build at least 25,000 council owned homes within 10 years
- 8) To agree therefore that councillors would receive a written briefing within one month setting out the detail of the pipeline of homes including how many sites will provide council owned affordable homes, including the number of homes on each site.

To agree that all future cover reports for the annual SHIP would include the split between council owned sites and sites owned by third parties including the number of homes on each site.

- moved by Councillor Campbell, seconded by Councillor Dobbin

Amendment 2

Notes the information in recommendations 1.1.2 to 1.1.5

- 1) To consider that without 200% additional Grant Funding from the Scottish Government (as outlined in the report) and certainty over future Scottish Government policy on rent freezes and rent controls the SHIP would be undeliverable, aspirational document.
- 2) To further considered that the SHIP in this form would not constitute a plan for increased affordable housing supply to the levels suggested in HNDA3 or the political targets set out by the Council.
- 3) Regrets that a report assessing the relative value of Edinburgh remaining within the TMDF grant funding regime or joining the SHIF regime had been delayed until March 2023 delaying any request for change should this be necessary and coming after a further budget setting process has been concluded.

- 4) To agree to submit the Strategic Housing Investment Plan to the Scottish Government on the provision that the inability to deliver is highlighted in full in any supporting letter which should also call for a full review of grant funding for affordable housing in Edinburgh to considerably increase funding to a level that meets need. This should recognise Edinburgh's uniquely challenging situation namely increasing population, relative lack of affordable housing supply, relatively high levels of homelessness and use of temporary accommodation, and the likely negative impact on these issues of the removal of local connection on homelessness presentations.
- 5) To further agree that the submission letter should call for urgent clarity on future Scottish Government policy regarding rent freezes/controls setting out their impact on risk and future certainty of rent supply and the effect this has on the Council and RSL partners' ability to increase affordable housing supply and call for mitigating funding should the risks/impacts remain under any proposed policy.

- moved by Councillor Whyte, seconded by Councillor Bruce

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

Voting

The voting was as follows:

For the Motion (as adjusted)	-	9 votes
For Amendment 2	-	2 votes
Abstentions	-	2

(For the motion: Councillors Meagher, Campbell, Dobbin, Kumar, Parker, Rae, and Watt.

For the amendment: Councillors Bruce and Whyte.

Abstentions: Councillors Caldwell and Flannery)

Decision

To approve the following adjusted motion by Councillor Meagher:

- 1) To approve the Strategic Housing Investment Plan (SHIP) 2023-28 for submission to the Scottish Government.
- 2) To note the report set 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.
- 3) To note the SHIP included 9,473 homes that would require grant funding through the Affordable Housing Supply Programme (AHSP). Which would require over three times the amount of grant funding set out in current resource planning assumptions.
- 4) To note 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.

- 5) To note that the SHIP would be reviewed annually and officers would continue to seek opportunities to accelerate delivery of affordable housing and secure more grant funding.
- 6) To note point 3.2.4 in the Draft Council Business Plan that went to Policy and Sustainability Committee on 17 November 2022 which stated:
 - 3.2.4 Increase the number of homes for affordable rent, with a target to build 25,000 council owned homes over the next 10 years.
- 7) To note the Edinburgh Labour Manifesto for the 2022 Council Elections stated: Edinburgh Labour would:
 - Start a programme to build at least 25,000 council owned homes within 10 years
- 8) To agree therefore that councillors would receive a written briefing within one month setting out the detail of the pipeline of homes including how many sites will provide council owned affordable homes, including the number of homes on each site.
- 9) To agree that all future cover reports for the annual SHIP would include the split between council owned sites and sites owned by third parties including the number of homes on each site.
- 10) To request that a table is provided detailing the percentages of SL homes, social homes, affordable housing on each site.
- 11) To note officers would provide members with more detail on the climate impact of building homes, as detailed in the Internal Impact Assessment.
- 12) To note officers would consult with Councillor Whyte to provide a follow up on the concerns of specific undeveloped SL sites.

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

10. Affordable Childcare for Working Parents

An outline of the current Affordable Childcare Service was provided. Details were provided of research undertaken by consultant Ekosgen into its effectiveness and the recommendations they provide for a future funding model. It was intended to extend the current contracts for Affordable Childcare for Working Parents and approval was sought to progress with a proposed model for co-production of future contracts.

Decision

- 1) To note the output from the Affordable Childcare for Working Parents report in Appendix 4 of the report by the Executive Director of Place.
- 2) To note the intention to extend the four current Affordable Childcare for Working Parents contracts for a second year, up to 31 March 2024.

- 3) To 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.
- 4) To agree that the envisaged model for the future of this funding outlined in paragraphs 4.18-4.26 of the report by the Executive Director of Place should form basis for co-production.

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

11. UK Shared Prosperity Fund Update

On 4 August 2022, Committee approved the recommended bids for the UK Shared Prosperity Fund. Further discussions had taken place with providers to finalise funding amounts. A summary of the projects, and the funding allocated, was provided as part of this report. The report further outlined the arrangements that would be put in place for monitoring and oversight, as well as proposed Committee reporting arrangements for the duration of the programme.

Motion

- 1) To note the additional details of the portfolio of projects to be funded as part of the City of Edinburgh Shared Prosperity Fund Investment Plan.
- 2) To note the target outcomes and outputs the projects aimed to achieve with the Shared Prosperity Fund investment;
- 3) To agree that surplus funding would be kept aside for regional activities and that officers should further explore with city region partners which delivery options are available and report back to Committee with further details.
- 4) To note 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.
- 5) To agree the suggested reporting arrangements.

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment

- 1) To note the additional details of the portfolio of projects to be funded as part of the City of Edinburgh Shared Prosperity Fund Investment Plan.
- 2) To note the target outcomes and outputs the projects aimed to achieve with the Shared Prosperity Fund investment;
- 3) To agree that surplus funding would be kept aside for regional activities and that officers should further explore with city region partners which delivery options are available and report back to Committee with further details.
- 4) To note 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.
- 5) To agree the suggested reporting arrangements.

- 6) To note that both Cllr Kumar's motion and Cllr Meagher's amendment at The City of Edinburgh Council on 25 August requested Carbon Impact Assessments on Capital Projects, which were not present in the report. Committee requests this assessment be present on the first quarterly update and requests the assessment breaks down the proposed outcome of 435 tonnes reduction of Co2e (appendix 3) due to the serious need for Council to transparently reach Net Zero by 2030.

- 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

- 1) To note the additional details of the portfolio of projects to be funded as part of the City of Edinburgh Shared Prosperity Fund Investment Plan.
- 2) To note the target outcomes and outputs the projects aimed to achieve with the Shared Prosperity Fund investment;
- 3) To agree that surplus funding would be kept aside for regional activities and that officers should further explore with city region partners which delivery options are available and report back to Committee with further details.
- 4) To note 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.
- 5) To agree the suggested reporting arrangements.
- 6) To note that both Cllr Kumar's motion and Cllr Meagher's amendment at The City of Edinburgh Council on 25 August requested Carbon Impact Assessments on Capital Projects, which were not present in the report. Committee requests this assessment be present on the first quarterly update and requests the assessment breaks down the proposed outcome of 435 tonnes reduction of Co2e (appendix 3) due to the serious need for Council to transparently reach Net Zero by 2030.
- 7) To note that the Executive Director of Place would confirm COSLA's position on petitioning the UK Government for this funding.
- 8) To note that the Convener, along with the Council Leader, would write to Secretary of State for Levelling Up, Housing and Communities to express the urgent need for confirmation of the funding scheme, and when this will be received.

(References – Housing, Homelessness and Fair Work Committee of 4 August 2022 (item 6); 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.

12. Essential Edinburgh - City Centre Business Improvement District, Renewal Ballot March 2023

An update was provided on the upcoming renewal ballot for Essential Edinburgh, the city centre Business Improvement District (BID) and summarised Essential Edinburgh achievements over its last five-year term, proposals for Essential Edinburgh's fourth term (2023-2028) and how the Council would proceed with the casting of their vote for properties within the BID area.

Decision

- 1) To approve progress towards a renewal ballot for Essential Edinburgh (by not exercising the option to veto).
- 2) To note that Essential Edinburgh were required to submit a business plan to Council and Scottish Government by 15 December 2022 and that Council were required to assess the business plan by 12 January 2023.
- 3) To note the process for making a voting decision on Council owned properties that incur the Business Improvement District (BID) levy.

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

13. Contract Extensions for Activity Agreement Hubs and Joint Co-Production with No-one Left Behind – Phase 3

Approval was sought 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. This was to allow sufficient time for a joint co-production process for the Activity Agreement Hubs and NOLB Phase 3 implementation.

Motion

- 1) To 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.
- 2) To note a preparation was underway for No One Left Behind (NOLB) Phase 3 funding that was expected to sit within local authorities from 2024 onwards, at an expected value of £1m annually for the City of Edinburgh Council.
- 3) To 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.

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment

- 1) To 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.
- 2) To note a preparation was underway for No One Left Behind (NOLB) Phase 3 funding that was expected to sit within local authorities from 2024 onwards, at an expected value of £1m annually for the City of Edinburgh Council.

- 3) To 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.
- 4) To request officers broaden existing co-production exercises to include 3rd Sector Organisations working predominately with ethnic minority service users who face additional and particular barriers in accessing employment. Further, that officers scope the opportunity of a consortium arrangement with these organisations for joined up working and delivery of tailored services.

- 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

- 1) To 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.
- 2) To note a preparation was underway for No One Left Behind (NOLB) Phase 3 funding that was expected to sit within local authorities from 2024 onwards, at an expected value of £1m annually for the City of Edinburgh Council.
- 3) To 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.
- 4) To request officers broaden existing co-production exercises to include 3rd Sector Organisations working predominately with ethnic minority service users who face additional and particular barriers in accessing employment. Further, that officers scope the opportunity of a consortium arrangement with these organisations for joined up working and delivery of tailored services.
- 5) To note that a breakdown of the demographic of young people mentioned in paragraph 3.5 would be shared with members.

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

14. Living Hours City – Response to a motion from Councillor Campbell

During its first year of operation, the Edinburgh Living Wage Action Group the city had seen 120 Edinburgh employers commit to paying the real living wage. Before the Council could consider accreditation as a Living Hours employer, committee was asked to consider three key questions to be addressed in detail – impacts on staff affected, impacts of service deliverability, and impacts on council budgets. 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.

Motion

- 1) To Congratulate the Edinburgh Living Wage Action Group on winning the 'Outstanding Leadership' award at this year's Scottish Living Wage Awards
- 2) To note the Edinburgh Living Wage Action Group would discuss and agree its plans for action during 2023 at its next meeting, and that these discussions would include potential actions to promote the living hours movement and engage further with Edinburgh Festivals organisations.
- 3) To note 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.
- 4) To note the 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.

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment 1

- 1) To Congratulate the Edinburgh Living Wage Action Group on winning the 'Outstanding Leadership' award at this year's Scottish Living Wage Awards.
- 2) To note the Edinburgh Living Wage Action Group would discuss and agree its plans for action during 2023 at its next meeting, and that these discussions would include potential actions to promote the living hours movement and engage further with Edinburgh Festivals organisations.
- 3) To note 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. To note that the motion passed in June agreed in principle that Edinburgh would become a Living Hours City.
- 4) To note that a fundamental change that would help workers to cope with the cost of living crisis would be to have certainty and security over working hours, but also recognises the increased financial challenges the council faces and agrees that while this may not be deliverable in the short term, it should remain a longer term goal.
- 5) To agree to bring back a report in three cycles setting out in more detail what the scoping work for Edinburgh to become a Living Hours City would entail including:
 - An early discussion with Living Wage Scotland about what a journey to a Living Hours City could look like
 - A preliminary assessment of which departments in the council would be affected alongside staff numbers

- A financial assessment of what impact becoming a Living Hours employer could have on future council budgets
- Requests that the Living Wage Action Group consider this information and their assessment is included within the report

- moved by Councillor Campbell, seconded by Councillor Dobbin

In accordance with Standing Order 22(12), the amendment was accepted in place of the motion.

At this point in the meeting the following Amendment 2 was proposed:

Amendment 2

To agree the recommendations in the report.

Voting

The voting was as follows:

For the Motion (as adjusted)	-	7 votes
For Amendment 2	-	4 votes

(For the Motion (as adjusted): Councillors Meagher, Campbell, Dobbin, Kumar, Parker, Rae, and Watt.

For Amendment 2: Councillors Bruce, Caldwell, Flannery and Whyte)

Decision

- 1) To Congratulate the Edinburgh Living Wage Action Group on winning the 'Outstanding Leadership' award at this year's Scottish Living Wage Awards.
- 2) To note the Edinburgh Living Wage Action Group would discuss and agree its plans for action during 2023 at its next meeting, and that these discussions would include potential actions to promote the living hours movement and engage further with Edinburgh Festivals organisations.
- 3) To note 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.
- 4) To note that the motion passed in June agreed in principle that Edinburgh would become a Living Hours City.
- 5) To note that a fundamental change that would help workers to cope with the cost of living crisis would be to have certainty and security over working hours, but also recognises the increased financial challenges the council faces and agrees that while this may not be deliverable in the short term, it should remain a longer term goal.
- 6) To agree to bring back a report in three cycles setting out in more detail what the scoping work for Edinburgh to become a Living Hours City would entail including:
 - An early discussion with Living Wage Scotland about what a journey to a Living Hours City could look like

- A preliminary assessment of which departments in the council would be affected alongside staff numbers
- A financial assessment of what impact becoming a Living Hours employer could have on future council budgets
- Requests that the Living Wage Action Group consider this information and their assessment is included within the report

(References – Act of Council No. 27, 30 June 2022; report by the Interim Executive Director of Corporate Services, submitted.)

15. Appointments to the Homelessness Task Force

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 had not yet been appointed, and to ensure that the important work overseen by the foregoing Homelessness Task Force did not stall, it was recommended that this group was re-established and appointed. The proposed membership structure and remit of this working group was detailed in the Appendix to the report.

Decision

- 1) To agree to re-establish the Homelessness Task Force and to agree the remit set out in the Appendix to the report.
- 2) To appoint Councillor Meagher as the Chair and Labour representative on the Task Force.
- 3) To appoint Councillor Campbell as the SNP representative on the Task Force.
- 4) To appoint Councillor Rae as the Green representative on the Task Force.
- 5) To appoint Councillor Whyte as the Conservative representative on the Task Force.

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

16. Accessible Housing Study

Details were provided of work already underway to build more accessible housing in the city by our affordable housing partners. However, new build housing only accounted for a small proportion of overall stock in the city so making best use of existing stock was 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.

Motion

- 1) To note the key findings, recommendations and next steps from the Accessible Housing Study.
- 2) To note the joint work between housing, health and social care and Housing Association partners which contributed to increased provision of homes that support independent living, including wheelchair accessible homes.

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment

- 1) To note the key findings, recommendations and next steps from the Accessible Housing Study.
- 2) To note the joint work between housing, health and social care and Housing Association partners which contributed to increased provision of homes that support independent living, including wheelchair accessible homes.
- 3) Agrees to establish the Working Group as set out at 5.1.
- 4) Agrees that, through its engagement with relevant stakeholders, the Working Group will prioritise the voice of lived experience in all its work, advocating for actions which are in line with the social model of disability.
- 5) Requests that the Working Group prioritise work in the following areas once established (and any others they deem important):
 - a) Allocations policy, bidding processes and support
 - b) Adaptation processes and support
 - c) Placemaking and access around properties
 - d) Planning and new-build policies and standards
- 6) Agrees that the Working Group will provide updates on its work in all these areas via the Business Bulletin at each future committee meeting, and with a view to outlining any resourcing needs required to fill gaps in current service provision for committee to consider in the future, once these are known.
- 7) Further, notes the work of Living Streets in assessing conditions around social housing in Scotland and requests that officers contact Living Streets about this project to help inform work around 1.1.5 c) above.

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

Decision

- 1) To note the key findings, recommendations and next steps from the Accessible Housing Study.
- 2) To note the joint work between housing, health and social care and Housing Association partners which contributed to increased provision of homes that support independent living, including wheelchair accessible homes.
- 3) To agree to establish the Working Group as set out at paragraph 5.1 of the report by the Executive Director of Place.
- 4) To agree that, through its engagement with relevant stakeholders, the Working Group would prioritise the voice of lived experience in all its work, advocating for actions which are in line with the social model of disability.
- 5) To request that the Working Group prioritise work in the following areas once established (and any others they deem important):

- a) Allocations policy, bidding processes and support
 - b) Adaptation processes and support
 - c) Placemaking and access around properties
 - d) Planning and new-build policies and standards
- 6) To agree that the Working Group would provide updates on its work in all these areas via the Business Bulletin at each future committee meeting (with the proviso that a “nil report” is acceptable if no updates are required), and with a view to outlining any resourcing needs required to fill gaps in current service provision for committee to consider in the future, once these were known.
 - 7) To further note the work of Living Streets in assessing conditions around social housing in Scotland and requests that officers contact Living Streets about this project to help inform work around 5 c) above.
 - 8) To note that Councillor Parker’s remaining questions would be shared and officers’ answers circulated to members.

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

Declarations of Interest

Councillor Parker made a transparency statement as an Associate of Housing Options Scotland.

17. Empty Homes Annual Report

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. Committee was provided with an update on the appointment of an EHO on a permanent basis and provided an update by setting out the work of the EHO since 4 November 2021.

Motion

To note the report, which had been produced in response to a report approved by the Housing, Homelessness and Fair Work Committee on 4 November 2021.

- moved by Councillor Meagher, seconded by Councillor Watt

Amendment

- 1) To note the report, which had been produced in response to a report approved by the Housing, Homelessness and Fair Work Committee on 4 November 2021.
- 2) To request that anonymised data is collated and shared, where possible, with committee regarding how the Empty Homes on the 2022 Completed Investigations became empty (ie maintenance issues, landlord illness, market challenges etc.) within 2 cycles.
- 3) To request that data requested in Point 2 is accessible on future Empty Home Annual Reports.

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

Decision

- 1) To note the report, which had been produced in response to a report approved by the Housing, Homelessness and Fair Work Committee on 4 November 2021.
- 2) To request that anonymised data is collated and shared, where possible, with committee regarding how the Empty Homes on the 2022 Completed Investigations became empty (ie maintenance issues, landlord illness, market challenges etc.) within 2 cycles.
- 3) To request that data requested in Point 2 is accessible on future Empty Home Annual Reports.

(References – Housing, Homelessness and Fair Work Committee of 4 November 2021 (item 12); Report by the Executive Director of Place, submitted.)

18. Place Directorate - Revenue Budget Monitoring 2022/23 - Month Five Forecast

The month five 2022/23 revenue monitoring position for the Housing Revenue Account (HRA), Homelessness Services and Place Directorate General Fund (GF) was presented. The month five forecast for the HRA in 2022/23 was a balanced position. The Homelessness service month five forecast in 2022/23 had an overspend of £8.040m (increased from £5.5m at month three). The month five GF 'business as usual' revenue forecast for services within the remit of this Committee was for a break-even outturn against budget. The GF Covid-19 impact for services within the remit of this Committee was forecast to be a net cost of £0.148m.

Decision

- 1) To note that the Housing Revenue Account (HRA) was 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).
- 2) To note the Homelessness Service projected an overspend of £8.040m at month five in 2022/23 (increased from £5.5m at month three).
- 3) To note the Place General Fund (GF) services within the remit of the Committee were forecasting that 'business as usual' (excluding Covid-19 impact) would break even in 2022/23 after drawing down £0.528m from Council provisions made to cover inflationary impacts.
- 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.

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

19. Housing Land Audit and Completions Programme 2022 – referral from the Planning Committee

The Planning Committee referred a report on the Housing Land Audit and Completions Programme 2022 to the Housing, Homelessness and Fair Work Committee for information.

Decision

To note the report.

(References – Planning Committee of 2 November 2022 (item 3); referral from the Planning Committee, submitted.)

20. No Recourse to Public Funds – Update

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.

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.

21. Major Investigation Outcome Report (MCEC-19-19) - referral from the Governance, Risk and Best Value Committee

The Committee in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1, 12 and 15 of Part 1 of Schedule 7A of the Act.

On 11 October 2022, the Governance, Risk and Best Value Committee considered a report by the Service Director – Legal & Assurance and Council Monitoring Officer on a major investigation outcome report in relation to a Council service area which was submitted to the Committee for consideration.

Decision

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

22. Whistleblowing Major Investigation – MCEC-19-19 –further information - referral from the Governance, Risk and Best Value Committee

The Committee in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1, 12 and 15 of Part 1 of Schedule 7A of the Act.

On 11 October 2022 and 22 November 2022, the Governance, Risk and Best Value Committee considered a report by the Service Director – Legal & Assurance and Council Monitoring Officer which provided greater detail of the major investigation outcome report in relation to a Council service area was provided to the Committee.

Decision

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

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Work Programme

Housing, Homelessness and Fair Work Committee

9 March 2023

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		May 2023 November 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		November 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 November 2023

4	Appointments to Working Groups	Annual report	Executive Director of Corporate Services Lead Officer: Jamie Macrae 0131 553 8242 jamie.macrae@edinburgh.gov.uk		November 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 2024
8	EICC	Annual report	Executive Director of Place Lead Officer: David Cooper 0131 529 6233 david.cooper@edinburgh.gov.uk		November 2023
9	Empty Homes Annual Update	Annual Report	Executive Director of Place Lead Officer: Andrew Mitchell 0131 469 5822 andrew.mitchell@edinburgh.gov.uk		November 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 2024
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		November 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		November 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		August 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
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Report Title	Directorate
May 2023	
Place and Homelessness – Financial Monitoring	Place
EDI Group	Place
Capital City Partnership	Place

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Rolling Actions Log

Housing, Homelessness and Fair Work Committee

9 March 2023

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	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		Recommended for Closure Report on agenda for March 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			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		Recommended for Closure Report on agenda for March 2023.
2	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	Closed December 2022 Workshop took place on 09.11.22

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			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	Closed December 2022 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		Recommended for Closure Report on agenda for March 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
3	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

			<p>2) To request a briefing after the publication of the Accessible Housing Study (Appendix 1, 4.23) to understand more about:</p> <ul style="list-style-type: none"> 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 	Executive Director of Place	31 March 2023		<p><u>Update March 2023</u> Briefing will take place on 31.03.23.</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Accessible Housing Study.				
4	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		Recommended for Closure Report on agenda for 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	March 2023		Recommended for Closure Details included in March 2023 report and will be provided in future reports.
5	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	Closed December 2022 Briefing took place on 13 October 2022.

			<p>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</p>	<p>Executive Director of Place</p>	<p>May 2023</p>	<p><u>Update December 2022</u> Report will go to Committee in May 2023.</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			including trauma or violence.				
6	29.09.22	The City of Edinburgh Council's Annual Assurance Statement on Housing Services	<p>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:</p> <p>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)</p> <p>2.2 how the areas were prioritised</p> <p>2.3 what resident engagement and consultation had taken place prior to works commencing.</p>	Executive Director of Place	March 2023		Recommended for Closure Report on agenda for March 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
7	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		Recommended for Closure Report on agenda for 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	Closed December 2022 Letters issued on 11.11.22 and 15.11.22. Letters and response issued to members.

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			<u>Update December 2022</u> 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	March 2023		<p>Recommended for Closure</p> <p>Briefing session held on 25.01.23.</p> <p><u>Update December 2022</u></p> <p>Details of this are covered in the SHIP 23-28 report to Committee in December 2022.</p> <p>A detailed report on TMDF/SHIF will be brought to Committee in March 2023 in response to Councillor Campbell's motion.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
8	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 March 2023</u> Further details are included in the update report on the agenda for the meeting of 9 March.
			2) Agree that an update will be provided in December 2022.	Executive Director of Place	March 2023		Recommended for Closure Update on agenda for March 2023.
9	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			<u>Update March 2023</u> Initial meeting was held with Cllr Meagher & Cllr Watt on 18.01.23, further discussions to take place.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
10	01.12.22	RAL – December 2022	To request that letters issued as part of action 12 (2) be circulated to members. (HRA Budget Strategy)	Executive Director of Place		25 February 2023	Recommended for Closure Letters were circulated to members on 25.02.23.
11	01.12.22	Housing Land Strategy Report	To request a percentage breakdown of homes in social housing, mid-market rent etc.	Executive Director of Place	January 2023	January 2023	Recommended for Closure Circulated 25.01.23.
12	01.12.22	The EDI Group – annual update for the year ending 31 December 2021	To note ward members would be provided with information and progress updates on the remaining land at New Brunstane (the east field).	Executive Director of Place		10 February 2023	Recommended for Closure Update provided to members on 10.02.23.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
13	01.12.22	Edinburgh International Conference Centre – annual update for the year ending 31 December 2021	To note that EICC would offer a briefing session for Elected Members to discuss their plans, in the new year, and that to request that a schedule of planned repayments be presented at this session.	Executive Director of Place			<u>Update March 2023</u> Officers are liaising with EICC about this session.
14	01.12.22	Strategic Housing Investment Plan (SHIP) 2023-28	1) Agrees that councillors will receive a written briefing within one month setting out the detail of the pipeline of homes including how many sites will provide council owned affordable homes, including the number of homes on each site.	Executive Director of Place			<u>Update March 2023</u> Briefing note to be circulated to members - March 2023

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To request that a table is provided detailing the percentages of SL homes, social homes, affordable housing on each site.	Executive Director of Place			<u>Update March 2023</u> Briefing note to be circulated to members - March 2023
			3) To note officers would provide members with more detail on the climate impact of building homes, as detailed in the Internal Impact Assessment.	Executive Director of Place			<u>Update March 2023</u> Briefing note to be circulated to members - March 2023
			4) To note officers would consult with Councillor Whyte to provide a follow up on the concerns of specific undeveloped SL sites.	Executive Director of Place		January 2023	Recommended for closure Completed January 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
15	01.12.22	UK Shared Prosperity Fund Update	1) Notes that both Cllr Kumar's motion and Cllr Meagher's amendment at The City of Edinburgh Council on August 25th requested Carbon Impact. Assessments on Capital Projects, which are not present on the below report. Committee requests this assessment is thus present on the first quarterly update and requests the assessment breaks down the proposed outcome of 435 tonnes reduction of Co2e (appendix 3) due to the serious need for Council to transparently reach Net Zero by 2030.	Executive Director of Place			<u>Update March 2023</u> Action in progress. Assessment to be carried out.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To note that the Executive Director of Place would confirm COSLA's position on petitioning the UK Government for this funding.	Executive Director of Place		December 2022	Recommended for closure Details circulated to members on 12.12.22.
			3) To note the Convener, along with the Council Leader, would write to Secretary of State for Levelling Up, Housing and Communities to express the urgent need for confirmation of the funding scheme, and when this will be received.	Executive Director of Place		December 2022	Recommended for Closure Details circulated to members on 12.12.22.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
16	01.12.22	Contract Extensions for Activity Agreement Hubs and Joint Co-Production with No-one Left Behind – Phase 3	To note that a breakdown of the demographic of young people mentioned in paragraph 3.5 would be shared with members.	Executive Director of Place		January 2023	Recommended for Closure A note was circulated to members on 25.01.23.

17	01.12.22	Living Hours City – Response to a motion from Councillor Campbell	<p>Agrees to bring back a report in three cycles setting out in more detail what the scoping work for Edinburgh to become a Living Hours City would entail including:</p> <ul style="list-style-type: none"> • An early discussion with Living Wage Scotland about what a journey to a Living Hours City could look like • A preliminary assessment of which departments in the council would be affected alongside staff numbers • A financial assessment of what impact becoming a Living Hours employer could have on future council budgets • Requests that the Living Wage Action Group consider this information and their assessment is included within the report 	Interim Executive Director of Corporate Services	August 2023		
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
18	01.12.22	Accessible Housing Study	To note that Councillor Parker's remaining questions would be shared and officers' answers circulated to members.	Executive Director of Place		March 2023	Recommended for Closure Circulated on 2 March 2023.
19	01.12.22	Empty Homes Annual Report	Committee requests that anonymised data is collated and shared, where possible, with committee regarding how the Empty Homes on the 2022 Completed investigations became empty (ie maintenance issues, landlord illness, market challenges etc.) within 2 cycles	Executive Director of Place	February 2023		Recommended for Closure Briefing will take place by end of February 2023.


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Business Bulletin

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Housing, Homelessness and Fair Work Committee

Convener:	Members:	Contact:
<p>Convener: Councillor Jane Meagher</p> 	<p>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</p>	<p>Jamie Macrae Committee Officer Tel: 0131 553 8242</p>

Forever Edinburgh update – December 2022

Forever Edinburgh are currently delivering the final phase of *The Story Never Ends*, the city's promotional campaign aimed at prospective UK visitors, which launched in April 2021 as part of the city's Covid-19 recovery efforts. The campaign has focussed on raising awareness of Edinburgh's unrivalled and unique visitor offer across the whole city and the impact on building future visitor demand.

To date, the Council's destination marketing team has secured and delivered £355,000 of funded promotional activity to position Edinburgh as the UK's top city break destination among target visitor segments in England and Scotland. The campaign has delivered inspirational Edinburgh messaging and content on a range of online and offline channels. Through partnership working, the campaign secured endorsements from multi-award-winning authors Sir Ian Rankin OBE and Alexander McCall Smith, local personalities Gail Porter, Boogie and Arlene and Radio 1 DJ Stuart Sandeman, and media coverage in a range of titles.

'The Official Guide to Edinburgh' [website](#) run under the Forever Edinburgh brand has seen a huge increase in users and pageviews in comparison to the previous year, as well as when compared with pre-pandemic levels. 'Resident Rewards Edinburgh', a new initiative aimed at engaging City of Edinburgh residents in the city's cultural offer and enabling residents to experience their own city through the eyes of visitors at a discounted price, has been a success and has just reached its first birthday. Building on this, we have strong partner buy-in for 2023 and thanks to the UK Shared Prosperity Fund, the rewards programme will be enhanced to offer a wider variety of benefits for residents to enjoy all year round.

Throughout 2023 and 2024, the Council will continue to support recovery and respond to emerging market challenges. A new promotional website for Edinburgh is currently under development and updates will be shared with Committee on the programme of the new website,

Contact:

[Fiona Hunter](#), Destination Marketing and Contracts Manager

Recent News

the enhanced Resident Reward Programme and a new visitor campaign that will replace The Story Never Ends. It is planned to launch a new TikTok account for Edinburgh (Visit_Edinburgh), to reach new audiences and remain relevant to emerging trends.

Acquisitions and Disposals Update

The overarching objective of the Acquisitions and Disposals policy is to increase supply of Council homes and reduce ongoing management and maintenance costs by consolidating Housing Revenue Account (HRA) assets. The policy seeks to purchase homes where full block consolidation could be achieved over 25 years and divest from blocks where the Council is the minority owner. The purchase of homes is primarily funded from capital receipts from disposals supplemented by Scottish Government grant funding.

Since the implementation of the policy in 2015, 240 homes have been purchased and 131 homes have been sold. This has led to 65 blocks becoming fully Council owned, 100 blocks where the Council has divested its interest and 162 blocks where the Council has further consolidated its majority ownership. Majority ownership enables the Council to secure Scheme Decisions to take forward essential common repairs. The policy is also assisting the Council to increase the number of ground floor homes to help meet wider accessibility needs. Since the policy has been introduced there has been a net increase of 16 ground floor homes to the Council's estate.

The impact of disposals on affordable housing supply is managed by buying more homes than are sold and, where possible, selling homes to Registered Social Landlords (RSLs). A total of 27 homes have been sold to RSLs and let as permanent homes or made available for temporary accommodation.

Background

Contact:

[Elaine Scott](#), Head of Housing Strategy and Development

Recent News

Background

Accessible Housing Study

The key findings, recommendations and next steps of an Accessible Housing Study were reported to Housing, Homelessness and Fair Work Committee on [1 December 2022](#). It was agreed that an update would be provided to the Committee through the Business Bulletin.

A briefing note in response to follow up questions has been circulated to all Members of this committee and face to face briefings on the findings of the study and work to date have been offered later in March 2023.

Officers have been reviewing the information from the study and have begun to develop a workplan around key themes from the Study including data, definitions, delivering accessible homes as well as, allocations, adaptations and advice and information.

A provisional date for the first Working Group has been set for 30 March 2023. The Working Group will be a high-level steering group tasked with agreeing priorities and ensuring relevant internal teams, external stakeholders and people with lived experience are engaged in progressing work. An update on agreed priorities and timescales will be provided in June's Business Bulletin.

Contact:

[Gillian Donohoe](#), Senior Housing Development Officer

Coillesdene House – Lift performance issues

Coillesdene House is a multi storey block in the Portobello/Craigmillar ward in the North East area of the city with 41 flats, 34 of which are privately owned with seven owned by the Council.

The Council provides a factoring service at this block and as part of this service, provides a repairs and maintenance service for the lifts.

Since December 2022 there have been intermittent issues with the lifts which have impacted on the residents and visitors to the block. All breakdowns and faults have been reported to the contractor who has carried out multiple repairs. However, due to the age of the lifts, the repairs can be complex and it can be

Contact:

[Sarah Burns](#), Head of Housing Operations

Recent News

Background

difficult to obtain parts. This has resulted in delays to some repairs being completed.

Most of the repairs are covered as part of the contract but some, including any repairs as a result of vandalism, are recharged to the Council and the private owners.

The issue of lift maintenance was discussed at the Council meeting on 9 February 2023. Prior to this, officers had been in contact with the Coillesdene House Residents Association and the residents on a number of occasions since January 2023. Letters were sent to all residents on 9 January 2023 and on 20 February 2023 and a meeting was held with the Coillesdene House Residents Association on 8 February 2022. A further meeting has been arranged to take place on 8 March 2023 to which all residents and owners have been invited where the options for the longer term plan for the lifts will be discussed.

In light of the recent performance of the lifts, officers will recommend that a survey should be carried out to explore options for the on-going maintenance of the lifts, including the potential to replace the lifts. As the Council is a minority owner in the block, this would need to be agreed with the owners before a survey and any subsequent works could be progressed.

Following the Council meeting on 9 February 2023, officers are currently drafting a report on lift performance and investment on all lifts across the city's multi storey blocks will be brought forward to the Housing, Homelessness and Fair Work Committee on 9 May 2023.

Additional Funding for new affordable homes

Edinburgh has secured an almost 20% increase in grant funding from Scottish Government for the affordable housing supply programme in 2023/24. The Council has been able to secure an additional £8 million on top of the original Resource Planning Assumptions of £45.2million from national underspends. The new budget of £53.2million in 2023/24 continues to support the Council and Registered Social Landlords (RSLs) to construct around 2,000 affordable homes on 35 sites across the

Contact:

[Elaine Scott](#), Head of Housing Strategy and Development

Recent News

Background

city. The programme also supports off the shelf purchase of homes for social rent.

The 2022/23 Affordable Housing Supply Programme budget has contributed to a variety of innovative projects across the city, including the acquisition of the Liberton Hospital site, development of 300 affordable homes at West Craigs with completions expected in 2024/25 and purchase of 23 homes for social rent from the Ministry of Defence at Dreghorn.

UK Levelling Up Fund update

In June 2022 Committee approved proposals for two projects to be submitted by the Council as part of the second annual round of UK Levelling Up Fund calls for bids. These projects included an application for funding to support the regeneration of Inch Park alongside a City Wide Cultural Regeneration project.

Bids were submitted in August 2022. In January 2023 the Council were notified that they had been unsuccessful in their bids from the UK Levelling Up Fund. The notification advised that the UK Government would provide unsuccessful projects with individual feedback on their submissions, but no feedback has been made available to the projects as yet.

In total, the Council has now made five submissions to the first two UK Levelling Up Fund bidding rounds. Of these, one project – Granton Gasholder – was successful in securing £16m of UK Government investment.

UK Government plans for future rounds of UK Levelling Up Fund bids– including likely timetables or guidance for potential bidders - have yet to be announced. Further reports including proposals for future bidding rounds, and feedback received on previous rounds, will be brought to Committee when further information is available.

Contact:

[Chris Adams](#), Strategy Manager

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

2023/24 Housing Revenue Account (HRA) Capital Programme

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Housing Homelessness and Fair Work Committee:
 - 1.1.1 Agree the 2023/24 planned Housing Revenue Account (HRA) capital programme for investment of £173.361 million in Council homes and estates;
 - 1.1.2 Note the significant design and development work progressed throughout 2022/23 to transition towards a holistic whole house retrofit (WHR) approach and also the additional pipeline of design and development work that will continue to be progressed throughout 2023/24; and
 - 1.1.3 Note the key risks to programme delivery as set out in Appendix 5.

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

2023/24 Housing Revenue Account (HRA) Capital Programme

2. Executive Summary

- 2.1 This report sets out the detailed Housing Revenue Account (HRA) capital programme of £173.361 million for 2023/24. Priority projects in the localities, as previously identified by ward Councillors, form part of the HRA capital programme and will continue to be progressed in 2023/24 as set out in the report.
- 2.2 The work underway throughout 2022/23 on the design and planning for delivering a whole house retrofit (WHR) programme, combined with the successful approach to working with owners piloted at Murrayburn (which will be moving into its final stages in 2023/24) will see investment in existing stock scaled up in 2023/24 to help meet ambitious Council Commitments around net zero carbon.
- 2.3 A new holistic WHR approach, combining energy retrofit and wider building/estate improvements, will be implemented across four areas of the city. This will help to embed a more proactive approach to long term asset management that focuses on building improvements and energy performance that help to reduce future maintenance and repair risks.
- 2.4 Expenditure on the new build programme will also increase in 2023/24 as construction commences on sites at Greendykes (sites K and L), Powderhall and Murrayburn Gate and projects under construction at Western Villages, Granton D1 and Pennywell progress towards completion.
- 2.5 Design and pre-development work will commence or continue at Liberton Hospital, Silverlea and Fountainbridge. A detailed breakdown by locality of investment in new and existing homes is set out in Appendix 4.
- 2.6 Two years of rent freezes and a below inflationary increase of 3% in 2023/24 have had a significant impact on the borrowing capacity to fund the medium to long term capital investment programme. Without significant rent increases in future years or an increase in Scottish Government funding the HRA will not be able to sustain this level of investment in the medium to long term. This is set out in more detail in section 6 of the report.
- 2.7 The pace at which capital investment can be rolled out across the city beyond 2023/24 will also depend upon owners being able to access funding to meet their

share of costs, construction industry capacity and skills development. The potential mitigations to these delivery risks are set out in Appendix 5.

2.8 Committee is asked to agree the detailed capital programme for 2023/24.

3. Background

3.1 This report sets out the planned 2023/24 capital programme and the work that will be carried out over the coming year to enable large scale investment in existing Council homes and estates to be taken forward over the next ten years, depending on the availability of HRA capital funding.

3.2 On [23 February 2023](#), Council agreed a 3% rent increase in 2023/24 and noted that based on 3% rent increases over the next 10 years, around 86% of existing homes could be brought up to Energy Efficiency Standard for Social Housing (EESH2) over the lifetime of the business plan and that c.2,400 social rented homes could be delivered.

4. Main report

4.1 The Council is the largest Registered Social Landlord (RSL) in the city, with responsibility for managing and maintaining around 19,000 Council homes. The revenue service is funded almost entirely from tenants' rental income.

4.2 The HRA Budget Strategy aims to deliver a £1.7 billion capital investment in new Council homes, existing homes and neighbourhoods by 2033 if rent is increased by 3% per annum over the next 10 years. HRA investment is supporting the delivery of major Council commitments; including supporting the Council's ambition to reach 25,000 new affordable homes and net zero carbon.

4.3 The capital budget is prepared annually, following consultation with tenants and the regular review of the 30-year HRA Business Plan. It is shaped by tenants' and elected member priorities, Council commitments, statutory compliance and government targets, as well as life cycle and health and safety (i.e. maintenance and improvements to keep homes modern and safe).

Delivery context – ongoing financial challenges

4.4 The pandemic had an immediate impact on delivery of the capital programme with site closures and additional health and safety measures resulting in elongated programmes and increased costs.

4.5 These challenges have been compounded by supply chain disruption, shortages of materials, labour, contractor availability leading to sharp increases in costs (the construction sector has seen costs increase by around 30%).

4.6 In addition, the subsequent war in Ukraine and cost of living crisis linked to volatility in the energy market has meant that the cost of day-to-day delivery of the Council's core landlord services has increased alongside increases in borrowing costs for capital works. As a result, the cost of delivering the 10-year capital investment programme has increased by 20% on the previous year's business plan.

4.7 Without a substantial increase in rental income or government subsidy the amount of capital investment will have to be halved over the next 10 years.

Change in investment approach - holistic WHR and area-based approach

4.8 All social landlords are required to bring homes up to the very ambitious EESSH2. The original target of 2032 has been put on hold and Scottish Government is currently carrying out a review of the standard and associated timescales. The outcome of the review is expected to be known in late Spring/early Summer.

4.9 As a result of the pandemic, EESSH1 compliance was significantly disrupted due to site closures and an inability to access tenants' homes for internal works. Despite this, almost 80% of homes now meet the EESSH1 standard, with 12% of homes under contract (either on-site or at tender or development stage) and the remaining 6% held in temporary exemption or those that are financially or structural prohibitive to bring up to standard. To date, over 12% of homes now meet the much more ambitious EESSH2 standard.

4.10 Throughout 2022/23 work has been progressing to transition the capital investment programme for existing homes towards a focus on area-based investment, combining wider building improvements and WHR.

4.11 Traditionally the capital programme focussed on individual energy retrofit measures such as insulation and other lifecycle component measures. This year will be the first year where investment is considered holistically across a number of programmes combining a WHR approach with wider building improvement works.

4.12 A significant level of intervention in existing homes will be required to deliver advanced WHR to meet statutory requirements for energy efficiency and net zero carbon.

4.13 This presents an opportunity to also incorporate wider building improvements at the same time (i.e. rewiring, roof and gutter replacements, kitchen and bathrooms etc. alongside fabric improvements, new ventilation systems and windows and doors etc.).

4.14 To help inform this change in investment approach, the following commissions and workstreams have been progressing:

4.14.1 **Stock condition surveys:** Stock and structural condition surveys for low rise blocks are now well underway with 23% now surveyed and around a third (16 blocks) of multi-storey homes currently at different stages of survey work. Both commissions will run until at least mid-2024 and will help to prioritise the poorest performing buildings as part of an estate-based regeneration approach; and

4.14.2 The low-rise condition survey reports will provide a priority listing with the completed surveys uploaded into the new asset management system which will utilise a detailed scenario planning tool that can run reports to detail out a programme of work and budget costs for doing so. The asset management system has been integrated into NEC (formerly Northgate) which should be able to begin running reports in the summer. Stock

condition information will be baselined against areas with a high percentage of homes in the most deprived areas, areas with a high percentage of Council homes in mixed tenure blocks, low EESSH2 compliance, and repairs (including damp and mould referrals) information to collectively inform the strategic approach that will sit behind the wider WHR programme.

- 4.14.3 **WHR Design Principles study:** this study completed in 2022/23 and helped to detail the costs and level of intervention required across the Council's most common housing archetypes to implement a WHR approach and deliver EESSH2.
- 4.15 Overall, the design and development process for WHR and wider improvement/upgrade works is extensive and complex, with numerous building elements needing careful consideration to ensure the right solution for tenants and long-term asset management.
- 4.16 The design and development process can take between 12-18 months, including tenant and resident engagement, statutory consents, procurement and contract award.
- 4.17 Overall, this change in investment to a holistic WHR approach aligned with wider building improvements/upgrades offers significant benefits to both tenants and the Council as landlord including:
 - 4.17.1 **Reducing energy demand**, meaning homes are easier to heat. It is estimated it will reduce energy demand for the average home by 76%. Based on average fuel bills (October 2022 price cap) a household in a two-bed flat could save over £1,000 a year, after a home has been brought up to EESSH2 standards;
 - 4.17.2 **Protecting current and future investment**, by designing out poor performance, ensuring installations and refits complement each other rather than working against each other and enabling key issues such as air quality, damp management and ventilation to be managed appropriately; and
 - 4.17.3 **Embedding a proactive maintenance approach**, by aligning energy retrofit with building improvements key risk factors around damp and mould should be significantly reduced. It should also ensure that buildings are wind and watertight. This in turn will reduce the need for reactive repairs in the future and enable a more proactive maintenance/asset management approach for properties in order to protect the investment and ensure its longevity.
- 4.18 The longer-term strategic planning approach to prioritising areas for holistic WHR investment from 2023/24 onwards will be structured as follows:
 - 4.18.1 **Stock condition findings** - The findings will be ranked to ensure areas in need of more urgent intervention are prioritised;

- 4.18.2 **Areas of deprivation** - In addition, the more urgent stock condition findings will also be cross referenced with the Scottish Index of Multiple Deprivation (SIMD) and aligned (where possible) with the lowest 5% - 10% of areas identified by the SIMD. That way areas of higher social and economic deprivation will be prioritised for investment; and
- 4.18.3 **Tenure mix** – Focusing on areas where the Council owns the majority of homes to maximise the number of tenants benefiting from investment. A different approach will be needed for minority blocks where the Council has limited powers to take forward works and private owners may wish to take the lead in organising works with the Council meeting its share of the costs.
- 4.19 The multi-storey investment approach will vary from the low-rise area-based approach largely due to the complexity of these blocks and the need for specific bespoke design and a complex survey process throughout the design and development stage.
- 4.20 The stock condition findings will prioritise future investment requirements and this will include accessibility, health and safety, mechanical and electrical services and structural considerations.
- 4.21 Going forward from 2023/24 onwards at least four multi-storey blocks will be in design and development and at least four at construction stage. Again, similar to the low-rise area-based approach, this will ensure that there is a constant pipeline of work.
- 4.22 Following the Design Principles study and findings, 10 of the Council's most common housing archetypes were put forward as part of the WHR Phase 1 programme. Significant design and survey work has been undertaken across these 10 blocks (52 homes) with the first three archetypes due for site start this spring. Each of the 10 blocks/homes now have monitoring equipment installed.
- 4.23 This will provide baseline data on energy usage, humidity and CO2 and will be important in assessing the effectiveness of the measures post retrofit.
- 4.24 Building on the Design Principles commission four multi-storey blocks (Oxcars/Inchmickery Court and Craigmillar/Peffermill Court) were also brought into design and development following a holistic WHR approach combined with a full block improvement/upgrade programme.
- 4.25 The first area based low rise investment programme was also selected for detailed design and development focussing on the Magdalene, Bingham and Christians area. Phase 1a will launch later in 2023/24 in Magdalene.
- 4.26 A detailed breakdown of investment by locality can be found in Appendix 4.
- 4.27 Design and development for the WHR programme in 2024/25 will also be progressed throughout 2023/24 and will include a further eight multi-storey blocks (Cables Wynd and Linksvie House and the six Moredun multies). Granton Medway North will also be included as an additional low-rise area-based investment programme and a further low-rise area-based scheme will be developed covering the Muirhouse/Pilton/Royston and Wardieburn areas.

- 4.28 Consultation with tenants and owners will form a key element of the overall WHR programme. Foyer events have been held at both Oxcars and Inchmickery Court and Craigmillar and Peffermill Court, with further design sessions planned. An initial tenant engagement session was also held with Cables Wynd and Linksvie tenants.
- 4.29 Similar sessions will be planned for tenants in Magdalene and the Moredun Multies throughout 2023/24. Newsletters will also be a key feature of all WHR programmes as standard to keep tenants and owners informed.

Damp and Mould

- 4.30 WHR programme will seek to address damp and mould issues through a fabric first approach. The holistic design of the upgrades means that the air tightness is considered alongside adequate ventilation to ensure homes are breathable. However, it is acknowledged that the WHR programme is a long-term investment programme.
- 4.31 The stock condition surveys will also help to identify defects and improvements that may indicate water ingress problems (from roof, rainwater goods and harling defects) and therefore potentially dampness and mould issues. As these issues are identified, a programme for remedial interim repairs will be carried out.
- 4.32 In addition to this, a dampness sensors pilot is underway to help inform works to address some of the causes of damp and mould. Sensors have been installed in 12 homes and the pilot findings have been reviewed.
- 4.33 This will be scaled up to 500 homes across the city by the end of May 2023. This will enable the Council to become more proactive in identifying conditions early before they cause significant damage to tenants' homes.
- 4.34 Further information on the dampness sensor pilot is set out in the Housing Service Improvement Plan Update report at this Committee. A further update report specifically on dampness, mould and condensation will be presented to Committee within two cycles.

Lifecycle component investment

- 4.35 The capital programme has traditionally been largely driven by lifecycle component replacement and this will continue for the foreseeable future. The introduction of WHR will reduce the requirement for widespread lifecycle replacement particularly as the WHR programme is scaled up over the coming years. Despite this though, lifecycle components linked to health and safety and any future changes to legislation will remain a key part of the programme.
- 4.36 In 2023/24, the focus will be on lift, communal fire door, water tanks (and distribution pipework) upgrades alongside other fire safety improvements across a significant number of multi-storey blocks. Many of these programmes will be starting in 2023/24 and will in some cases continue over multiple financial years.

Mixed tenure Improvement Service Pilot

- 4.37 The Mixed Tenure Improvement Service (MTIS) will continue to work alongside owners to enable fabric repairs and energy efficiency works to progress. The MTIS Programme will move into its final year of works in Wester Hailes in 2023/24.
- 4.38 To date a total of 911 homes including 233 private and 678 Council homes in Phases 1 to 8 are either complete or currently undergoing works to retrofit and improve the blocks.
- 4.39 Throughout 2023/24 phases 9 to 11 will be progressed across Murrayburn, Dumbryden and Hailesland targeting a further 380 homes over the final year of the programme. The MTIS programme is being expanded to targeted other areas of the city to enable more Council homes to be brought up to EESSH2.

Energy Efficient Scotland: Area based Scheme

- 4.40 The Energy Efficient Scotland: Area Based Scheme (EES:ABS) 2023/24 programme is currently in development with area-based schemes being planned at various sites in the North West locality. The focus of the core programmes will likely be external wall insulation.
- 4.41 Two city wide programmes will also continue to be delivered - one focusing on internal wall insulation and the other on hard-to-treat cavities and solar PV. The final stages of the MTIS pilot will also again leverage in EES:ABS funding as part of the 2023/24 programme to support private owners across Phases 9, 10 and 11.
- 4.42 The EES:ABS grant amount to be offered to Edinburgh is still to be confirmed by the Scottish Government but is expected to be similar to the grant offered in 2022/23 which was approximately £5.0m.

Environment improvement programme

- 4.43 Over the last 12 years, over 800 mostly small scale locally nominated Neighbourhood Environment Projects (NEPs) have been delivered throughout the city on housing account land.
- 4.44 Investment has helped improve unloved open space and thoroughfares, tired fencing and prepared land for community growing. The approval process, particularly for smaller, less contentious projects can lead to delivery delays.
- 4.45 Following extensive engagement with community partners, Ward Councillors and Council officers during 2022, a new approach to delivering small to medium scale local estate improvement projects (EIPs) has been developed. The new approach will deliver quicker, more responsive improvements and a more comprehensive approach to larger scale improvements and has three elements:
 - 4.45.1 A pathway to agreeing smaller scale improvements and repair upgrades (£10,000 maximum). These smaller, less contentious projects will be delivered quickly, with local engagement with the surrounding community but without a resource intensive decision-making process;

- 4.45.2 Engagement with residents in blocks undergoing essential repairs and improvements to develop proposals for improving the communal space or courtyards immediately adjacent to blocks; and
- 4.45.3 A participative process for delivering larger scale, holistic estates improvement projects that may form part of major regeneration programmes, local Place Plans and/or approved masterplans with HRA funding siting alongside other funding streams.

New Affordable homes

- 4.46 The Council's Housebuilding Capital Programme for 2023/24 is just over £100m. This reflects a continuation of many projects at all stages of design and development.
- 4.47 The 2023/24 programme will see a lot more construction activity on site as a number of homes move from design and procurement into site activity. This includes: Murrayburn Gate and the remainder of the mixed tenure housing site at Powderhall, as well as continuing delivery of new homes in Granton at Granton D1 and Western Villages, both of which will be the Council's first net zero carbon developments.
- 4.48 There are currently 613 affordable homes under construction (as of the end of January 2023). A further 1,055 are in design or pre-construction. A detailed breakdown of investment by locality can be found in Appendix 4 and further detail on some of the key projects is noted below.
- 4.49 The completion of homes at Pennywell Phase 3 is a major milestone in the delivery of affordable homes on this housing-led regeneration site. Progress with the MacMillan HUB, which is a key feature of the regeneration approach, will deliver a library and skills hub, an additional space for North Edinburgh Arts to ensure that it continues to be at the centre of a creative, connected and inspired community. The HUB is expected to complete in late 2023.
- 4.50 The Edinburgh Homes Demonstrator (EHD) programme has developed through the Pilot at Granton D1 to deliver a blueprint for offsite construction. The EHD programme has the potential to deliver efficiencies in design and procurement and further sites within the Edinburgh housebuilding programme are being identified for inclusion. Working with partners, Scottish Futures Trust and the Edinburgh and South East Scotland City Region Deal, work is being carried out to deliver a regional pipeline which will provide increased confidence for supply chains and support further efficiencies through off-site construction.
- 4.51 The principles will be refined through its application at Greendykes K and L. Homes will be monitored for performance on completion.
- 4.52 In February 2023, the Council purchased Liberton Hospital and surrounding land. This site has been allocated for Housing in the Local Development Plan. A Prior Information Notice (PIN) is due to be released seeking interest from potential development partners.

- 4.53 This PIN will inform the procurement strategy for the site. As with all developments of this size, there will be a focus on community engagement and consultation as part of the planning process. NHS Lothian will continue to occupy the site for at least a year, with the option to extend that lease for a further year as a contingency for exit arrangements.
- 4.54 Work to progress Silverlea in the north of the city will be taken forward by Cruden Building East who were appointed as the main contractor to design and build out the development. Planning permission was secured in the summer of 2022 and 123 new homes will be delivered on the site; 72 of which will be for social rent.
- 4.55 Other larger sites in the city at Fountainbridge and Meadowbank will also progress, with the outcome of the planning application at Fountainbridge expected shortly and reports to Finance and Resources Committee seeking approval to enter into development agreements later in the year. Construction work at Powderhall is also expected to commence in the summer of 2023, with first completions expected in 2024/25.
- 4.56 These projects will deliver much needed housing across all tenures, delivering high quality homes that are energy efficient on sites that focus on active travel and supporting the growth of sustainable communities.

5. Next Steps

- 5.1 Officers will continue to work with Scottish Government to maximise grant funding for both the new build programme and WHR approach across existing homes. Particular focus will be given to funds that help to support the transition to net zero carbon. Any additional funds could potentially be used to accelerate investment or to reduce borrowing.
- 5.2 The WHR programme will move into the delivery phase with the core delivery programmes brought to site start in 2023/24. Preparatory works will also begin on projects for site start in 2024/25.
- 5.3 Stock and structural condition surveys for low and high rise blocks will progress throughout 2023/24. Both commissions will continue to feed into the key WHR workstream findings in determining future investment priorities.
- 5.4 As part of the implementation of the Estate Improvement Programme, throughout March 2023, refresher sessions will be available for all Ward Councillors to discuss new proposals and opportunities for Improvement Group involvement.
- 5.5 Following a report on the Housing Land Strategy to the Housing Homelessness and Fair Work Committee on [1 December 2022](#), work is progressing with landowners in West and North Edinburgh to identify optimal routes to deliver affordable homes on private sector land. Capacity studies are taking place on sites which could deliver up to 50% affordable housing.
- 5.6 The focus of this work is to establish viable and procurement compliant routes to deliver these homes in line with the parameters agreed by the Committee. Approval

for any future acquisitions or development agreements will be sought from the Finance and Resources Committee.

- 5.7 Following the Council's decision on 23 February 2023 to increase rents by 3% in 2023/24 and indicative rent increases of 3% for the following nine years, a revised draft 10-year capital programme will be reported to Finance and Resources Committee on 10 March 2023.
- 5.8 The 2022/23 capital programme outturn will be reported to Finance and Resources Committee in Summer 2023 and the 2023/24 HRA capital programme budget will be revised to take account of any slippage from 2022/23.

6. Financial impact

- 6.1 This report sets out planned HRA capital investment of £173.361 million for 2023/24. A detailed breakdown of the programme is set out in Appendix 1.
- 6.2 The cost of the programme is offset by specific capital grant from the Scottish Government, developers and third-party contributions and capital receipts, resulting in an anticipated net borrowing requirement of £64.681 million in 2023/24. Appendix 2 sets out the funding arrangements in more detail.
- 6.3 The overall loan charges associated with this requirement, over a 30-year period would be the principal amount of £64.681 million and interest of £60.640 million, resulting in total cost to the HRA of £125.321 million.
- 6.4 Based on a loans fund interest rate of 4.78%, the annual loan charges to HRA revenue would be £4.177 million over a 30-year period. This includes the borrowing costs for the construction of homes for Edinburgh Living LLP, which has no negative impact on the HRA as interest payments are deferred until the homes are purchased.
- 6.5 The borrowing is carried out in line with the approved [Annual Treasury Management Strategy 2022/23](#) and is provided for on an overall programme basis rather than for individual capital projects.
- 6.6 The previous HRA Budget Strategy approved by the Council in February 2022 included a 10-year £2.9b capital programme and £1.2b revenue programme. Following a review of the HRA 30-year Business Plan assumptions in order to deliver the same outcomes over the next 10 years it is projected to cost £3.5b in capital (20% increase on last year's plan) and £1.4b in revenue (17% increase on last year's plan).
- 6.7 In addition to this, two years of rent freezes and a below inflationary increase of 3% in 2023/24 have had a significant impact on the borrowing capacity to fund the medium to long term capital investment programme. Increasing costs as well as a reduction in rental income means that whilst short term the programme is able to sustain this ambitious level of capital investment, without significant increases in income (either through rents or grant funding) the programme would need to halve over the next 10 years.

- 6.8 In addition to the risks on grant funding, increasing capital investment costs and wider market volatility highlighted in the HRA budget strategy, owner and tenant engagement and securing land for affordable housing have been identified as the top risks for delivering the capital programme. These risks and potential mitigations are detailed in Appendix 5.

7. Stakeholder/Community Impact

- 7.1 Every year the views of tenants are sought on their experience of the housing service, the HRA budget strategy, investment plan and the rent increase proposal for the following year. Almost 90% of tenants supported the Investment Plan.
- 7.2 In January and February 2023, all Council members were invited to attend briefing sessions on HRA capital investment in the four localities.
- 7.3 Tenant and resident engagement is taken forward on a project by project basis as proposals are developed for improving existing homes, developing new homes and improving estates.

8. Background reading/external references

- 8.1 Housing Service Improvement Plan Update - Housing Homelessness and Fair Work Committee, [4 August 2022](#).
- 8.2 Strategic Housing Investment Plan (SHIP) 2023-28 – Housing Homelessness and Fair Work Committee, [1 December 2022](#).
- 8.3 Housing Revenue Account (HRA) Budget Strategy 2023/24 – 2032/33 – City of Edinburgh Council Committee – [23 February 2023](#).
- 8.4 Capital Monitoring 2022/23 – Month Eight Position - Finance and Resources Committee, [26 January 2023](#).

9. Appendices

- 9.1 Appendix 1 - 2023/24 Capital Investment Programme.
- 9.2 Appendix 2 - HRA Revised Resources 2023/24.
- 9.3 Appendix 3 - Council House Building Programme map.
- 9.4 Appendix 4 - 2023/24 Planned Capital Investment by locality
- 9.5 Appendix 5 - Top risks to Programme delivery.

Appendix 1: 2023/24 HRA Capital Investment Programme

Category	Programme	2023/24 (£m)	Commentary
New Homes	New Homes Development	97.063	Overall design development and construction budget for the new homes programme in 2023/24.
	New Homes Development (SE)	2.200	<i>Design and construction in South East, including: Procurement and initial design work at Liberton; and continuing design work and demolition at Cowan's Close.</i>
	New Homes Development (NE)	23.684	<i>Design and construction in North East, including: Construction of 140 affordable homes at Greendykes sites K&L; and construction at the Bowling Green site in Powderhall, as well as, ongoing design work across the larger site.</i>
	New Homes Development (SW)	19.270	<i>Design and construction in South West, including: Completion of design work at Dumbryden phase 3; commencement of construction of 73 homes at Murrayburn Gate; and continuing design and construction works at Fountainbridge.</i>
	New Homes Development (NW)	51.909	<i>Design and construction in North West, including: Design and construction work at Pennywell Town Centre; ongoing construction work of 519 homes at Western Villages and D1 in Granton; and progression of design and pre-construction works at Silverlea</i>
	Post-construction work (retention)/ early design development and staff costs	2.027	<i>Includes resources to support the programme, as well as design development for pipeline sites across the city.</i>
	Land Acquisitions	2.000	<i>Used to support the purchase of land from the general fund/on the open market for the development of new homes.</i>
New Homes Subtotal		101.090	
Existing Council homes and neighbourhoods	External fabric and Estates & Acquisitions	35.926	To fund external fabric work on the buildings, such as roofs, chimneys, external walls, etc, and wider estate regeneration work for the outdoor spaces within the neighbourhoods.
	<i>External Fabric (High and Low Rise) including WHR/ ESSH2</i>	26.286	<i>WHR and wider building improvement works at Oxcars and Inchmickery Court and Craigmillar and Peffermill Court. Along with Phase 1a of the Magdalene, Bingham and Christians area based low rise programme and the delivery of WHR phase 1 programme across 10 sites.</i>

	<i>Mixed Tenure Improvement Pilot</i>	7.557	<i>HRA's share of the mixed tenure work being taken forward in the Dumbryden/Murrayburn pilot area.</i>
	<i>Estate improvement programme (formerly known as NEPs)</i>	2.083	<i>To fund wider estate improvement and placemaking projects across the four localities.</i>
	Communal Improvements	8.791	To fund general improvement work in communal area of blocks.
	<i>Secure Door Entry and follow-on improvement and CCTV</i>	2.260	<i>Upgrade on the secure door entry systems will continue to be progressed in Council minority-owned blocks. Internal stairwell upgrade will proceed in stairs where the door entry systems have been upgraded in recent years.</i>
	<i>Multi-Storey Services</i>	1.573	<i>Lift upgrades will take place in multi storey blocks across the city, with water tanks to be replaced in seven multi-storey blocks.</i>
	<i>Fire Safety</i>	4.958	<i>Continuation of fire safety upgrades in high rise blocks.</i>
	Internal Improvements	16.024	To fund improvement work that requires access to tenants' homes.
	<i>Kitchens and Bathrooms</i>	5.574	<i>New kitchens and bathrooms will be installed to ensure all Council homes are equipped with modern facilities.</i>
	<i>Electrical Rewiring, electric heat and Smoke Detection</i>	0.850	<i>Two new contracts will be put in place in 2023/24 to upgrade electrical rewiring, electric heat and smoke detectors of Council homes.</i>
	<i>Windows and External Doors</i>	3.683	<i>Citywide upgrade on windows and external doors will continue in 2023/24, along with contracts to upgrade uPVC ad sash and case windows where applicable.</i>
	<i>Gas Heating Upgrades</i>	3.242	<i>New heating systems will be installed to ensure all homes are equipped with modern heating systems.</i>
	<i>Community Care (adaptations)</i>	0.675	<i>The budget for adaptations to tenants' homes (e.g. ramps and wet floor showers) and emergency health and safety applications in 2023/24. The budget remains flexible to respond to demand.</i>
	<i>Adhoc internal upgrades (including Empty Homes)</i>	2.000	<i>Capitalisation of repairs and upgrade of empty homes when they become vacant.</i>
	Acquisitions	7.838	To consolidate existing Council stocks and to acquire additional homes, which could be leased and used as temporary accommodation.
	Staff Costs	3.692	
	Existing homes & neighbourhoods subtotal	72.271	
	Grand Total	173.361	

Appendix 2: HRA Revised Resources 2023/24

Capital Resources	£ million
Prudential Borrowing	£64.681
Capital Funded from Current Revenue (CFCR) and Strategic Housing Investment Fund	£20.300
Capital Receipts and Contributions	£14.520
Receipts from LLPs*	£45.809
Scottish Government Subsidy (Social)	£26.131
Scottish Government Subsidy (Acquisition)	£1.920
Total Capital Resources	£173.361

**The budget for new build housing includes the upfront capital costs for all Council led developments that contribute to the increase of new affordable homes, including homes for mid-market and affordable market that will be purchased by the Council's new Limited Liability Partnerships (LLPs). This has no impact on the HRA as interest payments are deferred until the homes are purchased.*

Appendix 3: Council House Building Map



Appendix 4: 2023/24 Planned Capital Investment by locality

North East

1. Key investment programmes across the existing housing estate in the North East include:
 - 1.1 Significant investment in the North Cairntow traveller community site has now completed;
 - 1.2 Work commenced in 2022/23 across two mixed tenure blocks (60 homes) at Magdalene. This will see the full external refurbishment to bring the blocks up to EESSH2 standard. Works will continue throughout 2023/24;
 - 1.3 WHR phase 1 programme – as part of the WHR programme 12 homes across two sites will be targeted in the North East;
 - 1.4 Magdalene, Bingham and the Christians (Phase 1a) – WHR low rise area-based scheme will commence later in 2023. This will be the first low rise area-based approach focusing on WHR and will initially target 101 homes in Magdalene. The programme will run until 2025/26;
 - 1.5 Craigmillar and Peffermill Court – WHR and full block upgrade/refurbishment to meet EESSH2 will commence later in 2023/24 across both blocks targeting 114 homes in total. Design and Development commenced in Autumn 2022;
 - 1.6 Cables Wynd and Linksvie House (299 homes) – WHR and full block upgrade/refurbishment. Design and Development to meet EESSH2 will commence in January 2023 and will continue throughout 2023/24 with site start aimed for 2024/25;
 - 1.7 Niddrie House Square (Phase 1) will see 84 homes undergo full refurbishment works to meet EESSH2, including communal upgrades. The anticipated site start is May 2023;
 - 1.8 The wider cyclical improvement programme will focus on the following investment priorities; communal fire door upgrade programme across six multi-storey blocks; fire safety upgrade programme across four multi-storey blocks; water tank upgrade programme across seven multi-storey blocks. There will also be a rolling heating, kitchen and bathroom and windows and doors replacement/upgrade programme;
 - 1.9 The new build housing programme will see site start at sites K & L in Greendykes which will be the next Edinburgh Homes Demonstrator pilot and deliver 140 new affordable homes [74 of which will be Council homes]; and
 - 1.10 There will also be progress at Powderhall as construction work begins on the first affordable homes.

North West

2. Key investment programmes across the existing housing estate in the North West include:
 - 2.1 May and Gunnet Court (96 homes) refurbishment is largely complete, with the only outstanding works to the new external foyer canopies. Both blocks now meet EESSH2 compliance;
 - 2.2 Oxcars and Inchmickery Court - WHR and full block upgrade/refurbishment to meet EESSH2 will commence later in 2023/24 across both blocks targeting 151 homes in total. Design and Development commenced in Autumn 2022;
 - 2.3 WHR phase 1 programme – as part of the WHR programme 20 homes across three sites will be targeted in the North West;
 - 2.4 Granton Medway North (78 homes) – WHR and full block upgrades, design and development commenced in January 2023 and will continue throughout 2023/24 with site start aimed for 2024/25;
 - 2.5 Wardieburn Phase 14 – fabric and block improvements to meet EESSH2 targeting 3 blocks (18 homes) will commence in 2023/24, design and development underway since Autumn 2022;
 - 2.6 Common stair upgrade programme – targeting 123 100% owned CEC blocks across Drylaw, Muirhouse, West Pilton and Wardieburn. Design and development underway since Autumn 2022;
 - 2.7 The wider cyclical improvement programme will focus on the following investment priorities; communal fire door upgrade programme across five multi-storey blocks; fire safety upgrade programme across three multi-storey blocks; water tank upgrade programme across two multi-storey blocks. There will also be a rolling heating, kitchen and bathroom and windows and doors replacement/upgrade programme;
 - 2.8 EES:ABS 2023/24 programme is currently under development but is planned to launch a large external wall insulation programme in the North West locality;
 - 2.9 WHR area-based scheme – it is also proposed that an area based WHR programme is brought into design and development throughout 2023/24 focusing on the Pilton/Muirhouse/Royston and Wardieburn areas. This proposal is still in development;
 - 2.10 This year the new build housing programme will see, 75 homes at the Granton D1 site complete and the first of the 444 homes at Western Villages will also be ready for households to move in to. These are the first net-zero homes to be delivered by the Council, 46% of these homes will be Council homes, 42% mid-market rent homes and 12% homes for sale; and
 - 2.11 Development at Pennywell continues with the remaining phases of new homes in the town centre as well as progress with the new Hub, a key element of the area-wide regeneration.

South East

3. Key investment programmes across the existing housing estate in the South East include:
 - 3.1 The Moredun multies (546 flats across six blocks) Automatic Opening Vents works is due for completion in March 2023 with an enhanced CCTV programme following on from March 2023;
 - 3.2 The Moredun multies will also undergo full design and development throughout 2023/24 to bring the blocks up to EESSH2 alongside a wider upgrade and refurbishment of the blocks including modernised common areas and foyers, with site start for the first phase of blocks starting in 2024/25;
 - 3.3 WHR phase 1 programme – as part of the WHR programme nine homes across three sites will targeted in the South East;
 - 3.4 EES:ABS external wall insulation and solar PV programme at Gilmerton progressed throughout 2022/23, with completion of the programme estimated for May 2023 (82 homes currently signed up – as of 01 Feb 2023);
 - 3.5 The wider cyclical improvement programme will focus on the following investment priorities; communal fire door upgrade programme across 8 multi-storey blocks; lift upgrade programme across 4 multi-storey blocks; water tank upgrade programme across 2 multi-storey blocks. There will also be a rolling heating, kitchen and bathroom and windows and doors replacement/upgrade programme; and
 - 3.6 The new build housing programme will see the progressing of procurement for a delivery partner following the completion of the purchase at Liberton Hospital.

South West

4. Key investment programmes across the existing housing estate in the South West include:
 - 4.1 Oxgangs House full external fabric upgrade experienced significant delays throughout 2022/23 but is scheduled to be on site in Q3 of 2023/24;
 - 4.2 Tender award is now complete subject to any TMS (Tenement management Scheme) objections for a communal fire door upgrade programme across three multi-storey blocks in the Calders (438 flats in total);
 - 4.3 Mixed tenure external fabric upgrades in Westburn (56 flats in 7 blocks) completed in 2022/23;
 - 4.4 WHR phase 1 programme – as part of the WHR programme 10 homes across two sites will targeted in the South West;
 - 4.5 Westerhailes – Barn Park – fabric and block improvements to meet EESSH2 targeting 4 blocks (24 homes) will commence in 2023/24, design and development underway since Autumn 2022;
 - 4.6 Common stair upgrade programme – targeting 10 100% owned CEC blocks across Clovenstone. Design and development underway since Autumn 2022;

- 4.7 As part of the EES:ABS 2022/23 programme external fabric upgrades and other insulation measures were progressed in Oxfords and are due for completion in May 2023 (in total 166 homes will have been targeted a mixture of private and Council);
- 4.8 MTIS will move into its final year of works in Westerhailes with phases 9 to 11 progressed across Murrayburn, Dumbryden and Hailesland targeting a further 380 homes;
- 4.9 The wider cyclical improvement programme will focus on the following investment priorities; communal fire door upgrade programme across six multi-storey blocks. There will also be a rolling heating, kitchen and bathroom and windows and doors replacement/upgrade programme ;and
- 4.10 The new build housing programme will see the housing development at Murrayburn Gate begin on site, delivering 73 new affordable homes, (41 of which will be Council homes).

Appendix 5: Top risks to the Capital Programme

Risk	Mitigation
<p>Contractor capacity: Due to the scale of the Programme contractor capacity within current frameworks will be limited as multiple contractors sit across a number of work package lots. As such they will have limited capacity to respond to the scale of work in this year's programme.</p> <p>The WHR work packages are not suitable to be procured within existing frameworks due to the specialist type of work, number of sub-contractors required, and the risks involved with working on multi-storey blocks</p>	<p>Key workstreams will need to be staggered throughout the financial year to ensure contractors within existing Council frameworks are not overloaded.</p> <p>External frameworks will be explored to see if they are suitable for procuring more specialist and sizable WHR area based and multi-storey work programmes.</p> <p>Continued engagement with contractors on external frameworks and the market more widely will need to be scaled up to let prospective contractors know the strength of the WHR pipeline.</p> <p>The existing Housing Property Framework will need to be renewed in 2024. This provides an opportunity to ensure that any future Framework is suited to the needs of the capital programme over the next 5 years and in particular that this includes the ability to procure larger more specialist contractors to take forward area based and multi-storey WHR programmes.</p>
<p>Owners and tenant engagement: Owners may not have the funds to invest in their homes, delaying or limiting investment in mixed tenure blocks.</p> <p>Tenants may wish to opt out of WHR works due to the scale and/or intrusiveness of the works planned.</p>	<p>The Mixed Tenure Improvement Service (MTIS) has been underway since 2021/22 to coordinate improvement works in mixed tenure blocks. Enhanced Scheme of Assistance measures are also in place following Finance and Resources Committee approval on 23 January 2020 and March 2022 which provide extended repayment terms for owners and tenant acquisition options.</p> <p>The delivery of strategic acquisition and disposal of homes continues to achieve block consolidation.</p> <p>Dedicated tenant liaison support will be put in place to engage with tenants and ensure they have the right level of support and advice available to help them throughout the process.</p>
<p>Grant funding: Grant funding benchmark is not responding quickly enough to costs increase. And whilst the overall benchmark has increased the overall funding pot has not, resulting in a reduction in the number of homes that can be delivered.</p> <p>The cost of delivering WHR across the Council's existing estate is estimated be around £56,000 per home. Additional annual grant funding from Scottish Government will be required to support the delivery of this programme.</p> <p>Grant funding to support owners to invest in mixed tenure improvements and energy efficiency will be insufficient, resulting in the Council not meeting its net zero commitment.</p>	<p>Edinburgh has a strong track record of spending its Grant Resource Planning Assumptions. Officers will continue to work with government to maximise grant funding for new supply.</p> <p>The application to Scottish Government's EES:ABS grant fund has been aligned with the MTIS pilot in order to maximise funding available to owners to enable works to progress.</p> <p>Additional funding for energy efficiency and low carbon technologies will be a made available by the Scottish Government. This includes the following; the Low Carbon Infrastructure Transition Programme and its successor programme which will invest £400min large-scale heat decarbonisation infrastructure; and the Social Housing Net Zero Heat Fund which will make £200m available over the next five years to support social landlords across Scotland to install zero emissions heating systems and energy efficiency measures across their existing stock.</p>

<p>Increasing capital investment costs: The increase in new build construction and development costs (workforce, materials etc.) is higher than anticipated due to the impact of Brexit, Ukraine War and Covid-19. Construction sector has seen an increase in costs of around 30%.</p>	<p>Build cost inflation assumptions are reviewed annually based on market intelligence. In year projections take account of known costs uplifts.</p> <p>The known costs for achieving net zero carbon have been factored into the Business Plan and are reviewed annually and will be informed from the phase 1 WHR Programme.</p>
<p>Securing land for affordable housing: One of the key risks to the delivery of affordable homes is failure to secure suitable land for development. The HRA Business Plan includes c.£15m for land acquisitions over the next five years.</p>	<p>Acquisition of Liberton Hospital concluded in 2022/23. The 2023/24 programme also includes funding for the transfer of further sites from the General Fund and/or purchase of sites on the open market.</p> <p>On 1 December 2022, Housing Homelessness and Fair Work Committee received an update in the Housing Land Strategy which set out the findings and emerging opportunities resulting from the Prior Information Notice market engagement process.</p>

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Funding of affordable housing through the Scottish Government's Affordable Housing Supply Programme

1. Recommendations

- 1.1 Housing, Homelessness and Fair Work Committee is asked to:
 - 1.1.1 Note the arrangements under which Edinburgh receives grant funding and the risks to remaining in the Transfer of the Management of Development Funding (TMDF) arrangement and the risks of Edinburgh becoming funded from the Strategic Housing Investment Framework (SHIF);
 - 1.1.2 Note that any changes in funding allocations would require the support of COSLA Leaders and Scottish Government consent;
 - 1.1.3 Agree that the content of this report discharges the motion approved at Housing, Homelessness and Fair Work Committee on [29 September 2022](#) to report on the current position with allocation of TMDF and an analysis of Strategic Housing Investment Framework (SHIF) funding allocations; and
 - 1.1.4 Agree that officers establish a working group work with key stakeholders to develop a funding case that sets out the unique challenges in the capital and the reasons why Edinburgh requires increased Resource Planning Assumptions, regardless of whether this comes from TMDF, SHIF or other Scottish Government budgets.

Paul Lawrence

Executive Director of Place

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Funding of affordable housing through the Scottish Government's Affordable Housing Supply Programme

2. Executive Summary

- 2.1 In response to a motion agreed at Housing Homelessness and Fair Work Committee on 29 September 2022 this report sets 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.
- 2.2 Edinburgh and Glasgow receive funding from both the More Homes Fund and TMDF. In 2022/23, Edinburgh had the third highest Resource Planning Assumption (RPA) in Scotland, with funding of £45.182 million (£17.232 million from SHIF and £27.950 million from TMDF).
- 2.3 The SHIF is allocated to all 30 local authorities based on a distribution formula (as set out in paragraph 4.7 of the report) based on weighted indicators. The framework was agreed by the Chief Officers of Scottish Local Authorities (COSLA) and Scottish Government.
- 2.4 The annual TMDF budget is split 70/30, with Glasgow receiving 70% of the budget and Edinburgh receiving 30%. TMDF funding has not been reviewed since it was originally implemented in 2003. The TMDF budget has remained static over the last three years.
- 2.5 Edinburgh has sought to maximise spend from the Affordable Homes Supply Programme (AHSP), spending an additional £36 million over the last six years. However, the [grant funding resources](#) confirmed for Edinburgh over the period 2021/22 to 2025/26 actually decrease from £52 million in 2021 to £45 million each year from 2022 to 2025.
- 2.6 In December 2022, Scottish Government published the proposed 2023/24 budget, which sets out that funding for the 2023/24 AHSP is being reprioritised to deliver against other Government priorities. The AHSP capital budget was reduced by around 10%, from £543.570 million to £489.100 million. The TMDF budget has not been reduced and remains at £92.245 million.
- 2.7 Modelling suggests that if the two AHSP funds allocated to local authorities (More Homes Fund and TMDF) were solely calculated under SHIF, then Edinburgh's share of the national AHSP Capital Budget would be around 8%. That could have

given Edinburgh a budget of around £56 million in 2022/23, an increase of around £11 million compared to the actual budget of £45.182 million (6% of the national budget).

- 2.8 However, the main risk for Edinburgh is that Glasgow do not leave TMDF. The estimated £56 million is predicated on all the TMDF budget being transferred, therefore if Glasgow remain, there is no additional funding that could be allocated to Edinburgh. Also, if Edinburgh joins the SHIF no part of the Council's budget would be ringfenced, as it currently is within TMDF, so Edinburgh's actual AHSP budget may end up being reduced (subject to blanket cuts) or absorbed by other local authorities.
- 2.9 Committee is asked to agree that officers establish a working group work with key stakeholders to develop a funding case that sets out the unique challenges in the capital and the reasons why Edinburgh requires increased Resource Planning Assumptions, regardless of whether this comes from TMDF, SHIF or other Scottish Government budgets.

3. Background

- 3.1 On 29 September 2022, a motion was agreed at Housing Homelessness and Fair Work Committee which requested a report in one cycle 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:
- 3.1.1 What the likely allocation would be for Edinburgh if we were included in the SHIF, against current assumptions remaining in the TMDF;
 - 3.1.2 The process for raising the issue of the funding formula for the RPAs at COSLA;
 - 3.1.3 Details of what criteria are considered when the funding formula for the RPAs is considered at COSLA;
 - 3.1.4 Details of any meetings or correspondence the convener has had with the Cabinet Secretary or COSLA representatives in relation to the RPAs;
 - 3.1.5 Details of any meetings or correspondence officers have had with civil servants or COSLA officials in relations to the RPAs; and
 - 3.1.6 A recommendation as to whether Edinburgh is 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.
- 3.2 The AHSP is a Scottish Government budget for delivering affordable housing across all 32 Scottish local authority areas. Grant funding for affordable housing in Edinburgh and Glasgow is part of the AHSP, but their respective funding allocations are managed by each local authority as part of the TMDF. Only Glasgow and Edinburgh receive TMDF funding; in all other local authority areas, affordable housing is funded and managed directly by the Scottish Government through the AHSP Capital Delivery budget "More Homes Fund".

3.3 The TMDF arrangements have been in place since 2003 and were awarded to Edinburgh and Glasgow because both local authorities agreed to offer their tenants a chance to vote on stock transfer. The formula for the split of TMDF funding has not been reviewed since 2003.

4. Main report

4.1 The need for more affordable homes in the city has never been more acute. Most affordable housing is funded by a combination of grant funding and borrowing. Around 40% of the average cost of an affordable home is paid for through grant funding and the other 60% paid for by private finance (mainly borrowing). The average cost of building an affordable home in 2021 was £185,000 per home. Grant funding for affordable housing comes from the AHSP.

4.2 The AHSP is a national budget, with allocations made annually to each Scottish local authority. In 2022/23, the national budget is £831 million. The AHSP is split into three separate budgets; More Homes Fund, TMDF and Financial Transactions. A summary of the budgets is set out in Appendix 1. The More Homes Fund and TMDF combined are referred to as the AHSP Capital Budget, which is used to provide grant funding to all 32 Scottish local authorities. Edinburgh and Glasgow receive funding from both budgets to create their resource planning assumptions (RPAs). A summary of the RPAs for the TMDF authorities between 2017 and 2025 is set out below:

Council	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Edinburgh	31.288	47.564	53.74	54.99	52.418	45.182	45.053	45.211	45.96
Glasgow	71.974	95.066	109.044	121.396	120.578	103.934	103.638	104.001	105.724

More Homes Fund

4.3 The More Homes Fund in 2022/23 is £605 million. This is centrally managed by Scottish Government and allocated between all 32 local authorities (although the allocations to Edinburgh and Glasgow are managed under TMDF arrangements). The funding can be used by registered social landlords and local authorities for the delivery of affordable homes. It is allocated on the basis of the SHIF formula. Underspend on the More Homes Fund can be used to “Top up” TMDF budget allocations.

T MDF

- 4.4 T MDF is a ringfenced grant funding budget only available to Edinburgh and Glasgow. It is managed locally. The 2022/23 T MDF budget is £92 million. The funding can be used by registered social landlords and local authorities for the delivery of affordable homes within Edinburgh or Glasgow. The T MDF budget is split 70/30, with Glasgow receiving 70% of the budget and Edinburgh receiving 30%. However, both Edinburgh and Glasgow also receive additional funding from the More Homes Fund. More Homes funding allocated to Glasgow and Edinburgh to top up T MDF funds is allocated based on how much other local authorities have received and a proportionate increase is then applied to Edinburgh and Glasgow's funds.

Financial Transactions

- 4.5 The Financial Transactions budget is £134 million in 2022/23. This budget funds the Scottish Government's national Open Market Shared Equity scheme, which assists first time buyers to afford a home, and it also provides loan funding for historic projects. It is not used for grant funding for affordable housing.

National AHSP

- 4.6 The table below provides a breakdown of the national AHSP budgets between 2017/18 and 2023/24 is provided below:

Affordable Housing Supply Budget	2017/18 Budget (£m)	2018/19 Budget (£m)	2019/20 Budget (£m)	2020/21 Budget (£m)	2021/22 Budget (£m)	2022/23 Budget (£m)	2023/24 Budget (£m)
Capital Grant (More Homes Fund)	£375.000	£522.600	£573.800	£615.000	£628.100	£605.150	£489.100
T MDF Funding	£96.089	£92.245	£111.800	£92.245	£92.245	£92.245	£92.245
Sub-total	£471.089	£614.845	£685.600	£707.245	£720.345	£697.395	£581.345
Financial Transactions	£119.500	£141.300	£141.500	£136.000	£100.000	£134.000	£170.600
Total:	£590.589	£756.145	£827.100	£843.245	£843.245	£831.395	£751.945

Strategic Housing Investment Framework

- 4.7 The SHIF is a formula which is used to establish the allocation of the AHSP to each local authority. The factors considered in the SHIF formula are called "indicators" and each of these is weighted, therefore giving priority to indicators with a higher weighting. The framework was agreed by the Chief Officers of Scottish Local Authorities (COSLA) and Scottish Government. The indicators are shown in the table below:

SHIF Indicators	Weighting applied to Indicator
Regeneration/Deprivation	30%
Housing Need/Market Pressure	25%
Remoteness	25%
Homelessness pressure	15%
Programme Viability	5%

- 4.8 Deprivation is measured from the [Scottish Index of Multiple Deprivation 2020](#), with published data on 6,976 datazones covering the whole of Scotland. Edinburgh is ranked 16th of the 32 local authorities, with 71 Edinburgh datazones which are within the 20% most deprived in Scotland, representing 5% of the national share. For comparison, Glasgow ranks first with 339 datazones within the 20% most deprived in Scotland, representing 24% of the national share. 45% of Glasgow is in the 20% most deprived in Scotland, compared to 12% of Edinburgh being most deprived.
- 4.9 There is significant market pressure in Edinburgh, which has pushed up rents and house prices to the highest in Scotland. The population of Edinburgh is relatively concentrated, with a low population dispersal according to the [2011 Census data](#).
- 4.10 The homelessness pressure in Edinburgh is considerable. According to Scottish Governments published data in [“Homelessness in Scotland: update September 2022”](#), Edinburgh has the second highest number of homelessness applications in the last year (3,130 compared to Glasgow’s 6,323) and the highest number of households staying in temporary accommodation (3,400 compared to Glasgow’s 3,132).
- 4.11 Deprivation is weighted twice as much as homelessness in the SHIF formula; homelessness is weighted second lowest at 15%, significantly less than deprivation which is weighted highest at 30%.

Resource Planning Assumptions (RPAs)

- 4.12 All local authorities receive RPAs each year from Scottish Government which indicate the minimum amount of AHSP funding which will be made available in future years. For 2022/23, Edinburgh had the third highest RPA in Scotland, with funding of £45.182 million committed. Only Glasgow (£103.934 million) and Highland (£46.398 million) had higher funding allocations, and Orkney has the lowest allocation (£3 million).
- 4.13 Edinburgh and Glasgow’s budgets are mainly TMDF but topped up with More Homes Funds. The 2022/23 TMDF budget is £92.245m which is allocated as £27.950 million for Edinburgh (30% of TMDF budget), and £64.295 million for Glasgow (70%). An additional £56.6 million of More Homes Funding tops up both local authorities 2022/23 budgets. Any further increases to Edinburgh or Glasgow’s 2022/23 budgets will be funded through More Homes Fund. To date based on Edinburgh strong pipeline programme they have received an additional £5 million in 2022/23 from national underspends.

- 4.14 In December 2022, Scottish Government announced that the 2023/24 AHSP was being reprioritised to deliver against Government priorities. The AHSP capital budget, which funds all 32 local authorities, was reduced by around 10%, from £543.570 million to £489.100 million. The TMDF budget has not been reduced and remains at £92.245 million. Freezing the overall TMDF resourcing at 2022/23 levels is consistent with the wider Local Government Finance Settlement for capital funding, of which it forms part.
- 4.15 When cuts have been applied to the AHSP previously, TMDF has fared marginally better. In 2010, the 2011/12 AHSP budget was reduced compared to the 2010/11 budget. The national AHSP reduced by 19% from £488 million to £394 million. As that time the TMDF was also reduced from £119 million to £98 million, a cut of £21 million (17.7%). The TMDF budget has remained static over the last three years.
- 4.16 In 2021, the grant funding per affordable home (the grant funding benchmark) increased. The benchmark grant for a social rented home increased by between 10% and 30%. However, the overall national housing budget is reducing in 2023/24 to lowest level since 2017. So, although the amount of grant available for an affordable home has increased, the overall amount of funding for affordable housing available is decreasing.
- 4.17 Each year a Strategic Housing Investment Plan (SHIP) is submitted to Scottish Government to both set out the affordable housing pipeline over the next five years and the amount of funding required to deliver this pipeline. The SHIP has reported a funding shortfall to deliver Edinburgh's projected AHSP five year pipeline to Scottish Government every year since 2017. In 2017 the funding shortfall was £56 million. The SHIP 2023 - 28, approved at Housing, Homelessness and Fair Work Committee on [2 December 2022](#), showed the funding shortfall had increased to £485 million. During the same period, the Edinburgh AHSP programme increased from £29 million in 2017/18 to a peak of £52 million in 2021/22.
- 4.18 Edinburgh has sought to maximise spend from the AHSP, spending an additional £36 million over the last six years. However, the [grant funding resources](#) confirmed for Edinburgh over the period 2021/22 to 2025/26 actually decrease from £52 million in 2021, to £45 million each year from 2022 to 2025.
- 4.19 Edinburgh received £17.232 million of funding from More Homes Fund as part of the 2022/23 AHSP allocation; that is 38% of Edinburgh 2022/23 budget of £45.182 million which was allocated through the More Homes Fund, the rest being TMDF funding.
- 4.20 Should Edinburgh leave TMDF, there would likely need to be a reassessment of the SHIF formula. It has been indicated that the SHIF formula was not intended to take account of the two largest Scottish cities of Edinburgh and Glasgow, as their budgets were at least part-funded through TMDF. A reassessment of the funding formula would need the agreement of COSLA leaders and would involve consultation with all 32 local authorities and consent from Scottish Government.
- 4.21 It is difficult to estimate what Edinburgh's allocation would be under a new funding formula because changes would be subject to agreement with other local

authorities. Whilst Edinburgh would want a formula that included Rapid Rehousing for homeless households, other local authorities may propose alternative factors which they feel may need to be taken into account or seek variations to the existing weighting of factors. It is unclear if Glasgow would remain within TMDF or would also be part of a new funding allocation formula.

- 4.22 Estimating the Council's allocation of overall AHSP funding under such arrangements would also depend, amongst other factors, on the relative balance between TMDF and More Homes Funding and, in particular, the availability of unutilised funding for redistribution through the latter.
- 4.23 While acknowledging that the precise allocations in any given year will depend upon the overall quantum of funding available, modelling suggests that if the two AHSP funds (More Homes Fund and TMDF) allocated to local authorities had been calculated under SHIF in 2022/23, then Edinburgh's share of the national AHSP Capital Budget would have been around 8%. That would have given Edinburgh a budget of around £56 million in 2022/23, an increase of around £11 million compared to the actual budget of £45.182 million (6% of the national budget).
- 4.24 While this suggests that, based on the 2022/23 position, Edinburgh might have benefited from a SHIF-based allocation, its allocation under current arrangements also depends on the degree of spend elsewhere in Scotland and that there are no cuts to the overall budget. Clarity is required on the methodology adopted by the Scottish Government in such cases to draw more definitive conclusions. It should also be noted that Glasgow's allocation would potentially drop following full incorporation within SHIF-based arrangements.
- 4.25 It is estimated that Glasgow's national share of the 2022/23 AHSP would be 13% if calculated solely under the current SHIF, which would have been a budget of £88m in 2022/23. Glasgow's actual AHSP budget in 2022/23 was £103.9 million, or 14.9% of the national AHSP, which is almost £16 million more than our SHIF modelling estimate. This, in turn, is due to its much higher proportionate share of TMDF funding, relative to Edinburgh, than would be the case when the equivalent funding was included in the SHIF formula. Officers estimate that Highland would continue to receive a higher share of funding under the current SHIF formula than Edinburgh, mainly because the current weightings prioritise remoteness over homelessness.
- 4.26 The main risk for Edinburgh is that Glasgow does not leave TMDF. The estimated SHIF budgets above are predicated on all the TMDF budget being transferred. Therefore, if Glasgow remained in TMDF, the overall amount of the More Homes Fund would be significantly less and therefore Edinburgh's share would be affected. Also, if Edinburgh joins the SHIF no part of our budget would be ringfenced, as it currently is within TMDF, so Edinburgh's actual AHSP budget may end up being reduced (subject to blanket cuts similar to the proposed 10% reduction in AHSP in 2023/24) or partly absorbed by other local authorities.
- 4.27 At present there is no indication that local authorities would agree to a review of funding formulas for affordable housing. However, assuming this was agreed, in principle, by COSLA Leaders following consideration by the Settlement and

Distribution Group, Scottish Government agreement could be sought to take forward the review. Consultation and review of the funding formula across Scotland is likely to take a minimum of one to two years and could take considerably longer.

- 4.28 The Council works in partnership with registered social landlords to develop affordable housing. The Edinburgh Affordable Housing Partnership brings together the Council with registered social landlords to support joint working across a number of strategic priorities aligned to the delivery of the Council Business Plan. These priorities include delivery of more affordable homes, preventing homelessness and energy efficiency of affordable homes.
- 4.29 On 31 January 2023, representatives of the EAHP met with senior officers, the Convenor and Council leader to discuss the development of a Strategic Commitment and Vision. Edinburgh is the capital city and as such has unique challenges not faced across Scotland. It also has unique opportunities to improve the quality of life of its residents through increasing the amount of quality, affordable housing in the city. The delivery of affordable and good quality homes can help to tackle inequalities, improve health and wellbeing, contribute to successful placemaking and strengthen community resilience. But this can only be done with a significant increase in funding.
- 4.30 The pursuit of additional grant funding to help meet these ambitious goals is critical, however as set out earlier in the report it is unclear exactly which course of action would result in additional resources. Officers will continue to engage in conversations with ALACHO in relation to revising the SHIF formula, however as already recognised this could take some time to implement and the final outcome is unknown.
- 4.31 It is therefore recommended that a focus be made on making a special case for the capital. It is proposed that a working group be established with key stakeholders to put together a robust funding case to Government to increase Edinburgh's grant funding, regardless of which budget it comes from. This work will be progressed over the coming months and progress reported to Committee within two Committee cycles.

5. Next Steps

- 5.1 Continue to seek to maximise the amount of grant funding in year through a strong pipeline programme.
- 5.2 Establish a working group of key stakeholders to develop a case to Government that sets out the unique challenges in the capital and the reasons why Edinburgh requires increased Resource Planning Assumptions, regardless of whether this comes from TMDF or SHIF budgets.

6. Financial impact

- 6.1 A move from TMDF would mean that Edinburgh no longer has a ringfenced budget as part of its AHSP programme funding. Because the formula is subject to

other local authority input and agreement, there is no guarantee that Edinburgh would receive an increased budget under SHIF.

- 6.2 A further risk is that if funding levels reduce, committed affordable housing projects face grant funding shortfalls in future years. This could mean that registered social landlords and the Council have an unplanned reliance on borrowing, which could mean projects have higher overall borrowing costs. This could be significant as 60% of the cost of delivering an affordable home is financed through borrowing which is paid for by tenants' rents.

7. Stakeholder/Community Impact

- 7.1 The Convener of Housing, Homelessness and Fair Work Committee has written to the COSLA President to request a meeting to discuss the process by which the SHIF formula for funding affordable housing could be reviewed.
- 7.2 In January 2023, Council Officers met with COSLA representatives and Scottish Government to establish the background to the allocation split of TMDF and to discuss the process for reviewing SHIF.
- 7.3 On the 3 February 2023, officers took part in a ALACHO workshop with Scottish Government. Scottish Government set out how the SHIF formula was calculated. There was some discussion around whether the weightings were still appropriate and accurately reflected housing pressures.

8. Background Reading/external references

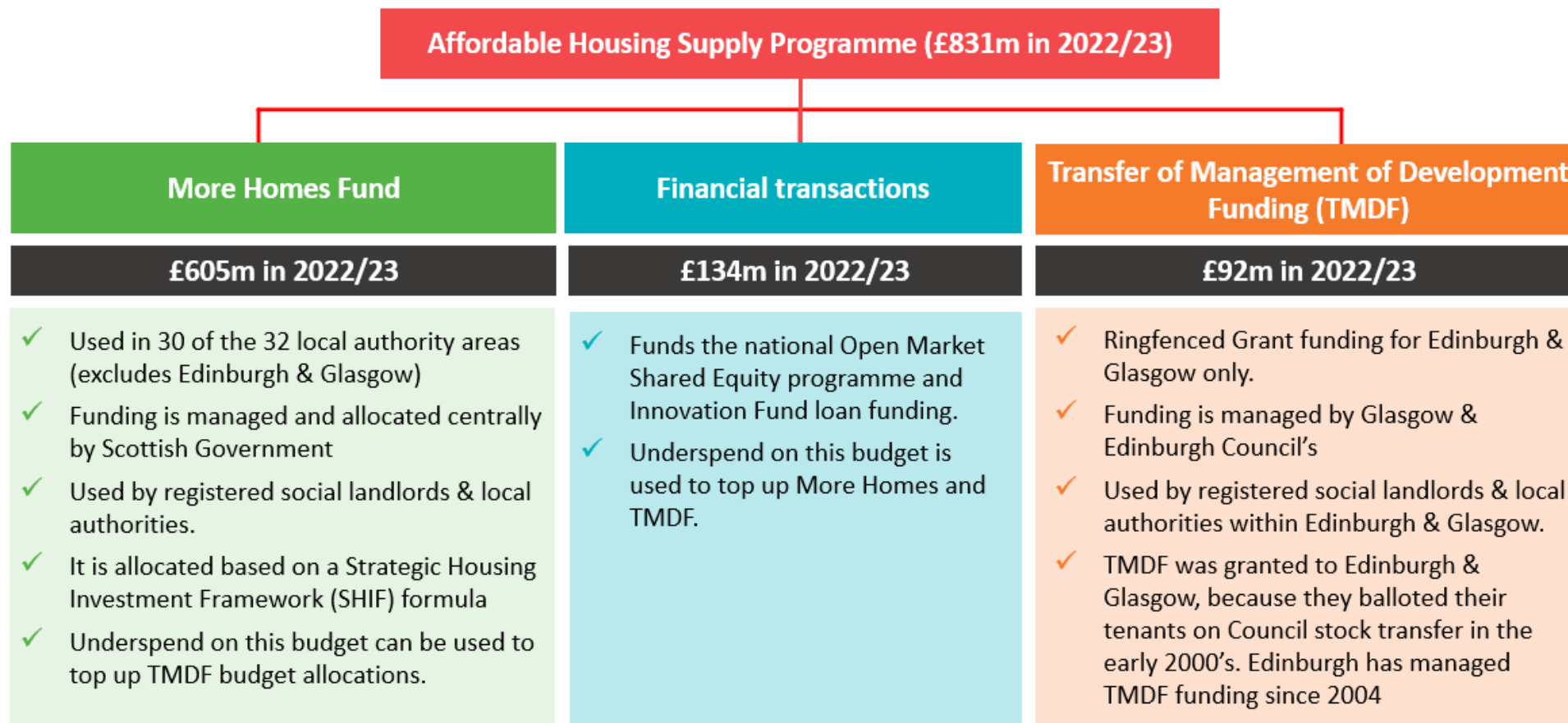
- 8.1 Strategic Housing Investment Plan (SHIP) 2023-28 - Housing, Homeless and Fair Work Committee, [1 December 2022](#).
- 8.2 Housing Revenue Account (HRA) Budget Strategy (2023-24) - City of Edinburgh Council, [23 February 2023](#).

9. Appendices

- 9.1 Appendix 1 - AHSP Funding breakdown.

Appendix 1: 2022/23 AHSP Funding breakdown

The Affordable Housing Supply Programme budget is Scottish Government's national affordable housing budget. Each of the 32 Scottish local authority areas has an allocated budget amount. The amount of the budget and the sub-budgets varies each year.



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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Tenant Hardship Fund (2023/24)

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 Housing, Homelessness and Fair Work Committee is asked to:
 - 1.1.1 Note the arrangements in place for assessing and managing requests for funding from the Tenant Hardship Fund;
 - 1.1.2 Note that updates on support for tenants to make rent payments and the Tenant Hardship Fund will be reported to Committee in the Business Bulletin; and
 - 1.1.3 Agrees to discharge the motion to City of Edinburgh Council on [24 November 2022](#) for officers to report back to Committee on the possibility of a Tenant Hardship Fund to support tenants who are least able to afford a rent increase.

Paul Lawrence

Executive Director of Place

Elaine Scott, Head of Housing Strategy & Development

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Tenant Hardship Fund (2023/24)

2. Executive Summary

- 2.1 On [23 February 2023](#), Council approved a below inflationary rent increase of 3%. It was acknowledged that additional income is needed to increase borrowing capacity to improve existing homes and neighbourhoods and build new affordable homes, as well as to support delivery and improvement of our core landlord service.
- 2.2 Council also noted the additional financial burden that tenants will be facing from the cost-of-living crisis and approved the establishment of a Tenant Hardship Fund (THF) to support tenants, including those who cannot access benefits. There is already a wide range of support and services available to support tenants to pay rent and maximise their income with tenants encouraged to contact their housing officer, at the earliest opportunity, if they are experiencing difficulties in making rent payments. An award of THF will provide financial relief for a tenant experiencing financial hardship but it is not a long-term solution. It will be of most benefit if offered alongside advice and support to maximise income with signposting to services that can provide employability and other support to tenants.
- 2.3 Committee is requested to agree to discharge the motion to City of Edinburgh Council on on [24 November 2022](#) for officers to report back to Committee on the possibility of a THF, note the arrangements in place for managing the Fund and that updates will be provided to Committee in the Business Bulletin.

3. Background

- 3.1 On [2 September 2021](#), a report to Housing, Homelessness and Fair Work Committee set out the approach taken to providing advice and support to help tenants make rent payments and to remain in their homes.
- 3.2 On [24 November 2022](#), the City of Edinburgh Council agreed an adjusted motion on Homelessness. The motion included a request that officers explore the possibility of a THF to support tenants who are least able to afford any future rent increases and to report back to the Housing, Homelessness and Fair Work Committee in March 2023 or as soon as possible.
- 3.3 On [29 September 2022](#), Housing Homelessness and Fair work received a report setting out the implications for the Housing Revenue Account (HRA) of rising costs and rent freezes and agreed to consult tenants on their main financial challenges.

- 3.4 On [7 February 2023](#), Finance and Resources Committee noted the outcome of the annual review of the HRA Business Plan and the annual rent consultation. Committee also noted an officer recommendation that rents be increased in 2023/24 and that a THF would be established to support tenants experiencing financial hardship; including those who cannot access benefits.
- 3.5 On [23 February 2023](#), the annual HRA budget, the draft 10 year capital programme and a rent increase of 3% was approved at the Council budget meeting.

4. Main report

- 4.1 The cost of delivering housing services to Council tenants and capital investment in existing homes and new Council homes is funded from tenants' rental income. Many tenants have seen their household income reduced (or interrupted) as a result of the pandemic, requiring help from welfare benefits (such as Universal Credit) to pay for their rent. The "cost of living crisis" has further increased financial pressures on our tenants, which in turn affects rent collection.
- 4.2 Between 70-80% of tenants each year receive assistance with their rent payment responsibilities through Housing Benefit or the housing element of Universal Credit. Working age benefits and pension credits are set to go up by CPI (10.1%) in April 2023. Therefore, any increase in the rent charge is proportionately covered by an increase in the benefit received if there are no other changes in the household circumstances. Following the rent increase, tenants on partial benefit may need to make a minimal additional contribution and some tenants who may not have previously qualified for help with rent, may now be eligible for financial support through the benefits system.
- 4.3 Tenants are encouraged to engage with their housing officer, at the earliest opportunity, if they are experiencing difficulties in paying rent. A wide range of advice and support is available to help tenants to meet their rent payment responsibilities and to manage household budgets that will be under increased pressure at this time. Appendix 1 provides information on the range of funds and support that is available.
- 4.4 Court action is regarded as a last resort for recovering rent but the commencement of court action can be effective at triggering tenants who have so far not engaged with the Housing Service to engage with officers. A multi-disciplinary team (MDT) is in place to help Council tenants who are at serious risk of court action and every effort is made to avoid court action. The team consists of a housing/homelessness specialist, a debt advisor and income maximisation officer supervised by a team leader. With specialised input from housing, family and household support, adult protection, children and families social work services and family group decision making.
- 4.5 An evaluation in June 2022 showed that 28 of 41 households who fully or partially engaged with the MDT between April 2021 and March 2022 had continued to sustain tenancies after their cases were closed. An additional 16 of 53 households who were engaging with the MDT at the time of the evaluation were taking action to

address rent arrears. This demonstrates that the MDT approach is delivering positive outcomes for tenants and rent collection.

- 4.6 In October 2022, a new early intervention system was introduced to alert housing officers when tenants may be struggling with maintaining rent payments on a weekly basis. Rent Sense identifies any changing patterns of rent payments or where payment arrangements are not being met. Having regularly updated information allows early intervention from housing officers to prevent rent accounts from escalating quickly into rent debt and ensures opportunities for additional support is agreed as quickly as possible. All housing officers have been trained in using the system.

Tenant Hardship Fund

- 4.7 Around 4,000 tenants do not receive help with rent and will be expected to pay an additional £12.81 a month in 2023/24. Tenants who have low and/or irregular incomes and little or no savings are at risk of getting into financial difficulties, particularly if there is a sudden change in circumstances or a family emergency.
- 4.8 The 2023/24 THF will form part of the Council's wider approach to rent collection. Housing officers and other support agencies will be able to make a referral to the team to consider the appropriateness or otherwise of making a payment to a tenant's rent account. Housing officers and support agencies will be able to contact the Council's Tenants & Residents Services (T&RS) team to advise that a tenant may be unable to meet the additional housing cost arising from the rent increase due financial hardship. An officer will contact the tenant to check that they are in receipt of all the benefits that they may be entitled to and to establish if an application has been made to the Social Welfare Fund. A decision on the award of THF will be made as soon as possible following engagement with the tenant and a payment will be made directly into the tenant's rent account. Income maximisation assessments will be carried out to support tenants to meet their long- term rent payment responsibilities.
- 4.9 The THF will not be used to address legacy rent arrears, but it could assist a tenant from falling into rent arrears with an income maximisation assessment used to support the tenant to meet future rent payments. A THF payment will be based on the average fortnight rent charge for a Council home. Based on the assumed uplifted rent charge for 2023/24, this equates to £220. Further information on how the THF will be administered is contained in Appendix 2 of this report.
- 4.10 The T&RS team has specialist expertise in relation to rent collection and the benefits system. The team already provides support to tenants to access benefits; including Universal Credit and provides advice and training to locality housing officers to support rent collection. Additional staff resources have been identified to support customers and administer THF.
- 4.11 Officers will monitor the impact of the THF on outcomes for tenants and in relation to the impact on the HRA. It is possible that Scottish Government or other Funds may be introduced or rules for accessing funds will change during the course of the financial year. This would be expected to impact on the number of tenants awarded

funding from the THF. It is also difficult to estimate how many tenants might require support from the Fund. Tenants in receipt of Universal Credit are more likely to be behind with rent than tenants who receive help through Housing Benefit. The ongoing roll out of Universal Credit continues to be a key risk to income collection.

5. Next Steps

- 5.1 Awards for THF will be made from 1 April to 31 March 2024.
- 5.2 The operation of the THF will be closely monitored with updates provided to Committee in the Business Bulletin.

6. Financial impact

- 6.1 The HRA receives no subsidy from the Council's General Fund and is largely made up of tenants' rental income. Essentially, rental income paid by or on behalf of tenants will be used to support fellow tenants who are experiencing incidents of financial hardship. It is, therefore, important that THF awards are only made when funding cannot be secured from benefits or other available funds.
- 6.2 A separate funding pot is not available for the THF so funding for THF awards will need to be drawn from either a reduction in Rent Arrears write-off and provision for doubtful debt or from HRA reserves. The routine revenue budget monitoring report being considered by this Committee, notes a £1.729m positive variance to budget in regard to Rent Arrears write-off and provision for doubtful debt. If a similar position arises in 2023/24 and assuming all other budget areas remain on track, the cost of the THF could be managed through in year underspends. This will be monitored and reported during the financial year.
- 6.3 However, if there is not a positive variance in arrears, reserves will have to be used. All reserves are currently earmarked for reinvestment in the capital programme. Therefore, THF is expected to have an impact on the capacity of the HRA to fund future capital investment in new and existing homes.
- 6.4 Each qualifying tenant will be eligible for a maximum payment equivalent to an average fortnightly rent charge (£220). This sum is more than the full year average increase of current rents (£166.47) and the current highest rent charge for a Council home (£200.92). It will be paid directly into tenants' rent accounts.
- 6.5 It should be noted that the total available resource to support THF (£683,056), is equivalent to nearly a quarter (24%) of all additional forecast Net Rental income assumed to be generated from the proposed rent increase and will be capped at that level. This is in line with the total number of tenants paying their full rent as a percentage of total rent payers. It will be a one-off fund to be utilised in 2023/24 only.

7. Stakeholder/Community Impact

- 7.1 Through discussion with other local authorities and housing association partners, officers have become aware that some (but not all) social landlords operate THFs. In all cases, THFs are used to provide an element of additional financial support at a point in time rather than a means to enable tenants to meet on-going rent commitments.
- 7.2 On 7 February 2023, initial discussions took place with Edinburgh Tenants Federation (ETF) representatives on the objectives and proposed criteria of the THF. Representatives were broadly supportive of the Fund which will aim to support those tenants experiencing significant financial hardship.
- 7.3 ETF have indicated interest in taking part in a case review following a period of six months fund activity to better understand how the THF may have supported successful applicants and the positive outcomes as a result. ETF have requested a comprehensive review of the fund's operation following 12 months; including an analysis on the wider impact of the THF. Officers will continue to engage with ETF on THF and wider support for tenants to pay rent.

8. Background reading/external references

- 8.1 Housing Revenue Account (HRA) Budget Strategy (2023-24) - City of Edinburgh Council, [23 February 2023](#).

9. Appendices

- 9.1 Appendix 1 - Summary of existing crisis support available for tenants.
- 9.2 Appendix 2 – Administration of the THF – draft policy document.

Appendix 1: Summary of existing crisis support available for tenants

The Council has worked with key agencies to deliver a network of crisis support to tackle the impacts of the cost of living crisis. The Council adopted a cash-first approach for people facing financial hardship, whilst also offering a range of holistic support and advice.

Below sets out some of the significant financial support activities that all tenants in the city have access to and have benefitted from throughout 2022/23. In addition, there are range of Council tenant specific interventions, which are also set out below:

- **Scottish Welfare Fund:** a total of £600,000 additional funds has been made available to provide immediate financial support for people in food, energy or other cost of living crises in Edinburgh. This investment provides the capacity needed to ensure that Edinburgh's Scottish Welfare Fund (SWF) can meet demand and ensure accessibility. Edinburgh has operated this flexible fund at low priority, increasing overall access. For period April – August 2022 SWF have awarded 8,687 awards to households totalling £3,291,951
- **Child Payments & Free School Meals:** in this financial year £3.2m has been paid to over 8,600 families. The final payment in December 2022 was increased from £130 to £260. The Scottish Social Security Agency will take responsibility for these payments under the Scottish Child Payment system. Scottish Government also provided funding to Local Authorities to administer payments to children in receipt of FSM to mitigate the negative impacts of the cost of living. Payments of £100 were made to almost 8,400 children, totalling £840,000. Following Full Council on 25 August 2022 a further £100 payment was made to eligible families. Families also continue to receive payments in lieu of FSMs in an attempt to combat holiday hunger. This year families have received funding of £2.50 per day, per child, totalling over £1m in support.
- **Educational Maintenance Allowance:** financial support for 16-19 year olds in low income households to support continued learning beyond school leavers age.
- **Free bus travel:** available for young people under the age of 22 using National Entitlement Card
- **Cost of Living Award:** as part of the Scottish Government budget for 2022/23 the Finance Secretary announced a one-off Cost of Living Award of £150.00 to households living in a dwelling and liable for Council Tax (band A to D), and those with a valuation banding of E where a Disabled Persons Reduction applied. All bands where Council Tax Reduction was in place were liable for the payment as well as some exempt categories. Almost 147,000 payments were made to Council Tax accounts at a value of £22m.

As part of the City of Edinburgh Council's budget for 2022/23 a financial payment of £150.00 was included to be made to citizens who were in receipt of Council Tax Reduction or Second Adult Rebate on 1 April 2022. Almost 32,000 payments were made to households totalling £4.8m.

- **Additional grant funds to support families experiencing difficulty with energy costs:** a total of £100,000 of funding was provided to Home Energy Scotland (HES) to fund payment of energy crisis grants of up to £1,000 to low-income households in Edinburgh. A further £100,000 has been made available to support this activity and is being distributed through food bank providers. The first tranche of payments totalling £52,000 was paid to providers city wide. A further payment is anticipated before the end of the financial year.
- **Additional support for people in food crisis or poverty related hunger:** in 2022/23, to date £209,000 has been made to provide direct food support for people in food crisis and the remaining payment is due in March 2023. This includes support for food banks, food pantries and community food groups.

- **Support for people in or at risk of Council Tax arrears:** a new Council Tax Liaison Team has been created who will intervene on low level new Council Tax debt to support citizens to avoid debt loading and falling further into arrears by using proportionate payment plans.
- **Council Tax Reduction Scheme:** the Customer Team continue to support low-income citizens to meet their council tax liability. The Council has been allocated funding of £28.8m for 2022/23. Currently around 32,000 households are in receipt of this important financial support.
- **Discretionary Housing Payments (DHP):** the DHP budget from the Scottish Government is allocated in two streams: Under Occupancy Mitigation and Other DHPs. The allocation for Edinburgh for 2022/23 is as follows:
 - Under Occupancy mitigation - The first tranche of funding is £3.85M or 80% of the expected cost.
 - Other DHPs - This includes assistance for those affected by the Benefit Cap and Local Housing Allowance reforms. The funding for Other DHPs is £2.08m.

There have been 7,617 DHP applications considered up to 31 December 2022, of which 558 were refused. Over £4.9m of this year fund has already been paid, with a further £1.3m committed to support vulnerable citizens meet their rental commitments. Additional funding from Scottish Government has been provided from January 2023 to fully mitigate the benefit cap for impacted citizens from 01 January 2023.

- **Community Outreach:** a regular programme of activity to increase access to Council and state benefits is ongoing. This outreach has been particularly successful in schools, with parent consultation sessions regularly supported to provide advice and guidance to parents, as well as sessions for staff to identify need.
- **The Tenant Grant Fund:** funded by Scottish Government to prevent homelessness for private and social tenants with rent arrears resulting from the Covid-19 Pandemic. The Fund was initially set up to support tenants in the social and private rental sector at risk of homelessness because of rent arrears accrued during a specific period during the covid-19 pandemic. On 6 September 2022, the Scottish Government extended the criteria making the fund available to tenants at risk of homelessness because of rent arrears arising from the cost of living crisis. The fund is available to those who have exhausted all other options for support, including income maximisation and access to other grants or funds. A dedicated team gather information to consider requests for grant awards, preventing homelessness and ensuring that tenants are referred to appropriate support and advice. The fund has recently reopened reflecting the Scottish Government's extension of criteria and is expected to be fully depleted by 31 March 2023. To date 226 Council tenants, 178 RSL tenants and 32 PRS tenants had received payment from the Tenant Grant Fund, a further 93 requests are outstanding.
- **Specialist Multi-disciplinary Team to prevent homelessness:** a multi-disciplinary team has also been piloted to help Council tenants who are at serious risk of court/eviction action and are not engaging with their housing officer. The team consists of a housing / homelessness specialist, a debt advisor and income maximisation officer supervised by a team leader. With specialised representation from housing, family and household support, adult protection, children and families social work services and family group decision making.
- **Dedicated energy advice service for Council tenants:** since 2018 the Housing Service has had a dedicated energy advice service which offers in depth advice and support helping tenants to ensure they are heating their homes in the most effective way, support with preventing or managing fuel debt, accessing social funds and the Warm Homes

Discount and other advice on positive behavioural changes. In the last six months, the Energy Advice Service has received 60% more referrals for support than the same period.

CITY OF EDINBURGH COUNCIL

LOCAL AUTHORITY

TENANT HARDSHIP FUND (2023/24)

1 Introduction

The City of Edinburgh Council Tenant Hardship Fund (THF) aims to assist Council tenants experiencing acute financial hardship in the payment of rent as a result of the current cost of living crisis.

The Council has been successful in limiting the impacts of the cost of living crisis for tenants and rental income to the Council through Discretionary Housing Payments (DHP), debt advice and assistance from the Multi-disciplinary Advice team. It is acknowledged that with the cost of living crisis combined with a modest rent increase in 2023/24 has placed further pressure on tenants and their ability to keep up with rent payments.

The Hardship Fund is intended to support these tenants to deal with immediate pressures and in so doing, to enable tenants to maintain regular rent payments. The overall aim is to support tenancy sustainment and prevent homelessness.

2 Hardship Award

A THF award may be granted when it is considered that a Council tenant requires further financial assistance towards housing costs (rental liability). This includes tenants already in receipt of a Housing Benefit (HB) or Universal Credit (UC) housing element which would qualify them for DHP. An award may also be made to tenants experiencing financial hardship but not currently eligible for HB, UC or DHP.

This fund will not apply to tenants pending an outcome of UC where an award advance could be accessed.

A THF award would be considered where a tenant can demonstrate they are unable to meet the increase in housing costs from their available income..

Council officers will determine this by taking into consideration the tenant's financial circumstances and any other relevant factors. As well as this, all alternative statutory benefits **will be taken into consideration**. An income maximisation assessment will be undertaken to ensure all state and local welfare benefits are in payment where there is an entitlement. This includes payments from Scottish Government, Department for Work and Pensions, HMRC Tax Credits and local welfare provision. Only after this has been undertaken would an award be considered from the THF.

All decisions will be made in accordance with the ordinary principles of good decision making. The Council has a duty to act fairly, reasonably and consistently.

Each case will be decided on its own merits.

3 Method of payment

THF awards will be delivered via credits to the tenants rent account in all cases. There will be a clear audit trail of payments and differentiation between awards of HB, UC housing costs, DHP and tenant contribution.

4 Stopping an award

A THF award may stop if it is decided the award is being or has been made because a tenant has misrepresented or failed to disclose a material fact fraudulently or otherwise or when a tenant has been paid as a result of error.

5 Overpayments

The Council will make every effort to minimise THF award overpayments, however where an overpayment occurs, the decision maker will decide if it is appropriate to recover the award by taking into consideration whether the tenant contributed or could reasonably have been expected to realise that an overpayment was occurring.

Any credit on a tenants rent account, as a result of an overpayment of a THF award may be recovered.

6 Length of Award

A THF award will be a one- off payment applied to a tenant's rent account.

7 Change of circumstances

A tenant receiving a THF award is required to notify the Council of any changes in circumstances which may be relevant to their award as soon as is reasonably practicable.

Most change of circumstances that tenants have a duty to report to HB or UC may also be relevant to their THF award. Such information may be used to review the level of award as agreed with the tenant in the award agreement.

8 Qualifying for a Tenant Hardship Fund award

Before an award is made the decision maker must be satisfied that the tenant:

- Is unable to meet the increase in housing costs from available income; and
- Has applied for all eligible benefits.

9 Shortfalls covered by the Tenant Hardship Fund award

A THF award may be made in the following circumstances (but are not limited to):

- Rent shortfall to prevent a household becoming homeless.

10 What a Tenant Hardship Fund award cannot cover

There are certain elements of a tenants rent that cannot be included in housing costs for the purposes of the THF award.

Excluded elements are:

- Ineligible service charges;
- Legacy rent arrears that are not subject to rent collection escalation processes; and
- Certain sanctions and reductions in benefit.

11 The level of a Tenant Hardship Fund award

A THF award will not be sufficient to meet ongoing rental liability. The maximum payment will be the average fortnight rent charge for a Council home, this equates to £220 in 2023/24.

12 Dispute Procedures

There is no statutory right of appeal in respect of a THF award. The Council can review a hardship decision in the event of a dispute or where the tenant asks for reconsideration. An officer not involved in the original decision will consider the request for review.

An Equality Impact Assessment has been undertaken to ensure this is a fair and equitable scheme.

13 Administration

The THF will be administered within the Council's Housing Service. Monthly monitoring reports on THF awards will be made to the Housing Strategy and Development Management Team.

14 Outcomes

- Reduces financial hardship for tenants receiving a THF award.
- Positive impact on the health and wellbeing of tenants by helping ease their financial burden.
- Supports tenancy sustainment.

- Helps prevent homelessness and the additional resource and cost pressures that homelessness brings.
- Reduces the numbers of cases escalated to court action.
- Increasing tenant confidence in the council as a supportive landlord.
- Increased numbers of tenants benefitting from income advice.
- Helps mitigate against financial hardship caused by Welfare Reform.

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Edinburgh Living Annual Update 2022

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 Housing, Homelessness and Fair Work Committee is asked to:
 - 1.1.1 Note the contents of the Edinburgh Living annual update for 2022;
 - 1.1.2 Note Edinburgh Living's positive impact on tackling housing need through the provision of new affordable homes across the city; and
 - 1.1.3 Refer this report to the Governance, Risk and Best Value Committee in line with Edinburgh Living's governance arrangements

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

Edinburgh Living Annual Update 2022

2. Executive Summary

- 2.1 In line with the agreed governance structure set out for the Council's housing delivery Limited Liability Partnerships (LLPs), known as Edinburgh Living, an annual update providing an overview of each financial year is required to be submitted to the Governance, Risk and Best Value Committee. This report should be noted by the Housing, Homelessness and Fair Work Committee and referred on to the Governance, Risk and Best Value Committee.
- 2.2 This report sets out the activities carried out by Edinburgh Living in 2022, the financial statement for the previous year (2021) as agreed by the Corporate Body, and the interim financial position at the end of 2022.
- 2.3 Edinburgh Living purchased its first home in 2019 and owned 502 homes by the end of December 2022.

3. Background

- 3.1 In [February 2018](#), the City of Edinburgh Council agreed to establish two new LLPs which would own and manage homes for rent to households on low to moderate income; one offering mid-market rent (MMR) homes and the second offering market rent homes. The Business Case for the implementation of the LLPs was agreed by Scottish Government under the Edinburgh and South East Scotland City Deal (City Deal). The LLPs are known under the single banner of Edinburgh Living.
- 3.2 The Council owns 99.99% of the Edinburgh Living MMR LLP and 99% of the market rent LLP. Scottish Futures Trust (SFT) owns the remaining shares.
- 3.3 Edinburgh Living is managed on a day to day basis by a Senior Management Team (SMT) made up of five senior Council officers and one staff member from SFT. Oversight is provided by a Corporate Body which comprises four elected members, the Executive Director of Place and a Director from SFT.
- 3.4 Risk and financial management are integral to the SMT's work plan throughout the year and the activities of the LLPs are reported to the Corporate Body through quarterly business updates.
- 3.5 In order to provide the Council as a Member of the LLP with relevant information relating to the operation of the LLP, the annual reporting cycle includes the

requirement for bi-annual updates to the Housing, Homelessness and Fair Work Committee and an annual update to the Governance, Risk and Best Value Committee. This report is specific to the activities of the LLPs during 2022.

4. Main report

- 4.1 Over the course of 2022, Edinburgh Living continued to purchase homes being constructed for mid-market rent on the Council's mixed tenure sites, with 158 homes being added to the portfolio.
- 4.2 In addition to the homes delivered by the Council, Edinburgh Living also purchased a former National Housing Trust (NHT) development at Fruitmarket. This purchase was agreed by the Finance and Resources Committee on [8 September 2022](#) with funding for purchase approved by the City of Edinburgh Council on 22 September 2022. This purchase of 80 homes will deliver long-term affordable housing for the city and supports Edinburgh Living's objective to have a positive impact on housing need by operating at scale.
- 4.3 Homes were also purchased at North Sighthill and Pennywell, including the remaining mid-market rent homes at the Pennywell Town Centre regeneration area. A city map showing the location of homes purchased has been provided at Appendix 1.
- 4.4 Lettings across all developments was strong over the course of the year. Edinburgh Living continued to support homelessness prevention in the city with a total of 45 households at risk of homelessness successfully moving in to permanent homes with Edinburgh Living in 2022. In total, Edinburgh Living has let 122 homes to working homeless households that have been referred from the Council's Private Rented Sector Team.
- 4.5 In 2019 the Council entered into a contract with Lowther Homes to manage and maintain Edinburgh Living homes. In October 2021, SMT were made aware of two significant administrative errors by Lowther Homes firstly, in relation to the handling of tenants' deposits over 2020/21 and secondly, the provision of prescribed information to tenants on where and how their deposits were being held. Last year's report to this committee contained information on the issue and the steps that had been taken to contact tenants, ensure all deposits were correctly registered, make compensation payments and the escalation through Edinburgh Living's governance structure. Tenants' money was not at risk at any time.
- 4.6 Since the last report to Committee, an indemnity has also been secured from Lowther Homes in relation to any future claims regarding deposit failures. This indemnity will mitigate any risks arising from these issues following the end of the Lowther contract.
- 4.7 Following an independent assurance review, which provided assurance against the Letting Agents Code of Practice, and a Wheatley Group internal audit, Lowther Homes has taken steps to address the areas of failure in relation to management of deposits. These changes were reviewed at the most recent assurance review in 2022, which was carried out in person at Lowther's offices.

- 4.8 Since the assurance review in 2021, Lowther Homes has introduced upgrades to IT systems and specific deposit procedures which include structured gateways for staff to provide information to senior managers. Copies of deposit registration certificates are provided to Edinburgh Living as part of the enhanced reporting requirements put in place following the failure. Following the 2022 review there have been further improvements to insight, monitoring and tenant contact as well as staff training.
- 4.9 The current contract for management and maintenance services is due to come to an end in May 2023. A procurement process is underway to appoint a new provider. The future contract for the Edinburgh Living lettings provider has taken in to account the lessons learned as a result of this unforeseen failure by the current provider.
- 4.10 The second Edinburgh Living tenants survey took place in September 2022. Similar to the 2021 survey, 49% of tenants (representing 166 households at the time of the survey) took part. Surveys were carried out on-line and by phone and have provided a very useful insight. The surveys covered tenants moving into new homes and those living in homes built over the last four years.
- 4.11 The majority of the respondents (55%) had previously rented in the private sector and 19% had been living with parents before moving in to their Edinburgh Living home. 14% had been renting from the Council or a Housing Association. 93% of those surveyed stated that their home met their needs well.
- 4.12 While 86% of tenants were very or fairly satisfied with the quality of their home and the majority of areas saw increased satisfaction, there is still scope for improvement across responsiveness and complaint handling. Satisfaction with customer service was up slightly at 63% but this is still below overall expectations. However, only 3% of tenants said that they would not recommend Edinburgh Living to friends and family.
- 4.13 The results of the satisfaction survey will be benchmarked against wider mid-market rent provision and the results of the survey has been fed back to Lowther Homes.
- 4.14 Subject to approval, a new service provider will be in place in June 2023. The intention would be to provide time for the new service provider to establish their service and relationships with tenants, with the next survey due to be carried out in 2024.

Financial Position and Impact of Rent Freeze

- 4.15 The financial statements for 2021 (Appendix 2) were prepared in accordance with the relevant accounting standards, audited by Azets and approved by the Edinburgh Living Corporate Body in September 2022. Council representation on the Corporate Body is set out at Appendix 3.
- 4.16 The financial statements for 2022 are currently only in draft and will be subject to revision, mainly related to the impact of the property valuations which are in progress. As at the 31 December 2022 the indicative position shows a modest increase in surplus from the previous year, all of which will be ring-fenced for the

lifecycle maintenance of the property portfolio in future years, in accordance with the business model.

- 4.17 Rental income has increased by approximately 38% due to the expansion of the property portfolio and this combined with the costs of the Management and Maintenance (M&M) contract having been fixed prior to recent increases in inflation, have been the main drivers behind the favourable outturn. The main M&M contract terminates in May 2023 and the early indications are that the future contract will have significantly higher costs going forward, which will impact on the level of future funding set aside for lifecycle maintenance. The single largest cost incurred in year relates to interest on loan repayments, which has risen due to the expansion of the property portfolio and the impact of increased borrowing costs. Edinburgh Living operates on tight margins and therefore the impact of contract price increases, interest rate rises, and any rent restrictions have a significant impact on the ability to set aside funds for future investment in the property portfolio.
- 4.18 Edinburgh Living pays for all the services it requires through the collection of rents. Rent increases take place throughout the year dependent on when individual developments are purchased. Tenants' rents can only be increased once a year, with increases capped at the Consumer Price Index (CPI) and tenants are given three months' notice of any future rental increase.
- 4.19 The published CPI figure for Edinburgh Living rental increases from January 2022 was 5.4%. However, Edinburgh Living rents only increased at around 3% to balance the need to meet financial commitments, now and into the future, and the ability for tenants to meet their own financial commitments. Rental increases before 2022 were at below business case expectations and equated to 1.21% rise in 2020 and 0.58% rise in 2021. On average, rents are at around 80% of Local Housing Allowance (LHA).

Impact of the rent freeze on 2022/23

- 4.20 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 current rent freeze will impact 426 Edinburgh Living homes, which would have received rental increases of around 3%. This would have generated £47,700 of income to support running costs.
- 4.21 298 of the LLP's properties were eligible for a rent increase between the start of the rent freeze on 6 September 2022 and 31 March 2023. A further 128 properties would be eligible for rent increases between 1 April and 31 July 2023 and therefore would be due to receive letters regarding rent increases before the end of the rent freeze. It has been assumed that no letters will be issued until after the 31 March 2023 and therefore no rent increase will be applied until 1 August 2023 at the earliest.

Impact of rent freeze on 2023/24

- 4.22 The City of Edinburgh Council agreed a motion to request a report to the next Housing, Homelessness and Fair Work Committee on the implications of a rent freeze for Edinburgh Living tenants in 2023/24. In the event that Edinburgh Living rents were frozen for a further year from March 2023, the potential rental income due to the LLP would be £127,000 less than it would otherwise have been from the period 6 September 2022 to 31 March 2024, assuming rents would be increased from 1 April 2024. The figures have been calculated based on a rise of 3%, in line with the most recent rent increases applied.
- 4.23 In January 2023 the Scottish Government announced that, subject to the approval of Parliament, changes to the Cost of Living (Tenant Protection) Act will mean that from the 1 April 2023 private rents could be increased with a cap at 3%. There will be a review of these measures in September 2023. As noted above, with three months' notice to tenants, this would allow rental increases to take place from 1 August 2023. Edinburgh Living rental increases for 2023 will be set within the parameters of the legislation and the LLP's governance.
- 4.24 Edinburgh Living needs to build up reserves to allow it to maintain the homes at a suitable standard for tenants. The current financial context is that day-to-day costs that the LLP is incurring are higher than the original business case, reflecting the wider economic climate. When this is combined with the rent freezes it impacts on the LLP's ability to build up sufficient reserves which are required to cover lifecycle costs and the LLP's ability to withstand any further increases in costs e.g. borrowing to purchase more homes.
- 4.25 The Edinburgh Living business model assumes properties will be held for 40 years with annual rent increases. If rent rises in subsequent years are not set at a level that will recover the income foregone by the freeze up to 31 July 2023, there will be a compounding impact over the remainder of the properties' 40 year lifetime. This will equate to £3.2m (for the 426 homes). Should rents continue to be frozen until 31 March 2024, the cumulative impact over 40 years would be £8m.

5. Next Steps

- 5.1 Edinburgh Living is expected to purchase a further 109 homes over the course of 2023. These homes will include the Council's first net zero carbon homes and the first homes within the Granton regeneration area.
- 5.2 The SMT will continue to support the management of the LLP on a day to day basis including monitoring the completion of the procurement process to appoint a new management and maintenance provider and the transfer of service provision, following approval to appoint in early 2023.

6. Financial impact

- 6.1 There is no financial impact arising from this report.

- 6.2 Purchase of homes is funded through Council borrowing from the General Fund, repaid from rental income and Scottish Government grant funding. Scottish Government consent is in place for the Council to on-lend to Edinburgh Living.

7. Stakeholder/Community Impact

- 7.1 The LLPs have a key role to play in delivering the Council's housing strategy and commitment to deliver affordable homes. The development of the LLPs will also have a positive impact on the local economy, through creating opportunities for local businesses as well as jobs in construction.
- 7.2 Edinburgh Living acquires new build homes that are developed through the Council's housebuilding programme to high standards in terms of energy efficiency and sustainability. A strong emphasis is placed on providing homes that are cheap to heat and affordable to manage for tenants.

Community benefits are secured through housing contracts and the management and maintenance contract can enhance the local environment. As part of the Lowther Homes contract, the delivery of community benefits was focused on training schemes, apprenticeships and a bursary programme. Lowther Homes is also committed to delivering benefits linked to tackling fuel poverty and supporting local businesses.

8. Background reading/external references

- 8.1 [Edinburgh Living Annual Update 2020 and 2021 – Referral from the Housing, Homelessness and Fair Work Committee, 23 August 2022](#)
- 8.2 [E8.1 Edinburgh Living Annual Report 2019 – Referral from the Housing, Homelessness and Fair Work Committee, Governance, Risk and Best Value Committee, 16 February 2021.](#)
- 8.3 [City Deal – New Housing Delivery Partnership Implementation – Referral from the Housing and Economy Committee, City of Edinburgh Council, 1 February 2018.](#)

9. Appendices

- 9.1 Appendix 1 – Delivery.
- 9.2 Appendix 2 – Financial Statements 2021.
- 9.3 Appendix 3 – Corporate Body Membership.

Appendix 1 – Delivery

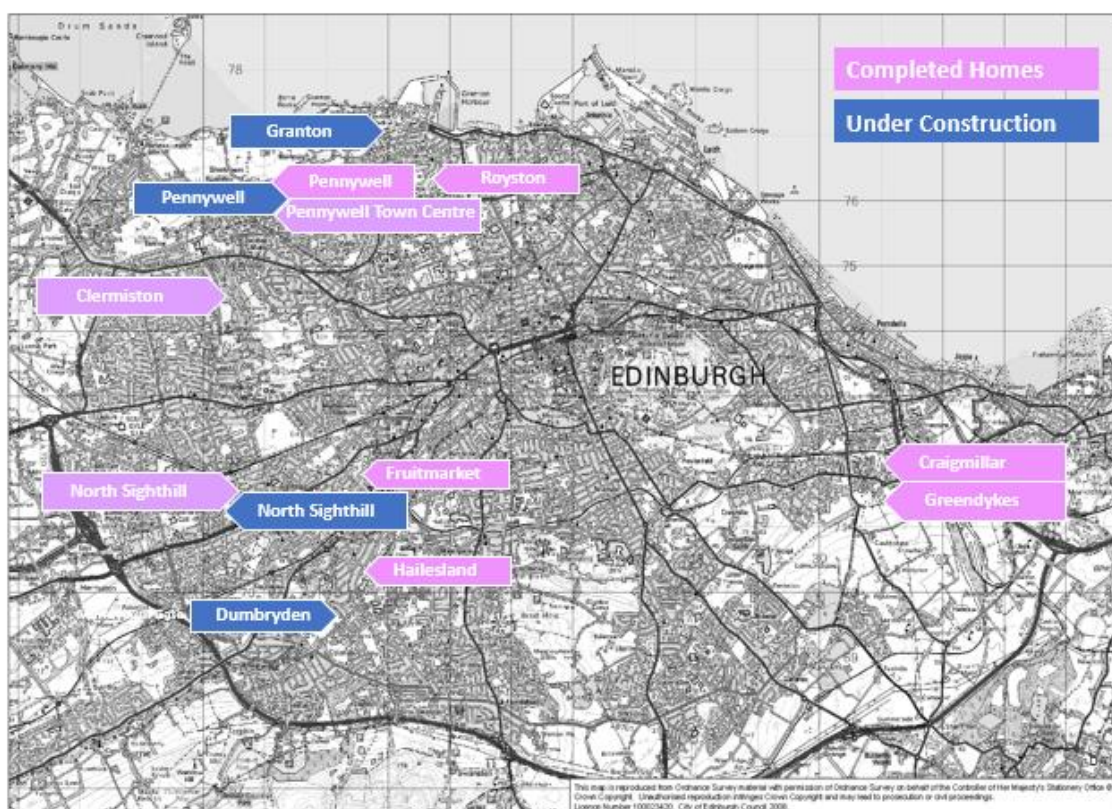
Delivery of mid-market rent homes city-wide

Homes purchased by Edinburgh Living in 2019	
Clermiston	22
Hailesland	11
Pennywell Town Centre	12
North Sighthill	8
Greendykes	56
Royston	22
Total	131

Homes purchased by Edinburgh Living in 2020	
Dumbryden	19
Craigmillar	77
North Sighthill	16
Total	112

Homes purchased by Edinburgh Living in 2021	
Craigmillar	56
North Sighthill	37
Pennywell	8
Total	101

Homes purchased by Edinburgh Living in 2022	
Pennywell	38
Pennywell Town Centre	40
Fruitmarket	80
Total	158



Appendix 2 – Financial Statements 2021

Edinburgh Living MMR LLP

Members' report and financial statements

Registered number SO306071

For the year ended 31 December 2021

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Independent auditor's report to the members of Edinburgh Living LLP	4
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Members' report

The members present their members' report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the LLP during the year was investment in residential property for rental purposes.

Business review

Edinburgh Living is a housing delivery partnership created to address housing need in Edinburgh. The initiative is a partnership between the City of Edinburgh Council (The Council) and Scottish Futures Trust (SFT). The Limited Liability Partnership will deliver homes for mid-market rent to let households in housing need.

Edinburgh Living bought its first homes in January 2019 and owned 344 homes across eight sites in the city by the end of 2021.

Edinburgh Living is 99.999% owned by the Council and is financed under a Facility Agreement with the Council to borrow up to £248m along with a contribution of up to £16.1m from a Scottish Government grant.

Results

The results for the year are shown on the profit and loss account on page 7.

Members

The members who held office during the year were as follows:

Scottish Futures Trust Investments Limited
The City of Edinburgh Council

Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members

Cash received by Edinburgh Living, excluding property disposal proceeds, will be allocated firstly to pay any operating costs, secondly in payment of any loan advances and associated accrued interest charges, thirdly to fund the Lifecycle Account as necessary to establish and maintain the Maintenance Fund and fourthly to establish and maintain the required Reserve Account balance. Any residual balances after making the above allocations will be held to apply in early repayment of loan advances. Such balances will not be distributed without the unanimous approval of members and where any payment under the Facility Agreement (between Edinburgh Living and the Council) has not been made in accordance with its terms.

Cash received from property disposals will be allocated firstly to reimburse any subsidy paid out under the Scottish Government Grant, secondly in payment of any accrued interest charges on loan advances, thirdly to repay the outstanding balance of the principal of the loan advances, fourthly to pay any operating costs including any disposal costs, to establish and maintain the Reserve Account balance, fifthly to pay for the acquisition of any replacement units, sixthly to fund the Lifecycle Account, seventhly to the Reserve Account as necessary and finally, following disposal of the final property, to repay the initial capital.

Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditor is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

*Edinburgh Living MMR LLP
Members' report and financial statements
For the year ended 31 December 2021
Registered number SO306071*

Members' report *(continued)*

Auditor

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

The above report has been prepared in accordance with the special provisions relating to limited liability partnerships subject to the small limited liability partnerships' regime within Part 15 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

Signed on behalf of the members

Paul Lawrence *on behalf of The City of Edinburgh Council*
Designated member

Waverley Court
4 East Market Street
Edinburgh
EH8 8BG
29 September 2022

Statement of members' responsibilities in respect of the Members' report and the financial statements

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Edinburgh Living MMR LLP

Opinion

We have audited the financial statements of Edinburgh Living MMR LLP (the 'limited liability partnership') for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 limited liability partnership 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 other 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership 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 entity 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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership'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

.....

Chartered Accountants
Statutory Auditor

Exchange Place 3
Semple Street
Edinburgh
United Kingdom
EH3 8BL

Profit and loss account

for the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover		2,255,965	1,025,440
Cost of sales		(232,236)	(208,817)
		<hr/>	<hr/>
Gross profit		2,023,729	816,623
Government grant release	8	167,596	89,805
Administrative expenses		(194,379)	(192,555)
Net gain from fair value adjustment on investment properties		7,070,583	2,502,272
		<hr/>	<hr/>
Operating profit		9,067,529	3,216,145
Interest payable and similar charges	4	(982,207)	(588,878)
		<hr/>	<hr/>
Profit before tax		8,085,322	2,627,268
		<hr/>	<hr/>
Profit for the financial year available for discretionary division among members	3	8,085,322	2,627,268
		<hr/> <hr/>	<hr/> <hr/>

The LLP's turnover and expenses all relate to continuing operations.

There are no items of other comprehensive income for the current or previous year and therefore no separate statement of other comprehensive income has been presented.

Balance sheet

at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investment properties	5	67,405,995	46,144,069
Current assets			
Debtors	6	347,187	217,255
Cash at bank and in hand		1,104,066	512,955
Current assets		1,451,253	730,210
Creditors: amounts falling due within one year	7		
Trade and other payables		(1,927,526)	(1,372,752)
Deferred income	8	(177,650)	(133,650)
Net current assets		(653,923)	(776,192)
Creditors: amounts falling due in more than one year	7 & 8	(6,647,883)	(5,099,480)
Net assets attributable to members		60,104,189	40,268,397
Represented by:			
Loans and other debts due to members			
Other amounts	10	41,139,575	29,389,105
Members' equity			
Members' capital	11	2	2
Revaluation reserve		17,808,100	10,737,517
Profit & loss reserve		1,156,512	141,773
		60,104,189	40,268,397

These financial statements have been prepared in accordance with the special provisions relating to Limited Liability Partnerships subject to the small Limited Liability Partnerships' regime within Part 15 of the Companies Act 2006, as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and in accordance with Section 1A "Small Entities" of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities), and the Statement of Recommended Practice Accounting by Limited Liability Partnerships.

The notes on pages 10 to 14 form part of these financial statements.

These financial statements were approved by the members and authorised for issue on 29 September 2022 and are signed on their behalf by:

Paul Lawrence on behalf of The City of Edinburgh Council
 Designated member

Statement of changes in Members' interests

for the year ended 31 December 2021

	Members' Capital (classified as equity)	Profit & Loss Reserve	Revaluation Reserve £	Loans & Other Debts Due to Members £	Total Members' interests £
Balance at 1 January 2020	2	16,777	8,235,245	16,595,617	24,847,641
New loans from Members during year	-	-	-	12,793,488	12,793,488
Profit for the financial year	-	124,996	-	-	124,996
Revaluations	-	-	2,502,272	-	2,502,272
Balance at 31 December 2020	2	141,773	10,737,517	29,389,105	40,268,397
New loans from Members during year	-	-	-	11,750,470	11,750,470
Profit for the financial year	-	1,014,739	-	-	1,014,739
Revaluations	-	-	7,070,583	-	7,070,583
Balance at 31 December 2021	2	1,156,512	17,808,100	41,139,575	60,104,189

The notes on pages 10 to 14 form part of these financial statements.

The revaluation element of Members' other interests is non-distributable.

Notes

(forming part of the financial statements)

1. General information

Edinburgh Living MMR LLP (the "Partnership") is a Limited Liability Partnership, incorporated and domiciled in the Scotland. The address of the registered office is Waverley Court, East Market Street, Edinburgh, EH8 8BG.

2. Accounting policies

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

Basis of preparation

These financial statements were prepared in accordance with Section 1A small entities of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 and amended in December 2018, and the LLP Statement of Recommended Practice (SORP) as issued in December 2018. The presentation currency of these financial statements is sterling.

Going concern

In relation to the LLP's working capital requirements, the members have prepared cash flow forecasts which indicate that the LLP will continue to have sufficient resources available to it to enable it to continue in operational existence by meeting its day to day liabilities as they fall due for payment for a period of at least twelve months from the date of approval of these financial statements. The LLP finances its day to day working capital requirements through funds advanced to the LLP by its members, as detailed in note 10.

Covid-19 has had an effect on rental income and acquisitions and may continue to do so in 2022. The Board has considered the potential impact and has reviewed some scenario modelling showing the financial implications. The Board concluded that there were sufficient resources available to the LLP to withstand a reasonable level of negative impact on the rental income.

Based upon the reasons outlined above, and after making appropriate enquiries, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the members continue to adopt the going concern basis in preparing the annual financial statements.

Cash flow statement

Under Section 1A Small entities of FRS 102, the company is not required to prepare a cash flow statement.

Turnover

The turnover shown in the profit and loss account represents rental income, exclusive of value added tax, and is recognised as it accrues.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition:

- i. Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. No depreciation is provided in respect of investment properties applying the fair value model.

Notes (continued)

2. Accounting policies (continued)

Investment properties (continued)

If a reliable measure is not available with undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets until a reliable measure of fair value becomes available.

Interest

Interest payable and similar charges comprises interest payable on loans from members. Interest payable is recognised in the profit and loss account as it accrues.

Taxation

As members are personally liable for taxation on their share of the profits of the LLP there is no corporation or deferred tax charges.

The LLP is not making taxable supplies therefore is not required to register for VAT.

Government grants

The accrual model is applied to government grants relating to assets. Grants are recognised when receivable and measured at fair value.

Grants receivable in respect of contributions to fixed assets are initially credited to deferred income and released to the profit and loss account over the useful life of the asset which is deemed to be 40 years.

Key sources of estimation uncertainty

Valuation of Investment Property

The company believes that the most significant judgement applied is the valuation of investment properties. As described above investment properties are held at fair value. The investment property portfolio has been valued by the members and any valuation movement will be reflected in the profit and loss account. This results in inherent volatility in the expected results.

Critical accounting judgements in applying the company's accounting policies

The company believes that the major judgement applied is the use of the going concern principle which supports the valuation of the assets included in the Balance sheet.

3. Profit for the financial year available for discretionary division among members

	2021 £	2020 £
This is stated after charging:		
Auditor's remuneration:		
Audit of these financial statements	7,850	7,500
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

4. Interest payable and similar charges

	2021 £	2020 £
On members' loans	982,207	588,878
	<u> </u>	<u> </u>

5. Investment properties

	2021 £	2020 £
Opening balance at 1 January 2021	46,144,069	27,747,852
Acquisition cost	14,191,343	15,893,945
Change in fair value	7,070,583	2,502,272
Balance at 31 December 2021	<u>67,405,995</u>	<u>46,144,069</u>

The last valuation was carried out by a registered valuer and qualified Chartered Surveyor from the City of Edinburgh Council, in December 2021 and is based on market value.

The valuation report has been used to inform the measurement of assets in these financial statements. The report states that the Edinburgh and Lothians Housing market has returned to pre-Covid levels. With restrictions lifted, the valuer was able to visit each site, undertake locality analysis and compare developments against a larger volume of comparable transactions.

6. Debtors

	2021 £	2020 £
Other debtors	340,796	213,636
Unpaid members' capital	2	2
Prepayments	6,389	3,617
	<u>347,187</u>	<u>217,255</u>
	<u> </u>	<u> </u>

Notes (continued)

7. Creditors

	2021	2020
	£	£
Amounts falling due within one year:		
Amounts due to The City of Edinburgh Council	900,555	592,536
Retentions	680,925	468,253
Accruals	223,742	269,479
Other creditors	122,305	42,484
Deferred income	177,650	133,650
	<u>2,105,177</u>	<u>1,506,402</u>
Amounts falling due in more than one year:		
Deferred income	6,647,883	5,099,479
	<u>6,647,883</u>	<u>5,099,479</u>

8. Deferred income

	2021	2020
	£	£
Opening balance	5,233,130	2,858,935
Grant received during the year	1,760,000	2,464,000
Grant released to profit and loss account	(167,596)	(89,805)
	<u>6,825,534</u>	<u>5,233,130</u>

9. Related party transactions

Throughout the year the partnership was controlled by the members.

During the year the LLP entered into transactions with related parties as follows:

		2021	2021	2020	2020
		Transactions	Short-term	Transactions	Short-term
			creditor at		creditor at
			year end		year end
		£	£	£	£
Related party					
The City of Edinburgh Council	Management fees	119,265	55,589	154,301	94,507
The City of Edinburgh Council	Interest	982,207	247,990	588,878	166,343
The City of Edinburgh Council	Principal	11,750,470	652,565	12,793,488	426,193
The City of Edinburgh Council	Staff recharges	70,784	123,349	78,128	78,128
		<u>12,922,726</u>	<u>1,079,493</u>	<u>13,614,795</u>	<u>765,171</u>

Notes (continued)

10. Loans and other debts due to members

On liquidation of the LLP, loan advances and related accrued interest will be repaid second after any required repayment of Scottish Government Grant.

	2021 £	2020 £
Due to The City of Edinburgh Council	41,139,575	29,389,105
	<u>41,139,575</u>	<u>29,389,105</u>
	<u><u>41,139,575</u></u>	<u><u>29,389,105</u></u>

11. Members' capital

	2021 £	2020 £
The City of Edinburgh Council	1	1
Scottish Futures Trust Investments Limited	1	1
	<u>2</u>	<u>2</u>
	<u><u>2</u></u>	<u><u>2</u></u>

12. Ultimate controlling party

The City of Edinburgh Council (CEC), Waverley Court, 4 East Market St Edinburgh, EH8 8BG is the ultimate controlling party. CEC's accounts is the largest published group accounts of which the LLP is a member.

13. Subsequent events

Covid-19 may continue to impact upon rental income. The Senior Management Team (SMT) has considered the potential impact and has reviewed some scenario modelling showing the financial implications. The SMT concluded that there were measures in place to enable to LLP to mitigate a reasonable level of negative impact on the rental income, therefore it is not considered to change the assessment of the LLP as a going concern.

Appendix 3 – Corporate Body Membership

The Edinburgh Living Corporate body consists of two Members of the Limited Liability Partnership (LLP) – City of Edinburgh Council and Scottish Futures Trust (SFT).

Five Council representatives attend meetings of the Corporate Body alongside a representative from SFT. Council representation was agreed by the City of Edinburgh Council as follows:

Current Representative
Councillor Kate Campbell
Councillor Phil Duggart
Councillor Susan Rae
Councillor Mandy Watt
Paul Lawrence – Executive Director of Place

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Trade Unions in Communities

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

- 1.1 Committee is asked to note the support provided to the Trade Unions to date and that officers will continue to work closely with them to identify any further support the Council can offer to support the hub.

Paul Lawrence

Executive Director of Place

Contact: Jill Thomson, (Interim) Head of Homelessness

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

Trade Unions in Communities

2. Executive Summary

- 2.1 This report provides an update on the support offered to the Trade Unions in respect of support available to help create a community hub in Craigmillar.
- 2.2 Officers have met with the Trade Unions and training and support has been agreed.

3. Background

- 3.1 A motion was agreed at Council on [30 June 2022](#) instructing officers to engage with the Trades Unions and community groups to see what support the Council can offer to help create a hub in Craigmillar
- 3.2 Further to this a report seeking agreement for the lease of the property at Craigmillar to the Trades Unions was agreed at Finance and Resources Committee on [8 September 2022](#).
- 3.3 Officers presented a report to Committee on the discussions that had taken place to date with Trade Unions in [September 2022](#), with an action to provide Committee with an update.

4. Main report

- 4.1 Further to Finance and Resources Committee agreement of the lease of the property, officers contacted the Trade Union Representative to arrange to meet to discuss the support the Council could offer.
- 4.2 Regular meetings have since taken place with Trade Union Representatives and Council Officers to develop partnership working and the following actions have been progressed:
 - 4.2.1 Training opportunities have been agreed with the Council's Partnership and Prevention Officer, which will include information about homelessness advice/support and referral routes;
 - 4.2.2 Engagement with the Council's volunteer coordinator volunteer resources has led to volunteer handbook and induction materials being shared with the Trade Unions to assist with the recruitment and induction of volunteers;

- 4.2.3 The Council's Income Maximisation Development Officer has offered to provide information and advice about benefits and services that can support people with money advice matters;
- 4.2.4 A meeting has been arranged with the Council officers and Trade Union representatives to develop a drop-in service within the Trade Union in Communities premises;
- 4.2.5 The Family and Household Support service provides a drop-in session for local people within the local council building and will look to extend this and provide this service within the Trade unions in Communities premises on a weekly basis; and
- 4.2.6 A meeting has been arranged to discuss the delivery of the Poverty Prevention Training to the Trade Union volunteers.

5. Next Steps

- 5.1 Officers will continue to engage with Trade Union and community groups to offer support with the development of the hub.

6. Financial impact

- 6.1 There are no financial implications as a result of this report.

7. Stakeholder/Community Impact

- 7.1 Officers will engage with Trade Union representatives and community groups.

8. Background reading/external references

- 8.1 Motion by Councillor Kate Campbell on [30 June 2022](#).

9. Appendices

- 9.1 None.

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

UK Shared Prosperity Fund Update

Executive/routine
Wards

Executive
All

1. Recommendations

- 1.1 It is recommended that Committee:
- 1.1.1 Notes that UK Government have now approved Edinburgh's UK Shared Prosperity Fund Investment Plan and confirmed the previously announced Edinburgh allocation of UK Shared Prosperity Funding for 2022/23;
 - 1.1.2 Notes the progress made confirming funding to successful projects so that they can progress with project delivery;
 - 1.1.3 Agrees that the funding intended for the one project, that has withdrawn from delivery, is reallocated to regional activities (in line with the previously agreed plan for surplus funding); and
 - 1.1.4 Notes the ongoing sign off process for the Regional Prosperity Framework Delivery Plan and the intention to align funding with the projects agreed in the Delivery Plan.

Paul Lawrence

Executive Director of Place

Contact: Philip Ritchie, Business Growth and Inclusion Contract and Programme Manager

E-mail: philip.ritchie@edinburgh.gov.uk, Tel: 07771 344587

UK Shared Prosperity Fund Update

2. Executive Summary

2.1 This report provides an update on the UK Shared Prosperity Fund (SPF) in Edinburgh following the confirmation of funding from UK Government.

3. Background

3.1 On [13 April 2022](#), the UK Government published a prospectus for the new UK Shared Prosperity Fund. 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 A national adult numeracy programme “Multiply” is also being funded through UK SPF and the Edinburgh Multiply programme is being delivered by officers in Education and Children’s Services.

3.3 Housing, Homelessness and Fair Work Committee have previously agreed the approach to be taken when delivering the UK SPF in Edinburgh and the 32 projects which would be allocated funding following an open bid process in June 2022.

3.4 On [1 December 2022](#), Committee agreed that regular reports would be provided updating on the progress of UK SPF delivery.

4. Main report

4.1 UK Government confirmed Edinburgh’s UK SPF allocation for 2022/23 on 6 December 2022 and an acceptance was sent on 7 December 2022.

4.2 UK Government have also approved Edinburgh’s UK SPF Investment Plan and confirmed they are happy with the intended activities, outcomes and outputs of the programme planned for delivery up to 31 March 2025.

4.3 Approved projects have now had confirmation of their funding allocation for 2022/23 and 2023-25, subject to UK Government funding confirmation in due course.

4.4 31 projects are now progressing with project delivery and one project (ACE IT) has chosen to withdraw their project from the programme due to a restructure of their organisation. Officers have considered other projects offering digital skills and are confident that the intended activities of ACE IT (digital skills delivery for over 50’s)

can be supported by these other programmes, with additional support from the Programme Management Office. It is therefore recommended that the unused funding from the Ace IT project (£139,800) is reinvested into the funding available for Regional Prosperity Framework (RPF) activities for Edinburgh.

- 4.5 The RPF Delivery Plan is currently being considered by the Local Authorities within the Region and the Edinburgh and South East Scotland City Region Deal Joint Committee. Once that plan is signed off, work will be carried out to ensure that the SPF funding is aligned with the RPF Delivery Plan.
- 4.6 Due to the delayed confirmation of funding nationally, the reporting schedule from UK Government has been amended and the first report on activities will now be submitted to UK Government at the end of March 2023, with details on further requirements to be confirmed shortly.
- 4.7 UK Government have also confirmed that, due to the delays in confirmation of funding, there will be a one-off possibility to carry forward unspent 2022/23 funding into next financial year, on the condition that a clear and detailed plan is provided for how the underspend will be used in 2023/24. It is anticipated that the funding will be added to providers' allocations in 2023/24.
- 4.8 A UK SPF Grants Manager has been recruited for the Programme Management Office in Edinburgh. The Manager is employed by Capital City Partnership and will work alongside the contract managers supporting other Council funded projects, to monitor and oversee the daily running of the programme.
- 4.9 In addition, the Council's Sustainability Team have been consulted about the carbon impact assessment of SPF activities and have agreed to support funded projects to carry out carbon impact assessments (CIA), where required, to ensure there is consistency with future reporting. Due to the delays in funding, it is anticipated that all capital funded projects will start in 2023/24 at the earliest, which will allow time for CIAs to be completed.

5. Next Steps

- 5.1 Council Officers and the Grants Manager will continue to liaise with providers and pull together information required for UK Government reporting purposes, including the plan for any underspent 2022/23 funding.
- 5.2 A further update on delivery and a copy of the report submitted to UK Government will be provided at the next committee.

6. Financial impact

- 6.1 No additional costs to the Council are expected for the delivery of programmes outlined in this paper.

7. Stakeholder/Community Impact

- 7.1 To support the development of Edinburgh's UK SPF Investment Plan, engagement and promotion activities were held with stakeholders as outlined in previous reports.

8. Background reading/external references

8.1 [UK Shared Prosperity Fund Prospectus](#),

9. Appendices

9.1 None.

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Response to motion by Councillor Dalgleish – Energy Efficiency Task Force

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 Housing, Homelessness and Fair Work Committee is asked to:
 - 1.1.1 Note the information provided in this report on advice and information available for residents and businesses on energy efficiency; and
 - 1.1.2 Decide whether to proceed with the establishment of an Energy Efficiency Task Force.

Paul Lawrence

Executive Director of Place

Contact: David Cooper, Head of Development and Regeneration

E-mail: david.cooper@edinburgh.gov.uk

Response to motion by Councillor Dalgleish – Energy Efficiency Task Force

2. Executive Summary

- 2.1 This report responds to an adjusted motion approved by the Council on [15 December 2022](#) in respect of an Energy Efficiency Task Force.

3. Background

- 3.1 On 15 December 2022, the Council approved the following adjusted motion by Councillor Dalgleish titled Energy Efficiency Task Force:
- To note that this winter and beyond would be extremely difficult for many people across Edinburgh, with a worrying amount of the residents, community groups and businesses facing financial challenges due to the cost-of-living crisis and pay not keeping pace with inflation. As a result of increased costs of gas and electricity bills, individuals may have to turn off their heating this winter.
 - To note that both council officers and elected members did their utmost as a matter of urgency to help the residents and communities during this winter period and beyond.
 - To note that Council had a primary duty of care as a landlord to assist Council house tenants and Council property users in ensuring their surroundings are comfortable and that any new support initiative must take that into account.
 - To support the call for a freeze on energy prices for the next six months, an end of the premium paid by nearly half a million households who have prepaid meters.
 - To request a report to the Housing, Homelessness and Fair Work Committee in one cycle which sought to establish a “Energy Efficiency Taskforce” with the aim of working alongside other relevant partners and stakeholders to give residents/owners, community groups and businesses information about insulation and energy efficiency renovations, including planning and building warrant requirements, as well as general advice regarding energy efficiency. The report should outline ongoing work related to this and detail clear objectives for the Taskforce and outline the feasibility of the City of Edinburgh Council

formally joining and/or working with Citizens Advice Edinburgh's 'EMPOWER' (Specialist Energy Advice) partnership which had established outreach and expertise in all localities.

- This Taskforce should set out the existing advice and information already provided by other parties including Home Energy Scotland and Changeworks. The aims of the task force should include:
 - Analysing the information already available and ensuring that it is accessible and well signposted to through a 'no wrong door approach';
 - Ensure that all relevant staff groups are trained to signpost to enable the above approach;
 - Review where there is a need for energy efficiency support but no resources available, by engaging with third sector and people with lived experience;
 - Review the approach outlined in the council's own net zero strategy and the Scottish Governments Heat in Building strategy; and
 - Produce an energy efficiency action plan with council specific outcomes which are achievable and do not duplicate the work of any other third party organisations.
- To agree a report should come back to HHFW which set out a realistic plan and deliverable outcomes before the task force was established. Any actions from the task force must be approved at the Housing, Homelessness and Fair Work committee, or other relevant executive committees.
- To also agree that this report will set out:
 - The proposed membership of the taskforce, which should include at least one representative from each political group on the council;
 - The remit of the taskforce and the relationship between the taskforce and key partners and stakeholders in the fight against fuel poverty, including but not limited to Changeworks and Home Energy Scotland;
 - The progress to date on developing a Local Heat and Energy Efficiency Strategy for the city, and what the potential role of the taskforce could be with that development;
 - The current measures to target energy efficiency and heat decarbonisation at those in the greatest need, and what the potential role of the taskforce could be with ensuring energy efficiency is affordable to everyone and free to those on the lowest incomes; and
 - The potential for the council to support the creation of local advice and collective purchasing co-operatives such as Loco Home Retrofit in Glasgow, and what role the taskforce could play in that.

4. Main report

Climate Strategy

- 4.1 The [Climate Strategy](#) has a dedicated section on energy: Net Zero Energy Generation and Energy Efficient Buildings, with three key outcomes (eight associated Key Performance Indicators and 26 actions). Progress on the Climate Strategy and delivery of the actions is reported to the Sustainability Board with a full update expected to be presented to Policy and Sustainability Committee in August 2023.
- 4.2 Each action has a lead delivery partner and specific milestones.
- 4.3 Delivery Partners include:
- The City of Edinburgh Council;
 - Scottish Government;
 - Developers;
 - Registered Social Landlords;
 - The City Heat and Energy Partnership; and
 - Zero Waste Scotland.
- 4.4 The Edinburgh Infrastructure and Investment Programme Board (IIPB) has been established to support collaborative development of strategic city infrastructure.
- 4.5 This Board comprises a variety of partners and the City Heat and Energy Partnership is one of its subgroups. The Partnership includes Scottish Power Energy Networks (SPEN), National Health Service (NHS), Universities, Scottish Water, Scottish Gas Networks (SGN) and the Edinburgh and South East Scotland City Region Deal (ESECRD).

Edinburgh Communities Climate Action Forum

- 4.6 Alongside the IIPB, the Edinburgh Communities Climate Action Forum has been established to support the development of net zero communities across Edinburgh. The forum is led by community, voluntary and third sector organisations and is facilitated by Edinburgh Voluntary Organisations' Council (EVOC). The Forum supports the work of community led retrofit, and with continued support from the Council, will continue to develop this programme over the next year.
- 4.7 The forum has four key objectives:
- 4.7.1 Supporting community capacity to deliver transformational Change;
- 4.7.2 Supporting community leadership and inclusion in climate planning and action;
- 4.7.3 Catalysing Net Zero projects between community, voluntary and third sector Organisations; and
- 4.7.4 Working with communities to embedding Community Wealth Building Outcomes locally.

Working with partners to provide advice and information

- 4.8 A summary of the existing sources of advice, information and funding is provided in Appendix 1.
- 4.9 The Council works closely with all of these organisations, but in particular with Changeworks, Home Energy Scotland and Business Energy Scotland in order to ensure that residents can access the support that they need.
- 4.10 Due to the nature of the support available, it is not always possible to provide a ‘no wrong door’ approach, however the relationships are strong between each of the organisations and support is provided for residents and businesses to engage with the right services, at the right time.
- 4.11 This support also extends to ensuring that signposting and referrals to the relevant sources of funding is also provided.

Financial Support

- 4.12 There are a number of ways in which people and organisations can access financial support including through the Council's [Advice Shop](#), which provides benefit and debt advice. This includes advice on [help with gas and electricity costs](#).
- 4.13 As well as a number of online tools to support residents to identify the support available, email and telephone contacts are also provided for people to access the information they need.
- 4.14 Advice is also available (from the organisations set out in Appendix 1) so that individuals do not need to fully understand the complexities of each scheme. For example, Home Energy Scotland can make referrals to the Scottish Government's Warmer Homes Scotland programme as well as advising on the Home Energy Scotland Grant and Loan funds.

Partnership Working

- 4.15 As part of the partnership work which the Council is leading on to ensure that there are warm and welcoming local spaces across the city this winter, information and advice has been provided to residents with information days and drop in events hosted by a range of partners.
- 4.16 There are also a number of community groups and partnerships working across the city to improve buildings and community spaces, through maintenance, retrofit and local heat and energy systems (including EdinBRIC and Porty Community Energy).

Net Zero Communities Pilot Programme

- 4.17 In the 2030 City Climate Strategy, the Council committed to pilot three net zero communities based on a whole system model in geographies with different demographic profiles, community capacity and common building typology; to scope a scalable approach to private housing retrofit.
- 4.18 Working with Changeworks and Dark Matter Labs, the three pilot areas identified across the city were Portobello/Joppa, Leith and Willowbrae. The areas were selected based on availability of common building typology, high owner occupier

residents, existing strong community alliance, alignment with 20 Minute Neighbourhood Programme and the potential for future funding.

- 4.19 With continued support from Changeworks, phase 2 of this project is underway and a final report is expected in Summer 2023. This will include detailed property typologies and will support the work of the community led retrofit programme led by EVOC.

Staff Training

- 4.20 In 2022/23, the Council's activities on poverty prevention and household support have included bespoke training on the Cost of Living to enable Council staff to support people by signposting to information and advice, resources, and support (including support provided by the third sector).
- 4.21 Home Energy Scotland also provided training titled 'How to save on your energy bills' to support staff but also to raise awareness of the support and services it provides.

Local Heat and Energy Efficiency Strategy

- 4.22 A Local Heat and Energy Efficiency Strategy (LHEES) is a long-term plan for decarbonising heat in buildings and improving energy efficiency across a local authority area. The central drivers of an LHEES are the statutory national targets of achieving net zero emissions by 2040 (with a 75% reduction by 2030) and so far as reasonably possible, eradicating fuel poverty by 2040.
- 4.23 The Council is in the process of preparing the LHEES for Edinburgh in line with the methodology published by the Scottish Government and Zero Waste Scotland.
- 4.24 Stages 1 and 2 of the LHEES have been completed and a consultant has been appointed to provide support with the technical analysis required to complete stages 3 to 6.
- 4.25 Concurrently, work is underway on stages 7 and 8 (the preparation of the strategy and delivery plan documents themselves). The Council is under a statutory duty to publish the LHEES by 31 December 2023 and the project management is focused on achieving this deadline.
- 4.26 Based on the current timeline, it is expected that the draft strategy and delivery plan will be completed by 30 September 2023 to allow for final consultation and Committee approval.
- 4.27 As noted, the focus of the LHEES is on long-term transformation of Edinburgh's building stock. However, if an Energy Efficiency Task Force is established, it may be able to assist with the delivery of some short-term actions (i.e. over the period 2024 to 2026) identified in the LHEES delivery plan (for example, raising awareness of existing and emerging support around energy efficiency and heat decarbonisation).

Current measures to target energy efficiency and heat decarbonisation

- 4.28 The Council currently support energy efficiency improvements to social homes (via its own retrofit programme) and to privately owned homes (via the Energy Efficient Scotland: Area Based Scheme delivered in partnership with Changeworks).
- 4.29 The Council also signposts households and businesses towards other support available, for example Warmer Homes Scotland, ECO4, and the Home Energy Scotland Grant and Loan schemes.
- 4.30 Via its new housebuilding programme, the Council is delivering new affordable homes to net zero standard, with high energy efficiency and heat with no direct emissions. The Council is also developing net zero district heat schemes, including a proposed district heat scheme in Granton Waterfront that would supply new and existing homes.

Role of an Energy Efficiency Task Force

- 4.31 The approved motion requested a report which sought to establish an Energy Efficiency Task Force with the aim of working alongside other relevant partners and stakeholders to give residents/owners, community groups and businesses information about insulation and energy efficiency renovations, including planning and building warrant requirement, as well as general advice about energy efficiency.
- 4.32 However, as shown in this report, the landscape for providing advice and information is complex and wide-ranging and there are a number of organisations already operating effectively in the city to support individuals, landlords and community organisations.
- 4.33 Council officers have developed strong working relationships with a number of organisations and the Council works effectively (leading and supporting) partners to ensure that information and advice is available at the right time, from the right source. This includes signposting, onwards referral mechanisms, and facilitating opportunities for partners to speak to residents and businesses about the services provided.
- 4.34 It is recognised that the information available on the Council website, and to customers contacting the Contact Centre, could be enhanced by signposting to other support available, including to EMPOWER (the specialist advice service established by Citizens Advice Edinburgh and Edinburgh and Lothians Regional Equality Council (ELREC)).
- 4.35 Based on the above and, recognising that there are already a number of forums already in place to signpost to advice and information, officers recommend that the Council does not establish an Energy Efficiency Task Force.
- 4.36 Instead, it is proposed that officers set up a briefing for elected members with partners to demonstrate the work which is on-going and to discuss ways in which improvements could be made to the information and advice available to strengthen the 'no wrong door' approach. This would be programmed in the run up to the August report on the Climate Strategy and would offer an oversight of the full work programme.

- 4.37 In addition, as noted in paragraph 4.33, improvements will be made to the information available on the Council website and when contacting the Council by telephone to ensure people receive the information they need at the point of contact.

Composition and remit of an Energy Efficiency Task Force

- 4.38 Alternatively, should Committee decide to proceed with the creation of an Energy Efficiency Task Force, it is proposed that the task force should preferably consist of Elected Members, with one member per political party.
- 4.39 The task force would be supported by Council officers, with a forward agenda prepared, and partners would be invited to participate. Partners could include, but not limited to, the organisations/groups mentioned throughout this report, charities, voluntary groups, third sector partners, Registered Social Landlords, and private sector organisations.
- 4.40 It is proposed that the first meeting of the task force should receive the briefing proposed at paragraph 4.35, with presentations from Changeworks, Home Energy Scotland and Business Energy Scotland.
- 4.41 It is not possible at this stage to set out a realistic plan and deliverable outcomes for the task force, however should Committee agree to proceed with establishing a task force, officers will develop a draft plan with detailed outcomes for the task force within four months.
- 4.42 This could include a role for the task force in supporting the development and implementation of emerging proposals to improve energy efficiency (e.g. supporting the delivery of short term actions arising from the LEEHS such as raising awareness of existing and emerging support around energy efficiency and heat decarbonisation).
- 4.43 If it is agreed to proceed with the creation of a task force, the aims will be developed based on those included in the motion to the Council on 15 December 2022.

5. Next Steps

- 5.1 Committee is asked to note the information provided on the support and advice already available and to decide whether to proceed with setting up an Energy Efficiency Task Force.

6. Financial impact

- 6.1 There are no financial impacts arising from this report. However, should a task force be established, and an action plan agreed, this will be costed, and a report will be presented to the relevant Committee. On the assumption that no additional resource is, or will be made, available, this would also address what existing

workstreams need to be revisited to create capacity to support the Energy Efficiency Task Force and its action plan.

7. Stakeholder/Community Impact

- 7.1 There are a number of partners and community groups involved in providing advice and information about energy efficiency, as set out in this report.
- 7.2 If a task force is established, partners and community groups will be invited to participate in the task force as appropriate.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Summary of Existing Advice and Information

Appendix 1 – Summary of Existing Advice and Information Available

The Council provides advice and information to residents and works closely with a number of organisations which provide advice and information on energy efficiency. This includes but is not limited to:

Energy Efficiency and Heating Advice for all Residents

For Council Tenants

The Council [website](#) provides details on energy efficiency and heating advice.

For Council tenants, an Energy Advice Service is provided by Changeworks. This service is free to access and provides telephone, email, and online advice by contacting:

Telephone: 0800 870 8800

Email: warmth@changeworks.org

Website: [Changeworks](#)

This service is currently being expanded to meet the needs of tenants.

For Residents

[Home Energy Scotland](#) provides free, impartial advice to householders (of any tenure) on saving energy, keeping warm at home, renewable energy and cutting water waste. Home Energy Scotland can also advise on funding including the Scottish Government's Warmer Homes Scotland programme and the Home Energy Scotland Grant and Loan and signpost or refer to other third-party organisations.

Telephone: 0808 808 2282

Email: partnerships@se.homeenergyscotland.org

[Energy Advice Scotland](#)

[Energy Savings Trust](#)

For Private Sector Landlords

Home Energy Scotland offers free, expert, impartial support and advice for registered private landlords in Scotland who would like to improve the energy efficiency of their rental properties, as well advising on the Private Rented Sector Landlord Loan.

Telephone: 0808 808 2282

For Businesses

[Business Energy Scotland](#) provides free one-to-one support to help Scottish Small and Medium-Sized Enterprises (SMEs) reduce their energy use, cut carbon emissions and boost profits. Business Energy Scotland can also advise on the Scottish Government's SME loan and Cashback Scheme.

Telephone: 0808 808 2268

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Parental Employability Support

Executive/routine Wards	Executive All
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1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee:
 - 1.1.1 Note the expectation that additional funding will be allocated to the City of Edinburgh Council in 2023/24 for Parental Employability Support (PES), to be fully utilised in 2023/24;
 - 1.1.2 Note the urgency in developing and implementing a comprehensive programme to ensure delivery can take place before 31 March 2024; and
 - 1.1.3 Subject to additional funding being allocated to the Council:
 - 1.1.3.1 Agree to allocate up to £300,000 on a one-off basis to continue the Disabled PES programme, pending confirmed outcomes and Local Employability Partnership (LEP) approval;
 - 1.1.3.2 Delegate authority to the Executive Director of Place, in consultation with the Economy Spokespeople, for individual one-off grant funding awards of up to £250,000 to expand the existing PES programme; and
 - 1.1.3.3 Note that any awards will be reported retrospectively to Committee.

Paul Lawrence

Executive Director of Place

Contact: Philip Ritchie, Contracts and Programme Manager, Business Growth & Inclusion

E-mail: philip.ritchie@edinburgh.gov.uk Tel: 07771 344587



Parental Employability Support

2. Executive Summary

- 2.1 This report outlines the work already undertaken by City of Edinburgh Council and local employability partners to put in place services for parents. In anticipation that additional funding will be made available in 2023/24, it is recommended that Committee approves a plan for quickly implementing extended services. This plan will only be implemented in the event that additional funding materialises.

3. Background

- 3.1 Parental Employability Support (PES) funding is provided by Scottish Government under the Tackling Child Poverty strategy and is intended to complement the No One Left Behind strategy for the delivery of services to support parents into, and to progress in, employment.
- 3.2 The client groups who are eligible and benefitting from the PES fund are:
- 3.2.1 Lone Parents who are unemployed or experiencing in work poverty;
 - 3.2.2 Parents with a disability or families who are unemployed or experiencing in work poverty and have a disabled child;
 - 3.2.3 Parents who are unemployed or experiencing in work poverty and have 3 or more children;
 - 3.2.4 Parents from a minority ethnic background who are unemployed or experiencing in work poverty;
 - 3.2.5 Parents who are unemployed or experiencing in work poverty and have a youngest child <1; and
 - 3.2.6 Parents who are aged <25 who are unemployed or experiencing in work poverty.
- 3.3 Delivery in Edinburgh has taken place through various projects. In [June 2022](#), Committee agreed to:
- 3.3.1 Extend PES grants, until 31 March 2025, subject to Scottish Government funding being made available and satisfactory performance of outcomes against annual targets;

- 3.3.2 Recruit a team of specialist key workers to offer a citywide service to support parents across the city, similar to the model utilized for young people through Activity Agreements;
 - 3.3.3 Develop and implement a programme for individuals, especially parents, to set up as childminders; and
 - 3.3.4 Direct award funding to Capital City Partnership (CCP) to commission specialist services specifically to support disabled parents, with priority given to organisations based in, and delivering services within, Scottish Index of Multiple Deprivation areas 1-5.
- 3.4 The report in June 2022 also highlighted the Scottish Government's intention to increase employability support services for parents in 2022/23 by allocating further funding for local authorities in Scotland to support the Best Start, Bright Futures delivery plan. This was later cancelled in the emergency budget review announced on [2 November 2022](#).

4. Main report

PES Funding 2023/24

- 4.1 In the budget announcement on [15 December 2022](#), the PES provision in 2023/24 has been increased to £69.7m. It is understood that the majority of this, but not all, will be allocated to Local Authorities for delivery of employability services for parents.
- 4.2 The Council has not yet received confirmation of the funding allocation in 2023/24 or details of the delivery requirements, but initial indications are that the delivery criteria is likely to remain largely unchanged from previous PES allocations. In addition, it is expected that the additional funding will be for 2023/24 only and will need to be spent within the financial year.
- 4.3 Assuming the same allocation methodology is applied in 2023/24 as in previous years, Edinburgh's allocation is likely to be around £2.8m. This would mean approximately £2.1m should be allocated to delivery costs, with the remainder used to meet internal staffing costs.

Proposed PES Programme 2023/24

- 4.4 Discussions are on-going with the Local Employability Partnership (LEP), Scottish Government and other local authorities about programme plans for 2023/24.
- 4.5 As noted in the background of this report (paragraph 3.3.1), PES grants were agreed (subject to funding and satisfactory performance) by Committee in June 2022 for three years. These awards total £196,250.
- 4.6 Should additional funding be allocated to the City of Edinburgh Council in 2023/24, it is recommended that:
 - 4.6.1 Committee agree a one-off allocation of £300,000 is made to extend the Disabled PES programme for a further year. This allocation would be subject

to confirmation of the outcomes achieved in the present programme and a recommendation from the LEP to proceed; and

- 4.6.2 Committee delegate authority to the Executive Director of Place, in consultation with Economy Spokespeople, to agree individual one-off grant funding awards of up to £250,000, based on the funding criteria set out above.

5. Next Steps

- 5.1 If Committee approves the recommendations of this report, officers will continue to engage with the LEP, Scottish Government and other local authorities to develop and implement a programme of activities in line with the PES criteria in Edinburgh.
- 5.2 If additional funding is allocated to City of Edinburgh Council, any funding awards made will be retrospectively reported to Committee.

6. Financial impact

- 6.1 There is no financial impact to the Council as all delivery costs of the PES fund will be contained within the grant award from Scottish Government.
- 6.2 The anticipated programme costs are set out in paragraphs 4.5 and 4.6. The combined total of the existing and proposed awards will not exceed the funding allocation for the City of Edinburgh Council in 2023/24.
- 6.3 The ongoing projects will be contract managed by CCP under the existing SLA.
- 6.4 The allocation for 2023/24 is expected to include funding for internal staff. In addition, if required, this programme can also be supported by the Employability team responsible for the No-One Left Behind programmes.

7. Stakeholder/Community Impact

- 7.1 The impact on this client group will be positive as the projects will enable them to enhance their employability and develop new skills to help them to secure or progress in employment. There is also a link to income maximisation advice which will ensure that these families benefit in real financial terms.
- 7.2 Partnership working is at the heart of the development of this proposal, both between Council departments and other partners and has been designed to complement the current strategic skills pipeline. This includes undertaking Integrated Impact Assessments to ensure no-one is adversely affected by these proposals and programmes.

8. Background reading/external references

- 8.1 [Council Commitments – Delivering an Economy for All.](#)
- 8.2 [Scottish Government's Parental Employment Support Fund.](#)
- 8.3 [Scottish Government - Tackling Child Poverty Delivery Plan 2022-26.](#)
- 8.4 [Scottish Government's No-one Left Behind policy.](#)

9. Appendices

9.1 None.

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Employer Recruitment Incentives – Targeted Additional Funds for Young People living in poverty

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Committee:
 - 1.1.1 Notes the content of the report and evidence gathered to show the impact of the targeted additional Employer Recruitment Incentive funds for young people;
 - 1.1.2 Agree to not continue the pilot; and
 - 1.1.3 Agree to extend and expand the current Promising Young People programme to provide paid placements in private, public or third sector, for young people who are:
 - 1.1.3.1 Care Experienced;
 - 1.1.3.2 From a jobless household; or
 - 1.1.3.3 Reside in Scottish Index of Multiple Deprivation decile area 1 or 2.

Paul Lawrence

Executive Director of Place

Contact: Philip Ritchie, Business Growth and Inclusion Contracts and Programme Manager

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Employer Recruitment Incentives – Targeted Additional Funds for Young People living in poverty

2. Executive Summary

- 2.1 This report provides an overview of how additional funding support to employers through Edinburgh's Employer Recruitment Incentive (ERI) has been used to enable young people who are care experienced and/or living in poverty to access a Modern Apprenticeship (MA) opportunity by ensuring the MA is paid at the Real Living Wage (RLW) rate.

3. Background

- 3.1 Edinburgh currently offers Employer Recruitment Incentives (ERI) using Scottish Government No One Left Behind (NOLB) and Young Person's Guarantee (YPG) funding. Awards range from £2,000 to £6,000 in staged payments over 52 weeks based on age range, contracted hours and wage rates.
- 3.2 It is recognised that some young people may be unable to apply for, and take up, Modern Apprenticeships (MAs), due to their low paid nature. This has been further strengthened by anecdotal evidence from employability providers.
- 3.3 Housing, Homelessness and Fair Work Committee therefore agreed on [24 March 2022](#) to allocate £100,000 from the Scottish Government's YPG funding to a pilot of 10 enhanced funding awards, to fund an uplift in wages for young people who are most disadvantaged to take up MA opportunities and the eligibility criteria for the enhanced funding to be young people (up to the age of 25):
- 3.3.1 Living in a Scottish Index of Multiple Deprivation (SIMD) decile area 1 or 2,
 - 3.3.2 Living in a jobless household or
 - 3.3.3 Care experienced
- 3.4 It was further agreed that a report, reviewing the trial and setting out recommendations for the future, would be brought back to Committee in Spring 2023.
- 3.5 Using YPG funding, a Promising Young People (PYP) programme is currently being delivered to provide 6-month paid placements for care experienced young people. This provides placements within the City of Edinburgh Council, paid at Real Living Wage (RLW) rates.

- 3.6 While all YPG funding awarded in 2022/2023 has been spent, an underspend in employability funding awarded by Scottish Government in 2021/2022 was permitted to be carried forward for a further financial year and has been permitted for carry forward again.

4. Main report

- 4.1 The enhanced funding opportunity was implemented from 1 April 2022 and promoted throughout the employability network in Edinburgh to make providers working with young people within the target groups aware of the offer. Officers also informed employers who applied for the main ERI funding aware of the enhanced offer when an eligible application was received.
- 4.2 To date, only two employers have taken advantage of the enhanced offer and only one of the two young people remains in employment.
- 4.3 Both employers are in the third sector, one charity and one social enterprise, and both would otherwise would have paid the employees £4.81 per hour.
- 4.4 Both employers were made aware of the funding via council officers.
- 4.5 Feedback from employers when declining to claim the enhanced offer, echoes the reasonings for not paying the RLW rates of pay; they could not sustain this beyond the funded period to enable them to offer an apprenticeship, or the apprentice would be earning more than employees with lengthy service and the employer could not justify this or afford to adjust the wages of the other employees.
- 4.6 Feedback from young people is that they felt unsure what career route to take and reluctant to commit fully, both timewise and emotionally, to an MA without knowing this is the right route for them. Anecdotal evidence suggests that they prefer to undertake a paid work experience to get an understanding of what the job will be like before exploring their next steps.
- 4.7 Experience from the PYP programme supports this – to date, we have had 8 care experienced young people taking up paid placements through this programme and feedback has been very positive, with all participants expressing that it has been a helpful experience which has allowed them to ‘trial’ jobs which they have considered and make an informed decision on how they wish to progress with their career plans.
- 4.8 It is therefore suggested that paid placements (at RLW rates) are a better suited intervention for this target group, and something that employers are able to support. These paid placements can be a pathway into apprenticeships or an appropriate progression for participants.
- 4.9 It is recommended not to extend the ERI pilot but instead that the PYP programme is continued in 2023/24 and extended to encompass young people from jobless households and/or who reside in a SIMD decile area 1 or 2. It is also recommended that it is expanded to provide placements with private sector employers, as well as public and third sector.

5. Next Steps

- 5.1 Should committee approve, officers will ensure that programmes are in place to deliver paid placements for this target client group in 2023/24.
- 5.2 Employers will be supported to offer fair work paid placement opportunities at RLW rates and encouraged to provide apprenticeships where possible, in order to offer structured progression pathways for young people when completing placements.

6. Financial impact

- 6.1 It is recommended to continue the PYP programme with a £100,000 budget in 2023/24.
- 6.2 The Council was awarded YPG funding from Scottish Government for delivery of activity in 2022/23. This funding will not be renewed in 2023/24 so it is recommended that underspent employability funding from Scottish Government in 2020/21 which has been carried forward, is utilised.

7. Stakeholder/Community Impact

- 7.1 ERI funding is available to businesses who have committed to offering employment to a person with barriers to securing and sustaining employment. It can be used for a variety of purposes, from equipment, travel costs, training, additional support and wage costs.
- 7.2 PYP has successfully supported care experienced young people, a group which is traditionally particularly difficult to engage with, in 2022/23. Continuing the programme and expanding it to young people living in SIMD decile areas 1 and 2 or coming from jobless households, as well as going into third or private sector placements, will enable more young people to benefit from the programme.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 None.

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Young Person's Guarantee Grants Extension Proposal

Executive/routine Wards	Executive All
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1. Recommendations

- 1.1 It is recommended that Housing Homelessness and Fair Work Committee:
- 1.1.1 Note the Scottish Government's decision not to continue funding Local Employability Partnerships to deliver the Young Persons Guarantee in 2023/24;
 - 1.1.2 Note that No One Left Behind funding from 2021/22 has been approved to be carried forward into 2023/24;
 - 1.1.3 Approve the extension of four existing Young Person's Guarantee Grants, for a 12-month period from 1 April 2023 until 31 March 2024, at a total maximum value of £300,000, to be funded from carried forward funding (1.1.2); and
 - 1.1.4 Approve the allocation of £75,000 to the Vocational Training Framework, delivered by Capital City Partnership, to add capacity specifically for young people to access sector specific training and qualifications.

Paul Lawrence

Executive Director of Place

Contact: Lucy Pearson, Business Growth and Inclusion Contracts and Programme Manager

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Young Person's Guarantee Grants Extension Proposal

2. Executive Summary

- 2.1 This report seeks approval to award funding to four organisations to continue their work with young people, as outlined in paragraph 4.7, and to approve additional funding for the Vocational Training Framework (VTF) (paragraph 4.9).

3. Background

- 3.1 In response to the impact of the Covid-19 pandemic on the opportunities and life chances of young people, in 2020 the Scottish Government launched the Young Person's Guarantee (YPG) which aims to give all young people (16-24) access to work, training or education.
- 3.2 Funding was allocated to Local Employability Partnerships (via Local Authorities), Colleges and Developing the Young Workforce to deliver support for young people to achieve a positive destination.
- 3.3 In Edinburgh, Local Authority funded delivery has taken place in various forms, including a small grants programme awarding funding to a total of 17 projects (listed in Appendix 1) delivered by third sector organisations across the city, specifically focussing on young people who are:
- 3.3.1 Care experienced;
 - 3.3.2 Disabled or have a long-term health condition;
 - 3.3.3 From Black Asian and Minority Ethnic (BAME) backgrounds;
 - 3.3.4 Involved with the criminal justice system;
 - 3.3.5 Who identify as Lesbian Gay Bisexual Trans Queer +; and
 - 3.3.6 Residing in Scottish Index of Multiple Deprivation (SIMD) 1 or 2.
- 3.4 Committee awarded £250,000 p.a. to Capital City Partnership (CCP) on [20 January 2022](#) to establish and deliver a VTF under the Network of Employability Support and Training. This is an all-age provision.
- 3.5 While all YPG funding awarded in 2022/23 has been spent, funding for No One Left Behind (NOLB) in 2021/22 was permitted to be carried forward into 2022/23 and again into 2023/24.

4. Main report

- 4.1 As per the Scottish Budget Statement published on [15 December 2022](#), the Scottish Government is withdrawing all investment in Local Employability Partnership-led YPG delivery beyond 2022/23.
- 4.2 Since January 2023, the current providers have been supporting young people to progress into other services across Edinburgh's [Strategic Skills Pipeline](#) (SSP), or into a positive destination, by 31 March 2023 with a view to ending YPG delivery at that point (as per their original award).
- 4.3 The Youth Employability Partnership (YEP) convened as a panel on 19 January 2023 to review the YPG projects which are currently funded.
- 4.4 The review was conducted using available client data, analysing performance across all the currently funded YPG Grants, including engagement levels and impact and subsequent outcomes across each programme.
- 4.5 It was established that, overall, the YPG Grants programme has supported 343 young people in 2022/23 and made substantial impact, especially within two of the priority areas set out in the initial funding specification:
 - 4.5.1 17% of the overall new engagements are from BAME background; and
 - 4.5.2 35% of the overall engagements are residing in SIMD 1 and 2 areas of Edinburgh.
- 4.6 However, the engagement was lower than expected across the majority of the projects. This was understood to be due to two main reasons:
 - 4.6.1 The rise in complex mental health conditions of young people (mainly caused by the pandemic) meant many were unable to engage in this level of activity; and
 - 4.6.2 The volume of suitable employability support already available in Edinburgh through the comprehensive SSP has led to unbalanced demand and supply.
- 4.7 While it is reassuring that there is already a strong offering of support in place, the YEP concluded that there are areas where the current SSP does not currently sufficiently support young people:
 - 4.7.1 Those facing homelessness and/or are care-experienced;
 - 4.7.2 Sector specific training and qualifications; and
 - 4.7.3 Access and sustain places at college.
- 4.8 Four of the current projects have focussed delivery within these areas, and the YEP therefore considers that there is evidence-based demand for these projects to be continued for a further year. The projects and the proposed funding awards are listed in Appendix 1.
- 4.9 The YEP also recommend that funding is added to the VTF, to add capacity for 16–24-year-olds to receive sector specific training and qualifications.

5. Next Steps

- 5.1 If Committee approves the recommendations of this report, the grant agreements with the four providers will be extended to 31 March 2024 and £75,000 will be added to the VTF agreement to be earmarked for young people.
- 5.2 The remaining 13 providers will support young people currently engaged in their programme to access ongoing support through other provisions within the SSP.

6. Financial impact

- 6.1 The cost of extending these four grants and add capacity to the VTF from 1 April 2023 to 31 March 2024 would be £375,000. This cost will be met from residual funding available from Edinburgh's NOLB allocation in 2021/22, which has been carried forward.

7. Stakeholder/Community Impact

- 7.1 The original commissioning of the YPG grants followed a coproduction process to identify additional projects to add capacity to employability services for young people in the city. This included the views of key stakeholders, service users and service providers.
- 7.2 The review of these grants has considered which services were in demand by service users and the extent to which they have been able to meet their target outcomes and intended objectives for young people in Edinburgh.
- 7.3 The extended YPG provisions will deliver across all areas of Edinburgh with a continued focus on engaging young people residing in SIMD 1 and 2 areas and those from protected characteristic backgrounds.
- 7.4 All projects that are not recommended for extension will be supported to progress young people to an appropriate provision. Members of the YEP will continuously monitor the activity of young people during this transition, alongside CCP who will continue to contract manage the YPG project activity.

8. Background reading/external references

- 8.1 [Youth Guarantee - No-one Left Behind: initial report - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/youth-guarantee-no-one-left-behind-2021-22/pages/1-100.aspx).
- 8.2 [Delivering the Youth Guarantee.](#)
- 8.3 [Youth Employment Action Plan \(Q2 22-23\)](#)
- 8.4 [Savings Proposal.](#)

9. Appendices

- 9.1 Appendix 1 – Recommendations for Young Person's Guarantee Grant Extension 2023/24.

APPENDIX 1

Recommendations for Young Person's Guarantee Grant Extension and Vocational Training Framework 2023/24

Organisation	Project Name	Recommended Award
Cyrenians	Keys to College	£75,000.00
Four Square	Springboard	£75,000.00
Impact Arts	Pathways Hub	£75,000.00
RUTS	INSPIRE	£75,000.00
Access to Industry	Access Potential	£0
Access to Industry	Access Mechanics	£0
Barnardo's	Drive2Work	£0
Barnardo's	Stride2Work	£0
Codeclan	Become a Data Analyst	£0
ENABLE Scotland	Breaking Barriers	£0
Into Work	Inclusion Works	£0
Move On	Employability Pathways	£0
Street League	Connected	£0
The DataKirk	BounceBlack	£0
Venture Trust	Change Cycle	£0
Volunteer Edinburgh	Bespoke Youth Volunteering	£0
Young Enterprise Scotland	Bridge to Business	£0
YPG Recommended Award		£300,000.00
Capital City Partnership	Vocational Training Framework	£75,000
Total Recommended Award		£375,000

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

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

Executive/routine Wards Council Commitments	Executive 11 – City Centre
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1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work 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

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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 proposes the Council enters 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’s 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 Fair Work and 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 (ALEOs).
- 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.
- 3.5 On [1 December 2022](#), Housing, Homelessness and Fair Work Committee considered a report on the provision of an SDA and revisions to the Shareholders Agreement. Committee requested consultation with the EICC Board and that a report brought back for consideration thereafter.

4. Main report

Consultation with EICC Board

- 4.1 The EICC Board was asked for its view on the proposed governance changes reflecting the expansion of the business due to the hotel, specifically revisions to the structure of the board and the arrangements for the use of profits. The feedback received is summarised as follows:
 - 4.1.1 In terms of the Board Composition, the current EICC Board was keen to expand the number of Non-Elected/Non-Executive Directors from two members to three. This would allow us to have a balanced representation of legal, financial and industry expertise on the Board. When you include the two Executive Directors, the Chief Executive and the Financial Director, this brings the total number of non-Executive and Executive Directors to five which the Board feels has a positive balance alongside the five Elected Councillor Directors which is currently proposed in the SDA.
 - 4.1.2 In terms of EICC being Chaired by an Elected Councillor Director or a non-elected director, the Board were of the view there should be the option to appoint either and the SDA should reflect this. The majority of Board members were in agreement about the potential benefits of having a non-elected independent chair and understood that this company structure is in line with other ALEOS. Therefore it was agreed by the Board that the draft SDA would propose a change to the Shareholders Agreement which states that the EICC Board would have the right to appoint a non-executive non-

elected chair or elected member chair and this new appointment would be ratified by the Council.

4.1.3 The EICC Board was of the opinion that same board members should have governance responsibilities for both EICC Ltd and EICCH Ltd (the subsidiary company set up to run the hotel).

4.1.4 In terms of the profits cascade, the view of the EICC Board was that surplus profits or available reserves would be utilised in the first instance to cover hotel and conference centre capital expenditure and that an accrual to cover two years annual rent would be built up over an appropriate timescale (estimated to be six years). Thereafter the use of any further available monies would be a matter to be agreed in consultation with the Council.

Proposed Revisions to Governance Arrangements

4.2 The proposed revisions to the Shareholder Agreement can be summarised as follows:

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

4.2.2 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 additional external directors to also be appointed;

4.2.3 Allowing the EICC to select its own Chair subject to ratification by the Council and with the Council reserving the right to appoint if necessary;

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

4.2.5 Placing obligations upon EICC with regards to financial matters;

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

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

4.3 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. It is envisaged that these would be reported to the Finance and Resources Committee for review as the Council Committee best placed to consider business plans. 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

- 4.4 To provide the Council with an additional degree of oversight to protect its interests, an 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 principal matters covered by the SDA are:
- 4.4.1 Requiring EICCH to operate the hotel to an “upper-upscale” standard;
 - 4.4.2 Specifying that EICCH and the Council shall establish a project team to oversee the development of the hotel;
 - 4.4.3 Setting out the process for agreeing the disbursement of surplus profits from the hotel between the Council and EICCH;
 - 4.4.4 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;
 - 4.4.5 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;
 - 4.4.6 Requiring EICCH to report to the Council upon various matters relating to the operation and performance of the hotel;
 - 4.4.7 Requiring EICCH to pay all employees the Scottish Living Wage and to use “all reasonable endeavours” to ensure its main business partners do likewise;
 - 4.4.8 Requiring EICCH to have appropriate insurances in place;
 - 4.4.9 Requiring EICCH to enter into a memorandum of understanding with Edinburgh College in connection with the hotel school;
 - 4.4.10 Specifying the circumstances in which the Council has the right to “step-in” to take over the operation of the hotel from EICCH;
 - 4.4.11 Specifying the Council’s remedies for any breach of the SDA by EICCH; and
 - 4.4.12 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.
- 4.5 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 although, as stated above, the SDA sets out the circumstances where the Council could exercise this option. This is in addition to the corporate “step-in” rights that are already available to the Council as the ultimate majority shareholder.
- 4.6 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 (but limited to costs required to maintain standards rather than enhancement of the facilities) and thereafter that building a reserve to cover the hotel rental payment (should this be needed) is the next priority. The use of any additional surplus income would be a matter for discussion with the Council. The detail of this is a matter that will be reported on through annual Business Plans that will be considered by the Council. It is through this process that repayment of loan stock and/or dividend payments will be discussed and agreed. There will be an ongoing dialogue on these points.

- 4.7 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:
- 4.7.1 Turnover (sales revenue);
 - 4.7.2 Expenditure (operating expenditure);
 - 4.7.3 Economic impact (based on estimated expenditure by hotel guests);
 - 4.7.4 Occupancy (proportion of available hotel bedrooms sold);
 - 4.7.5 Customer satisfaction (based on feedback received);
 - 4.7.6 Carbon footprint;
 - 4.7.7 Fair work (calculated using the Scottish Government's fair work tool for employers);
 - 4.7.8 Community benefits;
 - 4.7.9 Accreditations and awards; and
 - 4.7.10 Training (based on hours of structured training undertaken by employees).
- 4.8 The Heads of Terms for the revisions to the Shareholder's Agreement and the proposed SDA are attached at Appendix 2 This document has been adjusted in line with the feedback received from the EICC Board and has been agreed at an EICC Extraordinary Board Meeting. The proposed arrangements are considered to be appropriate having regard to the expanded remit of the company.

5. Next Steps

- 5.1 If the amendments to the Shareholder's Agreement and the new SDA are agreed by Committee and subsequently by Council, 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 None.

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: <ul style="list-style-type: none"> (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 that 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 Party is 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:)
at ..) Director
on .)

before the following witness:

.....
(Full Name)
.....
(Address)
.....

.....
Witness

Subscribed for and on behalf of)
THE CITY OF EDINBURGH COUNCIL by:)
at)
on) Proper Officer

before the following witness:

.....
(Full Name)
.....

.....
Witness



Subscribed for and on behalf of
SCOTTISH ENTERPRISE as nominee for
SCOTTISH ENTERPRISE EDINBURGH
AND LOTHIAN:

at
on

)
)
)
)
)
) Proper Officer

[Redacted Signature]

before the following witness:

[Redacted]
.....
(Full Name)

[Redacted]
.....
(Address)

[Redacted]
.....
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 or other benefits of any employee, officer or 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:
	<ol style="list-style-type: none"> 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:
	<ol style="list-style-type: none"> 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”)

Edinburgh International Conference Centre Hotels Limited (the “Subsidiary”)

Haymarket Hotel, Edinburgh (the “Hotel”)

These Heads of Terms are in respect of (i) a strategic delivery agreement between the CEC and the Subsidiary 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 has entered into an agreement for development and head lease with The Prudential Assurance Company Ltd (the “**Landlord**”) in respect of the Hotel constituted by missives comprising:

1.1.1 Offer from Dentons UK and Middle East LLP on behalf of the Landlord to CMS Cameron McKenna Nabarro Olswang LLP on behalf of the CEC dated 27 April 2022; and

1.1.2 Acceptance from CMS Cameron McKenna Nabarro Olswang LLP on behalf of the CEC to Dentons UK and Middle East LLP on behalf of the Landlord dated 27 April 2022

(the “**Agreement for Head Lease**”), pursuant to which the Landlord will undertake to construct the Hotel, being an upper-upscale 349 guest room hotel and grant a head lease of the Hotel to the CEC.

1.2 The CEC has entered into an agreement to sub-lease the Hotel to the Subsidiary constituted by missives comprising:

1.2.1 Offer from Pinsent Masons LLP on behalf of the Subsidiary to CMS Cameron McKenna Nabarro Olswang LLP on behalf of the CEC dated 27 April 2022; and

1.2.2 Acceptance from CMS Cameron McKenna Nabarro Olswang LLP on behalf of the CEC to Pinsent Masons LLP on behalf of the Subsidiary dated 27 April 2022

(the “**Agreement for Sub-Lease**”) (the resulting sub-lease being herein called the “**Sub-Lease**”).

1.3 The Subsidiary is a wholly owned and fully capitalised subsidiary of the EICC and will be (1) the operating and trading entity for the Hotel and (2) responsible for the management, operation and governance of the Hotel.

1.4 The following hotel agreement documentation has been entered into:

1.4.1 Franchise Agreement between Hyatt International (Europe Africa Middle East) LLC and the Subsidiary dated 27 April 2022 (the “**Franchise Agreement**”);

1.4.2 System Services Agreement between Hyatt Global Services, Inc. and the Subsidiary dated 27 April 2022;

- 1.4.3 Technical Services Agreement between Hyatt International Technical Services, Inc. and the Subsidiary dated 27 April 2022;
- 1.4.4 Franchise Disclosure Document – Overview of certain fees, costs and charges payable to Hyatt under the Hyatt Agreements as of 27 April 2022 acknowledged by the Subsidiary on 27 April 2022;
- 1.4.5 Tax Side Letter between Hyatt International (Europe Africa Middle East) LLC, Hyatt Global Services, Inc., Hyatt Technical Services, Inc., the Subsidiary and the CEC dated 27 April 2022;
- 1.4.6 Deed of Guaranty between the EICC, the Subsidiary, Hyatt International (Europe Africa Middle East) LLC, Hyatt International Technical Services, Inc., and Hyatt Global Services, Inc.; and
- 1.4.7 Head Leaseholder Agreement between the CEC, the Subsidiary, Hyatt International (Europe Africa Middle East) LLC, Hyatt Global Services, Inc., and Hyatt International Technical Services, Inc. dated 27 April 2022.

(collectively the “**Hyatt Agreements**”)

pursuant to which the Hotel will be branded and operated as a “Hyatt Centric” hotel. The said Hyatt International (Europe Africa Middle East) LLC, the said Hyatt Global Services, Inc. and the said Hyatt International Technical Services, Inc. and their successors under the Hyatt Agreements are herein collectively called “**Hyatt Companies**”. It is intended that the CEC and the Subsidiary will enter into the SDA and Amended and Restated SHA. These Heads of Terms set out the key terms agreed between the CEC, the EICC and the Subsidiary in respect of the SDA and, where applicable, the Amended and Restated SHA.

- 1.5 It is intended that any instruction or notice given under the SDA shall only be issued by a duly authorised representative of either the Subsidiary or the CEC. For the avoidance of doubt, it is not the intention of the SDA to grant powers to CEC officers to instruct the Subsidiary Executive or vice versa. The Subsidiary Executive shall take instructions from the board of the Subsidiary (the “**Subsidiary Board**”) and CEC officers shall take instructions from the Corporate Leadership Team of the CEC and the Elected Members.
- 1.6 References to the EICC in these Head of Terms, the SDA and the Amended and Restated SHA shall also be construed to apply to the Subsidiary where appropriate.

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 349 guest room hotel of a standard not lower than upper-upscale (as graded by Hyatt) with associated leisure space (including without limitation restaurant(s) and/or bar(s)) and including 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 for EICC and the Subsidiary will be three directors of which one must be a CEC Director;
 - (b) that the CEC shall be entitled to appoint up to 5 directors (“CEC Directors”) to the board of EICC (the “**EICC Board**”) and the Subsidiary Board of directors
 - (c) the EICC Board and the Subsidiary Board shall be entitled to appoint up to three non-executive directors (“**NEDs**”) to their respective boards;
 - (d) two members of the executive team will be directors of EICC and the Subsidiary (the “**Executive Directors**”);
 - (e) the EICC Board and the Subsidiary Board will have the right to appoint the Chair of the EICC Board and the Subsidiary Board respectively (and such chair shall either be a NED or a CEC Director) subject always to ratification by the Council, which position shall retain the right to exercise the casting vote at the EICC Boards and the Subsidiary Board meetings in the event of deadlock;
 - (f) a right of access for the CEC to conduct an audit of the books and records of the Subsidiary upon not less than 10 business days prior written notice; and
 - (g) specific reference to the reporting requirements set out in the SDA in respect of the Hotel.
- 2.1.3 The Subsidiary 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, Hyatt Agreements 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 Subsidiary 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 Subsidiary requires any additional funding in relation to the carrying on the Business, the Subsidiary will set out in detail such funding requirements in the Annual Budget and Business Plan.
- 2.1.7 The Subsidiary shall not take any steps to terminate any of the Hyatt Agreements without the prior written consent of the CEC.
- 2.1.8 The Subsidiary shall not amend, vary, assign, novate or otherwise deal with any of the Hyatt Agreements without the prior written consent of the CEC.
- 2.1.9 The EICC shall, and shall procure that the Subsidiary shall, at all times comply with the terms of the Hyatt Agreements to which it is a party.

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, EICC and the Subsidiary agree that the SDA will include the following terms and provisions.

- 3.1.1 The Subsidiary 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 Subsidiary and the CEC shall set up a project board to oversee the development phase of the Hotel (the “**Project Board**”). The Project Board shall comprise representatives from the Subsidiary and the CEC such other representatives as the CEC deem appropriate, which may from time to time include (at the CEC’s option) any and/or all of the Hyatt Companies. The Project Team shall meet at least quarterly, 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 applied as follows: firstly to cover the ongoing capex costs of the Conference Centre and the Hotel; secondly, accrued to cover two years annual rent in respect the Hotel (such accrual being made over a reasonable timescale, anticipated to be six years); and thirdly; in accordance with the Annual Budget and Business Plan, in consultation with CEC.
- 3.1.4 The Subsidiary shall at all times comply with the terms of the Hyatt Agreements, 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 Subsidiary*

- 3.2.1 The Subsidiary 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 the Sub-Lease.

- 3.2.2 The Subsidiary will appoint a hotel management team for the Business comprising General Manager, Director of Sales, Financial Controller and Operations Manager (the “**Management Team**”) 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 Subsidiary 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 Subsidiary 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 monitoring the performance of the Landlord and the Landlord’s Representatives of their obligations under the Agreement for Head-Lease in accordance with the terms set out in the Agreement for Head Lease and/or the Agreement for Sub-Lease and subject to the CEC exercising its rights to enforce the Agreement for Lease for the benefit of EICC.
- 3.2.4 The Subsidiary 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 Subsidiary 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 Management Team will report to the Subsidiary 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 Subsidiary Board 3 months before the opening date of the Hotel. The Management Team shall provide the Subsidiary 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, one month in advance of each financial year, the Management Team will report to the Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary Board of any material litigation or insurance claims relating to or in connection with the Business.
- (h) The Management Team shall notify the Subsidiary Board of any material events or matters relating to the Hotel.
- (i) The Subsidiary Board shall set target key performance indicators in accordance with the principles set out in Appendix 1 ("KPI Targets") from time to time and the Management Team shall measure and report to the Subsidiary Board in respect of such KPI Targets.

- 3.4 The SDA will provide for the Subsidiary to provide the following reporting to the CEC:
- 3.4.1 The Subsidiary 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 by the Subsidiary 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 Subsidiary in line with Audit Scotland governance requirements for ALEOs.
 - 3.4.3 The Subsidiary will use EICC’s existing reporting methodology to measure the additional business brought to the Conference Centre which is attributable to the Hotel. The Subsidiary 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 Subsidiary and the CEC in respect of the Target KPIs.
 - 3.4.5 The Subsidiary shall report the progress of the Target KPIs on an annual basis.
- 3.5 *Obligations of the Subsidiary*
- 3.5.1 The Subsidiary 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 Subsidiary will ensure that all employees of the Subsidiary working at the Hotel are at all times paid the relevant Scottish Living Wage in accordance with the SHA.
 - 3.5.3 The Subsidiary 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 Subsidiary 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 to the Subsidiary Board as soon as reasonably practicable. The obligations set out above in this paragraph 3.5.4 of these Heads of Terms shall not apply to the Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary will be responsible for managing the day to day relationship with the community.

- 3.5.7 The Subsidiary 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 Subsidiary will promptly notify the CEC of any material litigation or insurance claims relating to or in connection with the Business.
- 3.5.9 The Subsidiary will take all reasonable steps to minimise carbon emissions relating to the design and operation of the Hotel and the Business.

3.6 *Hyatt Agreements*

- 3.6.1 The Subsidiary shall at all times comply with the terms of the Hyatt Agreements to which it is a party. The Subsidiary shall use its reasonable endeavours to ensure each of the Hyatt Companies complies with the terms of the Hyatt Agreements to which such Hyatt Company is a party, and the Subsidiary further undertakes to the CEC to report to the CEC all instances of material breach(s) of the terms and conditions of any of the Hyatt Agreements by the Subsidiary, the EICC and/or any of the Hyatt Companies and in such case, provide the CEC with copies of all information and reports relating to the material breach(s) by the Subsidiary, the EICC and/or any of the Hyatt Companies including mitigation and remediation measures along with any recovery plans agreed between the Subsidiary and any of the Hyatt Companies to rectify the material breach(s). The Subsidiary shall notify the CEC of (i) any notices received or served under or pursuant to any of the Hyatt Agreements 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 Subsidiary shall not take any steps to terminate any of the Hyatt Agreements without the prior written consent of the CEC.
- 3.6.3 The Subsidiary shall not amend, vary, assign, novate or otherwise deal with any of the Hyatt Agreements without the prior written consent of the CEC.

3.7 *Hospitality Centre of Excellence*

The Subsidiary 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 Subsidiary to the Subsidiary Board. If the project proceeds then the SDA shall include a reporting obligation on the management of the Subsidiary to the Subsidiary Board on the delivery of the Hospitality Centre of Excellence along with any key proposed performance indicators to be applied to Edinburgh College (which indicators the CEC will have the opportunity to comment on in advance of agreement between the Subsidiary and Edinburgh College).

3.8 *Remediation Plan*

- 3.8.1 Where the Subsidiary materially fails to meet the KPI Targets for an individual key performance indicator, the Subsidiary Board may require that a plan (including steps and timescales) to remedy the failure (the "**Remediation Plan**") be prepared and submitted to the Subsidiary Board within a period of time (as determined by the Subsidiary Board in its sole discretion) for approval.

3.8.2 The Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary). The step-in rights would apply in the event:

- (a) that the 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
- (b) of a material breach, or persistent breach, of any of the SDA, the Franchise Agreement, the Agreement for Sub-Lease, the Sub-Lease and/or the 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 Subsidiary of such breach of the SDA, the Franchise Agreement, the Agreement for Sub-Lease, the Sub-Lease and/or the Amended and Restated SHA; or
- (c) of a failure by the Subsidiary to:
 - (i) implement the Remediation Plan (prepared in accordance with the terms of the SDA) in respect of a material or persistent failure to meet relevant key performance indicators;
 - (ii) produce a Remediation Plan in accordance with the terms of the SDA in respect of a material or persistent failure to meet the relevant key performance indicators; or
 - (iii) notwithstanding the implementation of the Remediation Plan, the implementation does not remedy the failure in respect of a material or persistent failure to meet the key performance indicators for which it has been put in place.

3.9.2 Notwithstanding the inclusion in the SDA of step-in rights referred to in paragraph 3.9.1 of these Heads of Terms, the SDA shall (1) include binding obligations on the parties to the SDA to act in good faith such that such step-in rights should be treated as a "last resort" option, (2) reflect the expectation of the CEC and the Subsidiary that the Subsidiary Board would flag up in quarterly reports that performance was requiring improvement and be setting out remediation proposals and (3) include a "best endeavours basis" obligation on the parties to the SDA to work collaboratively to find solutions prior to step-in rights being triggered by the CEC.

3.9.3 The SDA shall provide that the CEC's sole remedies for breach of the SDA shall be:

- (a) enforcement of the provisions to be included in the SDA in relation to Remediation Plans;

- (b) during the first six months of the term of the Sub-Lease, to require that the Subsidiary shall grant a renunciation of the Sub-Lease if any of the triggers for the step-in right have occurred (with the Subsidiary being obliged to grant such a renunciation on notice from the CEC to the Subsidiary if any of the triggers for the step-in right have occurred); and/or
 - (c) during the remainder of the term of the Sub-Lease, to exercise the CEC's right in clause 2.1.1(d) of the Sub-Lease to terminate the Sub-Lease.
- 3.9.4 The SDA shall include an undertaking by the CEC not to exercise the CEC's right in clause 2.1.1(d) of the Sub-Lease save in the circumstances set out in paragraph 3.9.3 of these Heads of Terms.
- 3.9.5 The SDA will contain detailed drafting in respect of those step-in rights insofar as relating to third party contracts and the scope of the CEC's rights and obligations in respect of such step-in (having regard to the materiality of third party contracts. EICC shall use reasonable endeavours to procure step-in rights for CEC or its nominee in all core third party contracts and will obtain CEC approval to any core contracts which do not include such step-in rights.). In the event of step-in the CEC will step-in to all core contracts and use reasonable endeavours to step-in to all non-core contracts related to the Hotel.

4. Assignment

Neither party to the SDA shall be entitled to assign the SDA. Neither the EICC, the Subsidiary nor the CEC shall be entitled to assign the Amended and Restated SHA.

5. Confidentiality

5.1 Pre-SDA Commencement Date

The CEC, the EICC and the Subsidiary 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 Subsidiary 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, the Subsidiary 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

Insofar as not provided for by clause 18.1 of the Agreement for Sub-Lease, any internal and external costs associated with the CEC services required by the EICC and/or the Subsidiary will be recoverable by the CEC from the EICC subject to (i) agreement in advance between the parties on the costs involved, and (ii) in respect of internal costs, such costs shall only be recoverable from EICC where such costs are directly related to the provision of assistance by the CEC specifically requested by the EICC and/or the Subsidiary or the EICC and/or the Subsidiary has undertaken a new project in respect of which specific assistance was required from the CEC. Without prejudice to the foregoing generality, the CEC shall not be entitled to recover any costs related to its governance/monitoring activities.

8. Suspensive Conditions

These Heads of Terms and the SDA are subject to contract and conditional upon the following:

- full Council approval; and
- EICC Board approval.

9. Legally Binding Nature

Save for the provisions of paragraph 5 of these Heads of Terms, 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

Signed for and on behalf of Edinburgh International Conference Centre Hotels Limited

.....

Director

Appendix 1

KPI Principles

A Strategic Delivery Agreement (SDA) has been agreed between the City of Edinburgh Council (“CEC”) and Edinburgh International Conference Centre Hotels Limited (“EICC”). It has been agreed that the hotel’s performance should be measured with reference to a number of predetermined general Key Performance Indicator (KPI) headings, which are to be incorporated into the SDA.

KPI’s will be presented by the Executive of EICC to the EICC Board as part of EICC’s annual business plan approval process and will also form part of the Annual Budget and Business Plan referred to in the Shareholders’ Agreement among CEC, EICC and Scottish Enterprise Edinburgh and Lothian. The KPI’s in respect of the hotel will fall under the following headings:

Turnover

The turnover figure will represent the total revenue generated from the hotel’s activities, within the period. The target for any given year will be the figure that has been included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the overall sales generated from the hotel’s operations.

Expenditure

This is defined as the expenditure, net of VAT, which is incurred by the hotel in its day-to-day operations that is required to keep it in business. This is a measure of how efficiently the hotel has conducted its business and of the value for money that it has derived from providing the necessary facilities and services to guests during their stay.

The primary KPI under this heading will relate to the overall operating expenditure incurred in conducting the hotel’s business.

Economic Impact

This is a measure of the amount of value-added economic benefit that the hotel generates for the local economy. This is based on the estimated spend of hotel guests within and outwith the hotel during their stay. The target for any given year will be the figure that has been included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the overall value of economic impact that has been generated as a result of the hotel’s activities.

Occupancy

This is determined by the ratio between the total number of occupied rooms and the total number of available rooms within the hotel, within a given period of time. This is an indicator of how busy the hotel has been and reflects the effectiveness of the management’s marketing and pricing strategies during the period. The target for any given year will be the figure that has been included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the overall occupancy of hotel’s bedrooms.

Customer Satisfaction

This recognises how satisfied customers have been with their stay at the hotel. This will be determined by the aggregate of responses received from hotel guests returning electronic feedback data which indicates how much they have enjoyed their experience at the hotel. The target for any given year will be the figure that has been included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the overall customer satisfaction recorded by hotel guests.

Carbon Footprint

This is a measure of how environmentally focussed and friendly the hotel is. The target for any given year will be the figure that has been included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the overall carbon footprint of the hotel.

Fair Work

This recognises the extent to which the various dimensions of fair work, such as employees having: an effective voice; opportunity; security; fulfilment; and respect are embedded into the hotel's operations and work practices. Performance in this regard will be calculated with reference to the Scottish Government's fair work tool for employers which will enable the hotel to self-assess its working practices against the dimensions of Fair Work. The target for any given year will be the figure that has been included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the overall fair work score determined by the hotel's annual self-assessment exercise.

Community Benefits

This is a measure of the hotel's contribution to the local and city-wide communities.. The target for any given year will be included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the overall community benefit that has been delivered.

Accreditations and Awards

This recognises the effectiveness of the hotel's operating systems, as well as its quality focus and provides an indication of how well the hotel is performing by way of an external benchmark. The target for any given year will be the figure that has been included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the overall benefit that the accreditations and awards achieved by the hotel has made to its operation.

Training

This is a measure of the hotel's focus on: improving service standards; its adherence to operating systems; and the personal development of its employees. The target for any given year will be the

figure that has been included in the annual business plan for that year, which has been approved by the EICC Board.

The primary KPI under this heading will relate to the total number of hours of structured training that have been undertaken by the hotel's employees.

Housing, Homelessness, and Fair Work Committee

10.00am, Thursday, 9 March 2023

Gig Economy Task Force – progress update

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee notes:
 - 1.1.1 The progress made in 2022 to implement the findings of the Gig Economy Task Force;
 - 1.1.2 The proposed programme of work for the next few months (outlined in paragraph 4.3 and in Appendix 1);
 - 1.1.3 That Committee will be kept updated on progress on the actions set out in Appendix 1; and
 - 1.1.4 That this work is carried out in parallel with other policy commitments to develop fair work actions, including commitments to scope the potential for Edinburgh to become a Living Hours City.

Paul Lawrence

Executive Director of Place

Contact: Chris Adams, Strategy Manager

Policy and Insight, Corporate Services Directorate

E-mail: chris.adams@edinburgh.gov.uk

Gig Economy Task Force – progress update

2. Executive Summary

- 2.1 In March 2022 the Council's short-life Gig Economy Task Force completed an inquiry and reported on actions needed to improve working conditions, rights and quality of employment for workers in the gig economy and other forms of precarious and insecure work in Edinburgh.
- 2.2 This report provides an update on progress towards delivery of those actions to date and seeks approval for a future programme of work.

3. Background

- 3.1 On [11 March 2021](#) City of Edinburgh Council welcomed the UK Supreme Court's decision to confirm the status of Uber drivers as workers and agreed a motion on the gig economy.
- 3.2 On [4 November 2021](#) Committee approved a report responding to this motion, with a commitment to establish a short-life Gig Economy Task Force to understand the real experiences of workers in the gig economy in Edinburgh and to recommend proposals for action by the Council and partners.
- 3.3 Following a short inquiry period, a report on the findings of the Task Force was agreed by Committee on [24 March 2022](#).
- 3.4 During its short inquiry, the Task Force noted that while gig economy and other casual forms of work can offer flexibility and ease of access to employment for some workers, the growth of this way of working has been associated with concerns over low rates of pay, poor income security, risk of in-work poverty, poor opportunities for progression, as well poor working conditions and worker safety.
- 3.5 In response to these challenges, the Task Force made seven recommendations for action by the Council and partners to improve the ability of workers in the gig economy, and in other forms of precarious work, to achieve acceptable minimum standards for pay, hours and working conditions. These include actions to:
 - 3.5.1 Promote awareness of and access to employment rights for workers in precarious roles and/or gig economy workers;

- 3.5.2 Develop a clear charter for what constitutes fair work in Edinburgh, including establishment of fair minimum standards on rates and working conditions in the gig economy;
- 3.5.3 Promote fair work through Council procurement, licensing, and regulatory activities; and
- 3.5.4 Further explore issues and potential actions relating to data rights and alternative business models for the gig economy in Edinburgh.

4. Main report

- 4.1 Progress towards delivery of Gig Economy Task Force actions has been slower than expected during 2022 as a result of capacity constraints for Council officers.
- 4.2 Despite these constraints, Appendix 1 sets out the progress made to date. In particular, Committee is asked to note that the Council has:
 - 4.2.1 Supported the establishment of the Trades Unions in the Communities project, providing advice on employment rights and work related problems, alongside signposting people to support on homelessness, welfare, and money advice. An update on this is also included on the agenda for today's Committee;
 - 4.2.2 Supported the Support@Work programme (through the Council's funding for employability programmes). This project is linked to Edinburgh Trade Union Council and, during the first three quarters of 2022/23, provided detailed case work support to 54 clients alongside a programme of training sessions on employment rights, law, and other workplace issues (such as neurodiversity, disability, and pay procedures);
 - 4.2.3 Agreed a number of significant steps to promote fair work in Edinburgh through Council procurement practices (including mandating the Real Living Wage in all regulated Council tenders, evaluating the seven Fair Work First principles as standard practice, introducing a presumption against zero hours contracts in Council tenders, contractual requirements for prompt payment in the supply chain and introducing mandatory training in fair work for all project commissioners and managers overseeing construction contracts); and
 - 4.2.4 Continued to promote fair work to employers in Edinburgh through the work of the Edinburgh Guarantee and the Edinburgh Living Wage City Action Group, and
- 4.3 Building on progress in 2022, an outline plan progressing future actions is also included in Appendix 1. The key actions in the next few months are to:
 - 4.3.1 Work with the Trade Unions and other stakeholders (including Gig Economy Task Force Members) understand, from the Trade Unions in the Communities project, how the Hub is being used and the need and potential for similar developments elsewhere in the city;

- 4.3.2 Develop proposals for additional employment rights projects to be funded through Council employability programmes;
- 4.3.3 Work with Edinburgh Guarantee, Edinburgh Living Wage Action Group, and other stakeholders to scope and deliver programme of work needed to develop a fair work charter in Edinburgh by end of 2023; and
- 4.3.4 Convene a joint meeting of Conveners of the Housing, Homelessness and Fair Work Committee, Regulatory Committee, and the Licensing Board to agree the scope of potential actions available to the Council to promote fair work and safe employment conditions through licensing and regulatory policy and practice.

5. Next Steps

- 5.1 Committee is asked to agree to progress with the actions which are outlined in paragraph 4.3 and in Appendix 1.
- 5.2 This work will be progressed alongside existing Council commitments to the promotion of fair work, including:
 - 5.2.1.1 Continued work with the Edinburgh Living Wage Action Group to encourage at least 100 additional employers each year to achieve Real Living Wage accreditation; and
 - 5.2.1.2 A commitment to report to Committee in August 2023 on the barriers to and potential next steps for Council accreditation as a living hours employer.
- 5.3 The next update for Committee will incorporate details on how to progress with the outstanding actions on data rights and alternative business models for the gig economy.

6. Financial impact

- 6.1 Delivery of actions outlined in this report will be taken forward within agreed Council budgets unless otherwise stated.
- 6.2 Should any financial impacts be identified in developing a plan to address the outstanding actions, these will be reported to Committee.

7. Stakeholder/Community Impact

- 7.1 Actions outlined in this report were developed in partnership with members of the Gig Economy Task Force, including trade union representatives, academics, government officials and workers with lived experience of precarious and gig economy work.
- 7.2 These actions aim to promote access to fair, secure work in Edinburgh's changing economy and are aligned with the principles and commitments outlined in the

Council Business Plan, the Edinburgh Economy Strategy, and the End Poverty in Edinburgh Delivery Plan.

8. Background reading/external references

- 8.1 [Gig Economy Task Force - final report](#)
- 8.2 [Trade Unions in the Community](#)
- 8.3 [Sustainable Procurement Strategy Annual Report – 2022 – Living Wage Update](#)

9. Appendices

- 9.1 Appendix 1: Action Plan progress and next steps

Appendix 1: Action plan progress and next steps

Agreed actions	Progress and next steps
<p>Awareness of and access to support on employment rights</p> <ul style="list-style-type: none"> • Develop fully costed proposals for actions to improve workers’ ability to access advice and support on issues relating to worker’s rights, advocacy and career progression, including proposals for <ul style="list-style-type: none"> ○ A dedicated workers’ rights hub in Edinburgh, and ○ Ongoing campaign work to provide information on and raise awareness on worker rights in Edinburgh, good working practices, and how to access support. 	<p>Progress to date:</p> <ul style="list-style-type: none"> ○ Supported the development of the Trade Unions in the Communities project and establishment of a workers rights and information hub in Craigmillar ○ Funded delivery of the Support@work project to provide employment rights case work and training support <p>Next steps</p> <ul style="list-style-type: none"> ○ March/April 2023 – convene workshops with gig economy task force members and other stakeholders to learn early lessons from the Trade Unions in the Communities project and establish potential opportunities for similar hubs elsewhere in city. ○ May 2023 – Incorporate proposals to fund additional employment rights projects within the Council’s employability programme. ○ August 2023 – Update on progress and potential next steps to Housing, Homelessness and Fair Work Committee.
<p>A fair work charter for Edinburgh</p> <ul style="list-style-type: none"> • Develop a clear charter for what constitutes fair work in Edinburgh, including establishment of fair minimum standards on rates and working conditions in the gig economy. • Deliver a report with recommendations for how this charter will be used to guide future Council policy 	<p>Next steps</p> <ul style="list-style-type: none"> ○ April – August 2023 – Edinburgh Living Wage Action Group to lead a programme of engagement with employers, workers, and trades unions in development of an Edinburgh Fair Work Charter ○ August – September 2023 – Draft charter published for public consultation ○ Oct-Dec 2023 – Final charter considered by the Housing, Homelessness and Fair Work Committee, with recommendation on its use to guide Council policy.

Agreed actions	Progress and next steps
<p>Procurement and fair work in Edinburgh</p> <ul style="list-style-type: none"> • Develop concrete proposals to inform: <ul style="list-style-type: none"> ○ Changes that could be made within current public sector procurement frameworks to ensure that public sector contracts are only let to companies with demonstrable commitment to fair work as defined by the Fair Work Convention. ○ Recommended changes needed (if any) to national legislation to maximise local public bodies' ability to use buying power to promote fair work 	<p>Progress to date:</p> <ul style="list-style-type: none"> ○ January 2023 – a report to the Council's Finance and Resources Committee confirmed a Council commitment to mandate the Real Living Wage among all regulated Council tenders, a presumption against zero hours contracts in Council tenders, a strengthening of the Fair Work weighting applied to regulated tenders, and a number of further commitments needed to meet the recommendations of the Gig Economy Task Force and other requirements. <p>Next steps:</p> <ul style="list-style-type: none"> ○ A timetable for implementation of all these actions during 2023 is provided in the Sustainable Procurement Strategy Annual Report –2022 – Living Wage Update (January 2023).
<p>Licensing and regulation for fair work in Edinburgh</p> <ul style="list-style-type: none"> • Facilitate further engagement with workers, businesses and government on issues relating to licensing and regulation of gig economy and precarious employment and consider: <ul style="list-style-type: none"> ○ A report with recommendations on any legislative changes needed to strengthen the rights and conditions of gig economy and other precarious workers in the city ○ A report recommending any changes within current Council practice, for example Supplementary Statements of Licensing Policy, needed to improve conditions for gig economy and precarious workers in the city 	<p>Progress to date:</p> <ul style="list-style-type: none"> ○ December 2022: Senior elected members and council officials participated in the Civic Licensing Summit held in Glasgow in December 2022. Amongst the issues considered was the need for modernisation of licensing and regulatory frameworks across Scotland. <p>Next steps:</p> <ul style="list-style-type: none"> ○ March/April 2023: Convene a joint meeting of Conveners of the Housing, Homelessness and Fair Work Committee, Regulatory Committee, and the Licensing Board to agree the scope of potential actions available to the Council to promote fair work and safe employment conditions through licensing and regulatory policy and practice. ○ August 2023: Update on progress to be considered by Housing, Homelessness, and Fair Work Committee.

Agreed actions	Progress and next steps
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Access to and rights relating to data in the gig economy

- Facilitate and host further engagement with workers, businesses and government on issues raised during this inquiry relating to data rights and access for workers in the gig economy, including further work to:
 - Improve understanding of gig workers existing rights of access to worker’s data (on, for instance, trips, earnings, ratings, locations, driving behaviour, app use and other factors) held by companies, and current barriers to exercising those rights.
 - Improve understanding of gig workers existing rights to transparency on the way company algorithms use this data to determine how jobs are offered, how much workers earn, and whether workers are subject to disciplinary action.
 - Make recommendations on ways to help workers exercise these rights and make gig economy platforms share data more transparently
 - Consider whether data driven innovation tools could be used to help gig workers analyse and better understand their earnings and conditions (including time spent on shift, time spent waiting for gigs), and accurately compare the value of gig work against other alternatives.

Next steps:

- **August 2023:** Update to Housing, Homelessness, and Fair Work Committee on proposed next steps for this action, following completion of the actions outlined above.

Agreed actions

Progress and next steps

Alternative gig economy business models

- Facilitate and host further engagement with workers, businesses and government to learn more about examples observed in other European cities and:
 - Consider options for improving the viability of alternative business models for gig economy work in Edinburgh (such as worker owned businesses, co-operative or social enterprise approaches).

Next steps:

August 2023: Update to Housing, Homelessness, and Fair Work Committee on proposed next steps for this action, following completion of the actions outlined above.

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Edinburgh Discretionary Business Support Fund – Muirhouse Millennium Centre

Executive/routine Wards Council Commitments	Executive 1 - Almond
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1. Recommendations

- 1.1 Housing, Homelessness and Fair Work Committee is asked to agree to set aside up to £40,000 from the Edinburgh Discretionary Business Support Fund to support Muirhouse Millennium Centre in 2023/24.

Paul Lawrence

Executive Director of Place

Contact: Paul Lawrence, Executive Director of Place

E-mail: paul.lawrence@edinburgh.gov.uk

Edinburgh Discretionary Business Support Fund – Muirhouse Millennium Centre

2. Executive Summary

- 2.1 This report seeks approval from Committee to set aside up to £40,000 for Muirhouse Millennium Centre in 2023/24 to support the Centre to meet its operational commitments. Officers will continue to work with the Board of the Centre to identify financial and other support available and they will be invited to be fully engaged in the Council's development of a new community centre strategy.

3. Background

- 3.1 On [29 January 2021](#), Committee approved a framework under which Discretionary Grant Funding for Businesses.
- 3.2 This framework was developed following the allocation of funding by the Scottish Government, in response to the Coronavirus (COVID-19) pandemic, to be allocated on a discretionary basis.
- 3.3 On 17 January 2023, Policy and Sustainability Committee agreed to utilise the remaining discretionary grant fund to cover any additional costs until a staff transfer to a new operator, subject to confirmation the costs could be covered by the funding within the discretionary grant fund. To date, no funding has been allocated from this fund for Gorgie Farm.

4. Main report

Edinburgh Discretionary Business Support Fund

- 4.1 The Edinburgh Discretionary Business Support Fund was provided by the Scottish Government during the Coronavirus pandemic, with governance and oversight by the Housing, Homelessness and Fair Work Committee.
- 4.2 The original fund was over £12m and its purpose was for Council's to "provide additional support for businesses where they consider that necessary or justified". Further guidance stipulated that "the aim of this fund is to mitigate the short-term

financial challenges being experienced by businesses adversely impacted by restrictions and regulations introduced to control the spread of Covid-19”.

- 4.3 Since the removal of all restrictions, the original purpose of the fund has been superseded and local authorities have been advised that any residual amounts (for the Council, the residual amount is £257,000 in total) can now be spent on economic development activity. The Business Growth and Inclusion team had identified using the residual funding for visitor economy related business activity.

Muirhouse Millennium Centre

- 4.4 On 9 February 2023, the Council heard a deputation from Muirhouse Millennium Centre which recognised that while they are facilitating important services for people from vulnerable and disadvantaged backgrounds and demand for services is increasing, they are facing significant financial challenges.
- 4.5 The Council asked officers to engage with the Muirhouse Millennium Centre Board to provide advice and support on how the centre can continue on a sustainable financial basis, with the outcome of this work to be reported back to Culture and Communities Committee and ward Councillors.
- 4.6 An update on this and on the development of a community centre strategy is due to be considered by Culture and Communities Committee on [7 March 2023](#).
- 4.7 Within this report, Culture and Communities Committee is asked to agree to award funding of up to £40,000 to support Muirhouse Millennium Centre to meet its operational financial commitments in 2023/24, while officers will engage with them on the development of a community centre strategy. This final strategy will also outline how future financial support from the Council will be administered and what requirements will be placed on management committees.

Recommendation

- 4.8 In order to support Muirhouse Millennium Centre financially in 2023/24, Committee approval is sought to set aside £40,000 from the remaining funding in the Edinburgh Discretionary Business Support Fund.

5. Next Steps

- 5.1 If Committee approve the recommendation in this report, and Culture and Communities agree the award of grant funding, officers will work with the Board of Muirhouse Millennium Centre to develop a grant funding agreement for 2023/24. This funding will be used to meet the Centre’s operational financial commitments in 2023/24. Officers will also ensure that the funding required from the Council is minimised.

6. Financial impact

- 6.1 As noted above, the Council was awarded £12m of funding by the Scottish Government to create a Discretionary Business Support Fund in response to the impact of COVID-19 on businesses.
- 6.2 The balance of funding available is £257,000, although the Council agreed to allocate some of this funding to Gorgie Farm.
- 6.3 This report requests approval to set aside up to £40,000 to support Muirhouse Millennium Centre to meet its operational commitments in 2023/24, while officers continue to work with the Board to develop a longer term sustainable financial model for the Centre. This will include engaging with the Board on the development a new community centre strategy for the city.

7. Stakeholder/Community Impact

- 7.1 The [motion](#) from Councillor Younie on Muirhouse Millennium Centre, together with the deputation to the Council, on 9 February 2023 outlined the community support work which is facilitated by the Centre.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 None.

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Housing Service Improvement Plan – Update

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that the Housing, Homelessness and Fair Work Committee note:
 - 1.1.1 The progress made with the Housing Service Improvement Plan (HSIP) over the previous six months;
 - 1.1.2 The revised reporting format, with an Action Tracker to measure workstream progress and a HSIP-related service performance dashboard, as previously requested by Committee;
 - 1.1.3 That the next update on the HSIP will be presented to Committee in six months; and
 - 1.1.4 That an updated report on dampness, mould and condensation will be presented to the next Committee, with regular updates thereafter.

Paul Lawrence

Executive Director of Place

Sarah Burns, Head of Housing Operations

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Housing Service Improvement Plan – Update

2. Executive Summary

- 2.1 This report provides an update on the HSIP which was established with the aim of improving tenant satisfaction, operating performance, and reducing costs. The report is accompanied by an action tracker (Appendix 1) which sets out progress against the key workstreams and actions, along with a performance dashboard (Appendix 2) detailing HSIP-related service performance indicators.

3. Background

- 3.1 The HSIP was approved by Housing and Economy Committee on [6 June 2019](#) following recognition that despite strong performance against the Scottish Social Housing Charter (SSHC), performance was flatlining and in some areas decreasing across other key service areas.
- 3.2 Changes to service delivery made during the Covid-19 pandemic had a significant impact on operational performance and subsequently impacted upon HSIP delivery. This was set out in an update to the Housing, Homelessness and Fair Work Committee on [4 August 2022](#).
- 3.3 Additional HSIP updates have also been provided to Housing, Homelessness and Fair Work Committee on [20 January 2020](#), [5 November 2020](#), [3 June 2021](#) and [20 January 2022](#).

4. Main report

- 4.1 At the previous Committee, members expressed a preference to be presented with a shorter, more concise report with the addition of appendices that include greater detail on progress against actions and a performance dashboard setting out key indicators that are relevant to the HSIP.
- 4.2 This report will therefore provide brief updates on a number of key areas that have been a focus since the last update provided to Committee, with further detail in the appendices on progress against specific projects and actions and performance information.

- 4.3 A combination of the action tracker and the performance information on the key performance indicators (KPIs) dashboard is intended to give a more holistic representation of the impact that HSIP actions are having on overall service delivery.
- 4.4 In compiling the KPI dashboard, most of the indicators have been drawn from performance information that is already reported, such as through the Annual Return on the Charter (ARC) to make best use of data already collated and to reduce the additional resource involved in supporting production of this dashboard. Some new indicators have been added to respond to priority areas highlighted by members of Committee. It should be noted that improvements to the quality of data and how it is captured and reported is one of the areas of improvement identified within the HSIP and therefore it is not yet possible to generate accurate data on all indicators that may be desirable.
- 4.5 A summary of the key updates is set out below which include updates on digital improvements for both housing management and housing repairs, approach to improving complaints management, updates on staff development and focus on reducing the number of Council void properties.

Digital improvements

- 4.6 Digital technology is at the core of many of the actions within the HSIP to facilitate improvements in our service to tenants. Rentsense, a workflow and analytics tool for housing officers to prioritise and enable earlier rent arrears intervention went live in October 2022.
- 4.7 Training is now being rolled out across localities and feedback from officers to date has been positive. This should have the effect of improving rent arrears performance.
- 4.8 Improving management of dampness and mould in tenants' homes is an absolute priority for the service. As part of the drive to improve how the Council deals with concerns of dampness and mould, dampness sensors have been deployed to an initial 11 homes and the pilot findings have been reviewed to build out a plan for scalability.
- 4.9 Roll-out began in February this year with plans to finalise pilot deployment in 500 homes by late May 2023. This will enable the service to become more proactive in identifying conditions before they cause significant damage to tenants' homes, as well as reducing the cost of repairs required to treat damp or mould and put any issues right.
- 4.10 An update report on this project and how dampness, mould and condensation is being managed in Council homes more broadly will be brought to the next Committee, with regular updates thereafter.
- 4.11 Repairs can now be booked online, enabling tenants to access the booking system 24 hours a day and to schedule, change and cancel appointments without having to call Repairs Direct.

- 4.12 This enables those tenants who would prefer to use an online system at a time convenient to them the option to do so, while freeing up capacity in the contact centre to support tenants who prefer to report by telephone.
- 4.13 The Asbestos Register has been fully integrated within NEC Northgate to improve asbestos management and control of risk to tenants. This involved the wholesale transfer of data from the previous software into NEC Northgate, allowing for improved asbestos management – one of the key health and safety requirements placed upon social housing landlords.
- 4.14 NEC Northgate underwent a significant upgrade in January bringing the product version fully up to date with the industry standard, providing time-critical software support and problem resolution in the event of any outages. Additional upgrades will be rolled out as they become available to maintain business as usual resilience.
- 4.15 Additional IT systems are being introduced to improve the process for planned programmes of work and to better control the scheduling of servicing homes.
- 4.16 Planned maintenance and service modules will be integrated within NEC Northgate over the next 12 months which will provide longer term benefits, reducing the need for manual planning of servicing visits and ultimately management, recording and the reporting of 30-year investment plans.

Complaints management

- 4.17 The Resolution Team was first piloted in 2020 to help improve our management of complaints from tenants about repairs. Initially set up within the Contact Centre, the team was transferred to the Housing Service in December 2022 and a project manager has been recruited to lead the team and deliver improvements in complaints management.
- 4.18 A review of all the complaint processes and standard letter templates will take place in the first quarter of 2023. In the second quarter, work will begin to analyse trends to understand the cause of dissatisfaction so that the Resolution Team can work with Housing Operations teams to make the changes required to address the root causes identified.

Staff engagement, training and development

- 4.19 Underpinning the HSIP is the need to drive a performance and customer focussed culture that our workforce feels a part of and are actively engaged with. A programme of leadership development for team leaders is underway to help them to develop the skills, confidence and behaviours needed to make them strong leaders. This started in 2022 and will continue as a priority in 2023.
- 4.20 A working group has also been established in partnership with Trade Union colleagues to explore cross skilling and upskilling of frontline operative staff. This will identify what training is required to give our staff a wider range of skills beyond their main trade, and also looking ahead to new technologies being installed in Council homes. This will enable an improvement in 'right first time' repairs and in supporting the aims of bringing more work in house.

4.21 The service recruited a change champion to join the HSIP team in 2022. They are undertaking focussed work with frontline staff and team leaders, offering targeted 1:1 training, guidance and support and 'troubleshooting' issues as they arise. The change champion is also supporting the team leaders' leadership development.

Void tenancies

4.22 Improving performance on voids was identified as a priority before the Covid-19 pandemic and was included in the HSIP. However, Covid-19 caused significant disruption to the turnover of empty properties into re-lets, both in terms of housing management processes when tenancies ended, as well as carrying out repairs to homes to readvertise them for let.

4.23 This has resulted in a further build-up of homes that have been empty for longer than the pre-pandemic turnover durations and is a significant challenge for the service.

4.24 Despite normal working practices broadly having resumed, there are a number of challenges still impacting on recovery of the position on voids. Difficulties with inhouse and contractor capacity have made it challenging to make inroads into the number of long-term voids since returning to normal work practices.

4.25 There are also indications that the volume of work involved in returning voids to a lettable standard is becoming more significant in number of repairs required as well as cost. Additionally, problems with utility suppliers and limitations with the ability to record useful data on NEC Northgate to support effective workload management have impacted on progress in this area.

4.26 A plan is in place to address these challenges, the key actions are set out below:

4.26.1 A working group comprising of senior officers has been established, meeting weekly to oversee the development and delivery of an action plan, aiming to greatly reduce the number of voids over the next 12 months;

4.26.2 Extra project resources have been deployed to support the working group, repair and surveying teams including the recruitment of an additional empty homes team leader;

4.26.3 Additional capacity has been secured to carry out repairs, both through overtime being offered to in-house operatives and the procurement of extra contractors to provide supplementary resource to tackle the void backlog;
and

4.26.4 A data cleanse on all existing voids has been carried out to identify the current status of each void and what action is required to move it forwards.

4.27 The manual deep dive into all voids that locality teams carried out in their area during December 2022 provided a clearer understanding of the status of each void property. There were approximately 980 void properties in December, of which around 170 were in the process of being re-let.

4.28 Any properties earmarked for demolition or being used as a decant were not included in these totals. This deep dive information has also been used to inform

other void actions, triggering surveys where more extensive or complex works are required.

- 4.29 The normal process of switching void homes to the Council's default energy supply has been disrupted since the energy crisis began in September 2021. Switching new void homes to the default supplier could not be completed and time-consuming discussions with existing energy suppliers had to be carried on out on a site-by-site basis.
- 4.30 A staggered return of normal switching services to the Council's default energy provider re-started in February 2023 which should simplify and accelerate this element of the void process.
- 4.31 Development work is underway to change data fields on NEC Northgate to improve how voids are tracked through the system. This will provide more accurate reporting and should make it easier to identify any blockages and put in place subsequent mitigating actions without the need for recurring manual intervention.
- 4.32 These IT changes will be piloted by a locality housing team before being rolled out across other areas. Timescales are to be finalised but aim to be completed within six months.
- 4.33 Plans to implement a void, real-time work scheduling IT system for the repairs team is also under consideration to improve turnover rate and automate tasks. This would give repairs colleagues a real time planning and tasking system for carrying out work to void properties.
- 4.34 A further update on void progress will be provided in the next HSIP update reported to Committee.

5. Next Steps

- 5.1 The action tracker (Appendix 1) sets out the key actions that form the HSIP, including associated timescales with an update on the latest position. Officers will continue to progress these projects and keep priorities and timescales under review. An updated tracker will be provided to the next Committee.

6. Financial impact

- 6.1 The HSIP finance workstream was initiated alongside the other main project elements of the programme, with early work centred on understanding what key factors should be in scope for review. However, with changes to service delivery made during the Covid-19 pandemic, not only in the Housing Service directly, but across the Council as a whole, it was difficult to get a true sense of what the base financial position would be and how to develop the framework to help take the finance workstream forward.

- 6.2 To illustrate the impact of Covid-19, the following table shows the last four-year outturns for the HRA summary budget headings in scope for review (NB – 2022/23 is a forecast).

Table 1 – HRA Summary heading four-year outturns.

		Covid-19	Covid-19	Forecast
	2019/20 (£m)	2020/21 (£m)	2021/22 (£m)	2022/23 (£m)
Housing Management	31.681	36.011	34.033	35.731
Repairs	21.091	17.432	21.577	22.168
Grounds & Estates Maintenance	3.508	2.994	2.926	2.973
Debt Servicing	38.696	34.544	34.239	36.905
TOTAL	94.976	90.981	92.775	97.777

- 6.3 Within each of the headings, the following provides a short summary of the changes from 2019/20 onwards:

Housing Management

- 6.3.1 There were significant additional costs within the housing management heading due to the pandemic. These included revised service delivery, Personal Protective Equipment (PPE) and increased management costs associated with lost income from the reduced number of repairs carried out by Housing Property (as a result of the public health restrictions on the repairs service in 2020/21 and as noted below). The impact of inflation is also linked to the rising costs of service delivery over the four-year period.

Repairs

- 6.3.2 As noted above, the public health restrictions put in place during the pandemic meant that the repairs service could not operate in normal conditions which also impacted on expenditure on repairs. This is particularly evident in 2020/21.

Grounds and Estates Maintenance

- 6.3.3 This shows that savings (set out later in this report) are embedded in future years' service delivery costs.

Debt Servicing

- 6.3.4 This area of spend is linked to capital investment, and shows savings (referred to later in this report) were delivered in 2019/20. However, as a result of public health measures put in place, capital delivery was heavily impacted in 2020/21 and to a lesser extent in 2021/22. This meant lower

financing costs as a result. The 2022/23 capital programme outturn is expected to be back at pre pandemic levels.

- 6.4 To help with progressing the finance workstream a dedicated finance resource was assigned to the HSIP project team and much of the initial work that has been undertaken to date is of an investigatory nature. This is to ensure that all current costs being charged to the HRA are appropriate and proportionate. This has included:

Internal recharges

- 6.4.1 This area is where the Housing Service is recharged by other departments and services across the Council for service provision in support of tenants.

Central Support Costs

- 6.4.2 The Housing Service is recharged for its share of all the central service functions of the Council. These include Finance, Legal Services, Customer etc. Work is underway to establish the basis of allocation and calculation of HRA's share of costs. This will allow any challenge to be considered should the data set need to be updated and adjusted for accuracy. Work expected to be completed by end of July 2023.

Housing Property – Schedule of Rates Review

- 6.4.3 Schedule of Rates (SoR's) are used as part of the repairs function to charge for all jobs processed in respect of council homes. SoR's are to be market tested against the National Schedule of Rates to make sure these are being applied accurately and relative actual service costs incurred. An initial review of SoR's is to be completed by the end of this financial year (31 March 2023) and will focus on the top 20 SoR's used, followed by a full review of all SoR's to be completed by the end of October 2023.

Treasury Management

- 6.4.4 The Council's Treasury section undertook a piece of work in 2019/20 to review HRA's existing debt portfolio and look at ways in the financial market to service this debt in the most efficient and cost-effective way possible. This included securing better terms and rates where possible.

- 6.5 Table 2 below shows the savings already achieved:

Category	Original charge £m	Revised charge £m	Savings £m
Internal Charges			
<i>Telecare & Assisted Living support</i>	£1.110	£0.750	£0.360
<i>Grounds Maintenance</i>	£2.210	£1.710	£0.500
<i>Adaptations staff costs</i>	£0.230	£0.100	£0.130
Treasury Management			
<i>HRA debt portfolio</i>	N/A	N/A	£3.400
TOTAL	£3.550	£2.560	£4.390

Table 2 – Savings achieved

- 6.6 The HSIP finance workstream has been able to deliver savings to date across a range of areas and there is the potential to deliver more through ongoing assessment of the main categories. However, it should also be noted that, as the service continues to evolve and review service requirements, this could mean that achieving further savings is limited, and where additional and increased levels of service support are required, costs have the potential to increase.
- 6.7 It should also be noted that current inflationary issues could also have a negative impact on the scale of future savings delivery.

7. Stakeholder/Community Impact

- 7.1 The HSIP has been built upon tenant engagement from its inception, with feedback informing HSIP and service priorities.
- 7.2 The Housing Service continues to be in regular contact with tenants, through the annual tenants' survey, repairs tenant satisfaction surveys, complaints analysis, an ongoing tenant focus group programme, tenant working groups, feedback from frontline housing officers and tenant feedback submitted to a dedicated mailbox.

8. Background reading/external references

- 8.1 Housing Revenue Account (HRA) Budget Strategy 2023/24; Finance and Resources Committee, [7 February 2023](#).
- 8.2 The City of Edinburgh Council's Annual Assurance Statement on Housing Services, [29 September 2022](#).
- 8.3 Dampness, Mould and Condensation in Council Homes and Asset Management Strategy Update; Housing, Homelessness and Fair Work Committee, [20 January 2022](#).

9. Appendices

- 9.1 Appendix 1 – HSIP Action Tracker.
- 9.2 Appendix 2 – HSIP Performance Dashboard.

Appendix 1 - Housing Service Improvement Plan Action Tracker - key projects

Action	Outcome / Benefit	Meets HSIP Objective	Timescale	Status	Additional Comments / Update	
1	Implement and roll out workflow and analytics tool to assist Housing Officers with the management of rent collection. (Mobysoft RentSense).	Better information for housing officers to improve management of rent arrears, enabling early intervention and better prioritisation of arrears actions and improve productivity.	Improve performance; Reduce costs	Autumn 2022	Completed	RentSense went 'live' in October 2022. Training of all Housing Officers in patches throughout Edinburgh progressing. System has been rolled out and Housing Officers are using RentSense in their day to day activities.
2	Provide customers with an on-line application form for social housing (EdIndex).	The EdIndex website supports the creation of an online application form and Housing Options checker. Improvements will allow customers to view and update applications and access improved information on housing options.	Improve customer satisfaction; Improve performance	Summer 2023	On Track	Implementation plan and key milestones for delivery are being finalised. Accessibility requirements are being considered as part of this project.
3	Improve range of channels available to tenants to report repairs by introducing an online reporting tool through the Council's website.	Better range of options for tenants providing a 24/7 online service for those who wish to use it, freeing up capacity with Repairs Direct for those who prefer to call.	Improve customer satisfaction; Reduce costs	Autumn 2023	Complete	Tenants are now able to request a repair and schedule their appointment for single trade repairs via an application if they choose.
4	Introduce an IT system to improve the way that tenants' feedback is captured. (CX Feedback-Tenant Engagement Platform)	Greater insight into tenants' experience of the Housing Service and ability to analyse feedback and implement actions.	Improve customer satisfaction; Improve performance; Reduce costs	Autumn 2023	On Track	Costs being finalised prior to sign-off. Next steps: agree project plan and key milestones for delivery.
5	Carry out a review of complaint management processes and implement improvements.	Improved complaints management through analysis of trends and root causes, identification of lessons learned to inform service improvement.	Improve customer satisfaction; Improve performance; Reduce costs	Summer 2023	On Track	Resolution Team moved to be located within Housing Operations and recruitment of a Project Manager completed December 2022 to take forward process review and improvement work.
6	Re-introduce local estate walkabouts to identify and report local estates management issues for resolution in partnership with other service areas; such as Street Enforcement, Waste etc.	Improved engagement with tenants and community groups, improvements in cleanliness in local areas, identification of local improvement projects.	Improve customer satisfaction; Improve performance	Summer 2023	On Track	Estate walkabouts re-established in some areas, work ongoing to roll out across city.
7	Develop and implement an improved model for neighbourhood management and maintenance across predominantly HRA estates.	Improved cleanliness in estates, improved use of greenspace, increased resident satisfaction with their neighbourhood as a place to live, more efficient use of use of resources.	improve customer satisfaction Improve performance; Reduce costs	Winter 2023 / 24	On Track	Initial proposals for a more localised approach in early draft. Phase 1 will focus on changing the approach to dealing with the cleanliness in estates (Summer 2023) with Phase 2 looking at greenspace management. (Winter 23/24)
8	Carry out of a review of Neighbourhood Environmental Projects (NEPs) and develop an improved approach through engagement with stakeholders that is more efficient and improves tenant and resident engagement.	Neighbourhood investment which is more representative of the wants and needs of Council tenants. Smaller projects delivered quicker, with improved resident engagement on larger scale, more impactful projects.	Improve customer satisfaction; Improve performance	Spring 2023	Complete	Engagement sessions with many citywide stakeholders complete and new approach developed with projects moving forward to be progressed through the Estates Improvement Programme (EIP). Further engagement sessions to be offered to local members and community groups, with new Estate Improvement Groups to be set up to support community participation in local projects.

Appendix 1 - Housing Service Improvement Plan Action Tracker - key projects

Action	Outcome / Benefit	Meets HSIP Objective	Timescale	Status	Additional Comments / Update	
9	Introduce an Asset Management IT system to improve the process for planned programmes of work.	Better quality and up to date information held about housing stock to support improved forward planning of investment programmes.	Improve customer satisfaction; Reduce costs	Autumn 2023	On Track	Implementation underway, testing has highlighted issues in the latest ICT system update. Progress is dependant on further system update.
10	Introduce an IT system to support the servicing schedule for the housing stock.	Reduced dependency on manual processes, for scheduling servicing work.	Reduce costs	Spring 2024	On Track	Gas Servicing is already automated through Total Mobile. This improvement will deliver automation of servicing for elements such as lifts, water tanks, etc.
11	Develop improved reporting for repairs teams to support performance improvement.	Team Leaders and Managers will have access to better information to help them manage resources and performance.	Improve performance	Summer 2023	On Track	Performance reports are now available but further enhancements will be delivered through PowerBI which will give access to more dynamic information; there is a dependency on securing the Corporate PowerBI licence.
12	Improve the efficiency of the Out of Hours repairs service through further development of the work scheduling IT system (Total Mobile).	More efficient deployment of resources when responding to Out of Hours calls, improved management information.	Improve customer satisfaction; Reduce costs	Winter 2023	On Track	Due end of 2023.
13	Introduce system improvements to improve management and control of materials used in repairs and voids.	Better quality of information on repair costs, more efficient processes for collection of materials and supplies, and reduction in waste.	Improve performance; Reduce costs	Summer 2023	On Track	The first part of this project is underway, this is to introduce cards for each operative which will set limits and report on spend. The second part will be to introduce automated van stock system.
14	Carry out a review of the end to end void process to introduce system and procedure improvements.	More efficient processes leading to reduction in re-let times and greater consistency in approach.	Improve performance; Reduce costs	Autumn 2023	On Track	Review will be completed in Spring 2023 but anticipated that some system improvements will be required which are yet to be scoped.
15	Carry out a review of central support costs and recharges to Housing Revenue Account (HRA).	Ensuring there is transparency, accuracy and fairness in recharges to HRA to ensure Best Value for tenants.	Reduce Costs	Autumn 2023	On Track	Data gathering and analysis is ongoing. Consultation on recharges underway. £900k savings identified to date.
16	Review of Schedule of Rate time values to ensure accurate and up to date.	Time allocated to repair work is more reflective of the actual time taken, enabling improvements to scheduling of work and appointments.	Improve performance; Reduce costs	Spring 2023	On Track	This will include the review of the most used SORs with the greatest time to ensure accurate time and cost of material. Target date is for initial consultation - wider consultation to follow with timescales to be established.
17	Carry out a review of the approach to responding to damp, mould and condensation issues.	Improved response to reports raised by tenants and quicker resolution.	Improve customer satisfaction; Reduce costs	Autumn 2023	On Track	Service Improvement plan has been put in place to ensure good communication, consideration of health concerns and speed of response is at the heart of the approach.
18	Roll out Dampness Sensors pilot to 500 homes.	Improved understanding of extent of dampness in our housing stock.	Improve customer satisfaction; Improve performance; Reduce costs	Summer 2023	On Track	First phase of pilot complete with sensors installed in 11 properties; data being analysed to inform the continued roll out.

Appendix 1 - Housing Service Improvement Plan Action Tracker - key projects

Action	Outcome / Benefit	Meets HSIP Objective	Timescale	Status	Additional Comments / Update	
19	Develop an upskilling / cross-skilling programme for operative staff to improve performance on "Right First Time" repairs and reduce dependency on external contractors.	Improve job efficiency and tenant experience, improve skills set and morale of staff, create in house capacity to deal with some developing technology with reduced reliance on sub-contractors.	Improve customer satisfaction; Improve performance; Reduce costs	Spring 2024	On Track	Working Group established with Trade Union representation to develop approach. Assessing availability of local training courses to inform development of the plan.
20	Develop action plan to identify "hard to fill" posts and agree actions that can be taken forward to improve success of recruitment to vacancies in Housing.	Reduction in failed recruitment and associated costs, improved staff retention.	Improve performance; Reduce costs	Summer 2023	On track	Recruitment Working Group established with Trade Union colleagues, benchmarking and data gathering underway.
21	Develop leadership programme for Team Leaders to support development and confidence in managing teams, leading change and supporting performance improvement.	More engaged workforce, stronger and more effective leadership with the ability to drive culture change.	Improve customer satisfaction; Improve performance; Reduce costs	Summer 2023	On track	Series of short sessions delivered in November 2022. Tailored Conversation Spotlight sessions taking place March 2022. Change Champion providing one to one support.

Appendix 2 - Housing Service Improvement Plan Performance Dashboard

ID	Performance Indicator	What it shows	Frequency	Source	2022/23			2019/20	2020/21	2021/22
					Quarter 1 (Apr - Jun)	Quarter 2 (Jul - Sep)	Quarter 3 (Oct - Dec)	Annual	Annual	Annual
1	Number of complaints received at Stage 1 (all housing).	All Stage 1 complaints received. NB - not specific to repairs as per Annual Return on the Charter (ARC) guidance.	Quarterly	Capture	372	425	520	2038	719	2015
2	Number of complaints received at Stage 2 (all housing).	All Stage 2 complaints received. NB - not specific to repairs as per ARC guidance.	Quarterly	Capture	23	38	32	161	40	94
3	Percentage of complaints responded to at Stage 1.	All Stage 1 complaints received. NB - not specific to repairs as per ARC guidance.	Quarterly	Capture	97.6%	99.8%	96.5%	95%	95%	91%
4	Percentage of complaints responded to at Stage 2.	All Stage 2 complaints received. NB - not specific to repairs as per ARC guidance.	Quarterly	Capture	91.3%	94.7%	87.5%	72%	87%	89%
5	The average time in working days for a full response at Stage 1.		Quarterly	Capture	9.5	9	8	14	17	20
6	The average time in working days for a full response at Stage 2.		Quarterly	Capture	24	24	17	40	62	57
7	Percentage of calls answered by Repairs Direct within 60 seconds.	Percentage of calls on tenant only lines handled within 60 seconds for each quarter.	Quarterly	Mitel	44.2%	47.0%	20.3%			
8	Percentage of calls answered by Repairs	Percentage of calls on tenant only lines handled within each quarter.	Quarterly	Mitel	84.8%	84.1%	63.2%			
9	Total number of calls into contact centre.	Total number of calls into contact centre.	Quarterly	Mitel	20,504	20,423	30,763			
10	% calls relating to repeat contact.	Percentage of repeat contact calls (NB - dedicated phone for tenants was not operational until Quarter 2).	Quarterly	Mitel	43.3%	39.2%	33.3%			
11	Number of repairs complaints expressed as a % of responsive jobs raised.	Number of repairs complaints as a % against number of responsive jobs raised.	Quarterly	Capture / Total Mobile	1.30%	1.40%	1.40%	1.70%	0.80%	2.00%
12	Percentage of emergency repairs completed on time.	Percentage of repairs categorised as emergency completed within four hours.	Quarterly	Total Mobile	54.20%	47.60%	48.10%	62.90%	34.20%	49.60%
13	Percentage on non-emergency repairs completed on time.	Percentage on non-emergency repairs completed on time.	Quarterly	Total Mobile	79.30%	81.30%	83.70%	84.60%	87.10%	80.30%

Appendix 2 - Housing Service Improvement Plan Performance Dashboard

ID	Performance Indicator	What it shows	Frequency	Source	2022/23			2019/20	2020/21	2021/22
					Quarter 1 (Apr - Jun)	Quarter 2 (Jul - Sep)	Quarter 3 (Oct - Dec)	Annual	Annual	Annual
14	Percentage of reactive repairs carried out in the last year completed right first time.	The percentage of non-emergency repairs that are closed and classed as right first time having met their target time for completion (Urgent -1 day, Routine -20 days) and have not had the same trade visit more than once for the same repair.	Quarterly	Total Mobile	69.20%	72.10%	74.10%	80.30%	85.30%	70.10%
15	Percentage of lettable houses that became vacant in the last year.	The number of empty dwellings that arose as a percentage of all available homes.	Annual	Northgate				5.80%	5.40%	5.80%
16	Rent collected as percentage of total rent due in the reporting year.	The total amount of rent collected as a percentage of the total due to be paid. Estimates can be provided through the year however the end of year final accounts will only show the true figure.	Annual	Northgate				99.60%	96.80%	98.06%
17	Percentage of tenants satisfied with the overall service provided by their landlord.	The percentage of City of Edinburgh Council tenants that take part in the annual tenant survey that are satisfied / dissatisfied with the overall service provided by their landlord.	Annual	Annual Tenants Survey				74% (same survey as 20/21)	74%	81%
18	Percentage of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service.	The percentage of City of Edinburgh Council tenants that take part in the annual tenant survey that are satisfied/dissatisfied with their most recent repair.	Annual	Annual Tenants Survey				84%	96%	69%
19	Number of empty homes.	The quarterly figure is based on a locality manual return with a view to enable more accurate Northgate reporting in future with approximately 170 being on a to be re-let pathway.	Quarterly	Manual Return	N/A	N/A	980			
20	Percentage of rent lost through empty homes.	Percentage of rent lost through empty homes (quarter-on-quarter and annual).	Annual	Northgate / Financial Ledger	2.3%	3.2%	2.3%	0.71%	0.93%	2.00%
21	Value of rent lost through empty homes.	Void rent loss (quarter-on-quarter and annual).	Quarterly	Northgate	£616,456	£744,988	£632,313	£712,854	£944,521	£2,004,656
22	Average length of time to re-let properties in the last year.	The average length of time to relet properties will be affected by longer term void properties coming back onstream.	Annual or Quarterly	Northgate	85 days	103 days	130 days	29 days	64 days	76 days

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Homelessness Services' Performance Dashboard

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee notes the content of the performance dashboard for Quarter 1 to Quarter 3 2022/23 (attached in Appendix 1).

Paul Lawrence

Executive Director of Place

Contact: Jill Thomson, (Interim) Head of Homelessness

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Homelessness Services' Performance Dashboard

2. Executive Summary

- 2.1 The Council's Internal Audit service recommended that Homelessness Services, in addition to providing an annual report on the service's statutory returns, should provide additional performance information to Committee.
- 2.2 Committee agreed the measures to be contained in the performance dashboard on [3 June 2021](#). The dashboard provides performance information which is linked to the [Council's Business Plan](#), the [Poverty Commission Delivery Plan](#) and the delivery of the [Rapid Rehousing Transition Plan](#) activities. As per 4.2 the next dashboard will be revised as necessary to ensure it reflects the refreshed [Business Plan](#).
- 2.3 This report provides data related to the first three quarters of 2022/23.

3. Background

- 3.1 The Homelessness and Housing Support Service discharges the Council's statutory duties to homeless people or people at risk of homelessness.
- 3.2 The Council is required to complete statutory returns to the Scottish Government on a range of measures related to the delivery of homelessness services.
- 3.3 The returns are currently reported to Committee annually and this will continue.
- 3.4 This reporting framework will ensure that Committee is provided with information around performance measures for the service on a more regular basis, with measures that are directly related to service developments and investment in services.

4. Main report

- 4.1 The dashboard for quarter 1 to quarter 3 of 2022/23 is attached in Appendix 1. Measures are provided under each of the four Business Plan and Poverty Commission Delivery Indicators relating to Homelessness.
- 4.2 Whilst the Council's refreshed Business Plan has been approved, the performance framework is still being developed. The next dashboard presented to Committee will be revised to reflect this. Below is an overview of performance related to each of the four sub indicators.

Sub Indicators Related to Business Plan and Poverty Commission Delivery Plan - Number of households assessed as homeless (measures 1 – 11).

- 4.3 Households assessed as homeless have risen by 56.8% in Q1-Q3 of 2022/23 when compared to the same period in 2021/22. Whilst this figure remains lower than pre-covid levels, should the trend continue through to the end of Q4 it is likely that the numbers will be comparable to pre-covid.
- 4.4 Average case length for closed cases in the year so far is 137 fewer days than in the same period in 2021/22. The average case length for Q1-Q3 is still higher when compared to 2019/20.
- 4.5 The Council and Registered Social Landlord (RSL) partners have allocated an average of 71% and 50% of total lets respectively to homeless households. Council lets are slightly lower than in the same period in 2021/22, and both RSL and Council lets are still lower than in the same period in 2019/20.

Sub Indicators Related to Business Plan and Poverty Commission Delivery Plan - Number of households who seek housing advice who do not go on to present as homeless (measures 12 – 19).

- 4.6 Homelessness prevention continues to be a priority. The Partnership and Prevention Officer has provided 22 training sessions to 228 internal and external attendees in Q1 – Q3 of this year. These sessions focus on how partners can identify a risk of homelessness and ensure partners know what to do in this situation.
- 4.7 In the first three quarters of the year the Private Rented Sector (PRS) team prevented homelessness for 215 households by supporting them to remain in their current PRS property or to move to a new PRS or MMR (Mid-Market Rent) property.
- 4.8 Referrals for homelessness prevention continue for Council tenants who have serious rent arrears and are not engaging with their housing officer. The Multi-Disciplinary Team continues to reach out to tenants and engage in intensive casework, supporting Council tenants with a range of issues.
- 4.9 Telephone and email contacts have increased significantly for April to December 2022 when compared to the same period in 2021. Telephone contacts remain 58% lower than pre-Covid levels, but in 2022 email enquiries have increased to over seven times the number of email enquiries received in the April to December 2019.

Sub Indicators Related to Business Plan and Poverty Commission Delivery Plan - Percentage of households in unsuitable temporary accommodation (measures 20 - 21).

- 4.10 26% of households were in unsuitable temporary accommodation on 31 December 2022. This is an increase of 1% on the same period in the previous year and is predominantly related to an increase in the use of bed and breakfast accommodation.

- 4.11 Officers continue to work on increasing the stock of suitable temporary accommodation to meet the requirements of the UAO (Unsuitable Accommodation Order) which commenced on 1 October 2021.

Sub Indicators Related to Poverty Commission Delivery Plan - The total number of households in temporary accommodation on last day of the month (measures 22 -30).

- 4.12 The total number of households in temporary accommodation on the last day of the third quarter of 2022-23 increased by 7% on the same period last year.
- 4.13 Private Sector Leasing (PSL) properties are classed as suitable accommodation and form a key part of the strategy to transform temporary accommodation stock. There were 1,736 households in this form of accommodation at the end of December 2022, increased from 1,619 at the end of December 2021.
- 4.14 There are significantly fewer people rough sleeping in the city than there were prior to Covid-19. An average of 23 people slept rough each night during this period, prior to Covid-19 this was an average of 80 – 120 people per night.

5. Next Steps

- 5.1 The performance dashboard is completed twice yearly for Committee with the next report due to be presented to Committee in September 2023. Officers propose that the timing of reports be adjusted to allow for an annual summary of progress. Future reports would be presented to Committee in December 2023 and June 2024.
- 5.2 The format of the dashboard will be updated as necessary to ensure that it remains in line with the Councils refreshed Business Plan.

6. Financial impact

- 6.1 There are no direct financial implications from this performance information report.

7. Stakeholder/Community Impact

- 7.1 N/A.

8. Background reading/external references

- 8.1 [Homelessness Statutory Returns Report](#)

9. Appendices

- 9.1 Appendix 1 – Homelessness Services Performance Dashboard.

Homelessness & Advice Services Performance Dashboard							
Measure Number	Measure	2022-23				2021-22	2019-20
		Total or average Quarter 1	Total or average Quarter 2	Total or average Quarter 3	Cumulative Total Q1 - Q3	Cumulative Total Q1 - Q3	Cumulative Total Q1 - Q3
Sub Indicators Related to Business Plan and Poverty Commission Delivery Plan - Number of households assessed as homeless.		662	652	877	2191	1397	2506
1	Average case length for closed cases (in days)	559	559	364	494	631	378
2	Percentage of households moving into settled accommodation	43.0%	47.6%	18.4%	36.3%	60.01%	54.4%
3	No and % of CEC lets to homeless households	220 out of 310 (71%)	160 out of 223 (72%)	140 out of 198 (71%)	520 out of 731 (71%)	573 out of 769 (75%)	606 out of 882 (69%)
4	No and % of RSL lets to homeless households	154 out of 298 (52%)	91 out of 198 (46%)	153 out of 300 (51%)	398 out of 796 (50%)	357 out of 708 (50%)	459 out of 898 (51%)
5a	Number of people moving into housing first tenancies in period	6	4	5	15	18	24
5b	Total number of people moving into housing first tenancies	159	163	168	168	149	36
5c	Total number of people currently in housing first tenancies	113	112	109	109	120	34
6	Number of households accessing MMR	9	3	3	15	34	NA
7	Number of households accessing settled housing in PRS	7	4	3	14	46	NA
8	Number of bonds issued via Edinburgh Help to Rent	6	2	3	11	33	15
9	Repeat Homelessness (%)	1.3%	1.6%	2.1%	1.7%	1.22%	5.2%
10	Number of employability referrals	23	18	27	68	20	NA
11	Number of households who have a support assessment completed	799	491	710	2000	1432	2684

Measure Number	Measure	2022-23				2021-22	2019-20
		Total or average Quarter 1	Total or average Quarter 2	Total or average Quarter 3	Cumulative Total Q1 - Q3	Cumulative Total Q1 - Q3	Cumulative Total Q1 - Q3
Sub Indicators Related to Business Plan and Poverty Commission Delivery Plan - Number of households who seek housing advice who do not go on to present as homeless.		341	389	205	935	1104	1231
12	MDT Team Court Case interventions	40 referrals 36 allocated	40 referrals 4 allocated	55 referrals 18 allocated	135 referrals 58 allocated	73 referrals and 63 allocations	NA
13a	PRS Team supported to remained in their current PRS accommodation?	21	28	64	113	NA	NA
13b	PRS Team households diverted to PRS	23	25	19	67	67	NA
14	PRS Team households diverted to MMR	8	13	14	35	54	NA
15a	PRS Team Financial Inclusion Officer Financial Gains	£154,325.24	£87,816.22	£156,069.35	£398,210.81	£66,565.24	NA
15b	Advice Shop Income Max Officers Financial Gains	£101,471.00	£166,990.00	£106,650.00	£375,111.00	£36,828.50	NA
16	Partnership & Prevention Officer - Training Sessions / No.s of people trained	8 sessions 57 attendees	7 sessions 110 attendees	7 sessions 61 attendees	22 sessions 228 attendees	NA	NA
17	Income Max Capacity Building Officer - Training Sessions / Staff No's Trained	3 sessions 48 attendees	24 sessions 187 attendees	44 sessions 325 staff	71 sessions 560 staff	NA	NA
18	Number of Advice Line calls answered	1176	969	970	3115	1506	7371
19	Number of email enquiries (Advice Shop)	1145	1042	1132	3319	856	463

Measure Number	Measure	2022-23				2021-22	2019-20
		Total or average Quarter 1	Total or average Quarter 2	Total or average Quarter 3	Cumulative Total Q1 - Q3	Cumulative Total Q1 - Q3	Cumulative Total Q1 - Q3
Sub Indicators Related to Business Plan and Poverty Commission Delivery Plan - Percentage of households in unsuitable temporary accommodation.		26%	26%	26%	26%	25%	31%
20	Number of households in shared houses on last day of the month	669	676	672	672	662	596
21	Number of households in bed & breakfast on last day of the month	541	615	587	587	495	116
Sub Indicators Related to Poverty Commission Delivery Plan - The total number of households in temporary accommodation on last day of the month.		4707	4862	4857	4857	4527	2330
22	Average length of stay in temporary accommodation (including SH & B & B) - all	315	286	303	302	303	201
23	Average number of rough sleepers	13	22	25	23	13	80-120
24	Number of households in PSL on last day of the month	1693	1736	1736	1736	1619	108
25	Number of households in Homeshare on last day of the month	53	64	77	77	35	18
26	Number of households in Private Rented Temporary Accommodation on last day of the	624	599	591	591	667	308
27	Number of households in managed units / CEC run HAWS on last day of the month	181	192	196	196	104	188
28	Number of households in commissioned services on last day of the month	491	512	521	521	491	532
29	Number of households in dispersed flats on last day of the month	455	468	477	477	453	464
30	Number of households in Covid-19 isolation accommodation on last day of the month	0	0	0	0	1	0
31	Welcome Centre	0	0	72	72	48	NA

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Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Mixed Tenure Improvement Service Progress

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee:
 - 1.1.1 Note the progress of the Mixed Tenure Improvement Service (MTIS) to help support common repairs and maintenance in blocks where there is a mix of Council and privately-owned homes.

Paul Lawrence

Executive Director of Place

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Mixed Tenure Improvement Service Progress

2. Executive Summary

- 2.1 The Council is the largest landlord in the city with around half of its homes in mixed tenure blocks where responsibility for maintaining the buildings is shared with the other owners. Most of the housing stock is situated in former Council estates where property values and household incomes are low, making it more difficult for owners to afford the cost of repairs.
- 2.2 The Council has a duty to maintain homes on behalf of tenants and to ensure that Council homes meet the Energy Efficiency Standard for Social Housing (ESSH 2) to help tackle disrepair in housing and support the delivery of Council commitments; including fuel poverty prevention, creating better places to live, and reaching net zero targets, the Council established the Mixed Tenure Improvement Service (MTIS).
- 2.3 This report sets out the progress of the MTIS and reflects on the work carried out in year one and two of the programmed delivery to March 2023. The original pilot programme in Murrayburn, Dumbryden and Hailesland will be complete in 2024 and is on target to deliver upgrades to approximately 170 blocks. Work has begun to develop a programme for around 230 blocks in Restalrig and Lochend.

3. Background

- 3.1 In September, Committee requested a report, within two Committee cycles, to help better inform Councillors on the MTIS pilot detailing any other areas of the city proposed for the 2023 programme of work, how the areas were prioritised and what resident engagement and consultation had taken place prior to works commencing.
- 3.2 The scale of mixed tenure repairs required across the city is substantial. Delivery of much of the required investment to maintain and improve Council housing stock is dependent on getting the agreement of fellow owners within mixed tenure blocks.
- 3.3 The ability to deliver on the Council's Net Zero Carbon target by 2030 is also heavily dependent on working with owners in mixed tenure blocks of flats, to take forward a fabric first approach that minimises the requirement for energy use. The legislative framework under the Tenements (Scotland) Act 2004, Tenement

Management Scheme (TMS), must be followed to achieve the legal authority to proceed with works and to recover the owners' share of costs.

- 3.4 The TMS allows repairs and maintenance to proceed following a majority decision of owners who are responsible for common repairs, in accordance with their title deeds.
- 3.5 The MTIS was established as a 3-year pilot to deliver mixed tenure investment as part of the capital programme for Housing. The programme of works, set out to deliver repairs to 1,400 flats in 181 blocks, with an estimated value of £30m over the three-year period.
- 3.6 The Council own the majority of flats in the pilot area, approximately 1,000 flats, with the remainder, 400, being privately owned. Ownership checks to date show that 46% of privately-owned flats are owned by landlords in the private rented sector.
- 3.7 The MTIS Pilot has benefited from an enhanced Scheme of Assistance approved by Finances and Resources Committee on [7 October 2021](#). Finance and Resources Committee approved the extension of these measures on [3 March 2022](#), to all HRA led mixed tenure capital projects in the city.
- 3.8 Where an owner occupier cannot raise funds privately through savings, loans or re-mortgage, as a last resort they may arrange a payment plan with the Council Debt Recovery service to set up re-payment by instalments. The enhanced Scheme of Assistance includes longer periods for repayment of the debt for up to 15 years at a reduced rate of interest. See [Corporate Debt Policy](#) for details.
- 3.9 Grants for owners are available towards the cost of energy efficiency measures. Scottish Government funding is available to owners for energy efficiency measures through the Energy Efficient Scotland (EES) Area Based Scheme (ABS). Basic funding amounts to approximately £8,500 per flat owner. In addition to this the Council has an opportunity to claim an uplift of the basic grant funding for households in fuel poverty.
- 3.10 Part of the initial engagement with owners is to establish which households may be eligible for this uplift. The total grant which may be available to an owner occupier is up to £16,900.
- 3.11 The pilot work will inform the future approach used to achieve improvements to the Council's existing mixed tenure housing stock.

4. Main report

- 4.1 The aim of the MTIS is to deliver fabric improvements to blocks of flats previously 100% owned by the Council and now in mixed tenure ownership in the Wester Hailes area. The areas chosen for the pilot, represents areas where a number of factors highlight the need for investment, those factors are: -
 - 4.1.1 High % of homes in most deprived 10% of areas in Edinburgh;

- 4.1.2 High % of residents in fuel poverty;
 - 4.1.3 High % of CEC homes in mixed tenure blocks;
 - 4.1.4 Low % of EESSH compliance in Council homes;
 - 4.1.5 High % of homes in blocks built pre-1945;
 - 4.1.6 Poor existing building condition; and
 - 4.1.7 Contributes to wider estate based or area regeneration.
- 4.2 The data used to assess the above factors is available from the Energy Savings Trust (EST) and freely available to the Council. Data used is the Scottish Index of Multiple Deprivation (SIMD). This data considers various criteria including health, employment, education, income, and crime levels. Using this data, it was identified that the pilot area is in the most deprived 5% of the City of Edinburgh Council area.
- 4.3 A second set of data is used to establish fuel poverty eligibility for grant funding, this is provided by the EST database, Home Analytics. This database is a national database for all homes in Scotland, is funded by Scottish Government and delivered by EST for the last eight years. Access is granted to councils and housing associations under data sharing agreements and is designed to support area-based retrofit schemes.
- 4.4 The data is updated by the EST every two years with new data, models, and funding criteria. Based on this data initially it was determined that many owners in the pilot area would be classified as being in extreme fuel poverty. The MTIS, with guidance from Scottish Government, have developed a process of determining eligibility for owners to maximise funding for owners, where appropriate.
- 4.5 The pilot area includes 1,400 homes in low-rise blocks of 6 and 8 in a block and some individual houses in Murrayburn, Dumbryden and Hailesland and includes six different archetypes of construction.
- 4.6 The Council, as an owner of flats in blocks, takes the lead owner role. The programme is being delivered as an Area Based Scheme (ABS) this approach has advantages, such as procuring and undergoing works on a large scale and showing residents in the area how completed blocks will look.
- 4.7 The scope of works to be delivered is subject to the findings of the Building Condition Survey Reports on each block and is limited to repairs and maintenance as set out in the Tenements (Scotland) Act 2004. In summary, the scope of works includes roof replacement and removal of old warm air heating chimneys, external wall repairs, installation of external wall insulation, associated flue extensions and gas risers, replacement rainwater rhones and pipes, replacement of common stair windows and doors, repairs in common stairs and redecoration.

Operating Procedures and resident engagement

- 4.8 The Standard Operating Procedures (SOP's) were developed in 2020. The workflow for progressing works in CEC majority owned blocks and CEC minority owned blocks differ, and this is set out in the SOP. The SOP also include template

letters developed for the team to ensure consistency of communications. This master document and templates are under continual review and have seen many additions and improvements over the past two years.

- 4.9 Initial tasks are centred around communicating with owners and tenants. Residents receive letters to inform them of the proposals to upgrade the area, what phase of works their home will be in, the process and timeline. In preparation for this, Case Officers establish the correct ownership details in each block and review title deeds to determine liabilities for common repairs.
- 4.10 To the end of December 2022, the team had sent over 11,000 letters or e-mails to residents. Face to face contact is very important and Case Officers and Surveyors attend site regularly every week to discuss any concerns with residents, maintaining good relationships to ensure an understanding of the process, construction works and where appropriate, funding options available.

Resource requirement and Service recruitment

- 4.11 Resource requirements for the team were calculated after establishing the construction workload, operating procedure and tasks, and construction programme. A team of nine officers were recruited initially, over a nine-month period.
- 4.12 The team consisted of a Senior Manager, Building Surveying Manager, Chartered Building Surveyors, Quantity Surveyor and Case Officers. Recent recruitment for completion of the pilot has been successful in adding a Finance officer, Finance Assistant and Case Officers.

Construction Programme and Procurement activities

- 4.13 The programme of construction activities was planned following review of several factors: -
- 4.13.1 Decisions on scope of works possible under Tenements (Scotland) Act 2004 authority;
 - 4.13.2 A review of property condition and repairs required per block in the pilot area;
 - 4.13.3 Levels of compliance with current energy efficiency standards for social housing (ESSH); and
 - 4.13.4 Review capacity of works contractors and available Construction Frameworks.

The MTIS surveyors undertake the technical work including building condition surveys, preparation of owner reports and cost estimates, preparation and submission of Building warrants and amendments, procurement and management of the works.

Communications

- 4.14 The communication plan for MTIS follows a structure of planned letters and newsletters following the operating procedure however there is also a requirement

to tailor communications depending on owners and tenants' circumstances. MTIS Case officers are a dedicated resource for the engagement and communication with owners, private landlords and tenants in the pilot area and have been key to achieving the Scheme Decisions required to enable work to progress. The MTIS team works closely with the Local office Housing team to support tenants.

Progress

- 4.15 The original pilot programme will be complete in 2024 and is on target to deliver upgrades to approximately 170 blocks. The programme consists of 11 phases. Delivery year 1 and 2 saw a workload value of £20m being taken to contract award stage to upgrade 911 flats in 118 blocks and 29 individual houses for Phases 1 to 8. The construction work has been won by four separate contractors from a Council procured framework. Phases 1 to 8 are either completed or are on site currently.
- 4.16 The average estimated cost per flat over Phases 1 to 8 is £22,315 before deductions for grant contribution and excluding VAT and fees.
- 4.17 Approximately £2.0m of grant in-kind funding has been secured from the Scottish Government (SG) through EES: ABS, to contribute to owners' cost for the works over year 1 and 2 in 2021/2022 and 2022/2023 in phases 1-8. Additional grant in-kind funding has been secured to contribute to owners' costs for those in fuel poverty. This highlights a successful process agreed with the Scottish Government (SG) in determining eligibility of owners in fuel poverty for additional grants.

Feedback from residents

- 4.18 Residents receive feedback forms on completion of each phase of works. The feedback requested from residents covers two themes, the process, and communications between the MTIS team and contractors, and the residents, both owners or tenants, and the physical difference in the environment inside flats after works are complete. This feedback is invaluable for the team to help improve any parts of the process.

Expansion of the Mixed Tenure Improvement Service – Next steps

- 4.19 To accelerate delivery of energy efficiency works in mixed tenure blocks, the expansion of the MTIS team was noted by Finance and Resources Committee in March 2022. The implementation activities for the expanded team and increased workload, are underway, and delivery of works will commence in 2024/25 following completion of the pilot.
- 4.20 Following a review of the key indicators for prioritisation, noted in 4.1 above, the MTIS will move to Restalrig and Lochend for the next area-based scheme.

Support for Owners

- 4.21 The most challenging area for the MTIS team is the engagement and discussions with owners around the support to owners for finding the funding to pay for the significant repair costs for which they are responsible.
- 4.22 The Council have approved an enhanced scheme of assistance which includes extended debt re-payment terms at a lower interest rate, noted in 3.5 above, and

the option of tenanted acquisition. Funding options for owners are currently limited with a lack of external finance schemes available. New schemes such as equity release schemes like the Scottish Government Pilot loan scheme, which is now closed, would be helpful to give owners more options.

- 4.23 Loans of up to £10,000 at 0% interest are available to owners through Home Energy Scotland (HES). The MTIS team can support owners with the application process.
- 4.24 These loans are personal loans and are not secured on owners' property. SG and Energy Savings Trust (EST) have been asked to consider extending the loan periods and maximum loan amounts for owner occupiers. To date the MTIS team have supported several owners who have been offered loans from EST.

Council buy-back and Tenanted acquisition

- 4.25 As a last resort, owner occupiers may also consider an option to sell their flat back to the Council and remain in their home with a Scottish Secure Tenancy in line with the agreed strategy for consolidation or divestment of interest in mixed tenure blocks as set in the Acquisitions and Disposal Policy ([A and D Project Update 26 Jan 2016](#)).
- 4.26 This option is available where owner occupiers have exhausted all potential options to fund repairs to their homes privately. The Council may consider buying an owner occupiers home, either on the open market with vacant possession or with a sitting-tenancy. The tenanted acquisition option is a last resort, if requested by the owner. To date, this option has been taken up by two owners in the pilot area.
- 4.27 To date, in the MTIS pilot area since October 2020, there have been 40 flats acquired either through tenanted acquisition or vacant possession. Of these 31 were private sales as a result of owners approaching the Council.

Risks and Mitigation

- 4.28 The five main risks to delivery of the programme, identified by the service are: -

4.28.1 Bad debt leading to write off, for the Council to sustain

- 4.28.1.1 Mitigated by securing the debt by the introduction of Notice of Potential Liability notices, good debt monitoring and use of inhibition orders;

4.28.2 Failing to recruit Building Surveyors

- 4.28.2.1 A Council wide risk mitigated by exploring better advertising, use of recruitment agencies and use of consultants in the short term to fill the resource gap;

4.28.3 Construction cost inflation affecting accuracy of Cost estimates to owners

- 4.28.3.1 Mitigated by reflecting latest tender prices received in new estimates. Use of construction contracts to fix prices for the duration of the works programme;

4.28.4 Lack of access to properties to carry out essential tasks during the works, leading to delays

4.28.4.1 Mitigated by regular positive engagement with private owners and in tenanted properties, assistance from the local housing team when required; and

4.28.5 Scheme Decision not obtained or challenged by court action, leading to works not progressing

4.28.5.1 Mitigated by clear, regular, and open communications to owners on all aspects of the programme.

5. Next Steps

- 5.1 The MTIS will continue to deliver the programme in 2023/24 to complete Phases 5 to 8 and are planning the procurement and works to Phases 9 to 11 to complete the pilot programme during 2024.
- 5.2 Preparation work is also underway to establish ownership and liabilities for the blocks in the next area-based scheme in Restalrig and Lochend.
- 5.3 Shared Repairs continue to provide Case Officer support to Housing for resident engagement on several mixed tenure common repair projects across the city, including Westfield Court, Oxgangs House, Magdalene Gardens and Drive and many more HRA led mixed tenure capital projects across the city.

6. Financial impact

- 6.1 The MTIS Budget is included in the Council's General Fund. The Finance and Resources Committee approved the proposed self-financing business model in 2020. In summary, the model is based on the project management fee of 20% financing the costs incurred to resource the delivery of the programme.
- 6.2 The HRA funds the cost of works to Council homes and the associated project management fee. Private owners are responsible for paying their share of the cost of the works and the project management fee.
- 6.3 The outturn accounts for MTIS in 2020/21 showed a deficit of £153k and in 2021/22 a further deficit of £197k. The forecast budget for 2022/23 shows that the deficit can be re-paid and shows a balanced position. These implementation costs were subsidised by the HRA temporarily and are now fully re-paid.
- 6.4 The cost of the MTIS team and all work undertaken on private owners and HRA tenants' properties, will be charged to the General Fund. To end December the HRA have paid £9.2m towards the cost of upgrade works apportioned to Council owned flats.
- 6.5 As the MTIS works are not statutory in nature, owners will be charged VAT at 20% on the cost of repairs, energy efficiency measures are 0% VAT rated.

7. Stakeholder/Community Impact

- 7.1 Delivery of mixed tenure investment and repairs will depend upon regular tenant and owner engagement. Owner consultation to ensure robust scheme decisions have been made correctly following Tenement Management Scheme processes is vital to the success of the programme. This will ensure that debt recovery for the owners share of costs is effective.
- 7.2 The MTIS Pilot area has received many VIP visits over the past two years, including the Deputy First Minister, local MSP, Housing Convenors', Senior Councillors, Senior Council Officers and Scottish Government contacts.
- 7.3 The MTIS Pilot area was an event venue for the Edinburgh Fringe Green Festival in September 2022.
- 7.4 Senior officers have been involved in several Scottish Government working groups and have been engaged on current issues in relation to energy efficiency and maintenance of tenements. The experience gained so far in the MTIS will help inform future legislative changes that are needed to ensure owners have the tools to carry out future maintenance of their homes.

Working groups include: -

- 7.4.1 Tenement short life working group on Energy Efficiency and Zero Emission Heat;
- 7.4.2 Scottish Parliamentary working group on Maintenance of Tenement Scheme Property;
- 7.4.3 EESSH2 Review group – sub-group on Just transition metric and heating systems; and
- 7.4.4 Scottish Law Commission – Compulsory Owners Associations, local authority meeting.

8. Background reading/external references

- 8.1 [Mixed Tenure Improvement Strategy](#), Housing and Economy Committee, 7 June 2018.
- 8.2 [Mixed Tenure Improvement Strategy](#), Housing and Economy Committee, 24 January 2019.
- 8.3 [Mixed Tenure Improvement Strategy Update](#), Housing and Economy Committee, 6 June 2019.
- 8.4 [Mixed Tenure Improvement Strategy](#), Finance and Resources Committee, 23 January 2020.
- 8.5 [Mixed Tenure Improvement Service progress update](#), Finance and Resources Committee, 7 October 2021.

8.6 [Mixed Tenure Improvement Service Pilot Progress](#), Finance and Resources Committee, 3 March 2022.

9. Appendices

9.1 None.

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 9 March 2023

Place Directorate - Revenue Budget Monitoring 2022/23 - Month Eight Forecast

Executive/routine Wards Council Commitments	Routine All
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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 £4.768m to the Strategic Housing Investment Fund (SHIF) from revenue generated in 2022/23 as part of the capital investment programme funding strategy (a reduced contribution from £5.534m reported at month five);
 - 1.1.2 The Homelessness Service is projecting an overspend of £8.040m at month eight in 2022/23 (no change from the position reported at month five);
 - 1.1.3 The Place General Fund (GF) services within the remit of the Committee are forecasting an underspend of £0.530m in 2022/23 after drawing down £0.454m 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 to be nil at month eight.

Paul Lawrence

Executive Director of Place

Contact: Susan Hamilton, Principal Accountant

E-mail: susan.hamilton@edinburgh.gov.uk | Tel: 0131 469 3718

Place Directorate - Revenue Budget Monitoring 2022/23 - Month Eight Forecast

2. Executive Summary

- 2.1 This report sets out the month eight 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 eight forecast for the HRA in 2022/23 is a balanced position after transferring £4.768m from revenue to the Strategic Housing Investment Fund (SHIF) for planned capital investment in forthcoming years. This transfer is a decrease compared to the approved budget of £6.130m and a reduction on the month five forecast of a £5.534m transfer.
- 2.3 The Homelessness service month eight forecast in 2022/23 is an overspend of £8.040m (no change from the position reported at month five).
- 2.4 The month eight GF 'revenue forecast for services within the remit of this Committee is for an underspend of £0.530m against budget. This is an improvement from the position reported at month five, including the forecast employee underspend in the Family and Household Support service.
- 2.5 Identified exceptional inflationary pressures have been mitigated by agreement to apply Council inflationary provision to address the £0.454m additional cost over budget for lighting within communal stairwells of housing blocks.
- 2.6 The GF Covid-19 impact for services within the remit of this Committee is forecast to be nil at month eight, which is an improvement on the reported month five position.

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, Family and Household Support 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 eight 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 eight is £102.982m which when compared to the budget of £103.651m is an adverse variance of £0.669m. In line with previous reporting to this Committee there are both positive and negative factors impacting on the overall income projection;

- **Void rent loss.** £1.883m adverse variance to budget at 2.8% of gross rental income as opposed to the budget assumption of 0.95%. As referenced in the Housing Service Improvement Plan update (which is also being considered by Committee on this agenda), the focused programme to bring empty homes back into use has commenced, however the budgetary improvement expected in respect of income will likely not be evidenced until financial year 2023/24.
- **Gross Rental Income.** £0.843m adverse variance to budget. This is the total rent income due, as opposed to rent received. The gross rental income this year is reduced due to the number of long-term programmed voids, which are not expected to generate income. This pressure is in addition to the void rent loss.
- **Rent Arrears write off and provisions for doubtful debt.** The combined impact is a £1.729m positive variance to budget. Whilst this is positive in terms of budget, the average debt by case is incrementally increasing monthly. New analytics tool RentSense which has recently been implemented should make it possible to take a more targeted approach to arrears management and support.
- **Other income.** £0.327m positive variance to budget. This relates to agreed reimbursement from the Mixed Tenure Improvement Service and Edinburgh Living and some other adjustments in respect of cost recovery and interest receivable.

4.1.2 **Costs** – At month eight, in year revenue operating costs are forecast to be £0.693m over budget. There are a number of adverse and favourable variances contributing to this:

- **Repairs and Maintenance.** There is a projected overspend in repairs and maintenance of £2.189m. This projected cost is reflective of job volumes including the in-year revenue aspects of the focused programme to bring empty homes back into occupancy. These costs will require to be monitored going forward to ensure the efficiencies as set out in the HSIP are delivered by the service.
- **Environmental Maintenance.** There is a projected overspend in environmental maintenance of £0.442m. This in part reflects an increased usage of external contractors whilst there have been Concierge vacancies. The underspend pertaining to the vacancies is shown within the Housing Management variance.
- **Housing Management.** The Housing Management favourable forecast variance of £1.883m includes projected underspends in staffing costs from recruitment delay and cost efficiencies driven out by and parallel to the HSIP process. Enabling costs for Granton Waterfront expected in 2022/23 will now form part of the 2023/24 cost base.
- **Debt Servicing.** Debt servicing costs are currently shown to be more or less 'on budget' More work will be required in terms of the HRA capital programme and capitalisation of relevant repairs and maintenance spend above prior to calculation of the final debt servicing cost to the HRA in 2022/23

4.1.3 **Inflation and Risks** - The impacts of cost increases in relation to utilities, fuel including red diesel legislative changes, pay award, fire damage provision and debt servicing costs (both quantum of debt and interest rate exposure) have been considered in the reported forecast and will continue to be monitored and refined. The impact of Universal Credit and cost of living crisis on collection of rental income 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.

4.2 The impact of the above is that £4.768m 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 £1.362m less than the budgeted contribution, however both downside and upside risks will be actively monitored and managed wherever possible in the current and future financial years.

Homelessness Services – 2022/23 Month eight forecast – variance and risk analysis

4.3 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 (no increase from the position reported at month five) are now apparent in 2022/23, mainly comprising:

- (i) Projected growth in client numbers, with an overall in-year increase of 307 households now forecast relative to assumed growth of 120 as of month three;
- (ii) Claims for increased rates from providers due to inflationary increases (spot purchasing) and revision of current terms (contracted suppliers), the majority of which represent a pass-through of increased energy costs;
- (iii) Costs of the Haymarket Welcome Centre, funding for which remains to be confirmed;
- (iv) Increased Council costs for Housing First;
- (v) A reduction in the assumed Housing Benefit recovery rate for those accommodated in dispersed flats relative to projections as of period three; and
- (vi) Net costs to accommodate current and future increases in homeless Ukrainian households following the end of initial six-month hosting arrangements

4.4 Preliminary analysis of October and November 2022 data points to a slowing in the rate of temporary accommodation household growth, as well as greater relative use of suitable, lower-cost accommodation. While these factors may lessen the extent of in-year pressure, the effect of the removal of “local connection” from 29 November 2022 is anticipated to increase presentation volumes, although it is too early to assess this in any detail. On this basis, no change to the in-year projection has been incorporated at this time.

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

General Fund – 2022/23 month eight forecast – ‘business as usual’

4.6 The 2022/23 GF forecast for ‘business as usual’ services within the remit of this Committee is an underspend of £0.530m compared to budget. This forecast reflects an agreement that the increased energy costs (£0.454m) in relation to the non HRA element of housing stairwells can be contained within the corporate budget provision for inflationary pressures. The main contributor to the forecast underspend is the Family and Household support service positive variance against their employee budget.

4.7 The cost of Covid-19 measures within Housing Operations is forecast to be nil at month eight, which is an improvement of £0.148m on the position reported at month five.

2022/23 Budget – Approved Budget Savings

4.8 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

- 4.9 As part of the decisions made by Council in setting the 2021/22 budget, Elected Members approved 2022/23 service investments of £0.550m for services within the remit of this Committee: £0.400m for Disability Employment Services; and £0.150m 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.
- 4.10 The above 2022/23 month eight forecasts form part of the overall Council position set out at Finance and Resources Committee on 26 January 2023.

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 7.1 - Revenue Monitoring 2022/23](#) - Month eight position - Finance and Resources Committee - 26 January 2023.
- 8.2 [Item 7.3 - Capital Monitoring 2022-23](#) – Month eight Position - Finance and Resources Committee - 26 January 2023.
- 8.3 [Item 8.3 - Place / Homelessness Financial Monitoring 2022-23](#) – Month five position – Housing, Homelessness and Fair Work Committee - 1 December 2022.

9. Appendices

- 9.1 Appendix 1 – Place Directorate - HRA Revenue – 2022/23 Month Eight Forecast

Appendix 1 – Place Directorate - HRA Revenue – 2022/23 Month Eight Forecast

	2022/23 Budget £m	2022/23 Month Eight Forecast £m	2022/23 Month Eight Forecast Variance £m
Net Income	103.651	102.982	0.669
Expenditure			
Housing Management	37.689	35.807	-1.883
Repairs and Maintenance	20.247	22.436	2.189
Environmental Maintenance	2.625	3.067	0.442
Covid-19 Specific Costs	0.000	0.000	0.000
Debt Servicing	36.960	36.904	-0.055
Contribution to Strategic Housing Investment Fund	6.130	4.768	-1.362
Total Expenditure	103.651	102.982	-0.669

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.

City of Edinburgh Council

Housing, Homelessness and Fair Work Committee

9 March 2023

Deputation Requests

Item	Report	Deputation
3.1	Item 7.1 – 2023/24 Housing Revenue Account (HRA) Capital Programme	Shelter Scotland Nicola Hazelton and Debbie King (verbal presentation)

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Addendum by the SNP Group

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 7.1 – 2023/24 Housing Revenue Account (HRA) Capital Programme

Adds

1.1.4 Notes the reduction in the ten year programme from £2.9 billion as approved in 2022 to £1.7 billion approved this year, and the reduction in the ten year council house building programme from 5,000 homes to just 2,400 homes.

1.1.5 Agrees that all future capital programmes need to set out the detailed process and plan for how capital expenditure can be used to prioritise homes affected by damp and mould, and to treat the underlying structural causes of damp and mould.

1.1.6 Agrees that a briefing note will be provided that sets out, in the form of tables, the current council housebuilding programme, by site, broken down into:

- Homes in design and development
- Homes approved
- Homes currently on site
- Homes completed this financial year (22/23)

Moved by Councillor Kate Campbell

Seconded by Councillor Stuart Dobbin

Addendum by the Green Group

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 7.1 – 2023/24 Housing Revenue Account (HRA) Capital Programme

Adds:

1.1.4 Welcomes the move towards the “new holistic Whole House Retrofit (WHR) approach, combining energy retrofit and wider building / estate improvements” in order to meet challenging EESSH2 standards, reducing energy bills for tenants and helping the Council to meet its commitments to addressing the climate and nature emergencies

1.1.5 Notes detail on the benefits of a holistic WHR approach in terms of reduced energy demand and improved air quality, damp management, and ventilation in homes for tenants

1.1.6 Further notes, however, that the report does not detail all benefits which could be realised through a WHR approach, especially in terms of ensuring Council homes are adapted to meet the needs of the changing climate

1.1.7 Therefore, agrees for a further report to HHFW in 2 cycles which will outline:

- i) What further building / estate improvements could be built into WHR works to address the climate and nature emergencies beyond energy efficiency measures, including:
 - a. Consideration of new approaches to more sustainable water management through changes to roofing, guttering and drainage, including the use of SuDS and nature-based solutions as part of this
 - b. Consideration of actions which could be taken to decarbonise heat / energy sources within homes, for example, by preparing homes to be ready to connect to alternative, zero carbon energy sources in the future, such as heat networks
- ii) Detail about how the use of SIMD, stock condition findings and tenure mix will inform which areas will be prioritised for investment and in what order, including explaining how this sequencing will represent a climate

justice approach

- iii) How the WHR work aligns with existing Council strategies and work programmes such as the 2030 Climate Strategy (and IPB), forthcoming Edinburgh Adapts plan (and climate change risk assessment) and Vision for Water Management, amongst others
- iv) What additional resourcing may be required to deliver against further building / estate improvements outlined in 1.1.7 i) a, b as part of WHR work, including:
 - a. options for how any required funding could be secured / provided outwith the HRA for this
 - b. a strategy for workforce recruitment, upskilling and retention to deliver this work, as part of our commitment to a just transition

Moved by: Councillor Ben Parker

Seconded by: Councillor Susan Rae

Addendum by the SNP Group

Housing, Homelessness and Fair Work Committee

9 March 2023

Item 7.2 – Funding of affordable housing through the Scottish Government’s Affordable Housing Supply Programme

Adds

1.1.5 Agrees that progress from this working group will be reported back every six months, including the membership list, and that councillors can advise if they believe there are additional stakeholders that should be included.

1.1.6 Asks the Convener of the HHFW committee to write to the Cabinet Secretary to ask for further information from the Scottish Government on the numerical formula, and the detailed workings out, for how the funding allocation for Edinburgh’s TMDF and SHIF figures were calculated this year.

Moved by Councillor Kate Campbell

Seconded by Councillor Stuart Dobbin

Addendum by the Liberal Democrat Group

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 7.2 – Funding of affordable housing through Scottish Government's Affordable Housing Supply Programme

Committee

Adds

1.1.5: Agrees that the working group will also invite a member of the Edinburgh Access Panel due to accessibility variance in Edinburgh's existing social-rent housing stock and the importance of New Builds in expanding the fully accessible housing stock.

Moved by: Councillor Jack Caldwell
Seconded by: Councillor Neil Ross

Addendum by the SNP/Green Groups

Housing, Homelessness & Fair Work Committee

9 March 2023

Item 7.3 – Tenant Hardship Fund

Adds:

- 1) Regrets that the report fails to contain an Equality Impact Assessment or detail about how the fund will be publicised to tenants when it goes live
- 2) Notes concerns around some arrangements in place for the fund, including:
 - i) the assessment process which seeks to determine the “appropriateness” of making a payment to tenants
 - ii) the timescales involved in undertaking an assessment to determine whether an award will be made, the impact this delay will have on those in need, and the lack of meanwhile payments in place whilst this process is ongoing
 - iii) the burden on tenants, who will be experiencing financial hardship which is frequently associated with stress, anxiety and depression, to provide ‘proof’ of their financial hardship
 - iv) the presumption that the fund will end on 31st March 2024 without further consideration of need at that point in time

Therefore:

- 3) Requests a further briefing note to members which contains:
 - i) the full Equality Impact Assessment about the fund
 - ii) Details about how the fund will be publicised amongst tenants and how tenants will be expected to reach out to ask for support from it - for example, via text, phone, email, face to face - with evidence of due consideration given to the various equalities impacts of this
- 4) Agrees modifications to the administering of the fund as follows:
 - i) The fund should be ‘easy access’ and where arrears have been accrued in the 23/24 financial year, an initial payment should be automatic following referral, whilst income maximisation assessment is underway.

ii) There will be no presumption that the fund will end in 2024. Instead, a review and decision about continuation will be made by HHFW committee at the appropriate time later this year.

Moved by: Councillor Kate Campbell

Seconded by: Councillor Ben Parker

Amendment by the SNP Group

Housing, Homelessness and Fair Work Committee

9 March 2023

Item 7.6 – UK Shared Prosperity Fund Update

1.1.4 Notes the ongoing sign off process for the Regional Prosperity Framework Delivery Plan and the intention to explore a similar offer as ACE IT from other organisation(s) who were unsuccessful at initiation stage of funding allocation. If no such organisation is identified, then to align funding with projects agreed in the Delivery Plan.

Moved by Councillor Simita Kumar

Seconded by Councillor

Addendum by the Liberal Democrat Group

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 7.7 – Response to motion by Councillor Dalgleish – Energy Efficiency Task Force

Adds

1.1.3 Agrees that the information and signposting of the services outlined in this report are updated on the 'Home Energy' webpage, and requests Corporate Services initiate an ambitious new campaign directing residents to it. This will include notifications of the new/refreshed page to all library managers and school headteachers.

Moved by: Councillor Jack Caldwell

Seconded by: Councillor Neil Ross

Amendment by the SNP Group

Housing, Homelessness & Fair Work Committee

9 March 2023

Item 7.8 – Parental Employability Support

Amend 1.1.3.2

Calls for one-off emergency meeting of HHFW committee to consider and consult on grant funding awards of up to £250,000 to expand the existing PES programme.

Moved by Councillor Simita Kumar

Seconded by Councillor

Addendum by the Green Group

Housing, Homelessness and Fair Work Committee

9 March 2023

Item 7.8 – Parental Employability Support

Adds:

1.1 Welcomes the anticipated additional funding for Parental Employability Support;

1.2 Notes that over 90% of lone parents are women, and that women's poverty is inextricably linked with child poverty;

1.3 Therefore agrees that any decision-making mechanism(s) agreed by Committee takes due regard of the gendered impacts of spending allocations;

Moved by: Councillor Parker

Seconded by: Councillor

Addendum by the SNP Group

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 7.9 – Employer Recruitment Incentives – Targeted Additional Funds for Young People Living in Poverty

Adds:

1.1.4 Agrees for council officers to liaise with Children's, Education and Community Justice Committee to link with existing work and provide update to Corporate Parenting Board as appropriate.

Moved by Councillor Simita Kumar

Seconded by Councillor

Addendum by the Administration

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 7.11 – Edinburgh International Conference Centre – Shareholders’ Agreement and Strategic Delivery Agreement

Committee adds:

Notes that an Annual Business Plan for the EICC and its Hotel subsidiary requires to be approved by Council following referral from Finance & Resources Committee or other suitable council Committee.

Requires that paragraph 3.1.3 of the SDA is updated to include reference to these Council approved annual business plans.

Moved by: Councillor Watt

Seconded by:

Amendment by the SNP Group

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 7.11 – Edinburgh International Conference Centre – Shareholders’ Agreement and Strategic Delivery Agreement

Adds new 1.1.2

Agrees to amend 3.6 of the Shareholder’s Agreement to update quorum to four Directors with representation from a minimum of 2 Councillors (including 1 from administration and 1 from opposition) and one non-executive Director.

Moved by Councillor Simita Kumar

Seconded by Councillor

Amendment by the SNP Group

Housing, Homelessness and Fair Work Committee

9 March 2023

Item 7.12 – Gig Economy Task Force – Progress Update

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

1.1.1 Agrees to implement the [Gig Economy Task Force Recommendations](#) as reported to HHFW committee on 24th March 2022.

1.1.2 Notes the progress made in 2022 to implement the findings of the Gig Economy.

1.1.3 Requests an updated report and proposed programme of work to HHFW committee in 2 cycles.

1.1.4 That this work is carried out in parallel with other policy commitments to develop fair work actions, including commitments to scope the potential for Edinburgh to become a Living Hours City.

Moved by Councillor Simita Kumar

Seconded by Councillor

Addendum by the Green Group

Housing, Homelessness and Fair Work Committee

9 March 2023

Item 7.12 – Gig Economy Task Force – progress update

Adds to the recommendations:

1.1.5 Notes the proposed action under “Alternative gig economy business models” and requests that the August report outlining next steps includes details of which co-operatives, social enterprises and other alternative business model users in Edinburgh and Scotland will be engaged with, and how.

Further adds:

1.2 Notes that in October 2022 Full Council endorsed the Get Me Home Safely Campaign, acknowledging the links between this campaign and the recommendations of the Gig Economy Taskforce;

1.3 Further notes that the amended motion passed called for a variety of reports, guidance and actions to different committees and groups;

1.4 Therefore requests an additional briefing note to all elected members setting out progress on the Council’s support for the Get Me Home Safely campaign and associated actions, and how these are being integrated with the actions set out in this report.

Moved by: Councillor Parker

Seconded by: Councillor

Addendum by the SNP Group

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 7.13 – Edinburgh Discretionary Business Support Fund – Muirhouse Millennium Centre

Adds

1.1.1 Given funding approval, the funding should be transferred to the Millenium Centre with urgency as close to the start of the new financial year as feasible so that the Centre can forward plan with certainty and stability.

Moved by Councillor Stuart Dobbin

Seconded by Councillor Kate Campbell

Addendum by the Green Group

Housing, Homelessness and Fair Work Committee

9 March 2023

Item 8.1 – Housing Service Improvement Plan – Update

1.1.5 Notes Action 2 in the “HSIP Action Tracker – Key Projects” (Appendix 1) relating to Edindex and how “accessibility requirements are being considered as part of this project”

1.1.6 Notes that the working group established from the Accessible Housing Study will include work looking at allocation processes, including Edindex

1.1.7 Requests a short briefing note to outline: i) what access requirements are currently being considered as part of this work through the HSIP presently; ii) who has been consulted to inform work on this to date; iii) what provisions are in place to tackle digital exclusion through this work and iv) how the accessible housing working group will be able to engage with the implementation plan and delivery milestones relating to this action from the HSIP, once the group is formed

Moved by: Councillor Ben Parker

Seconded by: Councillor Susan Rae

Addendum by the Green Group

Housing, Homelessness and Fair Work Committee

9 March 2023

Item 8.3 – Mixed Tenure Improvement Service

Adds:

1.2 Welcomes the work of the Mixed Tenure Improvement Service (MTIS) and recognises the urgent need to improve the energy efficiency of housing stock across the city in the context of the climate and nature emergencies, as well as for the benefit of residents

1.3 Notes the variety of support available to private owners who live in mixed tenure blocks where the Council is seeking to make improvements to housing stock

1.4 Recognises that, despite this support, rising building costs and the cost-of-living crisis might mean that private owners in mixed tenure blocks struggle to finance improvements to their homes, especially when these are extensive such as whole house retrofit

1.5 Therefore, requests a briefing note outlining in more detail:

- i) whether the current provision of grants and loan support is judged to be sufficient for owners in mixed tenure blocks to be able to agree to improvements through the MTIS
- ii) what further resources would be required to increase uptake amongst owners
- iii) how these resources could be financed, and
- iv) what learning we can take from other local authorities who are doing this work

Moved by: Councillor Ben Parker

Seconded by: Councillor Susan Rae

Addendum by the Administration

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 9.1 – By Councillor Campbell – Damp and Mould

Committee further agrees that officers should develop, with immediate effect, a plan to improve the response to the way the Council deals with damp and mould with a commitment to establish an in-house dampness team with the recruitment of additional resources.

The improvement plan in development also includes key areas such as:

- an end-to-end process review putting tenants' health and wellbeing at the centre;
- training for all front-line staff and enhanced technical training for the dampness team;
- research and identification of new products for the prevention, treatment and removal of mould;
- better use of technology and systems to analyse trends and data capture to inform future investment, including how the stock condition survey will inform capital investment.

Moved by: Cllr Jane Meagher

Seconded by:

Addendum by the SNP group

Housing, Homelessness and Fair Work Committee 9 March 2023

Item 9.2 – By Councillor Caldwell – Taking stock of affordable housing by ward in the City of Edinburgh

Adds:

At points 1-5, that the information requested includes details of the council's HRA housebuilding programme, all homes built under the AHSP, and all affordable housing built without subsidy.

Moved by: Councillor Kate Campbell

Seconded by: Councillor Stuart Dobbin

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