

# Minutes

## Finance and Resources Committee

10.00am, Friday 10 March 2023

### Present

Councillors Watt (Convener), Bruce, Doggart, Flannery (substituting for Councillor Younie), Griffiths, Hyslop, Macinnes, Mumford, Nicolson, Ross and Staniforth.

### 1. Minutes

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#### Decision

- 1) To amend the number of votes cast on item 10 - Response to Motion by Councillor Mumford – Operation Unicorn report as follows:

#### “Voting

For the motion (as adjusted) - 9 votes

For amendment 2 (the motion as originally submitted) - 2 votes

(For the motion – Councillors Biagi, Griffiths, Hyslop, Macinnes, Mumford, Ross, Staniforth, Watt and Younie.

For the amendment – Councillors Bruce and Doggart.)”

- 2) To otherwise approve the minute of the Finance and Resources Committee of 26 January 2023 as a correct record.

### 2. Annual Treasury Management Strategy 2023/24

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The report proposed a Treasury Management Strategy for the Council for 2023/24, comprising an Annual Investment Strategy and a Debt Management Strategy.

#### Decision

- 1) To note the Annual Treasury Strategy 2023/24 and refer the report to the City of Edinburgh Council for approval then on to Governance Risk and Best Value Committee for scrutiny.

- 2) To note the Council's total capital expenditure was forecast to be £2.437bn between 2022/23 and 2027/28 with an underlying need to borrow at 31 March 2028 forecast to be £2.321bn.
- 3) To note the Council would continue to fund its Capital Financing Requirement from temporary investment balances over the next year, locking out the risk where appropriate.

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

### **3. Capital Strategy 2023-33 – Annual Report**

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The report set out the proposed capital strategy, which provided a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens.

#### **Decision**

- 1) To note the Capital Strategy, as set out in Appendix 1 of the report by the Executive Director of Corporate Services.
- 2) To refer the report to Council for approval of the Capital Strategy.
- 3) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.
- 4) To note that capital expenditure priorities were being considered in line with the Council's priorities and the Council Business Plan.

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

### **4. Non-Domestic Rates – Empty Property Policy**

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Details were provided on the Council's Non-Domestic Rates Empty Property policy, that would operate from 1 April 2023.

#### **Motion**

To note the Council's Non-Domestic Rates – Empty Property policy, that would operate from 1 April 2023, and that a further report would be brought forward considering potential changes later in the year.

- Moved by Councillor Watt, seconded by Councillor Griffiths

#### **Amendment 1**

- 1) To note the Council's Non-Domestic Rates – Empty Property policy, that would operate from 1 April 2023, and that a further report would be brought forward considering potential changes later in the year.

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- 2) To note the need to enter next year's budget planning process in early autumn 2023 and, that in order to have effective decision-making on this issue, elected members would need to have early sight of the outcomes of discussions with other local authorities and officer recommendations. Therefore, a comprehensive report detailing these aspects of this policy was requested to the Finance and Resources Committee no later than October 2023.
- Moved by Councillor Macinnes, seconded by Councillor Hyslop

### **Amendment 2**

- 1) To note the Council's Non-Domestic Rates – Empty Property policy, that would operate from 1 April 2023, and that a further report would be brought forward considering potential changes later in the year.
  - 2) To agree that the report would include consideration of the benefits and financial implications of an Empty Property officer, following the model of the Empty Homes Officer.
- Moved by Councillor Mumford, seconded by Councillor Staniforth

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

### **Decision**

To approve the following adjusted motion by Councillor Watt:

- 1) To note the Council's Non-Domestic Rates – Empty Property policy, that would operate from 1 April 2023, and that a further report would be brought forward considering potential changes later in the year.
- 2) To note the need to enter next year's budget planning process in early autumn 2023 and, that in order to have effective decision-making on this issue, elected members would need to have early sight of the outcomes of discussions with other local authorities and officer recommendations. Therefore, a comprehensive report detailing these aspects of this policy was requested to the Finance and Resources Committee no later than October 2023.
- 3) To agree that the report would include consideration of the benefits and financial implications of an Empty Property officer, following the model of the Empty Homes Officer.

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

## **5. Edinburgh's Christmas and Edinburgh's Hogmanay – Outcome Report – referral from the Culture and Communities Committee**

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The Culture and Communities Committee referred a report which detailed the outcomes and lessons learned from Edinburgh's Christmas and Edinburgh's Hogmanay 2022/23. It sought approval from the Finance and Resources Committee for a one-year extension to the contract award to Unique Assembly for Edinburgh's Christmas for 2023/24 and to ratify the continuation of the contract for Edinburgh's Hogmanay.

### **Decision**

- 1) To approve a one-year extension of the contract award to Unique Assembly for Edinburgh's Christmas for 2023/24.
- 2) To ratify the continuation of the contract for Edinburgh's Hogmanay as approved by the Finance and Resources Committee on 16 June 2022.

(References – Culture and Communities Committee of 7 March 2023 (item 9); referral from the Culture and Communities Committee, submitted.)

## **6. Bustracker – Additional Provision to End of Contract**

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Approval was sought to further extend the contracts for the existing Bustracker system, via waivers of the Council's Contract Standing orders, in order to continue full operation of the current system until a new system was fully installed and operational.

### **Decision**

- 1) To approve contract extensions, via a waiver of Contract Standing Orders, to the following system suppliers until 31 March 2024:
  - 1.1) Ineo Systems, up to £500,000.
  - 1.2) Supporting providers – Bridge Radio, OFCOM and On Tower UK relating to radio communication coverage to continue full operation of the current Bustracker system, approximately £200,000.
- 2) To note Councillors would pass on information to officers from constituents on "ghost buses" on the tracker to monitor progress.
- 3) To notify the Transport and Environment Committee as soon as possible of potential delays to the contract.

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

## **7. Inchmickery and Oxcars Courts, Design Development Commission for Full Block Upgrade and Improvement**

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The report sought approval to vary an existing award to Turner and Townsend, the rank two supplier under Lot 11 (Multi-Disciplinary Lot) of the Council's Professional Services Framework, to undertake a full turnkey solution to implement a whole house retrofit upgrade aligned with wider block upgrades and improvements at Oxcars and Inchmickery Courts.

### **Decision**

- 1) To approve a variation of the existing award SOC196 to Turner and Townsend, the rank two supplier under Lot 11 (Multi-Disciplinary Lot) of the Council's Professional Services Framework, to undertake a full turnkey solution to implement a whole house retrofit (WHR) upgrade to Oxcars and Inchmickery Court at a maximum cost of £2,911,473 based on a revised specification and estimated budget of £35,458,202.
- 2) To note the original contract commenced on 18 August 2022, with a fee level of £523,499 based on an initial budget of £5,000,000 for external fabric works only.
- 3) To note that as per the Council's Contract Standing Orders, there was a requirement for the Finance and Resources Committee to approve any service contract over £1,000,000. As the value of this service order is £2,911,473 (including a 5% contingency) authority to award was being sought.

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

## **8. Cables Wynd and Linksview House – Design Development Commission for Full Block Upgrade and Improvement**

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The report sought approval to offer a direct award to Faithful and Gould, the rank one supplier under Lot 11 (Multi-Disciplinary Lot) of the Council's Professional Services Framework, to undertake a full turnkey solution to implement a whole house retrofit upgrade aligned with wider block upgrades and improvements at Cables Wynd and Linksview House.

### **Decision**

- 1) To approve a direct award to Faithful and Gould, the rank one supplier under Lot 11 (Multi-Disciplinary Lot) of the Council's Professional Services Framework, to undertake a full turnkey solution to implement a whole house retrofit (WHR) upgrade aligned with wider block upgrades and improvements to Cables Wynd and Linksview House.
- 2) To note the original contract commencement would be 3 April 2023, for a period of 24 months with the option to extend (if required) at a total value of £1,853,073.
- 3) To note that, as outlined in the Council's Contract Standing Orders, there was a requirement for the Finance and Resources Committee to approve any service contract over £1,000,000. As the value of this service order is £1,853,073, authority to award was being sought.

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

## **9. Homelessness Services – Use of Temporary Accommodation**

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Approval was sought, through a waiver of the Council's Contract Standing Orders (CSOs), to extend 39 current contracts for the provision of temporary accommodation. The cost was expected to be up to £16,798,306.

### **Decision**

- 1) To approve, through a waiver of the Council's Contract Standing Orders, extending 39 current contracts for the provision of temporary accommodation. The cost was expected to be up to £16,798,306. This related to £3,164,153 for the period of 1 April 2023 to 30 June 2023 for bed and breakfast (B&B) providers and £13,634,153 for the period 1 April 2023 to 31 March 2024 for other accommodation providers in the private appendix of the report by the Executive Director of Place.
- 2) To note that the values requested per provider were indicative only and were dependent on accommodation requirements, therefore the Committee was asked to grant delegated authority to the Executive Director of Place to adjust (with the agreed budget) the values between the named providers as necessary depending on need, type, and appropriateness of properties available from these providers.
- 3) To include the methodology and a demographic map which included information on protected characteristics on Homelessness Service Users in the update report to the Committee in June 2023.

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

## **10. Award of Contract for a Local Heat and Energy Efficiency Strategy and Delivery plan for Edinburgh**

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Approval was sought for the award of a contract for the provision of a Local Heat and Energy Efficiency Strategy and Delivery Plan.

### **Decision**

- 1) To approve the award of a contract for a Local Heat and Energy Efficiency Strategy and Delivery Plan for Edinburgh to Turner and Townsend Consultancy Limited at a total value of £82,215.
- 2) To approve the commencement of the contract on 14 March 2023 for an initial period of one year with two optional three-month extensions undertaken at the sole discretion of the Council.

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

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## 11. Children's Social Care Safeguarding Support

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The report set out the activity carried out by the Children's Social Care Safeguarding Support Bridging Team and the reasons why this was expected to continue beyond the original estimated date. The extension would impact on contractual arrangements including the requirement to waive the Contract Standing Orders for a short period of time until this area of work was completed.

### Decision

To approve the extension to the waiver for Children's Social Care Safeguarding Support to Pertemps Professional Recruitment Limited for a total value of £246,000.

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

## 12. Retrofitting Strategy – Motion by Councillor Watt

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The following motion by Councillor Watt was submitted in terms of Standing Order 17.1:

“Committee:

Notes the two Design and Development Commissioning reports related to the retrofit and refurbishment of several council owned blocks that are on today's agenda.

Asks that a report reviewing the council's retrofitting strategy be brought to Housing, Homelessness and Fair Work in two cycles to include:

- 1) A sustainable, best value approach to retrofitting and major repair programmes by investing in upskilling and recruiting staff;
- 2) How best to put in place a progressive apprenticeship programme that secures our future workforce;
- 3) Consulting major stakeholders, like trades unions, about a revised strategy;
- 4) Clearly identifying what additional costs may be required to deal with issues like ventilation systems, asbestos in older buildings and other challenges that could arise during retrofit and refurbishment projects; and
- 5) How external funding might be accessed so that the cost of retrofitting does not need to be funded from our tenants' rents.

Further asks that the report to Housing, Homelessness and Fair Work Committee is referred to this Committee for consideration of any financial implications.”

### Motion

To approve the motion by Councillor Watt.

- Moved by Councillor Watt, seconded by Councillor Griffiths

### **Amendment 1**

To add the following point 6 to the motion by Councillor Watt and renumber existing point 6 to 7:

“notes the need to include consideration of further measures beyond standard energy efficiency actions to include actions designed to deal with, for example, sustainable water management such as guttering, drainage, roofing and the installation of ground water management features such as SuDS and other solutions. This should also include such possibilities as connectivity to future energy sources such as district heat sources.”

- Moved by Councillor Macinnes, seconded by Councillor Hyslop

### **Amendment 2**

To agree to replace point 1 of the motion by Councillor Watt with the following:

“a sustainable, best value approach to retrofitting and major repair programmes with one option being investing in upskilling and recruiting staff.”

- Moved by Councillor Ross, seconded by Councillor Flannery

### **Amendment 3**

To agree to delete point 2 and adjust point 3 of the motion by Councillor Watt and replace with the following:

- “2) Considering whether our workforce would be best served by including an apprenticeship programme.
- 3) Consulting major stakeholders, like tenants, about a revised strategy.”

- Moved by Councillor Doggart, seconded by Councillor Bruce

In accordance with Standing Order 22(12), amendments 1 and 2 were accepted as addenda to the motion by Councillor Watt. Amendment 3 was verbally adjusted and was accepted as an addendum to the motion by Councillor Watt.

### **Decision**

To approve the following adjusted motion by Councillor Watt:

“Committee:

Notes the two Design and Development Commissioning reports related to the retrofit and refurbishment of several council owned blocks that are on today’s agenda.



Asks that a report reviewing the council's retrofitting strategy be brought to Housing, Homelessness and Fair Work in two cycles to include:

- 1) A sustainable, best value approach to retrofitting and major repair programmes with one option being investing in upskilling and recruiting staff;
- 2) How best to put in place a progressive apprenticeship programme that secures our future workforce;
- 3) Consulting major stakeholders, like trades unions and tenants, about a revised strategy;
- 4) Clearly identifying what additional costs may be required to deal with issues like ventilation systems, asbestos in older buildings and other challenges that could arise during retrofit and refurbishment projects; and
- 5) How external funding might be accessed so that the cost of retrofitting does not need to be funded from our tenants' rents.

Further asks that the report to Housing, Homelessness and Fair Work Committee is referred to this Committee for consideration of any financial implications."

### **13. Council's Human Resources and Payroll System, Recommendation to award contract**

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The report sought approval to award a contract for the Council's HR and Payroll system.

#### **Decision**

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

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

### **14. Four Seasons Healthcare – Castlegreen and North Merchiston TUPE**

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The report provided background information on a decision made by the Council Chief Executive under urgency powers in relation to two care homes and options for TUPE mechanisms for staff.

#### **Decision**

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

(Reference – report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

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