

# Notice of meeting and agenda

## Finance and Resources Committee

**10.00 am, Tuesday, 20th June, 2023**

Dean of Guild Court Room - City Chambers

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

The law allows the Council to consider some issues in private. Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

### Contacts

Email: [taylor.ward@edinburgh.gov.uk](mailto:taylor.ward@edinburgh.gov.uk) / [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk)

## **1. Order of business**

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- 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**

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- 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**

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- 3.1 If any

## **4. Minutes**

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- 4.1 Minute of the Finance and Resources Committee of 25 April 2023 9 - 20  
- submitted for approval as a correct record

## **5. Forward Planning**

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- 5.1 Work Programme 21 - 28
- 5.2 Rolling Actions Log 29 - 42

## **6. Business Bulletin**

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- 6.1 Business Bulletin 43 - 70

## 7. Executive Decisions

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<b>7.3</b>	Financial Strategy and Medium-Term Financial Plan (MTFP) – Report by the Executive Director of Corporate Services	85 - 102
<b>7.4</b>	Procurement Delivery Plan 2023/24 – Report by the Executive Director of Corporate Services	103 - 116
<b>7.5</b>	Review of Contract Standing Orders – Report by the Executive Director of Corporate Services	117 - 148
<b>7.6</b>	Non-Domestic Rates - Empty Property Policy – Report by the Executive Director of Corporate Services	149 - 158
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<b>8.9</b>	2a Greendykes Road, Edinburgh - Proposed New Lease – Report by the Executive Director of Place	311 - 314
<b>8.10</b>	54 Glenalmond Place, Edinburgh - Proposed New Lease – Report by the Executive Director of Place	315 - 318
<b>8.11</b>	1 (Flat 2) Hailesand Gardens, Edinburgh - Proposed New Lease – Report by the Executive Director of Place	319 - 322
<b>8.12</b>	101 Canongate Edinburgh - Proposed New Lease – Report by the Executive Director of Place	323 - 326

<b>8.13</b>	Unit 33 The Loan, Viewforthbank Industrial Estate, South Queensferry - Proposed Lease Extension – Report by the Executive Director of Place	327 - 330
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<b>8.21</b>	Strategy for Provision of Passenger Transport Services – Report by the Executive Director of Place	361 - 366

## **9. Motions**

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- 9.1** None.

## **10. Resolution to Consider in Private**

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

Act.

## **11. Private Reports**

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- |             |  |           |
|-------------|--|-----------|
| <b>11.1</b> | Miscellaneous Debt Write Off Report – Report by the Executive Director of Corporate Services                                     | 367 - 376 |
| <b>11.2</b> | Lauriston Castle Trust – Report by the Executive Director of Corporate Services  | 377 - 382 |
| <b>11.3</b> | Council’s Social Care and Criminal Justice Operating System Replacement – Report by the Executive Director of Corporate Services | 383 - 482 |

### **Nick Smith**

Service Director, Legal and Assurance

## **Committee Members**

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Councillor Mandy Watt (Convener), Councillor Graeme Bruce, Councillor James Dalgleish, Councillor Phil Daggart, Councillor Euan Hyslop, Councillor Lesley Macinnes, Councillor Alys Mumford, Councillor Vicky Nicolson, Councillor Neil Ross, Councillor Alex Staniforth and Councillor Lewis Younie.

## **Information about the Finance and Resources Committee**

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

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

## **Further information**

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If you have any questions about the agenda or meeting arrangements, please contact Taylor Ward and Rachel Gentleman, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, email [taylor.ward@edinburgh.gov.uk](mailto:taylor.ward@edinburgh.gov.uk) / [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk).

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

The agenda, minutes and public reports for this meeting and all the main Council committees can be viewed online by going to the Council's online [Committee Library](#).

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If you have any queries regarding this, and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact Committee Services ([committee.services@edinburgh.gov.uk](mailto:committee.services@edinburgh.gov.uk)).

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# Minutes

## Finance and Resources Committee

10.00am, Thursday 25 April 2023

### Present

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

### 1. Minutes

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#### Decision

- 1) To approve the minute of the Finance and Resources Committee of 7 February 2023 as a correct record.
- 2) To approve the minute of the Finance and Resources Committee of 10 March 2023 as a correct record.
- 3) To approve the minute of the Finance and Resources Committee of 30 March 2023 as a correct record.

### 2. Work Programme

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The Finance and Resources Committee Work Programme for April 2023 was presented.

#### Decision

To note the Work Programme.

(Reference – Work Programme of 25 April 2023, submitted.)

### 3. Rolling Actions Log

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The Finance and Resources Committee Rolling Actions Log for April 2023 was presented.

#### Decision

- 1) To agree to close the following actions:
  - 1(1) – Lauriston Castle Trust
  - 6 – Motion by Councillor Mumford – Operation Unicorn
  - 7 – 2021-22 Common Good Annual Performance Report
  - 8 – Revenue Budget Framework 2023/27: progress update
  - 9 (2) and (3) – Motion by Councillor Caldwell – referral from the Housing, Homelessness and Fair Work Committee

- 18 – Motion by Councillor Whyte – War Memorial – City Chambers
  - 21 (1, 3 and 4) – Rolling Actions Log
  - 22 – Revenue Monitoring 2022/23 – month eight position
  - 23 – Response to Motion by Councillor Mumford – Operation Unicorn
  - 26 – Edinburgh International Conference Centre – Shareholders’ Agreement and Strategic Delivery Agreement – referral from the Housing, Homelessness and Fair Work Committee
- 2) To confirm to Councillor Mumford whether funding was still being sought or if officers were awaiting confirmation of the source of funding from Action 5 of the March 2023 Rolling Actions Log.

(Reference – Rolling Actions Log of 25 April 2023, submitted.)

#### 4. Business Bulletin

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The Finance and Resources Committee Business Bulletin for April 2023 was presented.

##### Decision

- 1) To request confirmation of when the report on the War Memorial containing the design brief and recommendations would be reported to Committee.
- 2) To request confirmation of whether the Council would be submitting its own response to the joint consultation on Council Tax and what engagement had taken place with COSLA.
- 3) To otherwise note the Business Bulletin.

(Reference – Business Bulletin of 25 April 2023, submitted.)

#### 5. Royal Visits

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A report provided further information on the costs of Royal visits and demonstrated that support for the Lieutenancy was contained within the Office of Lord Provost budget, with an estimated 20% of staffing costs allocated to this area of work.

##### Decision

- 1) To note the information provided in response to the Addendum to the report to Committee (Item 7.7 Response to Motion by Councillor Mumford – operation Unicorn) on 26 January 2023.
- 2) To note the further requirement for a briefing note to be circulated to Members, as set out in paragraphs 5.2 and 5.3 of the report by the Chief Executive.

(Reference – report by the Chief Executive (Item 7.7, Finance and Resources Committee, 26 January 2023), report by the Chief Executive, submitted.)

## 6. Participatory Budgeting Progress Report

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A report summarised the progress made in implementing the Council's approach to participatory budgeting and responded to the motion agreed at the Finance and Resources Committee on 10 November 2022.

### Decision

- 1) To note the progress made in the development of participatory budget activity during 2022/23, including in the areas highlighted within Councillor Caldwell's motion.
- 2) To note the proposed activity for 2023/23.

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

### Declarations of interest

Councillor Nicolson made a transparency statement as she had previously unsuccessfully applied for the Community Climate Fund on behalf of a community organisation.

## 7. Edinburgh Integration Joint Board (EIJB) – financial update

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The report provided an update to Committee on the development of the Edinburgh Integration Joint Board (EIJB) budget for 2023/24, with this continuing to show a significant shortfall currently estimated at £35.5m.

### Motion

- 1) To note that the 2023/24 financial plan for the Edinburgh Integration Joint Board (EIJB) continued to show a significant estimated deficit of £35.5m.
- 2) To note that the Chief Officer of the EIJB had therefore been requested to develop further measures as part of an in-year savings and recovery programme.
- 3) To note, in that context and as a funding partner, the potential additional in-year financial call upon the Council should these measures not be sufficient to secure financial balance.
- 4) To note that a further update would therefore be provided to the Committee's next meeting on 20 June and in the interim as required.

- moved by Councillor Watt, seconded by Councillor Griffiths.

### Amendment

- 1) To note that the 2023/24 financial plan for the Edinburgh Integration Joint Board (EIJB) continued to show a significant estimated deficit of £35.5m.
- 2) To note that the Chief Officer of the EIJB had therefore been requested to develop further measures as part of an in-year savings and recovery programme.

- 3) To note, in that context and as a funding partner, the potential additional in-year financial call upon the Council should these measures not be sufficient to secure financial balance.
- 4) To refer any additional funding requests from the EIJB to a full meeting of the Council to consider the implications on Council budgets.
- 5) To note that a further update would therefore be provided to the Committee's next meeting on 20 June and in the interim as required.  
- moved by Councillor Doggart, seconded by Councillor Bruce.

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

### **Decision**

To approve the following adjusted motion by Councillor Watt:

- 1) To note that the 2023/24 financial plan for the Edinburgh Integration Joint Board (EIJB) continued to show a significant estimated deficit of £35.5m.
- 2) To note that the Chief Officer of the EIJB had therefore been requested to develop further measures as part of an in-year savings and recovery programme.
- 3) To note, in that context and as a funding partner, the potential additional in-year financial call upon the Council should these measures not be sufficient to secure financial balance.
- 4) To refer any additional funding requests from the EIJB to a full meeting of the Council to consider the implications on Council budgets.
- 5) To note that a further update would therefore be provided to the Committee's next meeting on 20 June and in the interim as required.
- 5) To note that Councillor Nicolson's motion at Full Council on 15 December 2022, requesting a report in one cycle outlining the Council's approach to self-directed support clawbacks, had not been fulfilled.
- 6) To request a full breakdown of spend across the Partnership.

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

## **8. Workforce Dashboard**

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The report provided the Council's Workforce Data for the period October to December 2022.

### **Decision**

- 1) To note the information contained in the Workforce Dashboard for the period October to December 2022.
- 2) To note the next Workforce Dashboard deep dive would include details of roles which the Council was struggling to recruit, and what could be done to address this.

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

## **9. Workforce Dashboard with Maximising Our Capability and Performance Deep Dive**

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The report covered the theme ‘Maximising our Capability and Performance’ with a focus on learning, and provided ‘deep dive’ data and analysis for workforce learning and development within the Council for the period January to December 2022.

### **Decision**

To note the deep dive provided an update on the ‘Maximising Our Capability and Performance’ Action 5 Learning workstream committed to the Council’s People Strategy (Our Future Council 2021-2024).

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

## **10. Award of the Lettings, Management and Maintenance Contract for Edinburgh Living**

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Approval was sought to award a contract for the delivery of letting, management and maintenance services for homes within the Edinburgh Living portfolio to Umega Lettings Ltd to commence on 1 June 2023 for a period of four years with the option to extend for a further three-years.

### **Motion**

- 1) To approve the award of contract to deliver letting, management and maintenance services for homes within the Edinburgh Living portfolio to Umega Letting Ltd for a period of four years with the option to extend for a further three-year period.
- 2) To note the estimated value of the contract would be approximately £1 million per annum, growing to approximately £2 million per annum by the end of year four due to the growing number of homes within the Edinburgh Living portfolio.
- 3) To note that the contract would go live on 1 June 2023.  
- moved by Councillor Watt, seconded by Councillor Griffiths.

### **Amendment**

- 1) To approve the award of contract to deliver letting, management and maintenance services for homes within the Edinburgh Living portfolio to Umega Letting Ltd for a period of four years with the option to extend for a further three-year period.
- 2) To note the estimated value of the contract would be approximately £1 million per annum, growing to approximately £2 million per annum by the end of year four due to the growing number of homes within the Edinburgh Living portfolio.
- 3) To note that the contract would go live on 1 June 2023.
- 4) To note the current administration’s pledge to bring Council services in-house in line with the aims of trade unions.

- 5) To note that bringing this service in-house would make the Council more accountable to tenants as well as potentially improving efficiency of working.
- 6) To therefore request Council officers compile a report within three years giving options for moving the lettings, management and maintenance of Edinburgh Living within the Council at the end of the initial four-year contract with Umega Letting Ltd, including details of legal/management implications of seeking synergies with the Housing Revenue Account.

- moved by Councillor Staniforth, seconded by Councillor Mumford.

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

### **Decision**

To approve the following adjusted motion by Councillor Watt:

- 1) To approve the award of contract to deliver letting, management and maintenance services for homes within the Edinburgh Living portfolio to Umega Letting Ltd for a period of four years with the option to extend for a further three-year period.
- 2) To note the estimated value of the contract would be approximately £1 million per annum, growing to approximately £2 million per annum by the end of year four due to the growing number of homes within the Edinburgh Living portfolio.
- 3) To note that the contract would go live on 1 June 2023.
- 4) To note the current administration's pledge to bring Council services in-house in line with the aims of trade unions.
- 5) To note that bringing this service in-house would make the Council more accountable to tenants as well as potentially improving efficiency of working.
- 6) To therefore request Council Officers compile a report within three years giving options for moving the lettings, management and maintenance of Edinburgh Living within the Council at the end of the initial four-year contract with Umega Letting Ltd, including details of legal/management implications of seeking synergies with the Housing Revenue Account.

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

### **Declarations of interest**

Councillors Daggart and Watt made transparency statements as board members of Edinburgh Living.

## **11. Transportation of Food Containers**

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The report sought approval to award a Framework Agreement for the Transportation of Food Containers to Sheridan Myers Management LLP.

## **Decision**

- 1) To approve the award of the Framework Agreement for the Transportation of Food Containers to Sheridan Myers Management LLP.
- 2) To approve the commencement of the Framework Agreement on 1 July 2023 for a period of three years with the option to extend for a further 12-month period, undertaken at the sole discretion of the Council, at an estimated total value of £1,786,884,54 (£446,271.15 per annum).
- 3) To approve the extension of a waiver of contract standing orders to 1 July 2023 to allow for the new Framework Agreement to align with the academic year.

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

## **12. Contract Award for the Provision of Specialist Day and Residential Support for Children and Young People with a Disability**

---

Approval was sought to award the contract for the provision of Specialist Day and Residential Support for Children and Young People with a Disability to Barnardo's to commence on 1 May 2023 for an initial period of five years with the option to extend for a further five years, at 12-month intervals.

### **Decision**

To approve the award of contract for the provision of Specialist Day and Residential Support for Children and Young People with a Disability to Barnardo's from 1<sup>st</sup> May 2023 for a period of five years with the option to extend for a further five years, at 12-month intervals with a total estimated cost of £5.73 million over the life of the contract.

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

## **13. Assessment of Pupil Progress in Literacy and Maths Attainment - Extension via Waiver of Contract Standing Orders**

---

Approval was sought for a contract extension to GL Education for provision of services which related to assessments to track pupil progress and attainment in schools via a waiver of Contract Standing Orders to the value of £180,000 for up to eighteen months, to allow short-term continuity of services in the best interest of children and young people.

### **Decision**

To approve a contract extension to GL Education for provision of services relating to assessments to track pupil progress and attainment in schools via a waiver of Contract Standing Orders to the value of £180,000.

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

## 14. Contract Awards and Procurement Programme (Period 1 July to 31 December 2022)

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The report updated the Committee on the scope of contracts awarded across the Council during the period 1 July to 31 December 2022.

The report also addressed a request from Elected Members to provide details of the total value of contracts for individual suppliers who had multiple contracts in future reports noted at Finance and Committee on 8 September 2022.

### Decision

To note the report by the Executive Director of Corporate Services and the contract awards made by Officers under delegated authority, in accordance with the Council's Contract Standing Orders. A further report would be submitted to the Committee in approximately six months' time.

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

## 15. Health and Safety Performance 2022

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A report outlined how a significant amount of the Council Health and Safety Team resource was directed towards supporting workplaces to manage the changing COVID 19 environment during 2022.

### Decision

- 1) To note the health and safety progress and performance in 2022.
- 2) To approve the move to future annual health and safety reporting on the period 1 April-31 March of the following year in line with benchmark authorities.

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

## 16. Award of Edinburgh Factoring Framework Agreement

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Approval was sought to award a multiple supplier Framework Agreement for Factoring Services to Hacking and Paterson Management Services, Park Property management Limited and RMG Scotland Limited to commence on 3 June 2023 for a fixed period of four years at a total estimated value of £6 million.

### Decision

- 1) To award a multiple supplier Framework Agreement for Factoring Services to Hacking and Paterson Management Services, Park Property Management Limited and RMG Scotland Limited.
- 2) To commence the Framework on 3 June 2023 for a fixed period of four years at a total estimated value of £6 million.

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



## 17. 82 Canongate, Edinburgh – Proposed New Lease

---

A report sought approval to grant a new 10-year lease extension on the terms and conditions outlined in the report by the Executive Director of Place at a property at 82 Canongate.

### **Decision**

To approve the new 10-year lease to Reiver Country Farm Foods Limited at 82 Canongate, Edinburgh, on the terms and conditions outlined in the report by the Executive Director of Place.

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

## 18. Units 1 - 3 Peffermill Parc, Edinburgh - Proposed Lease Extension

---

Approval was sought to grant a new 10-year lease extension on the terms and conditions outline in the report by the Executive Director of Place for a property at Unit 1-3 Peffermill Parc.

### **Decision**

To approve a 10-year lease extension to The British Electrical and Manufacturing Company Limited of Unit 1-3 Peffermill Parc, Edinburgh, on the terms and conditions outlined in the report by the Executive Director of Place.

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

## 19. Land at Port Edgar, South Queensferry - Proposed Disposal

---

Approval was sought to dispose of the land and grant servitude rights on terms and conditions outlined in the report by the Executive Director of Place by the LAR Housing Trust who had purchased the former Port Edgar Navel Barracks from the Scottish Government for the development of predominantly affordable mid-market rent housing.

### **Decision**

To approve the disposal of 1,050 sqm of land and the grant of servitude rights at Port Edgar to LAR Housing Trust, on the terms and conditions outlined in the report by the Executive Director of Place.

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

## 20. 37 Leith Street, Edinburgh - Proposed New Lease

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Approval was sought to grant a new 15-year lease on the terms and conditions outlined in the report by the Executive Director of Place at 27 Leith Street.

### **Decision**

To approve the new 15-year lease to Maki Property Limited of 37 Leith Street, Edinburgh, on the terms and conditions outlined in the report by the Executive Director of Place.

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

## 21. Land at 67 Pilrig Park - Proposed Disposal

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A request was received from the homeowner of 67 Pilrig Park to acquire the remaining 50% share of the driveway to their house plus a former Council storage building, and approval was sought to dispose of the land and building on the terms and conditions outlined in the report by the Executive Director of Place.

### Decision

To approve the disposal of 736 sq m of land at 67 Pilrig park, on the terms and conditions outlined in the report by the Executive Director of Place.

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

## 22. South Bridge Resource Centre, 6 Infirmiry Street, Edinburgh – Future Strategy

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Approval was sought for the Council to enter into formal and more detailed discussions with Edinburgh Festival Frings Society on the future long lease of the property including solutions for current occupiers and users.

### Motion

- 1) To approve entering into formal discussions with the Edinburgh Festival Fringe Society for a long lease of the South Bridge Resource Centre.
- 2) To note that the proposals would include solutions for current occupiers (Canongate Youth) and other services (Adult Education classes).
- 3) To note that a further report would be submitted to Committee once the next stage of due diligence was complete.

- moved by Councillor Watt, seconded by Councillor Griffiths.

### Amendment

- 1) To approve entering into formal discussions with the Edinburgh Festival Fringe Society for a long lease of the South Bridge Resource Centre.
- 2) To note that the proposals would include solutions for current occupiers (Canongate Youth) and other services (Adult Education classes).
- 3) To agree that as part of this process direct discussion should take place between City of Edinburgh Council and Canongate Youth, and care taken to identify any agreements in place between building tenants/users and third parties which may be affected by any lease change.
- 4) To note that a further report would be submitted to Committee once the next stage of due diligence was complete. This report shall include a comprehensive survey of activities already being delivered within the venue.

- moved by Councillor Mumford, seconded by Councillor Staniforth.

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

## **Decision**

To approve the following adjusted motion by Councillor Watt:

- 1) To approve entering into formal discussions with the Edinburgh Festival Fringe Society for a long lease of the South Bridge Resource Centre.
- 2) To note that the proposals would include solutions for current occupiers (Canongate Youth) and other services (Adult Education classes).
- 3) To agree that as part of this process direct discussion should take place between City of Edinburgh Council and Canongate Youth, and care taken to identify any agreements in place between building tenants/users and third parties which may be affected by any lease change.
- 4) To note that a further report would be submitted to Committee once the next stage of due diligence was complete. This report shall include a comprehensive survey of activities already being delivered within the venue.

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

## **23. Westfield House, 5 Kirk Loan, Edinburgh – Community Asset Transfer**

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Disposal of Westfield House to Corstorphine Community centre was proposed on terms specified in the Community Asset Transfer request which were outlined in the report by the Executive Director of Place. The proposed sale was a Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

### **Decision**

To approve the disposal of Westfield House, 5 Kirk Loan, Edinburgh and determines the purchase price in addition to other terms set out in the report by the Executive Director of Place.

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

## **24. Lauriston Castle Trust**

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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 8, 9 and 12 of Part 1 of Schedule 7A of the Act.

A report by the Executive Director of Corporate Services detailed issues of funding and resource for Lauriston Castle Trust.

### **Decision**

To continue consideration of the report for one cycle.

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

## **Declarations of interest**

Councillor Staniforth declared a financial interest in the above item as an occasional performer at Lauriston Castle, left the room and took no part in the consideration of the item.

# Work Programme

## Finance and Resources Committee

20 June 2023

Item	Key decisions	Frequency	Director and Lead Officer	Expected Date
1	Workforce Dashboard	6 monthly Report	Executive Director of Corporate Services Lead Officer: Margaret-Ann Love <a href="mailto:margaretann.love@edinburgh.gov.uk">margaretann.love@edinburgh.gov.uk</a>	September 2023
2	Council Commercial Property Portfolio – Update Report	Committee agreed to receive regular updates, where required, on 29 October 2020	Executive Director of Place Lead Officer: Graeme McGartland <a href="mailto:graeme.mcgartland@edinburgh.gov.uk">graeme.mcgartland@edinburgh.gov.uk</a>	TBC
3	Revenue Monitoring – Council-wide	Quarterly Report	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	September 2023
4	Revenue Budget Risks and Reserves Report	Annual Report	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	January 2024

Item	Key decisions	Frequency	Director and Lead Officer	Expected Date
5	Capital Monitoring – Council-wide	Quarterly Report	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	September 2023
6	Corporate Services Directorate - Revenue Budget Monitoring	Quarterly Report	Executive Director of Corporate Services Lead Officer: Iain Shaw <a href="mailto:iain.shaw@edinburgh.gov.uk">iain.shaw@edinburgh.gov.uk</a>	September 2023
7	Contract Award and Procurement Programme	Six Monthly Report	Executive Director of Corporate Services Lead Officer: Lynette Robertson <a href="mailto:lynette.robertson@edinburgh.gov.uk">lynette.robertson@edinburgh.gov.uk</a>	November 2023
8	Revenue Budget 2024/28 – Progress Update	Annual Update Report, incorporating impacts of provisional Local Government Finance Settlement	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	January 2024
9	Capital Budget Strategy 2024/34	Annual Update Report, incorporating impacts of provisional Local Government Finance Settlement	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	January 2024
10	Housing Revenue Account Budget Strategy	Annual Report	Executive Director of Place Lead Officer: Elaine Scott <a href="mailto:elaine.scott@edinburgh.gov.uk">elaine.scott@edinburgh.gov.uk</a>	January 2024

Item	Key decisions	Frequency	Director and Lead Officer	Expected Date
11	Annual Fraud Prevention and Detection	Annual Report	Executive Director of Corporate Services Lead Officer: Nicola Harvey <a href="mailto:nicola.harvey@edinburgh.gov.uk">nicola.harvey@edinburgh.gov.uk</a>	November 2023
12	City of Edinburgh Council – 2022/23 Annual Audit Report to the Council and the Controller of Audit – referral from the Governance, Risk and Best Value Committee	Annual Report	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	September 2023
13	The City of Edinburgh Council Charitable Trusts – report to those charged with governance on the 2022/23 audit	Annual Report	Executive Director of Corporate Services Lead Officer: John Aghodeaka <a href="mailto:john.aghodeaka@edinburgh.gov.uk">john.aghodeaka@edinburgh.gov.uk</a>	September 2023
14	2021/22 Common Good Annual Performance Report	Annual Report	Executive Director of Corporate Services Lead Officer: Craig Fraser <a href="mailto:craig.fraser@edinburgh.gov.uk">craig.fraser@edinburgh.gov.uk</a>	September 2023
15	Annual Treasury Management Strategy	Annual Report	Executive Director of Corporate Services Lead Officer: Innes Edwards	September 2023

Item	Key decisions	Frequency	Director and Lead Officer	Expected Date
	2022/23		<a href="mailto:innes.edwards@edinburgh.gov.uk">innes.edwards@edinburgh.gov.uk</a>	
16	Asset Management Works Programme	Annual Report  The report is normally presented at the financial year end to update Committee on the outcome of the 12-month programme.	Executive Director of Place Lead Officer: Peter Watton <a href="mailto:peter.watton@edinburgh.gov.uk">peter.watton@edinburgh.gov.uk</a>	September 2023
17	Health and Safety Performance	Annual Report	Executive Director of Corporate Services Lead Officer: Nick Smith <a href="mailto:nick.smith@edinburgh.gov.uk">nick.smith@edinburgh.gov.uk</a>	April 2024
18	Workforce Control Annual Report	Annual Report	Executive Director of Corporate Services Lead Officer: Katy Miller <a href="mailto:katy.miller@edinburgh.gov.uk">katy.miller@edinburgh.gov.uk</a>	September 2023
19	Commercial and Procurement Annual Report	Annual Report	Executive Director of Corporate Services Lead Officer: Lynette Robertson <a href="mailto:lynette.robertson@edinburgh.gov.uk">lynette.robertson@edinburgh.gov.uk</a>	September 2023
20	Appointments to Working Groups	Annual Report	Executive Director of Corporate Services Lead Officer: Rachel Gentleman	After May 2024



Item	Key decisions	Frequency	Director and Lead Officer	Expected Date
			<a href="mailto:rachel.gentleman@edinburgh.gov.uk">rachel.gentleman@edinburgh.gov.uk</a>	
21	Depot Strategy – Phase 2	Requests further reports as progress is made	Executive Director of Place Lead Officers: Gareth Barwell / Peter Watton <a href="mailto:gareth.barwell@edinburgh.gov.uk">gareth.barwell@edinburgh.gov.uk</a> / <a href="mailto:peter.watton@edinburgh.gov.uk">peter.watton@edinburgh.gov.uk</a>	TBC
22	Consultants Costs Annual Report	Annual Report	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	November 2023
23	Finance and Procurement Annual Policies Assurance	Annual Report	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	November 2023
24	Construction Charter Annual Update	Annual Report	Executive Director of Corporate Services Lead Officer: Lynette Robertson <a href="mailto:lynette.robertson@edinburgh.gov.uk">lynette.robertson@edinburgh.gov.uk</a>	September 2023
25	Local Government in Scotland: Financial Overview	Annual Report	Executive Director of Corporate Services Lead Officer: Hugh Dunn <a href="mailto:hugh.dunn@edinburgh.gov.uk">hugh.dunn@edinburgh.gov.uk</a>	June 2024

Item	Key decisions	Frequency	Director and Lead Officer	Expected Date
26	Edinburgh International Conference Centre – Annual Business Plan and KPIs	Annual Report – as agreed by Council March 2023	Executive Director of Place Lead Officer: TBC	TBC

## Finance and Resources Committee Upcoming Reports

## Appendix 1

Report Title	Directorate	Lead Officer
<b>September 2023</b>		
Revenue Budget 2022/27 progress update	Corporate Services	Hugh Dunn
Capital Budget Monitoring - Month 3 Report	Corporate Services	Hugh Dunn
Corporate Services Revenue Budget Monitoring - Month 3 Report	Corporate Services	Hugh Dunn
City of Edinburgh Council - Yearly Annual Audit Report to the Council and the Controller of Audit (Audited Annual Accounts ISA260)	Corporate Services	Hugh Dunn
Finance and Procurement Annual Policies Assurance	Corporate Services	Hugh Dunn
Capital Investment Programme – Outturn and Revised Budget (incorporating slippage)	Corporate Services	Hugh Dunn
Common Good Annual Performance Report	Corporate Services	Hugh Dunn
Consultants Costs Annual Report	Corporate Services	Hugh Dunn
Construction Charter Annual Report	Corporate Services	Lynette Robertson

Charitable Trusts Annual Audit Report	Corporate Services	Hugh Dunn
Contract Awards and Procurement Programme	Corporate Services	Lynette Robertson
Sustainable Procurement Strategy Annual Report	Corporate Services	Lynette Robertson
Treasury Annual Report	Corporate Services	Hugh Dunn / Innes Edwards
Oracle Fusion System Update	Corporate Services	Nareen Owens
Workforce Dashboards and Workforce Deep Dive	Corporate Services	Nareen Owens
Impact of festivals in communities	Place	Alison Coburn
Leith Theatre	Place	Karl Chapman/Graeme McGartland
Fleet Renewal Programme	Place	Scott Millar
Cost Recovery from Commercial Events - Motion by Councillor Ross	Place	Claire Miller
Land at Torphicen Quarry, Edinburgh – Proposed Ground Lease	Place	Craig Dalgleish

# Rolling Actions Log

## Finance and Resources Committee

25 April 2023

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
1	12.08.21	Lauriston Castle Trust (private report)	<p>1) To agree to implement Option 2 in the report subject to a further report being submitted to full Council which addressed:</p> <ul style="list-style-type: none"> <li>the appointment of only Councillor Trustees at the moment</li> <li>appropriate support being made available to purchase indemnity insurance for Councillor trustees and providing legal and administrative support for at least 6 months</li> <li>a route map setting out a proposed way forward for the Trust.</li> </ul>	Executive Director of Corporate Services	April 2023		<p><b>Closed April 2023</b></p> <p><b><u>Update September 2022</u></b> A report on the proposed way forward will be submitted to a future Committee meeting prior to submission to Council.</p> <p><b><u>Update February 2022</u></b> Work is ongoing on a report to F&amp;R along with a briefing note and a further member briefing session once further consideration to the issues has been completed.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
			2) To agree that the Executive Director of Corporate Services examine the arrangements for the other trusts of which the Council was sole trustee with reference to the arrangements agreed for Lauriston Castle Trust.	Executive Director of Corporate Services	April 2023		<b>Recommended for closure</b> Report on agenda <b><u>Update September 2022</u></b> A report on the proposed way forward will be submitted to a future Committee meeting prior to submission to Council.
Page 30	07.10.21	<a href="#">Workforce Dashboard</a>	To agree to provide a joint report by the Interim Director of Education and Children's Services and the Service Director – Human Resources to be submitted to a future committee following a review of fixed term contracts for teaching staff.	Service Director – Human Resources	September 2023		<b><u>Update June 2023</u></b> Report now due September 2023. <b><u>Update November 2022</u></b> Information will be included in the next workforce dashboard report due in March 2023.
3	09.12.21	<a href="#">Work Programme</a>	To request a written update on Councillor Corbett's motion to Council from May 2021 on Bridges and Investment in Craiglockhart and Colinton Dells.	Executive Director of Place			<b><u>Update April 2023</u></b> Redhall Weir bridge: works ongoing, completion expected July 23.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
							<p>Bogs/pipeline bridge path landslip: works completed Apr 23.</p> <p>Kate's Mill pipeline bridge: tendered price over budget revision to design being considered.</p> <p>Dells Grottos: repairs order, awaiting start date.</p> <p>Dell Road landslip: awaiting further technical note from design consultants, expected May 2023.</p> <p><b><u>Update December 2022</u></b></p> <p>Mott MacDonald submitted final procurement documentation and specification of works. A tender for the bridge has been issued to framework contractors for mini-competition. Tender returns are due in January 2023 for assessment.</p> <p><b><u>Update September 2022</u></b></p> <p>An agreement in principle has</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
Page 32							<p>been reached with the Councils Bridges and Structures team and Mott MacDonald have been instructed to finalise procurement specifications.</p> <p><b><u>Update March 2022</u></b> Briefing circulated February 2022; Committee in March 2022 agreed action to remain open until clarity on when work would commence.</p>
	30.06.22 (Council meeting)	<a href="#">Embedding Gender Budgeting Analysis – referral from the Finance and Resources Committee</a>	<p>1) Commits that all elected members will attend one of a number of 2 hour briefings on Gender Budgeting and how it interacts with their role as Councillors.</p> <p>2) Commits that Heads of Services and relevant members of their teams, as recommended by them, will attend at least one training session on Gender Budgeting, understanding that there will be opportunities for further engagement between</p>	Executive Director of Corporate Services	September 2023		<p><b><u>Update March 2023</u></b> Officers are liaising with the Scottish Women’s Budgeting Group to conduct a survey to gauge current knowledge of gender budgeting. Raining sessions for both officers and members will be designed thereafter.</p> <p><b><u>Update January 2023</u></b> The Scottish Women’s Budget Group delivered a training session open to all elected</p>



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
Page 33 <sup>5</sup>			<p>officers and the Scottish Women's Budget Group if requested.</p> <p>3) With the support of the Scottish Women's Budget Group, to circulate a survey to elected members and key staff and conduct some small focus group discussions to understand existing knowledge and barriers to gender budget analysis, and to help inform ongoing member and officer engagement.</p>				<p>members on 21 November 2022, with the aim of explaining how gender budget approaches can help local authorities to meet their responsibilities under the Public Sector Equality Duty and how councillors can use gender budgeting to address inequalities. Opportunities for complementary staff training are also currently being explored.</p>
	08.09.22	<a href="#">Walk Up Avenue, Craigmillar, Edinburgh - Proposed New Lease</a>	To note that the Head of Estates would provide further information on funding and timescales for the proposed second commercial unit.	Executive Director of Place	TBC		<p>Update requested in April 2023 by Cllr Mumford on whether funding was still being sought.</p> <p><b><u>Update April 2023</u></b></p> <p>Source of funding to be confirmed.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
6	17.11.22 (Policy and Sustainability Committee)	<a href="#">Performance Update Report</a>	To recommend a separate report to Finance and Resources Committee within two cycles setting out the KPIs appropriate to the Council's responsibilities as an employer.	Executive Director of Corporate Services	August 2023		<p><b><u>Update June 2023</u></b></p> <p>Business Bulletin item drafted for June 2023 meeting; proposal that include fuller update as part of HR reporting requested at Full Council for August 2023</p> <p><b><u>Update April 2023</u></b></p> <p>Further work is underway and therefore it has been agreed to defer this Report.</p>
7	01.12.22 (HHFW Committee meeting)	<a href="#">Housing Land Strategy Report</a>	<p>1) To note the findings and emerging opportunities resulting from the Prior Information Notice (PIN) market engagement process.</p> <p>2) To note that approval would be sought from Finance and Resources Committee for purchase of homes or sites with progress reported to this</p>	Executive Director of Place	No fixed date. Reports will be submitted as and when required.		<p><b><u>Update April 2023</u></b></p> <p>Officers are pursuing a number of opportunities that have arisen following the approval of the revised Housing Land Strategy. Reports seeking approval of business cases and/or purchase of homes or land will be submitted as and when viable propositions are developed.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
			Committee via briefings and Business Bulletin updates.				
8	15.12.22 (Council Meeting)	<a href="#">Council Business Plan 2023-27</a>	To request a report to the Finance and Resources Committee to look at how our communities can benefit financially in a more direct and substantial way from tourism and festival spend in Edinburgh.	Executive Director of Place	September 2023		<b><u>Update June 2023</u></b> Report will come to Finance and Resources Committee in September 2023.
9	26.01.23	<a href="#">Rolling Actions Log</a>	1) To circulate a list of members who attended the training on Gender Budgeting.	Executive Director of Corporate Services	April 2023		<b><u>Closed April 2023</u></b> List circulated to members on 5 April 2023
			2) To note the Convener would send a reminder to members who did not attend and to ask the Scottish Women's Budget Group to organise training sessions.	Convener			<b><u>Update March 2023</u></b> The Scottish Women's Budget Group are liaising with the Council's Governance Team in order to arrange new training sessions for Elected Members on Gendered Budgeting. Once these dates are confirmed, the Convener will write to all Councillors who are yet to

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
Page 36							attend one of the sessions in order to promote the training.
			3) To agree to include the decision regarding Non-Domestic Rates from the previous Committee in the Rolling Actions Log and to note an update on this would be circulated.				<b>Closed April 2023</b> Report considered 10 March 2023 and action superseded by future action.
			4) To request more specific dates on actions with an expected completion date of 'Summer 2023'.	Executive Director of Corporate Services			<b>Closed April 2023</b> More specific dates have been requested from directorates and included in this version. These will also be requested for future RAL updates.
10	09.02.23 (Council Meeting)	Public Holiday – 8 May 2023 – Celebrating His Majesty, the King	To request an in-depth equality impact assessment to be undertaken on the public holiday for the Kings Coronation as a template model for how the Council should understand and respond to the impact of additional or unexpected closures and service changes in the future – which may arise for a range of reasons including national events,	Executive Director of Corporate Services	September 2023		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
			extreme weather conditions or industrial action – on women and other groups. This should come to Finance and Resources Committee within 2 cycles.				
11	10.03.23	<a href="#">Non-Domestic Rates - Empty Property Policy</a>	<p>To note the Council’s Non-Domestic Rates – Empty Property policy, that will operate from 1 April 2023, and that a further report will be brought forward considering potential changes later in the year.</p> <p>Notes 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 will need to have early sight of the outcomes of discussions with other local authorities and officer recommendations. Therefore, requests a comprehensive report detailing these aspects of this policy to the Finance &amp; Resources Committee no later than October 2023.</p>	Executive Director of Corporate Services	October 2023		<b>Recommended for closure</b> Report on agenda

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
			Agrees that this report will include consideration of the benefits and financial implications of an Empty Property Officer, following the model of the Empty Homes Officer.				
12	16.03.23 (Council Meeting)	Commercial Property Undeveloped Land - Motion by Councillor Ross	To agree to consider a report to Finance and Resources Committee in two cycles setting out a medium to long-term strategy for the Council's commercial property portfolio that set out its purposes and objectives. The report should provide information on the properties held in the portfolio including their current and previous uses, any community interest or desire for alternative uses expressed in the properties, and information about other council buildings and/or community provision in the surrounding area (or further information on how this information would be included in the medium to long-term strategy if this was not currently available).	Executive Director of Place	June 2023		<b>Recommended for closure</b> Report on agenda

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
13	16.03.23 (Council Meeting)	Cost Recovery from Commercial Events - Motion by Councillor Ross	Requests a report to Finance and Resources Committee in two cycles outlining options on how costs might further be recovered for services and permissions from commercial operators of sports grounds and events.	Executive Director of Place	September 2023		<b><u>Update June 2023</u></b> Report now due September
14	30.03.23	<a href="#">Digital Transformation for Health and Social Care</a>	<p>To request officers brought forward in draft a full business case for Digital transformation across Health and Social Care to the 20 June 2023 Finance and Resources Committee meeting.</p> <p>To request the full business case includes consideration of:</p> <ul style="list-style-type: none"> <li>• The savings the project could generate in terms of revenue spend</li> <li>• Justification for the prioritisation of this project in the context of required savings</li> <li>• Whether a SWIFT renewal would be funded from CEC corporate</li> </ul>	Executive Director of Corporate Services	June 2023		<b>Recommended for closure</b> Report on agenda

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
15	25.04.23	<a href="#">Business Bulletin</a>	<p>budgets or if there would also be a call on HSCP budgets</p> <ul style="list-style-type: none"> <li>• When it became apparent that the system was no longer compatible and if issues with other systems showed a need to upgrade this system earlier</li> <li>• Funding implications for the IJB and CEC capital programmes</li> <li>• Whether SWIFT, Track and other systems could be integrated to improve efficiency and information sharing as part of this project.</li> </ul>				
			<p>1) To request confirmation of when the report on the War Memorial containing the design brief and recommendations would be reported to Committee.</p>	Executive Director of Place			
			<p>2) To request confirmation of whether the Council would be submitting its own response to the joint consultation on Council</p>	Executive Director of Corporate Services	September 2023		<p><b><u>Update June 2023</u></b></p> <p>Colleagues in Digital &amp; Customer Services are working on this response and are</p>



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
			Tax and what engagement had taken place with COSLA.				ensuring that suitable engagement with COSLA is undertaken.
16	25.04.23	<a href="#">Edinburgh Integration Joint Board (EIJB) – financial update</a>	1) To note a further update would therefore be provided to the Committee’s next meeting on 20 June and in the interim as required.	Executive Director of Corporate Services	June 2023		
			2) To request a full breakdown of spend across the Partnership.	Executive Director of Corporate Services			
17	25.04.23	<a href="#">Award of the Lettings, Management and Maintenance Contract for Edinburgh Living</a>	To request a report within three years giving options for moving the lettings, management and maintenance of Edinburgh Living within the Council at the end of the initial four-year contract with Umega Letting Ltd, including details of legal/management implications of seeking synergies with the Housing Revenue Account.	Executive Director of Place	By April 2026		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comment
18	25.04.23	<a href="#">South Bridge Resource Centre, 6 Infirmery Street, Edinburgh – Future Strategy</a>	1) To agree that as part of this process direct discussion should take place between City of Edinburgh Council and Canongate Youth, and care taken to identify any agreements in place between building tenants/users and third parties which may be affected by any lease change.	Executive Director of Place			
			2) To note that a further report would be submitted to Committee once the next stage of due diligence was complete. This report shall include a comprehensive survey of activities already being delivered within the venue.	Executive Director of Place			


# Business Bulletin

## Finance and Resources Committee

**10.00am, Tuesday, 20 June 2023**

Dean of Guild Court Room, City Chambers, High Street, Edinburgh

# Finance and Resources Committee

Convener:	Members:	Contact:
<p>Convener Councillor Mandy Watt</p> 	<p>Councillor Graeme Bruce Councillor Phil Doggart Councillor James Dalgleish Councillor Euan Hyslop Councillor Lesley Macinnes Councillor Alys Mumford Councillor Vicky Nicolson Councillor Neil Ross Councillor Alex Staniforth Councillor Lewis Younie</p>	<p><a href="#">Taylor Ward</a> Committee Services <a href="#">Rachel Gentleman</a> Committee Services 0131 529 4107</p>

Recent News				Background	Contact
<p><b><u>Workforce Data Reporting</u></b></p> <p>Earlier this year Elected Members requested that we provide a follow up report on our Annual Performance detailing Key Performance Indicators (KPI's) relating specifically to our responsibilities as an employer; currently our colleagues in Human Resources provide a range of reporting throughout the course of the year, with Quarterly Workforce Dashboards being submitted to Committee for consideration alongside Deep Dives and regulatory reporting on Gender and Pay.</p> <p>We recognise that these, and our other data reporting, may not include all data indicators which Members may wish to consider and given that further information has been requested on our workforce and workforce planning at Full Council on the 1<sup>st</sup> June colleagues feel that it would be sensible, rather than potentially duplicating any work on this, to consider wider HR reporting after recesses.</p> <p>A full list of current Human Resources data reporting is provided below with links to the most recent of each of these.</p>					Nareen Owens, Service Director – HR <a href="mailto:Nareen.owens@edinburgh.gov.uk">Nareen.owens@edinburgh.gov.uk</a>
Topic	Governing Body	Cycle	Dates		
Workforce Dashboards	Finance and Resources Committee	Quarterly	20 June 2023 21 September 2023 21 November 2023 25 January 2024		
HR Deep Dives	Finance and Resources Committee	Quarterly	<a href="#">10 November 2022</a> <a href="#">25 April 2023</a>		
HR Deep Dive - Hard to Fill Roles	Finance and Resources Committee	Quarterly	20 June 2023		
HR Deep Dive - Workforce	Finance and Resources Committee	Quarterly	21 September 2023		
Pay Gap Report	Policy and Sustainability Committee	Annually	24 October 2023		
Redeployment Report	Policy and Sustainability Committee	Annually	22 August 2023		
Diversity and Inclusion	Policy and Sustainability Committee	Annually	24 October 2023		
Policy Assurance Statement	Policy and Sustainability Committee	Annually	24 October 2023		
Workforce Control Annual Report	Finance and Resources Committee	Annually	21 September 2023		

<p><b><u>Oracle Fusion Contract</u></b></p> <p>At its meeting on 16<sup>th</sup> March 2023 Council ratified the decision of this Committee to award Oracle preferred bidder status for the new HR and payroll system.</p> <p>On 19<sup>th</sup> May 2023 contracts between the Council, CGI and Oracle were signed and whilst the project is at the very early stages, a project team has now been mobilised, a high-level project plan has been agreed with all parties, and key activities such as data cleansing are under way.</p> <p>The target ‘go live’ date for the new HR and payroll system is 1 April 2024, however as detailed in previous reports to Committee the Council will seek an additional one-year extension from its current HR and Payroll provider, Midland HR. This is to ensure it has robust business continuity plans in place.</p> <p>The Governance Framework has been established and relevant Groups have been put in place to ensure close monitoring and decision making, as well as engagement, communication and training with managers and staff.</p> <p>A further update on progress of the project will be provided to Committee in September 2023.</p>		<p>Steven Wright, Lead Consultant – Employee Life Cycle and Reward  <a href="mailto:steven.wright@edinburgh.gov.uk">steven.wright@edinburgh.gov.uk</a></p>
<p><b><u>Local Government Benchmarking Framework</u></b></p> <p>On 23 May 2023, Policy and Sustainability Committee agreed to present the relevant section of the <a href="#">LGBF report</a> to the relevant Executive Committee via the Business Bulletin.</p> <p>The extracted section of the report has been appended to this Business Bulletin and includes detailed charts for the Corporate Services, Economic Development and Financial Sustainability themes.</p>	<p><a href="#">Policy and Sustainability Committee, 23 May 2023</a></p>	<p>Catherine Stewart, Lead Change &amp; Delivery Officer  <a href="mailto:catherine.stewart@edinburgh.gov.uk">catherine.stewart@edinburgh.gov.uk</a></p>

**Forthcoming activities:**

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## **LGBF 2021/22 - Corporate and Asset Management Services**

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1. This is an extract of the Corporate and Asset Management section of the Local Government Benchmarking Framework report considered at P&S Committee in May 2023. Below is the summary analysis followed by charts showing performance and relative position for all the indicators under this theme.
2. There are 14 indicators in the LGBF that relate to the efficiency and effectiveness of Corporate and Asset Management Services. 4 indicators have been added on the Scottish Welfare Fund and Discretionary Housing Payments to reflect how Local Authorities are managing these funds to alleviate the cost-of-living crisis.

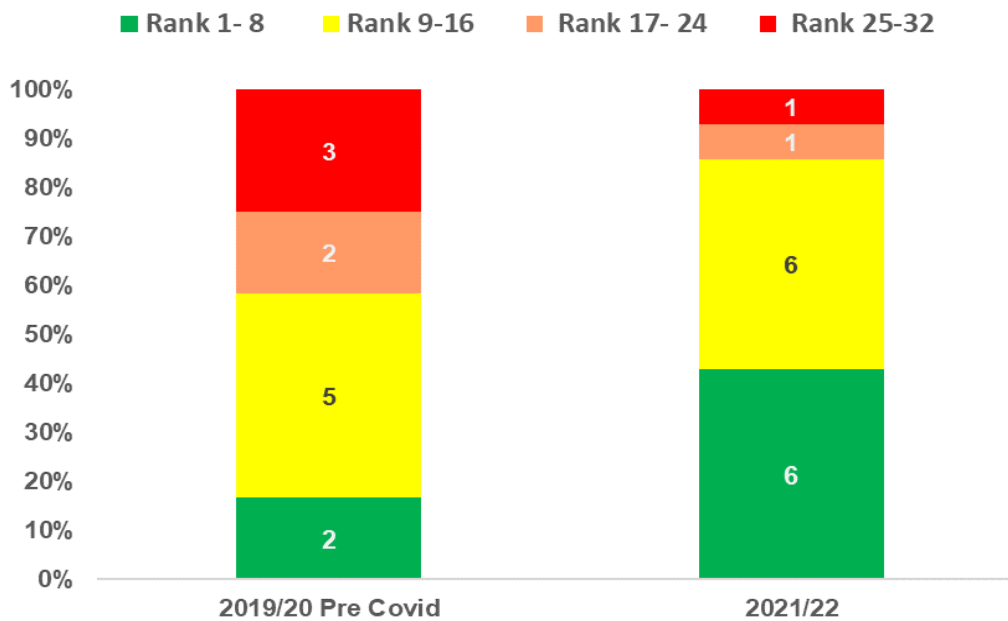
### **Corporate and Asset Management Services - national context**

3. There was a huge effort made by the local government workforce during the pandemic to maintain services and support communities. While there were pressures within the workforce pre-pandemic, these have been exacerbated by Covid, with councils currently facing constraints on three related fronts: rising absence, recruitment issues, and high staff turnover.
4. Spend on support services grew in both 2020/21 and 2021/22 counter to the long-term reducing pre-Covid trend and is currently 4% higher than pre-Covid levels. This reflects the critical role corporate support services played during the pandemic, including as an agent of Scottish Government in administering over a hundred different grant schemes, in co-ordinating the emergency response and support for local communities, and in facilitating the wholesale roll-out of homeworking for the council workforce.
5. After a period of relative stability, the growth in Scottish Welfare Fund spend accelerated sharply between 2019/20 and 2021/22 reflecting the combined pressures from Covid and the cost of living crisis
6. Further evidence of the financial hardship being experienced by local communities can be seen in the growing level of spend on Discretionary Housing Payments. These payments are administered by councils to households who require financial assistance towards their housing costs and are an important tool to prevent homelessness and help struggling households to sustain tenancies.

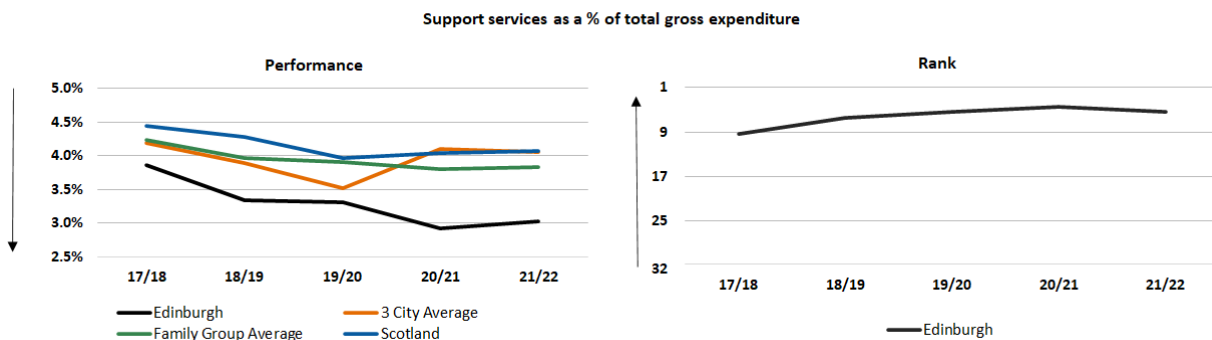
### **Corporate and Asset Management Services – 2021/22 Edinburgh**

7. Similar to the national picture, Edinburgh maintained services to support our communities as Covid restrictions were gradually removed while experiencing pressures within the workforce such as absence levels and recruitment issues. Our customer support teams continued to administer the many grants available to those in need during 2021/22 as the demand for financial support continued to grow.
8. Edinburgh continues to improve its rankings across Corporate Services between 2019/20 and 2021/22 and shown in the chart below. 12 out of the 14 indicators ranked above the national average and only two below in 2021/22.

**Chart 9: Corporate and Asset Management Services Ranking – LGBF 2021/22 compared with 2019/20**

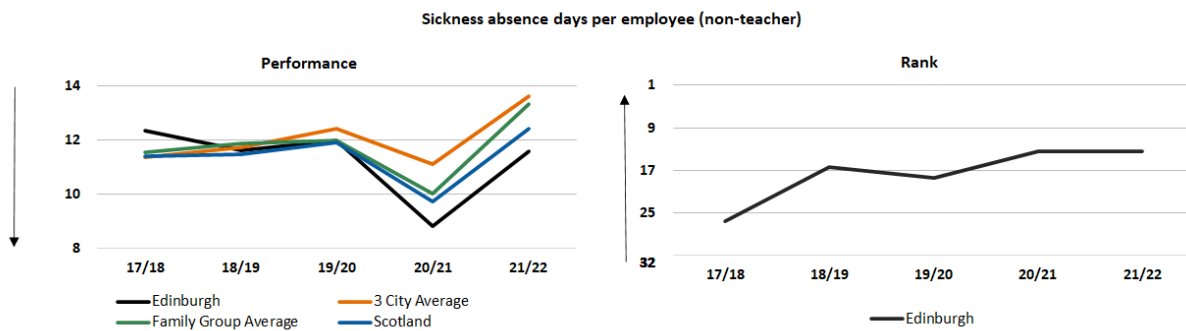
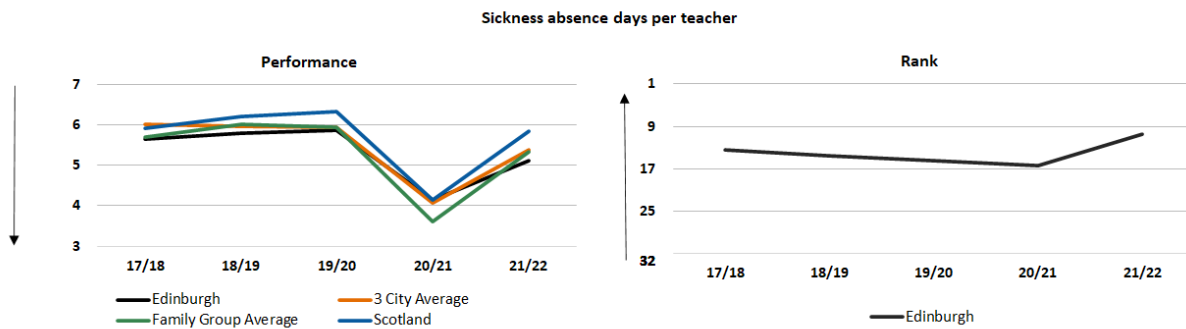


- Similarly, our performance has improved in 11 of the indicators from 2019/20 to 2021/22, and only decreased in 3. Some indicators are shown in more detail below. The full set of charts for all Corporate and Asset Management Service indicators can be found in Appendix H.
- The proportion spent on business support at around 3% remains low and below national average, family group and 3 city average.



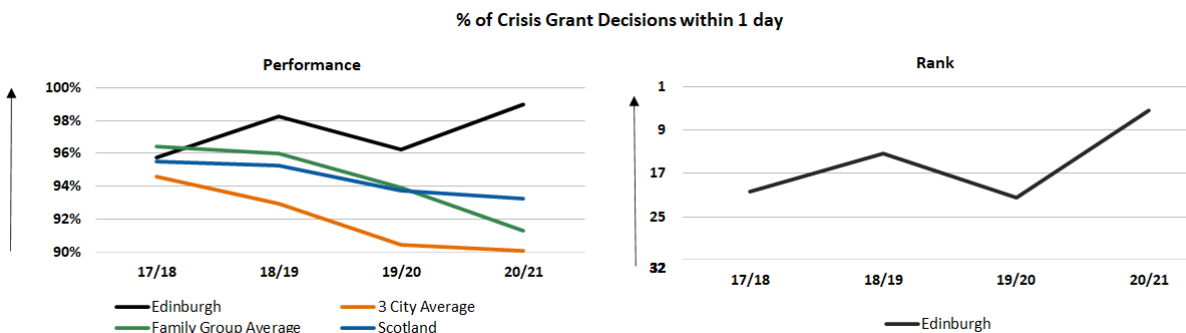
- Sickness Absence in Edinburgh rises in 2021/21, as it does nationally, due to Covid absences in 2020/21 not being included in this figure. However, sickness absence levels in Edinburgh in 2021/22 is slightly lower than pre-Covid (at 5.1 days compared to 5.9 for teaching staff and 11.6 days compared to 12 for non-teaching staff) and is lower than the three city average, the family group average and Scottish average as shown in the charts below.



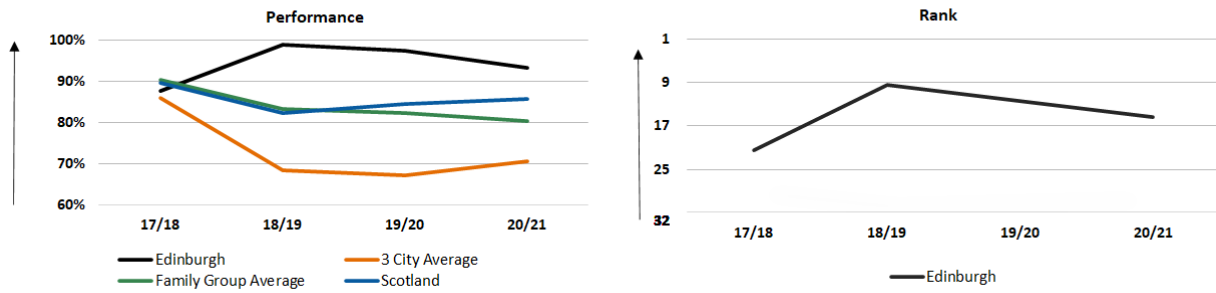


12. Four new indicators have been added around the management of the Scottish Welfare Fund. The latest data for the two processing time indicators is for 2020/21 and previous year's data for all four indicators has been included to provide a picture of longer term trends for these indicators. The trend charts for all four indicators are included below.

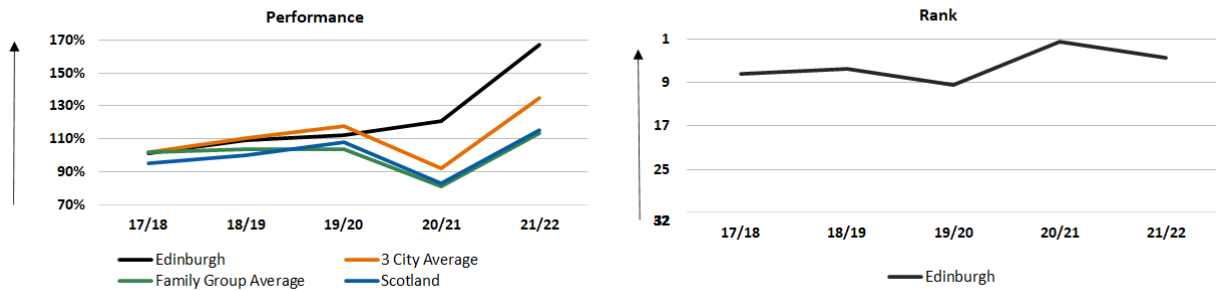
13. Crisis Grant Decisions within 1 day shows an improving trend and Edinburgh is ranked in the top quartile for the first time in 2020/21. Community Care Grants decisions within 15 days shows a gradual decrease since 2018/19 but at 93.3% remains above the national average, the family group average and the 3 city average. The proportion of Scottish Welfare Fund spent highlights the increasing number of people seeking financial support as the cost of living crisis continues.



**% CCG Grant Decisions within 15 Days**

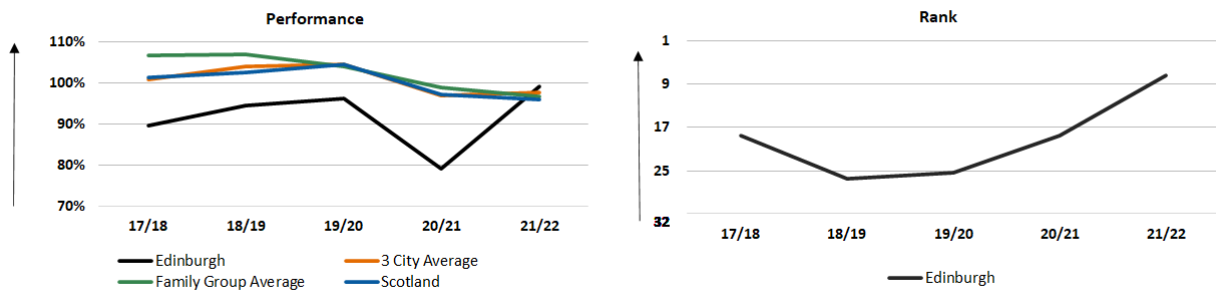


**Proportion of SWF Funding Spent**



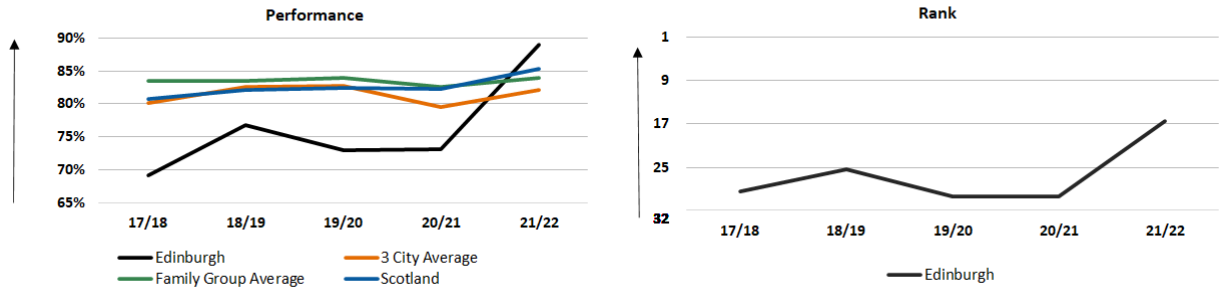
14. In 2020/21 the Scottish Government following City of Edinburgh initial allocation of funding for Discretionary Housing Payment allocated a further £1M to the budget due to covid 19. Applications for Discretionary Housing Payment shortfall cases did not increase significantly and a portion of the budget was unspent.

**Proportion of DHP Funding Spent**



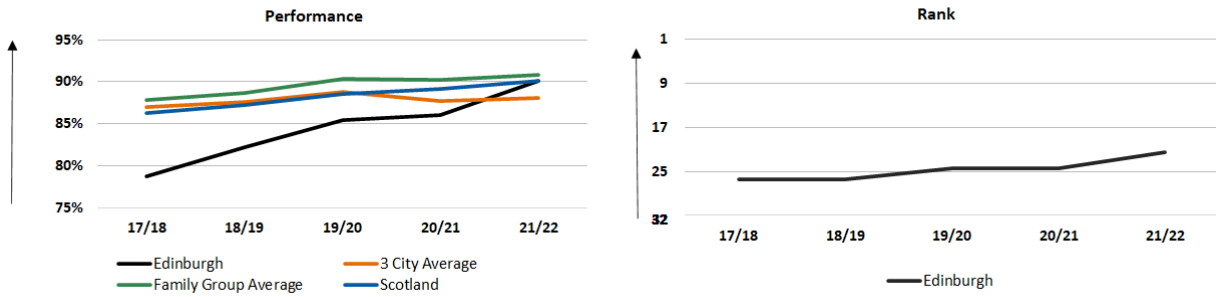
15. The large rise in the % of operational buildings that are suitable for their current use seen in 2021/22 is due to a change in the data we supplied. A full review of operational buildings found many small structures such as sheds and canopies were erroneously counted as buildings and these were removed from our data for 2021/22. While this means that our 2021/22 performance is not comparable to previous years, our data is now more comparable to the other local authorities. In 2021/22 we are above the national average, three city average and just above the family group average.

% of operational buildings that are suitable for their current use



16. The proportion of internal floor area of operational buildings in satisfactory condition has shown steady improvement over the last 5 years. Performance now matches the Scottish average but is below the family group average.

% of internal floor area of operational buildings in satisfactory condition



## LGBF 2021/22 - Corporate Services

Charts showing performance and relative position for all the indicators under this theme.

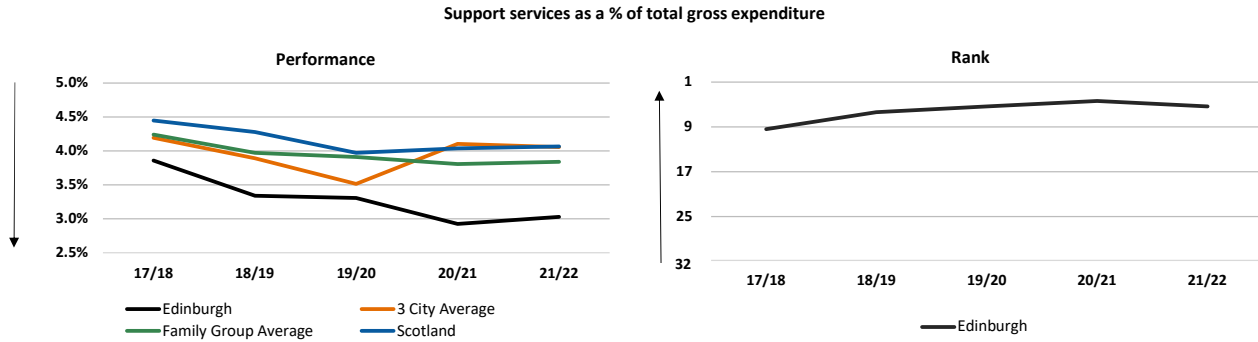
### CORP 1 Support services as a % of total gross expenditure

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	3.9%	3.3%	3.3%	2.9%	3.0%
3 City Average	4.2%	3.9%	3.5%	4.1%	4.1%
Family Group Average	4.2%	4.0%	3.9%	3.8%	3.8%
Scotland	4.4%	4.3%	4.0%	4.0%	4.1%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	9	6	5	4	5
3 City Min/Max	7	9	6	7	6
3 city max	23	20	12	27	32

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest



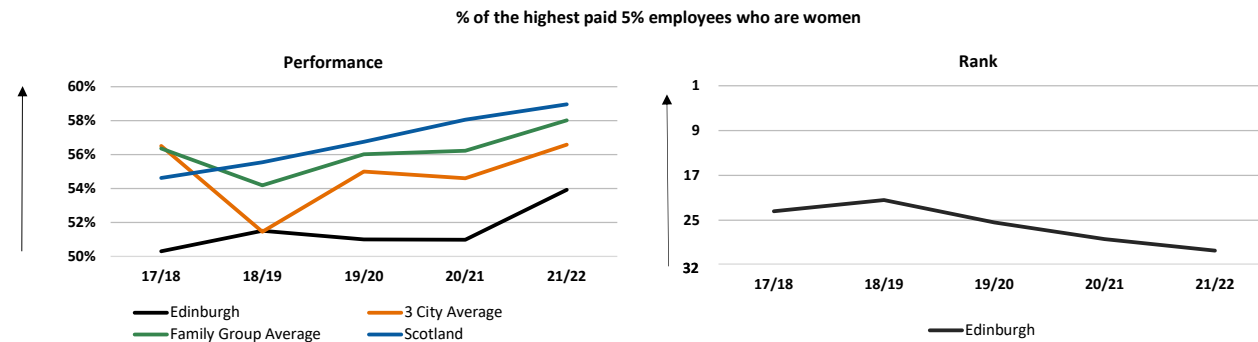
### CORP 3b % of the highest paid 5% employees who are women

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	50%	52%	51%	51%	54%
3 City Average	57%	51%	55%	55%	57%
Family Group Average	56%	54%	56%	56%	58%
Scotland	55%	56%	57%	58%	59%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	23	21	25	28	30
3 City Min/Max	3	8	9	8	15
3 city max	27	29	30	30	19

Family Group = Other Services

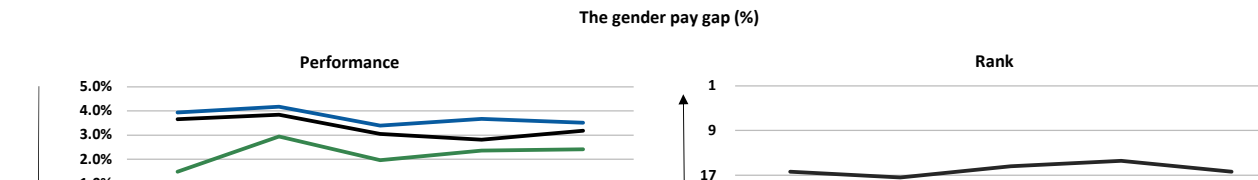
Ranking Order (1 is Highest/ Lowest) = Highest



### CORP 3c The gender pay gap (%)

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	3.7%	3.8%	3.0%	2.8%	3.2%
3 City Average	-1.7%	0.9%	-0.3%	-0.4%	0.2%
Family Group Average	1.5%	2.9%	2.0%	2.4%	2.4%
Scotland	3.9%	4.2%	3.4%	3.7%	3.5%

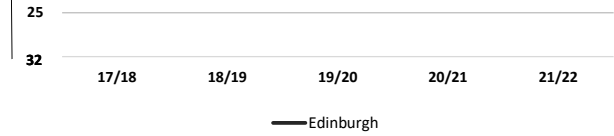
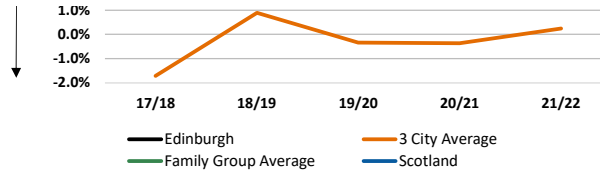
Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	16	17	15	14	16



3 City Min/Max	1	2	1	1	1
3 city max	11	11	18	16	17

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest



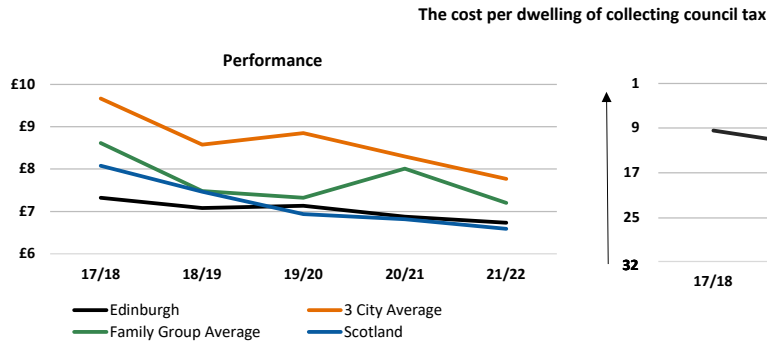
**CORP 4 The cost per dwelling of collecting council tax**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	£7	£7	£7	£7	£7
3 City Average	£10	£9	£9	£8	£8
Family Group Average	£9	£7	£7	£8	£7
Scotland	£8	£7	£7	£7	£7

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	9	12	16	14	15
3 City Min/Max	7	8	10	10	17
3 city max	28	28	29	28	24

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest



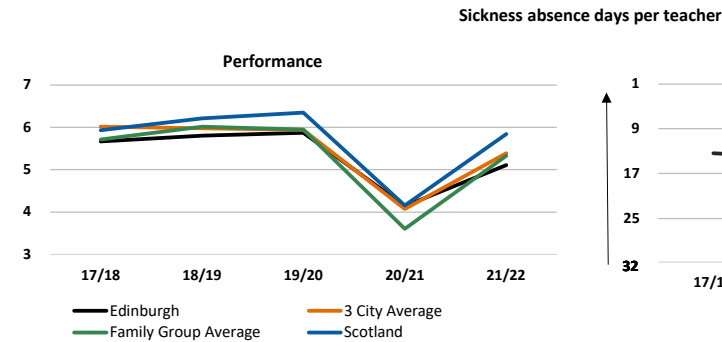
**CORP 6a Sickness absence days per teacher**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	6	6	6	4	5
3 City Average	6	6	6	4	5
Family Group Average	6	6	6	4	5
Scotland	6	6	6	4	6

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	13	14	15	16	10
3 City Min/Max	6	3	8	13	7
3 city max	29	27	20	20	18

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest



**CORP 6b Sickness absence days per employee (non-teacher)**

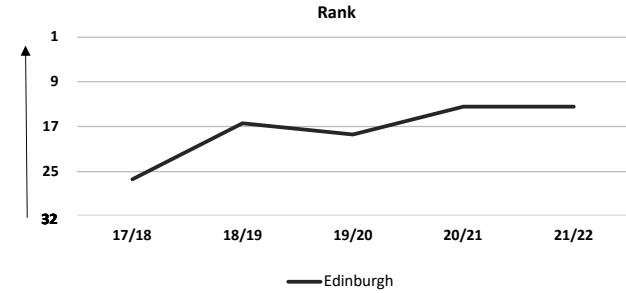
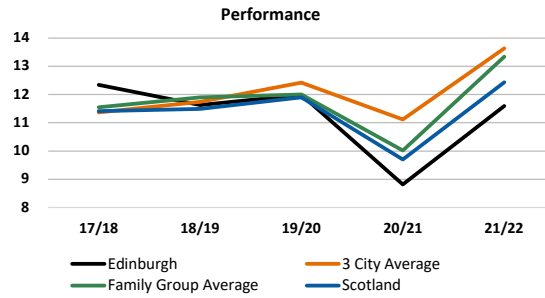
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	12	12	12	9	12

Sickness absence days per employee (non-teacher)

3 City Average	11	12	12	11	14
Family Group Average	12	12	12	10	13
Scotland	11	11	12	10	12

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	26	16	18	13	13
3 City Min/Max	5	8	12	23	16
3 city max	27	26	27	32	29

Family Group = Other Services  
 Ranking Order (1 is Highest/ Lowest) = Lowest

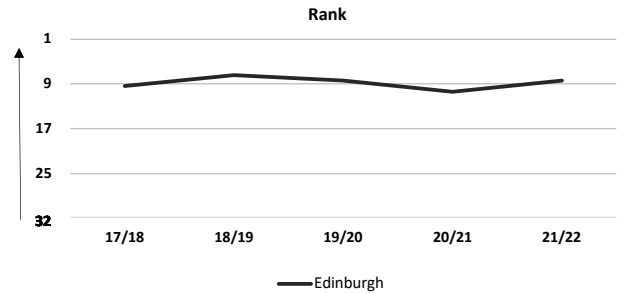
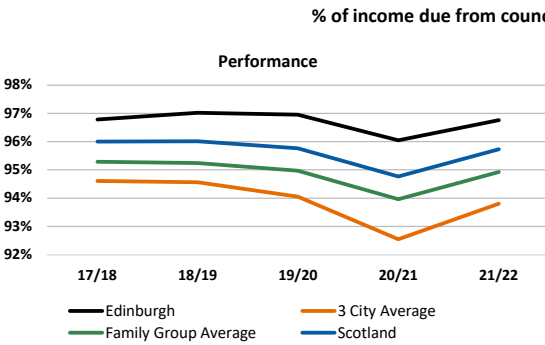


**CORP 7 % of income due from council tax received by the end of the year**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	97%	97%	97%	96%	97%
3 City Average	95%	95%	94%	93%	94%
Family Group Average	95%	95%	95%	94%	95%
Scotland	96%	96%	96%	95%	96%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	9	7	8	10	8
3 City Min/Max	27	27	27	26	24
3 city max	32	31	31	32	32

Family Group = Other Services  
 Ranking Order (1 is Highest/ Lowest) = Highest

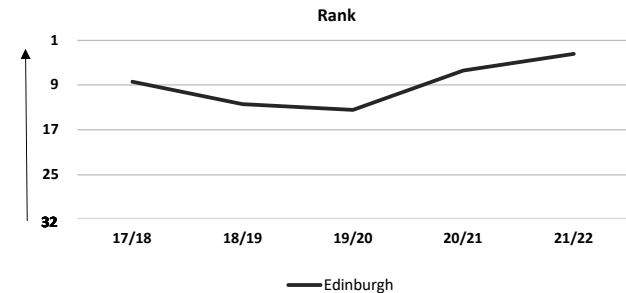
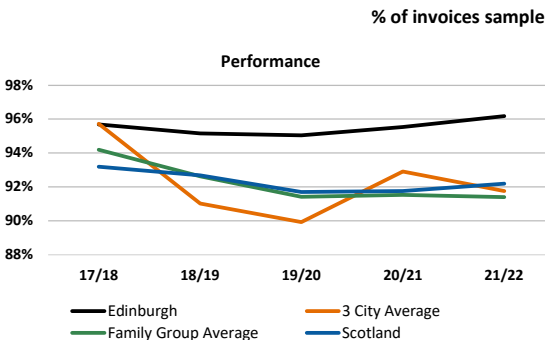


**CORP 8 % of invoices sampled that were paid within 30 days**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	96%	95%	95%	96%	96%
3 City Average	96%	91%	90%	93%	92%
Family Group Average	94%	93%	91%	92%	91%
Scotland	93%	93%	92%	92%	92%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	8	12	13	6	3
3 City Min/Max	2	3	1	3	8
3 city max	16	32	31	25	27

Family Group = Other Services  
 Ranking Order (1 is Highest/ Lowest) = Highest

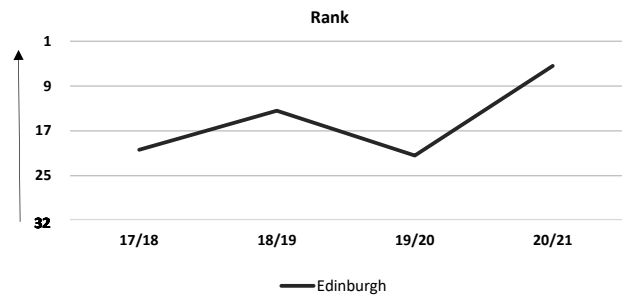
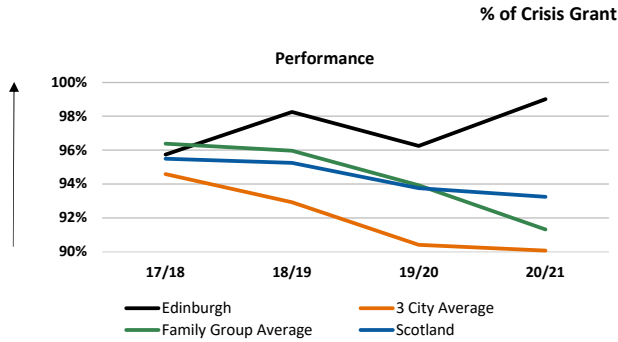


CORP 9 % of Crisis Grant Decisions within 1 day				
Performance	18/19	19/20	20/21	21/22
Edinburgh	96%	98%	96%	99%
3 City Average	95%	93%	90%	90%
Family Group Average	96%	96%	94%	91%
Scotland	96%	95%	94%	93%

Rank	18/19	19/20	20/21	21/22
Edinburgh	20	13	21	5
3 City Min/Max	13	17	21	20
3 city max	29	31	31	29

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest

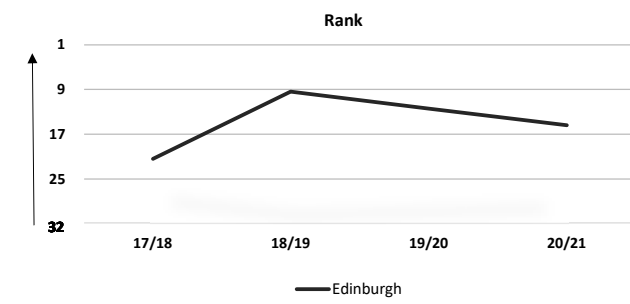
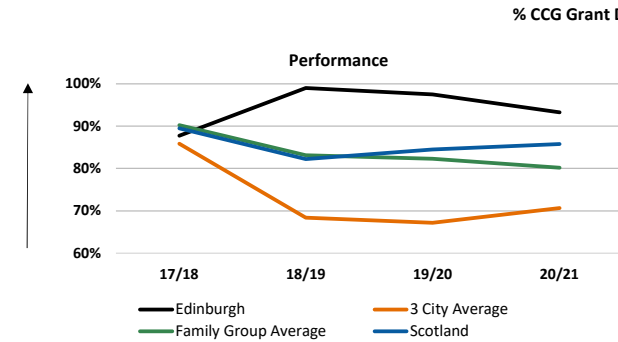


CORP 10 % CCG Grant Decisions within 15 Days				
Performance	18/19	19/20	20/21	21/22
Edinburgh	88%	99%	98%	93%
3 City Average	86%	68%	67%	71%
Family Group Average	90%	83%	82%	80%
Scotland	90%	82%	85%	86%

Rank	18/19	19/20	20/21	21/22
Edinburgh	21	9	12	15
3 City Min/Max	20	26	28	24
3 city max	26	32	32	32

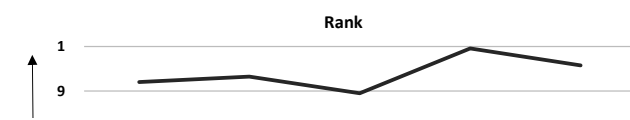
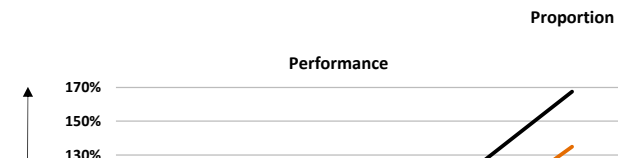
Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest



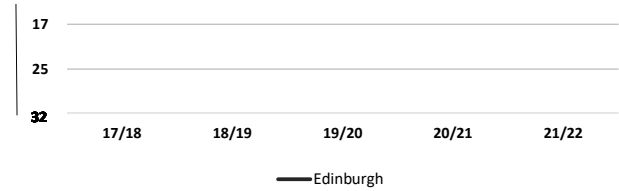
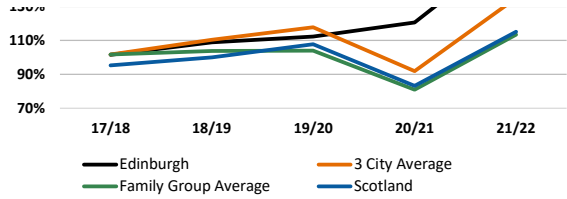
CORP 11 Proportion of SWF Funding Spent					
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	102%	109%	112%	121%	167%
3 City Average	102%	110%	118%	92%	135%
Family Group Average	102%	104%	104%	81%	114%
Scotland	95%	100%	108%	83%	115%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	102%	109%	112%	121%	167%
3 City Min/Max	102%	110%	118%	92%	135%
3 city max	95%	100%	108%	83%	115%



Edinburgh	7	6	9	1	4
3 City Min/Max	4	2	1	5	7
3 city max	13	20	19	15	9

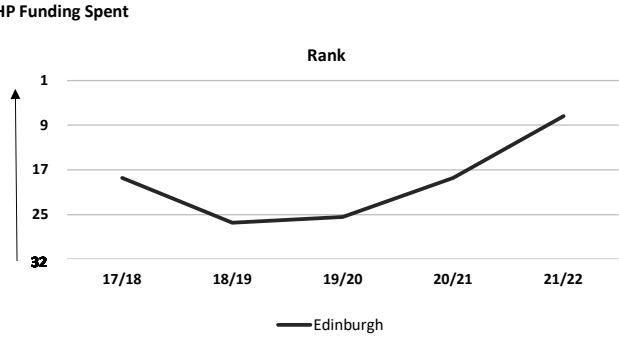
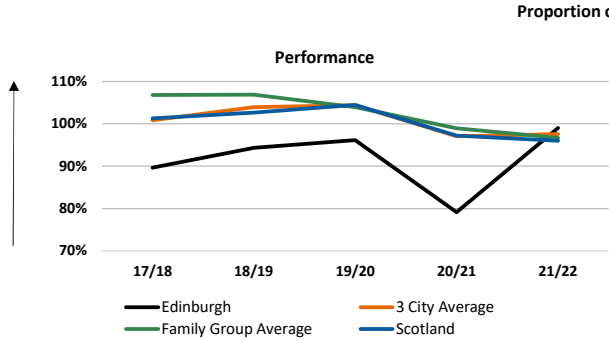
Family Group = Other Services  
 Ranking Order (1 is Highest/ Lowest) = Highest



Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	90%	94%	96%	79%	99%
3 City Average	101%	104%	104%	97%	98%
Family Group Average	107%	107%	104%	99%	97%
Scotland	101%	103%	104%	97%	96%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	18	26	25	18	7
3 City Min/Max	3	1	2	6	4
3 city max	16	10	8	9	13

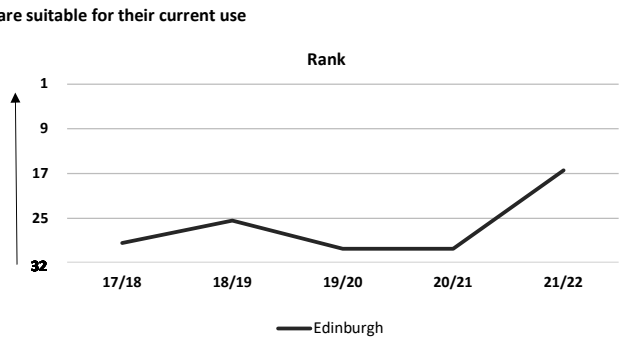
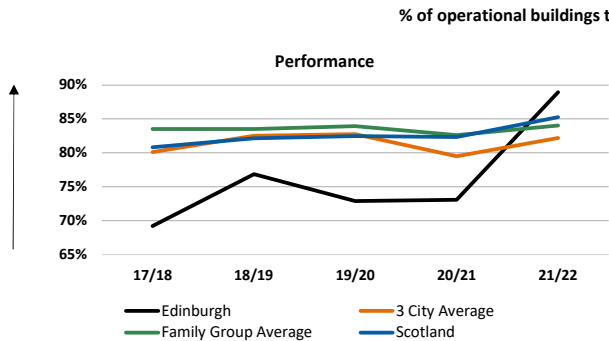
Family Group = Other Services  
 Ranking Order (1 is Highest/ Lowest) = Highest



Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	69%	77%	73%	73%	89%
3 City Average	80%	83%	83%	80%	82%
Family Group Average	84%	84%	84%	83%	84%
Scotland	81%	82%	82%	82%	85%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	29	25	30	30	16
3 City Min/Max	5	12	15	12	18
3 city max	28	26	27	29	28

Family Group = Other Services  
 Ranking Order (1 is Highest/ Lowest) = Highest



Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	69%	77%	73%	73%	89%
3 City Average	80%	83%	83%	80%	82%
Family Group Average	84%	84%	84%	83%	84%
Scotland	81%	82%	82%	82%	85%



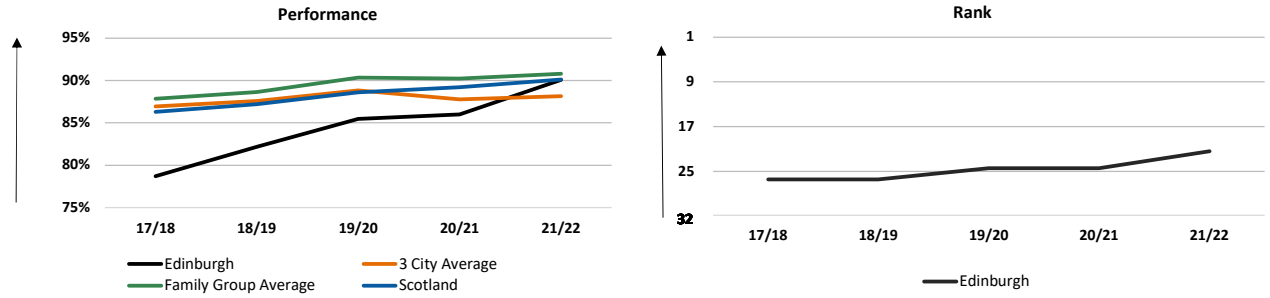
Edinburgh	79%	82%	85%	86%	90%
3 City Average	87%	88%	89%	88%	88%
Family Group Average	88%	89%	90%	90%	91%
Scotland	86%	87%	89%	89%	90%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	26	26	24	24	21
3 City Min/Max	10	6	7	7	5
3 city max	28	29	29	30	30

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest

% of internal floor area of operational buildings in satisfactory condition



## LGBF 2021/22 - Economic Development Services

1. This is an extract of the Economic Development Services section of the Local Government Benchmarking Framework report considered at P&S Committee in May 2023. Below is the summary analysis followed by charts showing performance and relative position for all the indicators under this theme.
2. There are 13 indicators in the LGBF that relate to the efficiency and effectiveness of Economic Development Services.

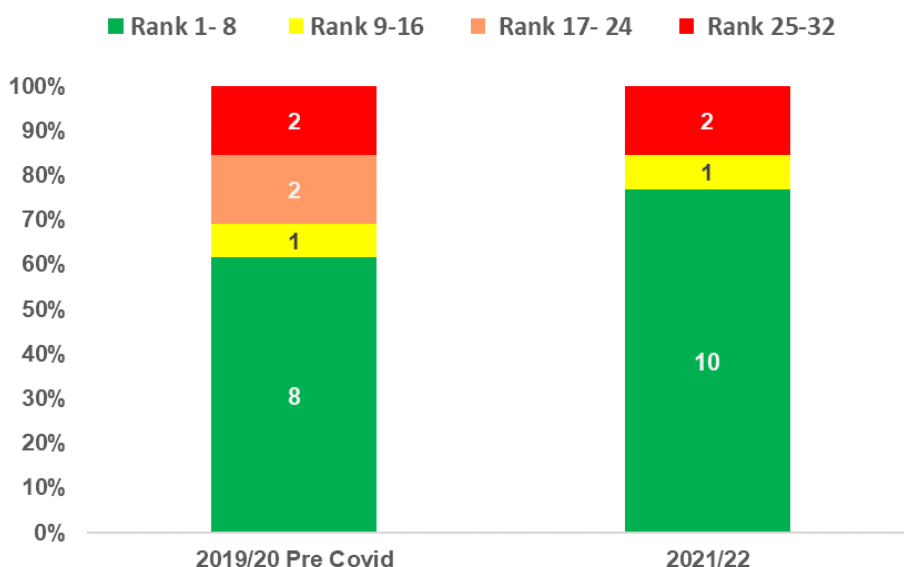
### Economic Development Services - national context

3. Expenditure on economic development increased in 2021/22, following a sharp reduction in spend in 2020/21. The increased expenditure in 2021/22 reflects a resumption in activity, which was deferred during Covid, including significant capital programmes which were paused due to the restrictions in place during the pandemic.
4. Over the longer term, the spending pattern is clear. Relative reductions continue in non-statutory services such as planning and tourism in order to provide balance to statutory and ringfenced commitments elsewhere.

### Economic Development Services – 2021/22 Edinburgh

5. While Edinburgh shows a similar dip in some economic development indicators as seen at a national level, there are also several indicators that continue a gradual improvement from 2019/20 to 2021/22.
6. This gradual improvement in the proportion of Economic Development indicators is shown by an increase in the number ranked in the top two quartiles (so above the national average) over the longer term. There are now 11 indicators in the top two quartiles up from 9 pre-Covid as shown in the chart below.

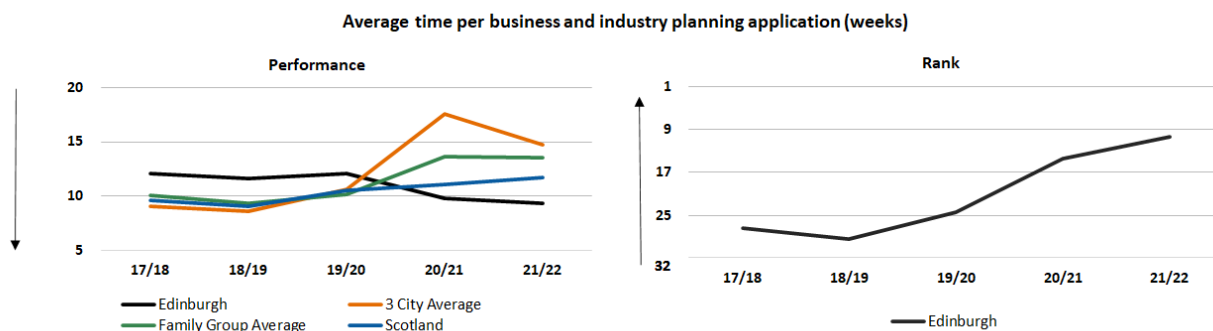
**Chart 10: 2021/22 Ranking quartiles for Edinburgh compared to 2019/20 (pre Covid)**



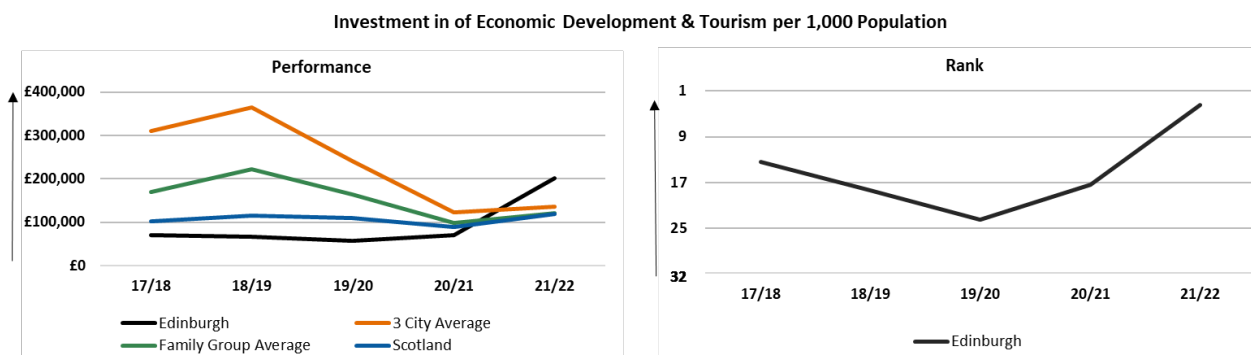
7. When looking at actual performance, a similar pattern is shown. A number of indicators show improvement from last year highlighting the impact Covid-19 restrictions had on economic development such as unemployed people assisted into work, business start ups and unemployment claimants. However there were also indicators that continue to show gradual improvement throughout 2019/20 to 2021/22

such as planning application processing times, people earning the living wage, and super broadband rates. Some of these indicators are highlighted below but a full set of charts for all Economic Development indicators can be found in Appendix I.

- Planning applications cost and time to process improved in performance and ranking with Edinburgh now performing better than the 3 city, the family group and the Scottish average. This improved performance is due to the delivery of actions set out in our improvement plan which was put in place in 2018 to drive improvements in performance and drive down application processing time. Our ranking also shows this improvement moving from 29 in 2018/19 to 10 in 2021/22

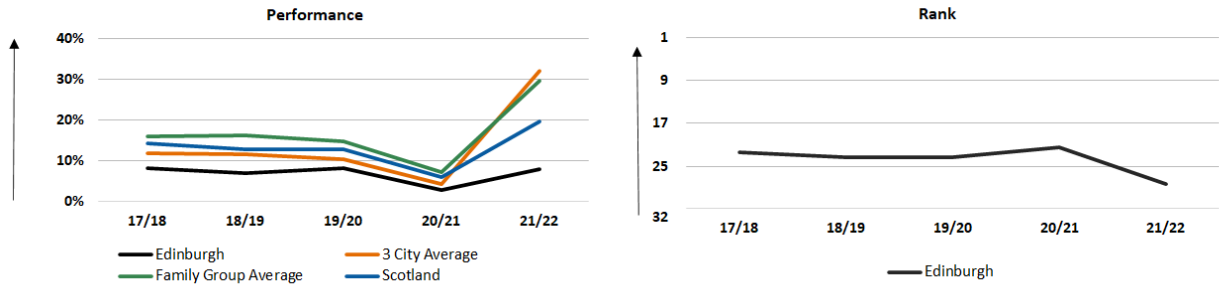


- Investment in Economic Development and tourism showed a sharp increase in 2021/22 which is attributed to a one-off capital payment for the St James Quarter when it opened in June 2021 shown in the chart below. This indicator is likely to return to 'normal' levels next year.



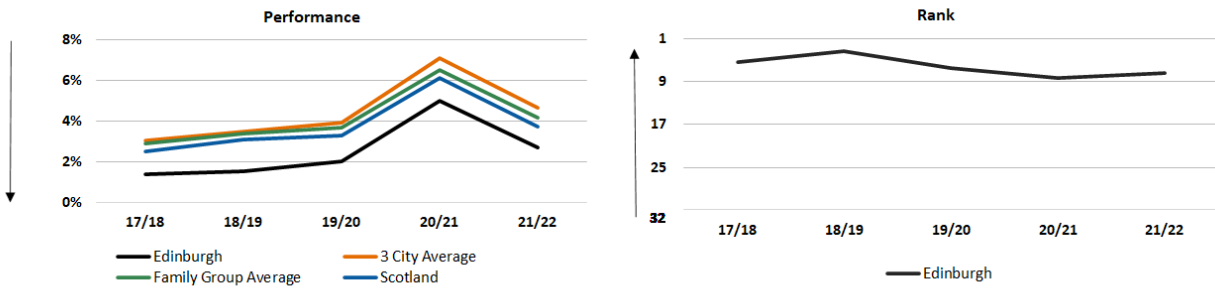
- The Council's operated/funded employability programmes which assists unemployed people into work, recovered from the effect of Covid during 2020/21 when the service could not see clients face-to-face. However, while Edinburgh's performance returned to pre-Covid levels, the national average, 3 city average and family group average all show larger increase. One reason for this is the relatively low unemployment rate in Edinburgh and therefore our employability service focus on those furthest from employment, who often move into other activity such as placements, volunteering and training, with a view to move into employment later.

**% of unemployed people assisted into work from council operated / funded employability programmes**

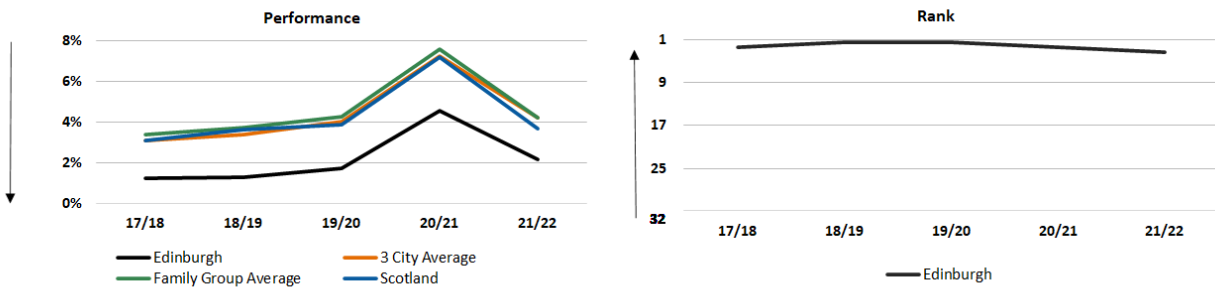


11. There was good recovery in the % of Claimant Count, which is correlating with the low unemployment rate, as a % of 16-24 Population with Edinburgh reporting a lower rate than the family group average, the three city average and below Scotland's average in 2021/22. Ranking remains high at 3.

**Claimant Count as % of Working Age Population**



**Claimant Count as % of 16-24 Population**



## LGBF 2021/22 - Economic Development Services

Charts showing performance and relative position for all the indicators under this theme.

### ECON1 % of unemployed people assisted into work from council operated / funded employability programmes:

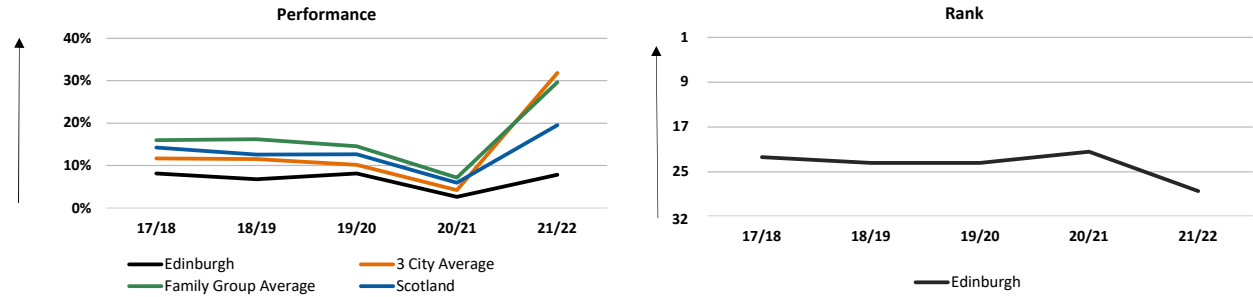
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	8%	7%	8%	3%	8%
3 City Average	12%	11%	10%	4%	32%
Family Group Average	16%	16%	15%	7%	30%
Scotland	14%	13%	13%	6%	20%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	22	23	23	21	28
3 City Min/Max	12	9	16	13	2
3 city max	25	27	26	23	25

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest

### % of unemployed people assisted into work from council operated / funded employability programmes



### ECON2 Cost of planning and building standards Per Planning Application

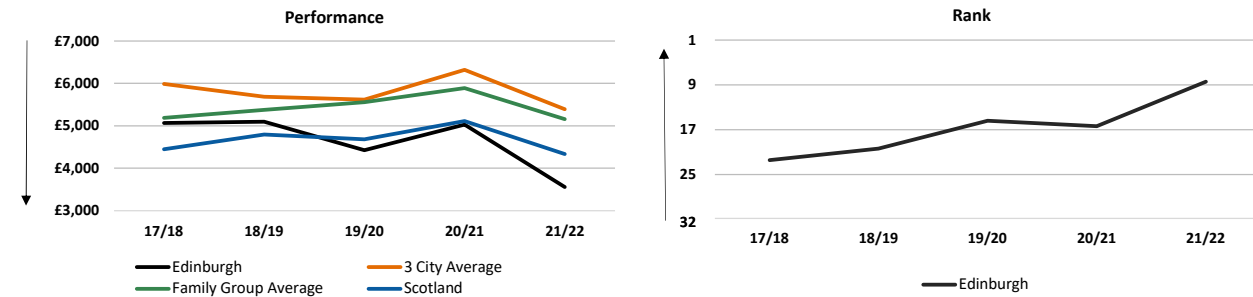
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	£5,069	£5,102	£4,421	£5,026	£3,555
3 City Average	£5,988	£5,687	£5,621	£6,325	£5,391
Family Group Average	£5,189	£5,373	£5,554	£5,891	£5,156
Scotland	£4,446	£4,797	£4,681	£5,117	£4,337

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	22	20	15	16	8
3 City Min/Max	20	16	11	12	16
3 city max	28	27	25	28	28

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest

### Cost of planning and building standards Per Planning Application

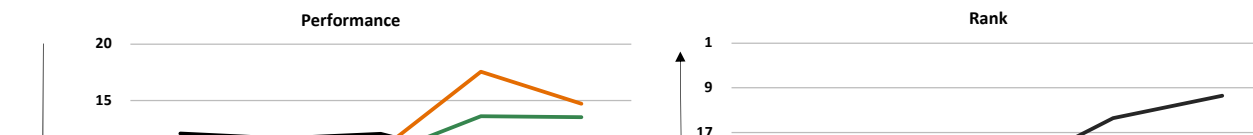


### ECON3 Average time per business and industry planning application (weeks)

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	12	12	12	10	9
3 City Average	9	9	11	18	15
Family Group Average	10	9	10	14	14
Scotland	10	9	11	11	12

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	27	29	24	14	10

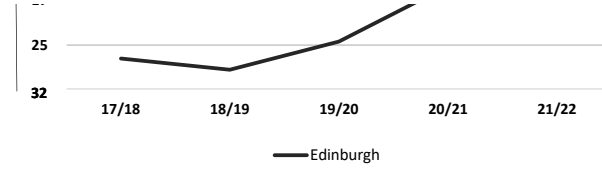
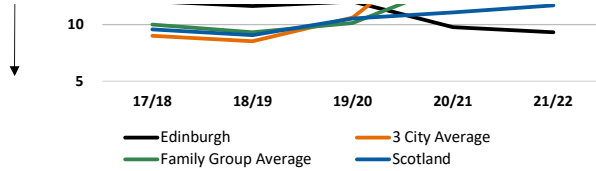
### Average time per business and industry planning application (weeks)



3 City Min/Max	8	4	17	21	24
3 city max	22	22	25	32	26

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest

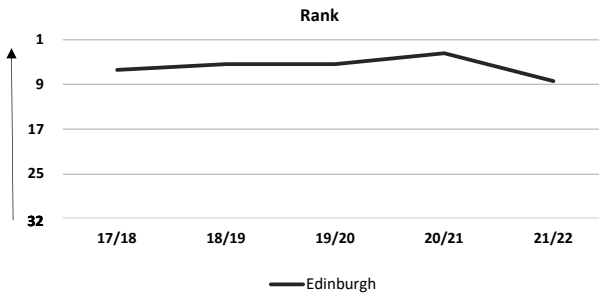
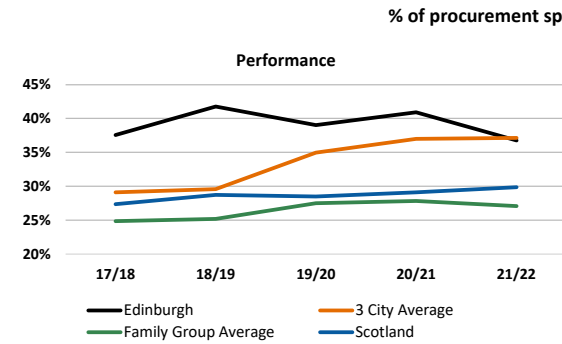


ECON4 % of procurement spend spent on local enterprises					
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	38%	42%	39%	41%	37%
3 City Average	29%	30%	35%	37%	37%
Family Group Average	25%	25%	28%	28%	27%
Scotland	27%	29%	29%	29%	30%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	6	5	5	3	8
3 City Min/Max	8	9	4	5	6
3 city max	20	21	10	9	9

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest

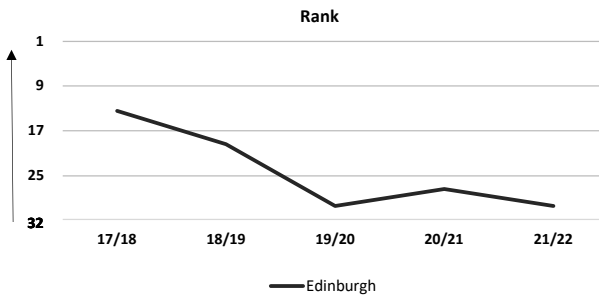
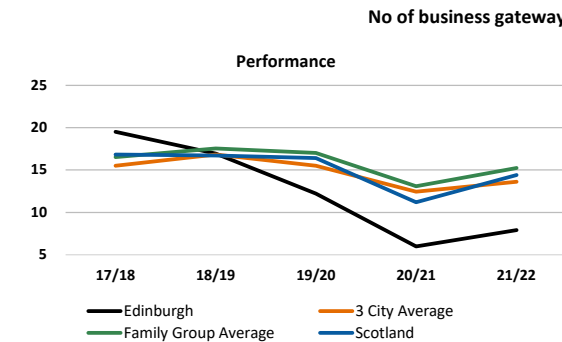


ECON5 No of business gateway start-ups per 10,000 population					
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	20	17	12	6	8
3 City Average	15	17	16	12	14
Family Group Average	17	18	17	13	15
Scotland	17	17	16	11	14

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	13	19	30	27	30
3 City Min/Max	4	5	7	9	13
3 city max	32	32	32	31	31

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest



ECON6 Investment in of Economic Development & Tourism per 1,000 Population					
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	£70,968	£66,543	£57,388	£69,148	£201,520

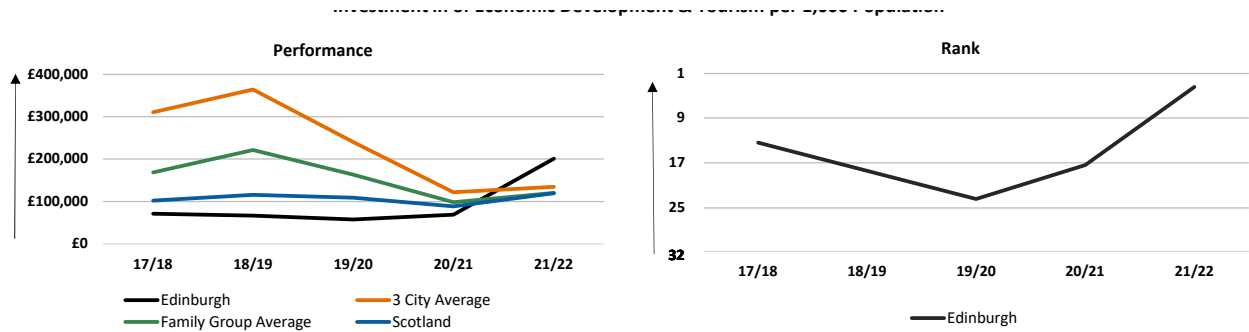
Investment in of Economic Development & Tourism per 1,000 Population

3 City Average	£310,515	£364,065	£240,214	£121,652	£134,752
Family Group Average	£168,699	£221,646	£163,117	£98,715	£120,342
Scotland	£101,950	£115,933	£109,031	£88,509	£119,388

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	13	18	23	17	3
3 City Min/Max	1	1	2	3	4
3 city max	8	6	13	18	20

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest

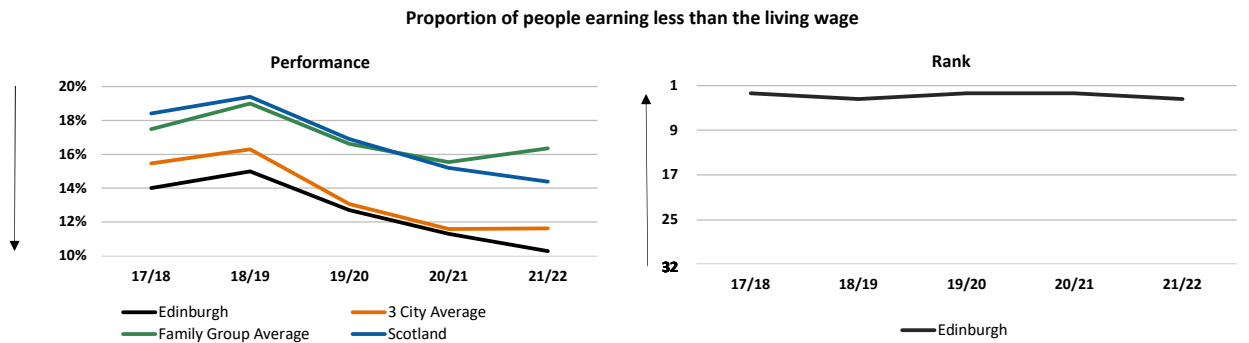


ECON7 Proportion of people earning less than the living wage					
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	14%	15%	13%	11%	10%
3 City Average	15%	16%	13%	12%	12%
Family Group Average	17%	19%	17%	16%	16%
Scotland	18%	19%	17%	15%	14%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	2	3	2	2	3
3 City Min/Max	3	1	1	1	2
3 city max	6	7	5	4	8

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest

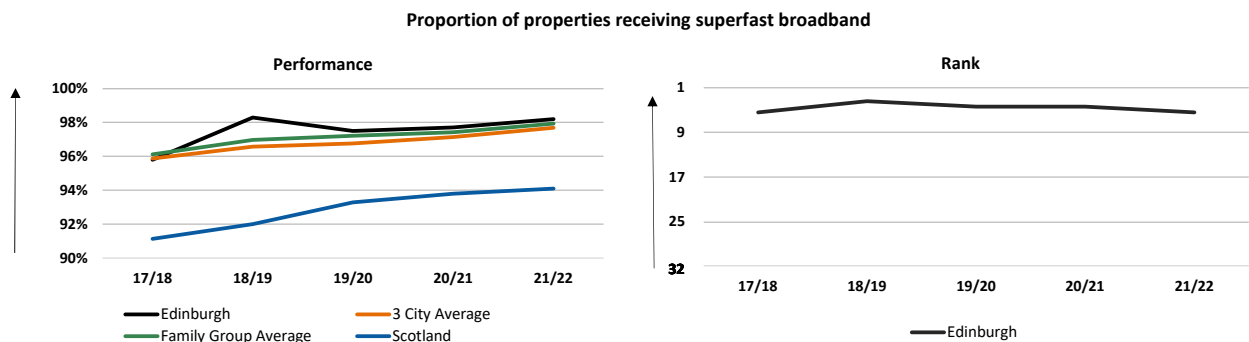


ECON8 Proportion of properties receiving superfast broadband					
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	96%	98%	98%	98%	98%
3 City Average	96%	97%	97%	97%	98%
Family Group Average	96%	97%	97%	97%	98%
Scotland	91%	92%	93%	94%	94%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	5	3	4	4	5
3 City Min/Max	1	1	1	1	1
3 city max	16	17	16	16	17

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest

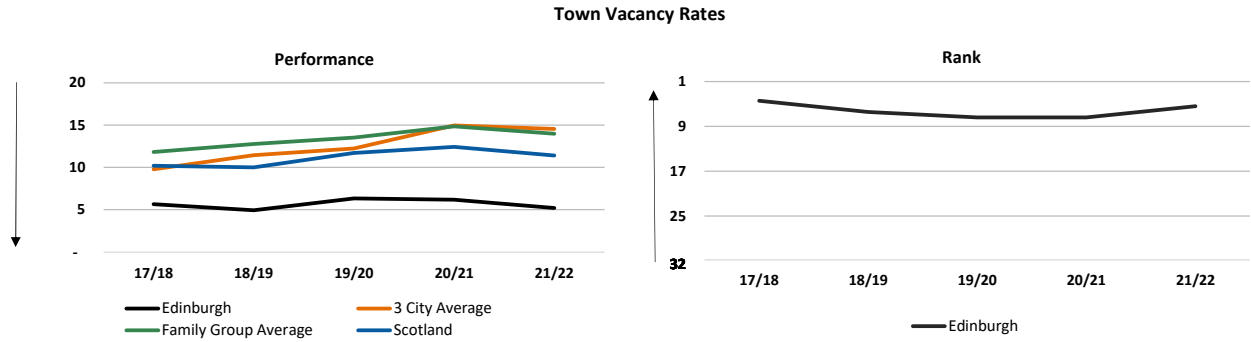


ECON9 Town Vacancy Rates					
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	6	5	6	6	5
3 City Average	10	11	12	15	15
Family Group Average	12	13	13	15	14
Scotland	10	10	12	12	11

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	4	6	7	7	5
3 City Min/Max	13	14	15	21	20
3 city max	17	25	25	29	27

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest



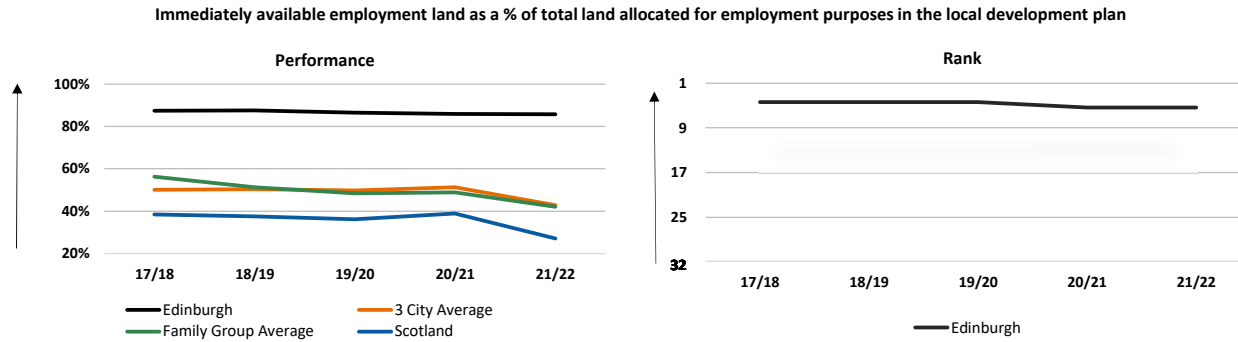
**ECON10 Immediately available employment land as a % of total land allocated for employment purposes in the local development plan**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	87%	87%	86%	86%	86%
3 City Average	50%	50%	50%	51%	43%
Family Group Average	56%	51%	48%	49%	42%
Scotland	38%	38%	36%	39%	27%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	4	4	4	5	5
3 City Min/Max	6	6	6	6	7
3 city max	21	24	23	23	22

Family Group = Other Services

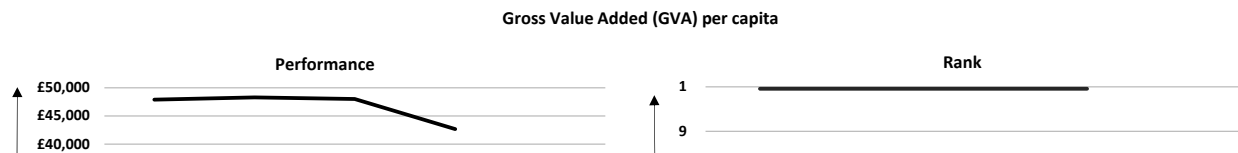
Ranking Order (1 is Highest/ Lowest) = Highest



**ECON11 Gross Value Added (GVA) per capita**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	£47,865	£48,274	£48,004	£42,680	
3 City Average	£34,520	£34,448	£35,096	£31,425	
Family Group Average	£26,470	£26,668	£27,054	£24,157	
Scotland	£27,115	£27,078	£27,284	£24,721	

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	1	1	1	1	1

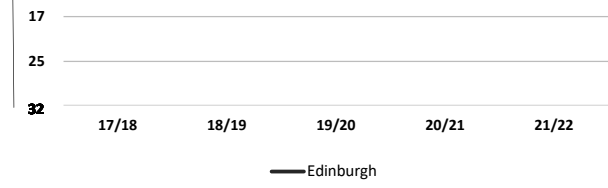
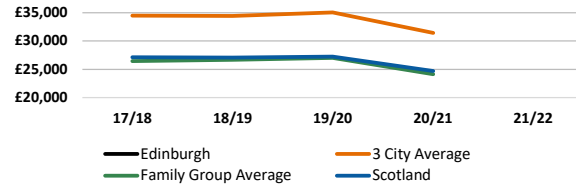




Edinburgh	1	1	1	1	
3 City Min/Max	2	2	2	2	
3 city max	14	14	14	15	

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest



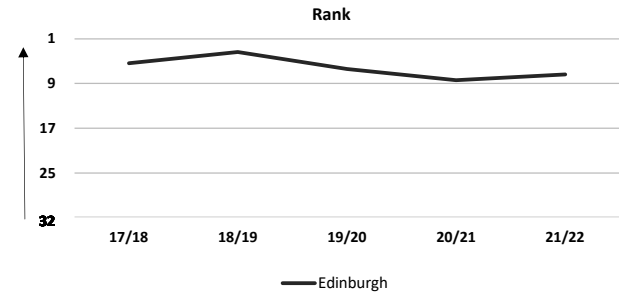
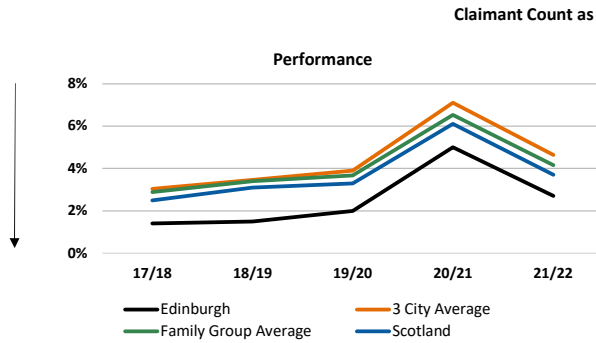
**ECON12a Claimant Count as % of Working Age Population**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	1%	2%	2%	5%	3%
3 City Average	3%	3%	4%	7%	5%
Family Group Average	3%	3%	4%	7%	4%
Scotland	3%	3%	3%	6%	4%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	5	3	6	8	7
3 City Min/Max	14	8	12	20	22
3 city max	27	29	27	31	32

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest



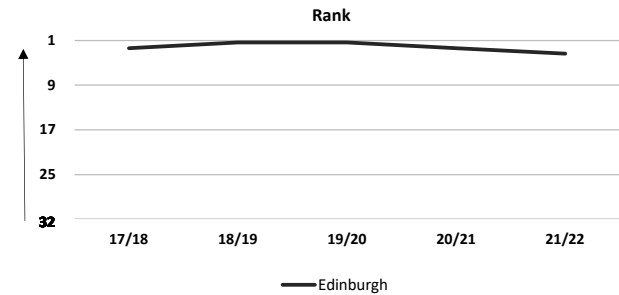
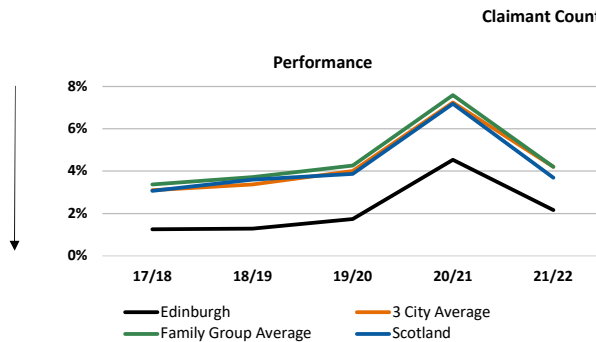
**ECON12b Claimant Count as % of 16-24 Population**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	1%	1%	2%	5%	2%
3 City Average	3%	3%	4%	7%	4%
Family Group Average	3%	4%	4%	8%	4%
Scotland	3%	4%	4%	7%	4%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	2	1	1	2	3
3 City Min/Max	9	4	10	11	20
3 city max	26	25	26	23	27

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest



## LGBF 2021/22 - Financial Sustainability

1. This is an extract of the Financial Sustainability section of the Local Government Benchmarking Framework report considered at P&S Committee in May 2023. Below is the summary analysis followed by charts showing performance and relative position for all the indicators under this theme.
2. There are 5 indicators in the LGBF that relate to Financial Sustainability.

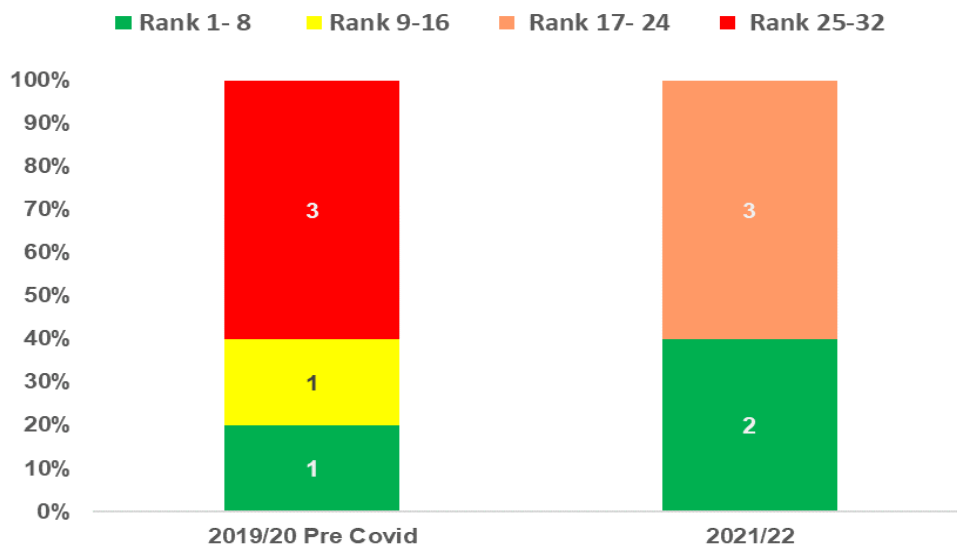
### Financial Sustainability - national context

3. The financial outlook for local government is more challenging than ever before, given current funding pressures, growing demand, the ongoing impacts of Covid, inflation, and the cost of living crisis. Given the increased volatility in the financial context, councils are absorbing a higher level of risk to bridge the funding gap. Transformation plans are being re-evaluated as new priorities emerge and policy decisions are clarified, for example, the outcome of the National Care Service consultation. Over the longer term, the spending pattern is clear. Relative reductions continue in non-statutory services such as planning and tourism in order to provide balance to statutory and ringfenced commitments elsewhere.

### Financial Sustainability – 2021/22 Edinburgh

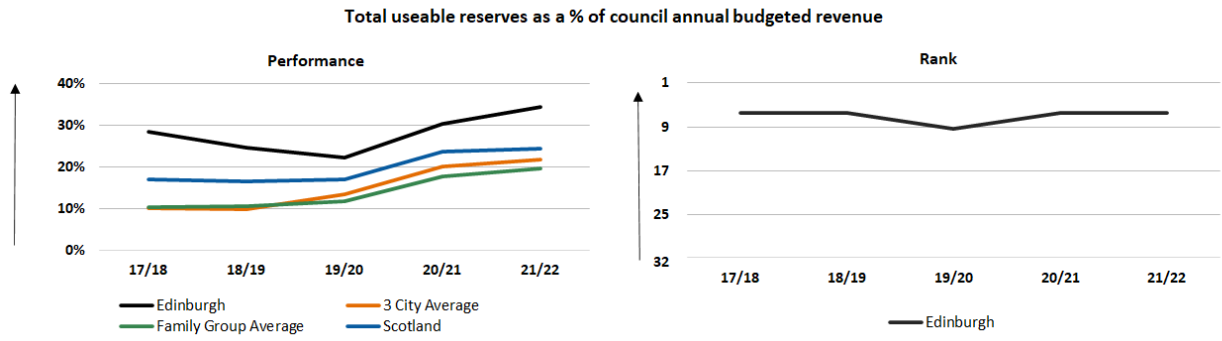
4. Edinburgh continues to work hard to manage our finances now and over the longer term with increasing funding pressures, growing demand for services and the ongoing impacts of Covid on budgets.
5. Two indicators are now ranked in the top quartile and none are in the bottom quartile.

**Chart 11: 2021/22 Ranking quartiles for Edinburgh compared to 2019/20 (pre Covid)**

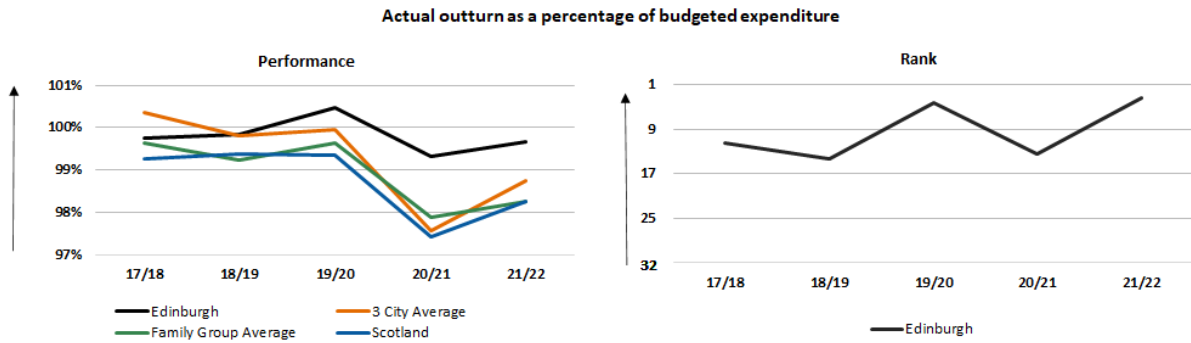


6. The full set of Financial Sustainability indicators charts can be found in Appendix J. However we highlight a couple of the indicators in more detail in the next section.
7. Total useable reserves as a % of council annual budgeted revenue show the highest relative proportion of the four main cities, as well as being significantly above the family group and Scotland averages. Nationally there has been an increase in reserves of 7% over the last 2 years to 24% of net expenditure. There was an increase in Edinburgh's overall General Fund balance and Renewal & Repairs

reserve, with the former movement due to an increase in sums set aside for a number of specific purposes.



8. Actual outturn as a percentage of budgeted expenditure performance and ranking show that Edinburgh’s actual expenditure was closer to budget than any of the other city authorities, as well as relative to the family group and Scottish averages.



## LGBF 2021/22 - Financial Sustainability

Charts showing performance and relative position for all the indicators under this theme.

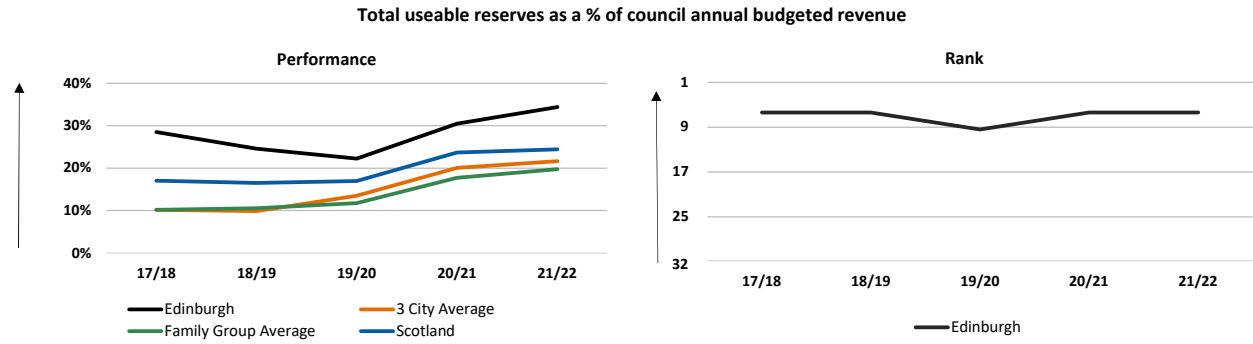
### FINSUS1 Total useable reserves as a % of council annual budgeted revenue

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	29%	25%	22%	30%	34%
3 City Average	10%	10%	14%	20%	22%
Family Group Average	10%	11%	12%	18%	20%
Scotland	17%	17%	17%	24%	24%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	6	6	9	6	6
3 City Min/Max	19	20	19	20	18
3 city max	31	31	25	25	26

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest



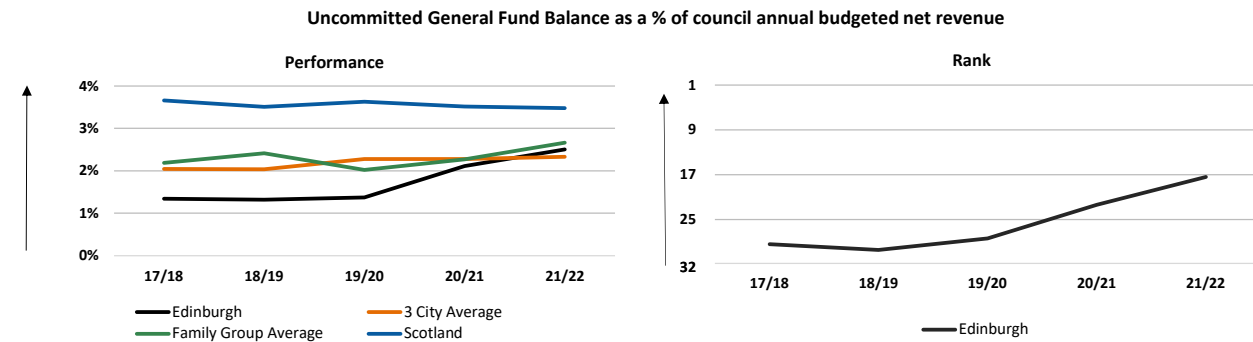
### FINSUS2 Uncommitted General Fund Balance as a % of council annual budgeted net revenue

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	1%	1%	1%	2%	3%
3 City Average	2%	2%	2%	2%	2%
Family Group Average	2%	2%	2%	2%	3%
Scotland	4%	4%	4%	4%	3%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	29	30	28	22	17
3 City Min/Max	16	17	14	16	15
3 city max	27	28	23	23	27

Family Group = Other Services

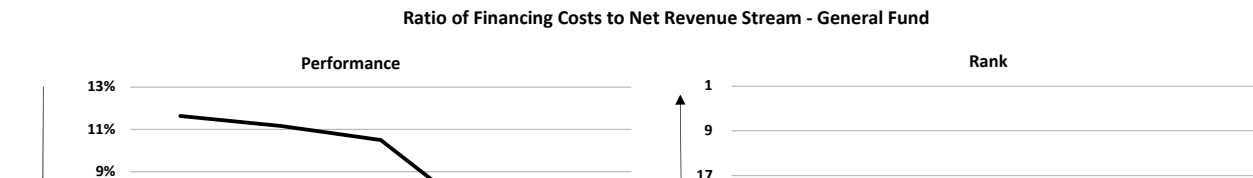
Ranking Order (1 is Highest/ Lowest) = Highest



### FINSUS3 Ratio of Financing Costs to Net Revenue Stream - General Fund

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	12%	11%	11%	7%	7%
3 City Average	9%	7%	7%	6%	6%
Family Group Average	8%	7%	6%	6%	5%
Scotland	8%	8%	7%	6%	6%

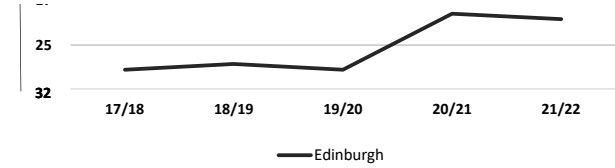
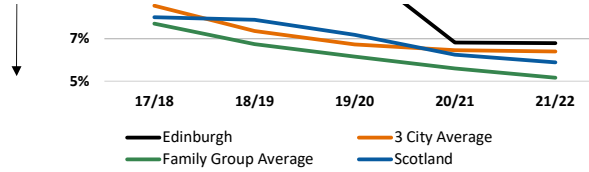
Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	29	28	29	19	20



3 City Min/Max	10	8	9	11	13
3 city max	28	24	18	22	26

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest



**FINSU4 Ratio of Financing Costs to Net Revenue Stream - Housing Revenue Account**

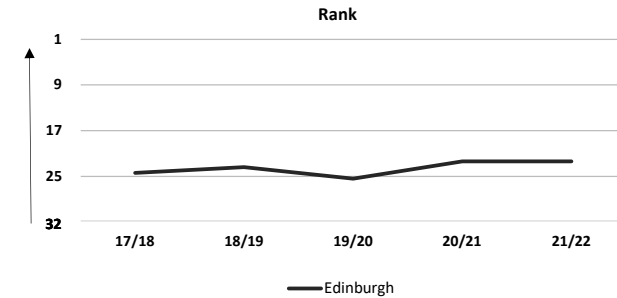
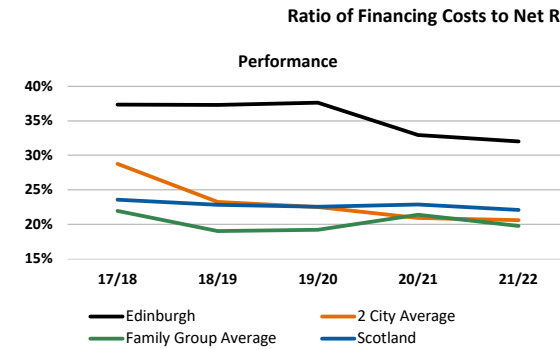
Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	37%	37%	38%	33%	32%
2 City Average	29%	23%	23%	21%	21%
Family Group Average	22%	19%	19%	21%	20%
Scotland	24%	23%	23%	23%	22%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	24	23	25	22	22
2 City Min/Max	14	1	1	1	1
2 city max	25	25	23	23	23

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Lowest

No Data for Glasgow for this indicator



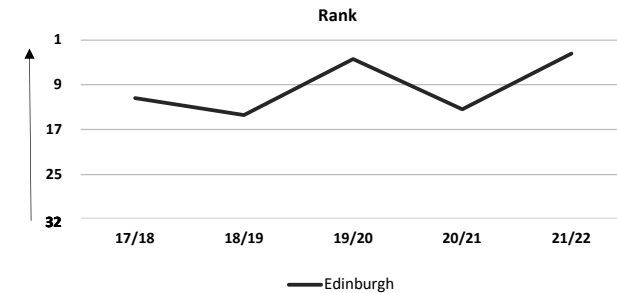
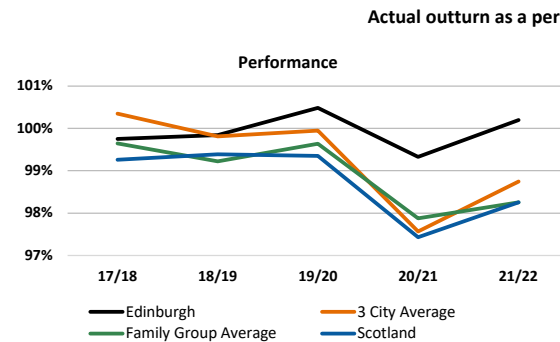
**FINSU5 Actual outturn as a percentage of budgeted expenditure**

Performance	17/18	18/19	19/20	20/21	21/22
Edinburgh	100%	100%	100%	99%	100%
3 City Average	100%	100%	100%	98%	99%
Family Group Average	100%	99%	100%	98%	98%
Scotland	99%	99%	99%	97%	98%

Rank	17/18	18/19	19/20	20/21	21/22
Edinburgh	11	14	4	13	3
3 City Min/Max	1	11	3	4	5
3 city max	20	17	17	27	21

Family Group = Other Services

Ranking Order (1 is Highest/ Lowest) = Highest



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## Finance and Resources Committee

10.00am, Tuesday, 20<sup>th</sup> June 2023

### Lessons Learned Exercise by CLT on the 23/24 budget setting process

Executive/routine  
Wards  
Council Commitments

#### 1. Recommendations

---

- 1.1. To agree the changes to the budget process for 24/25 set out in section 3 of this report which are:
  - 1.1.1. To provide budget training for all Councillors.
  - 1.1.2. To start the budget process, particularly identifying change proposals, earlier in the year, before summer recess.
  - 1.1.3. To build in additional support and regular meetings with each political group through the autumn and winter.
  - 1.1.4. That where possible, proposals should be taken through the relevant Executive Committee.
  - 1.1.5. That a report is taken to Council in September to amend standing orders to alter the deadline for budget motions to a week and a day before Council.
- 1.2. To refer this report to Internal Audit and for a subsequent update from them to go to Governance Risk and Best Value Committee in August.

**Dr Deborah Smart**

**Executive Director of Corporate Services**

Contact: Deborah Smart, Executive Director of Corporate Services

E-mail: [Deborah.Smart@edinburgh.gov.uk](mailto:Deborah.Smart@edinburgh.gov.uk)

# Finance and Resources Committee

## Lessons Learned Exercise on the budget process

### 2. Background

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- 2.1. Following the budget setting process for 23/24, Governance Risk and Best Value Committee asked CLT to review the process followed and provide recommendations that would strengthen and improve the process for 24/25. This report sets out the work undertaken and subsequent recommendations.

### 3. Main report

---

- 3.1. The Executive Director for Corporate services reviewed the process followed internally and then met with all political groups individually to discuss their perspectives on the budget process conducted during 2022 and 2023. Areas of consensus emerged where the process for 23/24 could be strengthened. These are discussed briefly below.
- 3.2. Provide budget training for all Councillors.

Budget training should be provided and open to all councillors. This would include re-running some of the training provided as part of member induction. Training should be focused on supporting councillors to understand some of the technical aspects of council finance as well as how directorate budgets are currently structured and allocated.
- 3.3. Start the process earlier.

Make sure the initial report that outlines the budget gap for the following year and the Medium-Term Financial Plan (MTFP) continues to be presented to Finance and Resources committee before summer recess so there is as much time as possible for members and officers to work on closing the gap. Begin to work through proposals with political groups as soon as possible in the budget cycle. Concentrate on proposals that close the gap for subsequent years so the focus moves from finding in-year savings to a more medium-term transformational approach supported by a workforce plan.
- 3.4. Build in support and regular meetings with each political group through the autumn and winter.

While political groups already have support from finance colleagues, it was recognised that support from the strategy team would also be beneficial. This



would strengthen approaches to assessing climate impacts and IIA for budget proposals and improve understanding and scheduling of consultation with the public and Trade Union colleagues if required. Regular meetings for each political group with Executive Directors should also be scheduled through the Autumn and Winter to allow detailed discussion of proposals coming forward.

3.5. Where possible proposals should be taken through Executive Committees.

Reflecting on the budget process for 23/24 it was felt that some proposals would have benefited from discussion and agreement at the relevant executive committee before being either agreed and reflected in the MTFP or referred to F&R for consideration.

3.6. The deadline for budget motions should be moved forward to a week and a day before Council.

Reflecting on the budget process for 23/24 it was felt that allowing more time would be beneficial and therefore the deadline for budget motions should be brought forward by a week and a day before Council.

#### **4. Financial impact**

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- 4.1. There are no direct financial implications associated with the changes proposed, as these can be accommodated from existing resources.

#### **5. Stakeholder/Community Impact**

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- 5.1. Not applicable.

#### **6. Background reading/external references**

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#### **7. Appendices**

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- 7.1. Not applicable.

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## Finance and Resources Committee

10.00am, Tuesday – 20 June 2023

### Annual Report – Debt Write-off

Executive/routine  
Wards  
Council Commitments

#### 1. Recommendations

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- 1.1 It is recommended that Committee notes:
  - 1.1.1 the sums due to the Council that have been written off during 2021/22 and the low value (0.6%) this represents compared to the overall level of income.
  - 1.1.2 write off values for 2021/22 (0.6%) are the same as 2020/21 (0.6%) levels; and
  - 1.1.3 while a debt is written off for accounting purposes, cases will be reviewed, and payment appropriately pursued, if there is a material change in the debtor's circumstances.

#### Dr Deborah Smart

Executive Director of Corporate Services

Contact:

Nicola Harvey, Service Director, Customer and Digital Services,  
Customer and Digital Services Division, Corporate Services Directorate

E-mail: [Nicola.harvey@edinburgh.gov.uk](mailto:Nicola.harvey@edinburgh.gov.uk) | Tel: 0131 469 5016

Neil Jamieson, Head of Customer Services

E-mail: [neil.jamieson@edinburgh.gov.uk](mailto:neil.jamieson@edinburgh.gov.uk) | Tel: 0131 469 6150



## Annual Debt Write-off

### 2. Executive Summary

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- 2.1 The Council continues to write-off debt where there is little likelihood of it being recovered. This is consistent with good accounting practice and is carried out each financial year. This report provides a summary of income deemed uncollectable and written off during 2021/22.
- 2.2 Debts are only written off when all possible methods of recovery have been exhausted and/or no formal legal action would be appropriate due to the nature or level of debt. Where debts are written off, the Council will pursue recovery action if there is a material change of circumstance, such as the debtor can now be traced, or they become solvent, with a demonstrable ability to pay.

### 3. Background

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- 3.1 The Council's Corporate Debt Policy, approved on 3 September 2013 and updated as part of the annual policy assurance process, requires an annual summary of in-year write-offs to be reported to the Finance and Resources Committee.

### 4. Main report

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- 4.1 Citizens, customers, and businesses within Edinburgh have a responsibility to pay for the services they receive and the charges and rents they are liable for.
- 4.2 The Council adopted a Corporate Debt Policy in September 2013. This policy was developed around the principles of proportionality, consistency, and transparency. This ensures a measured approach to debt recovery, while recognising that a small proportion of the Council's overall income may not be collectable due to matters outside its control. Where a debt is assessed to be unrecoverable it is subject to a write-off procedure, consistent with recognised accounting best practice.
- 4.3 The Council continues to minimise the impact of write-offs, with monies only being written off as a last resort, after all appropriate recovery actions have been exhausted.

- 4.4 Due to the elapsed time between invoice issue and any write off decision, the sums written off may not directly relate to the amounts billed during the year.
- 4.5 The summary in Appendix 1 details those debts written off in accordance with the Corporate Debt Policy and the Council's agreed Finance Rules. The impact of Covid19 on households and the wider economy still feature within this report, with reduced levels of Council Tax write off, predominately due to reprofiled debts. Similarly, Non-Domestic Rates write-off has reduced compared to 2020/21. The level of miscellaneous debt written off in 2020/21 has increased to 2.17%. This is attributed to the closure of Property Conservation, noting that Committee had previously agreed to write off the associated debt, in line with relevant accounting practices.
- 4.6 An analysis of the reasons for miscellaneous/sundry, Council Tax and Non-Domestic Rates debt being written off is detailed in Appendix 2.
- 4.7 Appendix 3 provides an overview of factors leading to a debt being written off.
- 4.8 Appendix 4 provides details of 2021/22 parking debt write-offs.

## **5. Next Steps**

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- 5.1 The identified write-offs in this report will be progressed following the standard accountancy process for each debt type.

## **6. Financial impact**

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- 6.1 This report details write-off debt values which should be viewed in the context of the overall value of income collected and, Housing Benefit paid out, with only 0.6% of debt written off.
- 6.2 Parking and traffic enforcement services continue to have higher write-offs than other services. This is consistent with historical trends and reflects the nature of the debt type. The reasons for these write off values are detailed in Appendix 4.
- 6.3 Where appropriate, debts continue to be secured through inhibitions. As a result of these actions any free proceeds from the future sale of the identified assets are used to settle the debt. The Council also continues to seek settlement through liquidation, administration, and sequestration procedures relevant to the debt type.

## **7. Stakeholder/Community Impact**

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- 7.1 There is no direct impact on the wider community arising from this report.

## **8. Background reading/external references**

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- 8.1 [Assurance Statement – Customer, Corporate Debt Policy, Policy and Sustainability Committee, Tuesday 1 November 2022](#)
- 8.2 [Operational Governance Framework – Review of Scheme of Delegation](#), City of Edinburgh Council, 12 December 2013
- 8.3 Compliance and Governance: [Corporate Debt Policy](#), Corporate Policy and Strategy Committee, Tuesday, 3 September 2013

## **9. Appendices**

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- 1. Summary of written-off debt
- 2. Analysis of Sundry, Council tax and Non-Domestic Rates and Housing Benefit Overpayments debt written-off
- 3. Reasons for recommending write-off of debt
- 4. Parking Services debt written-off

## Appendix 1 - Summary of Written-off Debt

Debt Type	Total Collected/Paid	Total Write-Off	% Written off of Overall Collected/Paid	Comparison 2020/2021 % of Overall Collected/Paid
*Miscellaneous	£118,933,402	£2,585,534	2.17%	0.89% (0.8M)
Parking	£6,263,599	£1,193,751	19.06%	26.46% (1M)
Council Tax	£296,029,078	£178,434	0.06%	0.25% (0.9M)
Non-Domestic Rates	£220,897,896	£34,145	0.02%	0.88% (1.6M)
Housing Benefit Overpayment	£147,816,004	£502,916	0.34%	0.21% (0.3M)
<b>Total</b>	<b>£789,939,979</b>	<b>£4,494,780</b>	<b>0.57%</b>	0.58%

\*Miscellaneous debt comprises a variety of debt types not included within the specific categories identified above, including sums due in respect of non-HRA rental properties, commercial rents, Health and Social Care accommodation and other related charges. This debt type also includes amounts relating to billing undertaken on behalf of third parties, including Lothian Pension Fund.

Further details of the amounts written off, and the reason for these write offs are shown at Appendix 2.



## Appendix 2 - Analysis of Sundry Debt Written-off

The table below shows an analysis of debt types included within Sundry Debt and the reasons for these amounts being written off.

Debt Type	Deceased	Inhibition Registered	Lives Abroad	PC approved by committee May21	Recovery Exhausted	Service Manager Request	Whereabouts Unknown	Write off recoveries	Company Dissolved/Liquidation/Sequestration/Trust Deed	Grand Total
Accommodation Charges	£ 77,341.83							-£ 3,400.21		£ 73,941.62
Care at Home / Home Care	£ 4,308.08	£ 53,492.41			£ 2,505.03	£ 1,309.57	£ 265.60	-£ 399.83		£ 61,480.86
Children and Families services		£ 2,699.23			£ 1,119.50				£ 4,789.73	£ 8,608.46
ESRS	£ 226.24	£ 8,091.08	£ 6.81		£ 665.61		£ 25.81	-£ 1,626.71		£ 7,388.84
Non-Council									£ 1,422.92	£ 1,422.92
Other Services		£ 17,674.42			£ 2,298.86	£ 1,190.04	£ 1,023.77	-£ 1,095.92	£ 3,946.27	£ 25,037.44
Overpaid Housing Benefit	£ 471.52				£ 204.27		£ 582.16	-£ 4,003.62	£ 4,551.87	£ 1,806.20
Rents (commercial property)					£ 3,500.95			-£ 1,316.75	£ 60,976.78	£ 63,160.98
Repairs		£ 1,136.77						-£ 687.82		£ 448.95
Social Work Services					£ 1,007.60			-£ 46.44		£ 961.16
Statutory Repairs		£ 492.31		£ 2,315,297.57			£ 760.19	-£ 10,667.90		£ 2,305,882.17
Supporting People Charges	£ 14,506.41				£ 479.78		£ 888.58	-£ 39.48		£ 15,835.29
Theatres and Halls									£ 19,559.19	£ 19,559.19
<b>Grand Total</b>	<b>£ 96,854.08</b>	<b>£ 83,586.22</b>	<b>£ 6.81</b>	<b>£ 2,315,297.57</b>	<b>£ 11,781.60</b>	<b>£ 2,499.61</b>	<b>£ 3,546.11</b>	<b>-£ 23,284.68</b>	<b>£ 95,246.76</b>	<b>£ 2,585,534.08</b>

## Appendix 2 - Continued Analysis of Council Tax, Non-Domestic Rates and Housing Benefit Overpayments Written-off

The table below shows an analysis of debt types and the reasons for these amounts being written off (all figures are net of write on).

Debt Type	Recovery Exhausted	No Available Funds	Service Manager Request	Whereabouts unknown	Liquidation/ Administration/ Trust Deed, Sequestration etc	Legal Advice/ Appeal Decisions	Transfers btw Claims/Properties	System Adjs / Anomalies	Total Written Off
<b>Council Tax</b>	32,468	7,431	843	0	122,863	8	0	14,821	<b>178,434</b>
<b>NDR</b>	0	42,756	-8,632	0	0	0	0	21	<b>34,145</b>
<b>Housing Benefit Overpayments</b>	0	87,365	158,328	13,567	59,024	20,913	163,718	0	<b>502,916</b>

### Notes

#### **Transfers between Claims/Properties**

Predominately write offs completed as manual adjustments to enable overpayments to be transferred between claims. Written off in one claim and manually created in another.

#### **Service Manager Request**

Lower value items where departmental discretion has been used due to nature of case.

### Appendix 3 - Reasons for recommending write-off of debt (excluding Parking)

1	<b>Collection Agent Report</b>	No available funds or assets to attach
2	<b>Inhibition Registered</b>	Debtor prevented from free disposal of assets, full recovery probable on asset realisation
3	<b>Charging Order</b>	Deferred payment of statutory repairs or residential care fees as charges recorded on debtor's property
4	<b>Unemployed</b>	No Attachable Assets, uneconomic to proceed
5	<b>Legal Services advice</b>	Debt unenforceable in Sheriff Court
6	<b>Legal Services advice</b>	Debt prescribed/time barred to pursue
7	<b>Property repossessed</b>	Shortfall in funds
8	<b>Debt Unenforceable</b>	Statutory Notice not served on Property/Owner
9	<b>Irrevocable Mandate Held</b>	No free funds on sale
10	<b>Director of Health and Social Care advice</b>	Enforcement would cause undue financial hardship as per Council Finance Rules
11	<b>In prison</b>	Debts not enforceable
12	<b>Full and Final Settlement</b>	Balance irrecoverable
13	<b>Trust Deed</b>	Debtor has multiple debts and affairs now managed by Trustee; dividend expected
14	<b>Absconded/No Trace</b>	All reasonable attempts to find the debtor have failed.
15	<b>Deceased</b>	Insufficient or no funds in the deceased's estate to pay the amount outstanding.
16	<b>Uneconomical to pursue / pursue further</b>	When all recovery processes have been tried or considered or the cost of proceeding would be prohibitive.
17	<b>Sequestration/ Liquidation/ Administration</b>	Suitable claim has been made

## Appendix 4 - Parking Services debt written-off

Write Off Description	Records	Amount
<b>Penalty Charge Notices</b>		
Write Off - Foreign Vehicle/Driver	829	£43,950.00
Write Off - Recovery Activity Exhausted (Gone away, deceased, no funds etc)	8762	£782,196.34
Write Off - No Trace at DVLA	2105	£127,650.00
<b>Total Penalty Charge Notices</b>	<b>11696</b>	<b>£953,796.34</b>
<b>Bus Lane Notices</b>		
Write Off Bus Lane - Foreign Vehicle/Driver	555	£43,504.94
Write Off - Recovery Action Exhausted (Gone away, deceased, no funds etc)	2154	£193,840.00
Write Off Bus Lane - No Trace At DVLA	46	£2,610.00
<b>Total Bus Lane Notices</b>	<b>2755</b>	<b>£239,954.94</b>
<b>Grand Total</b>	<b>14451</b>	<b>£1,193,751.28</b>

# Finance and Resources Committee

10am, Tuesday, 20 June 2023

## Financial Strategy and Medium-Term Financial Plan (MTFP)

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

Members of the Finance and Resources Committee are recommended to note:

- 1.1 the updated projected budgetary position facing the Council over the next five years, including a £37.6m forecast gap for 2024/25 and £172.7m by 2028/29;
- 1.2 the financial strategy and Medium Term Financial-Plan to address these budgetary challenges, including the approach to identifying savings and efficiencies in the near term and over the longer term; and
- 1.3 the mobilisation of the Change Programme and the Year 1 work programme.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Hugh Dunn, Service Director: Finance and Procurement

E-mail: [hugh.dunn@edinburgh.gov.uk](mailto:hugh.dunn@edinburgh.gov.uk) | Tel: 0131 469 3150

## Financial Strategy and Medium-Term Financial Plan (MTFP)

### 2. Executive Summary

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- 2.1 Following the latest review of key expenditure and income assumptions, the report sets out updated financial projections for the five-year period to 2028/29, with a projected residual funding gap of £37.6m in 2024/25, increasing to £94.9m by 2026/27 and £172.7m by 2028/29.
- 2.2 The report then outlines the main elements of the Medium Term Financial-Plan to address these budgetary challenges, including the approach to identifying savings and efficiencies in both the near and longer term.

### 3. Background

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- 3.1 On 23 February 2023, the Council set a balanced one-year revenue budget for 2023/24. In so doing, however, it was acknowledged that, based on current planning assumptions, significant incremental funding gaps existed in subsequent years, increasing from £36.7m in 2024/25 to £92.8m in 2026/27, with indicative annual gaps of around £30m thereafter.
- 3.2 Given these requirements and wider environmental factors, members noted that it was imperative that planning of a longer period of strategic change be initiated immediately in view of the required lead-in times for detailed programme development and implementation.
- 3.3 Development of the Council's Medium-Term Financial Plan (MTFP) will place a greater emphasis on strategic and cross-cutting proposals, informed by the priorities included within the Council Business Plan, as a means of improving outcomes and ensuring continuing financial sustainability. The plan also emphasises the importance of the Council's services becoming more technologically enabled and digitally delivered, with a reorientation of work to focus, where appropriate, on more preventative practices.

## 4. Main report

### Review of key expenditure and income planning assumptions

- 4.1 The Council's key expenditure and income planning assumptions are subject to a process of regular review, with the results of the latest assessment summarised in the following table, with additional detail included in Appendix 1. This analysis takes as its starting point the position as of the time of 2023/24 budget approval in February 2023 and indicates a revised estimated gap of £37.6m in 2024/25, increasing to £94.9m by 2026/27 and £172.7m by 2027/28.

	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Starting gap following approval of 2023/24 budget	36.7	67.1	92.8	121.8	151.8
<b>Confirmed/known changes since February 2023:</b>					
HR and Payroll system - additional costs	0.4	1.5	1.5	1.5	1.5
Stonewall accreditation and associated staffing	0.1	0.1	0.1	0.1	0.1
Cessation of service concession flexibility drawdown	0.0	0.0	0.0	0.0	18.9
Provision for potential liabilities and risk factors	10.0	10.0	10.0	10.0	10.0
<b>Updated gap before savings</b>	<b>47.1</b>	<b>78.7</b>	<b>104.4</b>	<b>133.3</b>	<b>182.2</b>
Offsetting savings in Council Tax, energy costs and corporate budgets based on 2022/23 outturn and subsequent years' projections	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)
<b>Updated gap after offsetting corporate savings</b>	<b>37.6</b>	<b>69.2</b>	<b>94.9</b>	<b>123.8</b>	<b>172.7</b>

- 4.2 The baseline assumptions underpinning these gaps are set out in Appendix 2. The gaps assume, in particular, a 3% increase in Council Tax each year. Each 1% increase from this assumption, based on 2023/24 charge levels and anticipated buoyancy of the tax base, would raise an additional £3.5m. A 5% increase in line with the charge set for 2023/24 would therefore reduce the first year's gap by some £7m.
- 4.3 On 25 May, the Scottish Government published its updated [Medium-Term Financial Strategy](#) (MTFS) for the period from 2023/24 to 2027/28. While the MTFS does not supersede or replace the annual Scottish Budget process, it nonetheless provides useful insight into future funding and spending priorities at national level.
- 4.4 In overall terms and based on the most likely expenditure and income scenarios, although the MTFS indicates increasing taxation, block grant and other revenues over the period to 2027/28, this funding is not forecast to keep pace with expenditure demands, with a £1bn deficit forecast in 2024/25, increasing to £1.9bn by 2027/28. Following increases in project completion costs, more severe, cash-terms decreases in capital funding are also forecast. The Scottish Government has therefore reiterated a need for difficult and prioritised spending decisions to be made across the full period covered by the MTFS. Given that Local Government is unlikely to be prioritised as part of the Scottish Government's wider budget deliberations, this requirement applies in particular to councils.

## **Additional financial risks**

- 4.5 Members should also be aware of several additional financial risks which are not quantified at present and officers will update the financial projections should they be deemed likely to materialise. These risks include but are not limited to:
- (i) **further demand-led and/or income recovery-related pressures in Homelessness** and, in the medium term, funding for the Council's **Ukraine response**;
  - (ii) **additional required support for the Edinburgh Integration Joint Board (EIJB)**, some of which is likely to be recurring;
  - (iii) the **affordability of future planned borrowing** once pre-borrowing is utilised, particularly given anticipated reductions in capital grant funding noted above; and
  - (iv) the **potential for downward revision to the Council's grant funding allocation** from 2025/26 following incorporation of 2022 census population data (by means of illustration, the 2011 census indicated that Edinburgh's population had been overestimated by some 20,000, resulting in a significant subsequent reduction in grant funding).

## **Financial Strategy**

- 4.6 The financial strategy that underpins the MTFP recognises that there is no single panacea to addressing the financial challenges the Council faces. The strategy is therefore based on a combination of savings initiatives that collectively close the gap in 2024/25 and over the three-year MTFP period. It also recognises that a mix of short-term and longer-term initiatives will be required, some of which will not deliver early benefits because they require longer lead times. Finally, to deliver the financial strategy will require a Change Programme to deliver the longer term, cross-cutting and structural initiatives.
- 4.7 At the same time there will be a continuing need for Directorate Savings to be identified and delivered and targets will need to be set for each Directorate proportionate to their revenue budgets. No part of the Council should be exempt from these targets in drawing up savings options for member consideration. Exempting areas of the Council simply increases the targets in the remaining areas.
- 4.8 The financial challenges facing the Edinburgh Integration Joint Board (EIJB) have already been reported to this Committee on 25 April 2023. This report noted a budget shortfall of £35.4m in the current financial year. In view of this position, a further update was reported to the EIJB on 13 June, on which a verbal update will be provided at the meeting. The report continued, however, to show a significant in-year deficit of around £15m even if all the savings measures contained within it were approved. A separate Savings and Transformation Plan is therefore being developed as part of the Adults Improvement Plan to address this shortfall and potential liabilities falling back to the Council remain a risk if the budget shortfall is not reduced and significant savings made by the EIJB. Therefore, the EIJB savings work needs to be closely aligned with that of the Council's financial strategy. It will



also need to align closely to the Council’s Change Programme, not least because several projects and workstreams are cross-cutting with Adults and Health, for example transport of service users, asset sharing and financial grip (see below).

### The Change Programme

4.9 The Change Programme is a critical element of delivering the financial strategy. It is designed to be the delivery vehicle for securing a significant proportion of the savings required to close the budgetary gap and to modernise and reform ways of working across the Council, including delivering technology-enabled change and innovation in service delivery.

4.10 The cumulative savings delivery targets that have been set for the Change Programme, including the service design and financial grip work programme, are set out below:

	2024/25 £m	2025/26 £m	2026/27 £m
Change Programme Delivery Target (cumulative)	15.5	31.9	48.0

4.11 This shows a potential contribution of £15.5m in 2024/25 based on projects being commenced this year, rising to £48m by 2026/27. It should be noted that the figures shown are cumulative, with the 2026/27 column representing the three-year total target. These targets are based on delivering the Year 1 Programme (see below). Although indicative targets have been set, further detailed scoping of these workstreams is required before the related savings can be incorporated within the budget framework, with any shortfall against these targets increasing the level of required savings from Directorate-specific proposals. An update on progress in delivering these accompanying plans will therefore be provided to the Committee’s next meeting on 21 September 2023.

4.12 The Change Programme is structured into four broad themes, and all projects fall within one of these themes. The themes are:

- (i) **Organisational Reform and Efficiency** covers projects about how services are designed and delivered, how the use of technology is maximised and how ways of working are changing post-COVID. This will reflect the increasing shift to online and digital service delivery and the use of technology in all aspects of the Council’s work.
- (ii) **Asset Rationalisation and Service Delivery** is about how we ensure residents and service users can access services locally and at the same time reduce the Council’s carbon footprint in line with Business Plan priorities. This means spending less on buildings by rationalising into fewer, better buildings offering access to multiple services. This will be reflected in the Corporate Asset Strategy that will be presented to the Policy and Sustainability Committee in August.
- (iii) **Third Party Spending** is about the money we spend externally on goods and services to ensure we are driving best value from our procurements and contract management. It is also about ensuring the best balance between in-

house and external delivery including commissioning services from the community and third sector.

(iv) **Partnerships and Prevention** is about how we work collaboratively with other partners in the City including other public sector bodies in areas like asset sharing and service delivery. It will also include initiatives to avoid or reduce spending through prevention and early intervention.

4.13 The Change Programme has been designed so that it is not just about saving money but also to deliver significant non-financial benefits. For example, there will be a focus on digital delivery to reflect how most customers and residents want to interact with the Council, while at the same time ensuring people are not digitally excluded. The Programme will also reflect Council Business Plan priorities, including the Council’s net-zero ambitions and specific initiatives to reduce poverty.

4.14 A first year Programme has been identified and mobilised, based on a prioritised group of projects that will be pursued this year. This recognises that the Council does not have the capacity to do everything at once and that there needs to be a sensible phasing of projects within the Change Portfolio. It also reflects the need to have a balanced portfolio of projects. That is a mix of projects that are starting now but have long lead times before benefits are delivered and those that deliver savings and benefits much sooner. Major technology implementations and asset rationalisation are examples of the former, whereas it is expected that Service Design and Delivery projects will have shorter lead times.

4.15 The Year 1 programme includes the following projects and initiatives. These have been selected based on deliverability (including savings), logical sequencing and mix of longer and shorter term projects. It has also reflected Business Plan priorities and delivering in-flight or already agreed projects.

Change Programme – Year 1 Programme	
Theme	Project
Organisational Reform and Efficiency	<ol style="list-style-type: none"> <li>1. Service Design and Delivery Programme (phase 1) (see 4.18 below)</li> <li>2. Inclusion Services</li> <li>3. Balance of Care Provision (Phase 1 – Secure Services)</li> <li>4. Edinburgh Leisure, working jointly with the Edinburgh Leisure Board</li> <li>5. Social Care Operating Model (Swift Replacement)</li> <li>6. HR and Payroll Project (Oracle Cloud)</li> </ol>
Asset Rationalisation and Service Delivery	<ol style="list-style-type: none"> <li>7. Asset Rationalisation of the Council’s Operational Estate, including Waverley Court (based on Corporate Asset Strategy).</li> </ol>
Third Party Spending	<ol style="list-style-type: none"> <li>8. Community Transport including home to school transport, special needs travel and for adult service users (jointly with EIJB).</li> </ol>

	9. Financial Grip (see 4.24 below).
Partnerships and Prevention	10. Longer term project linked to prevention and poverty reduction currently being scoped Two projects are being scoped under this theme, firstly a project on prevention in relation to poverty reduction covering a range of initiatives, including with the voluntary sector and secondly, how the Council improves commissioning of services, including from the community and third sector and increases its capacity and capability to do so.

- 4.16 The Programme will be refreshed at least annually. Therefore, as projects complete or new opportunities are identified, there will be scope to add additional projects to the Change Programme. For example, the opportunity to create shared services and trading with other local authorities and public bodies may be part of future phases of the Programme.
- 4.17 The Change Programme is utilising the £2m Spend to Save funding agreed as part of setting the 2023/24 budget to secure the resources required to deliver the Year 1 Programme. A Strategic Programme Board, chaired by the Executive Director of Corporate Services, has been established to oversee the Change Programme. A core team has also been set up mainly from internal resources and other colleagues have been assigned to the Year 1 projects.

### **Service Design and Delivery Programme**

- 4.18 The programme of 'best value' Service Design and Delivery projects are an important part of delivering the MTFP and a core element of the Change Programme. The overall target for the Service Design and Delivery projects is a minimum of £20m over the next three financial years. The intention is to cover all parts of the organisation over a three-year period.
- 4.19 Each service design project will have a financial target set during the initial scoping phase. But these 'best value' projects are more than just about saving money and go further than traditional organisational reviews. For example, they look at whether outcomes are being met, including looking at different ways to deliver outcomes and that these are meeting resident and service user needs (in a changing world of citizen expectations). They will also cover an assessment the extent of peripheral and non-core activities relative to core activities and looking at different ways of delivering services, including new operating models and the balance of in-house, partnering (including with the voluntary sector) and external provision.
- 4.20 The Service Design and Delivery projects will follow the same structure, methodology and approach. This is to ensure equitable treatment and common organisational standards are applied. A four-stage delivery approach is being used, as follows:
- 4.20.1 **Scoping** is about confirming areas of focus for the work, potential financial and non-financial benefits, opportunities for change and innovation, and resources/skills required to deliver the project.

- 4.20.2 **Discovery** is the detailed research and assessment of the service including volumes and metrics, processes, activities (core and non-core) and comparators. It will also consider/document options and opportunities for change, use of technology, operating model change and service re-design opportunities.
- 4.20.3 **Case for Change** sets out the business case including options appraisal and recommendations. It will set out savings achievable, other benefits, change readiness and timetable for implementation. It will also consider required inputs to implement including technology, process, and business change. This will include a report with recommendations to the relevant Executive Committee.
- 4.20.4 **Implementation** - upon acceptance of the recommendations, the implementation phase will commence. This will include delivery of the agreed recommendations including changes to ways of working and service operating models. This phase will also include HR and Trades Union consultation, if required.
- 4.21 Governance is being put in place to ensure the progress of each service design project is monitored; milestones are met, and savings are identified and delivered. Members will be engaged at each stage.
- 4.22 The first 'best value' service design and delivery project, Waste and Cleansing, has been mobilised and is completing its scoping phase.
- 4.23 It is intended that the Service Design and Delivery Projects will over time cover most parts of the organisation and these will be scheduled for commencement on a phased basis over the next two years. A pipeline of potential projects is under development and a further update on the proposed programme will be included in the next report to this Committee on 21 September.

### **Financial Grip**

- 4.24 This aspect of the MTFP and Change Programme is about managing our third party and discretionary staff spending effectively to drive best value from the Council's spending decisions and management of that spend. This is especially important in an inflationary environment where the Council faces extensive price pressures from suppliers. Therefore, to contain and reduce cost the Council must look critically on the need to procure services (including volumes and service levels), the specification of its requirements to strike the balance between price and quality and how it sources goods and services, including taking advantage of economies of scale and rationalising its supply chains. It is also about how contracts are managed after procurement.
- 4.25 Securing efficiencies will include a series of deep dives into areas of high third party spend, contract reviews, waiver reductions and early intervention in the procurement and contract renewal pipeline.
- 4.26 The Financial Grip workstream will also cover discretionary staffing spending with a view to reducing this spending to more sustainable levels. Discretionary spending includes agency and temporary staffing, non-contractual overtime and the costs of absence. It does not include permanent staffing costs.

4.27 Third party spend savings are assumed at c£3m in 2024/25 based on the procurement pipeline and known contract review opportunities. A further £2m target is set for reducing discretionary staffing spending principally in the areas of agency staffing and non-contractual overtime, for example, reducing the escalating costs of agency staffing that has increased by over 40% (by value) compared to pre-pandemic levels.

### Directorate Budget Proposals

4.28 The Change Programme, including Service Design and the Financial Grip initiative, has been set a target to deliver £15.5m for 2024/25. Based on the financial projections at Paragraph 4.1 indicating an overall budget gap for 2024/25 of £37.6m, even assuming full delivery, this would result in a remaining budget gap of £22.1m. This gap will need to be addressed through development and delivery of Directorate budget proposals. By means of illustration, an indicative split of this sum, based on unadjusted current net budgets, would be as follows:

	<b>Net budget, 2023/24</b>		<b>Proportionate share</b>
	<b>£000</b>		<b>£000</b>
Children, Education and Justice Services	448,599	56.9%	12,567
Corporate Services	86,695	11.0%	2,429
Place	253,573	32.1%	7,104
	<b>788,867</b>		<b>22,100</b>

4.29 Targets for savings proposals are being set for each Directorate based on this. Any protection of individual budgets will only add to requirements elsewhere, albeit due account will require to be taken of accompanying conditions to the receipt of full grant funding, particularly in education. Directorates have each been asked to prepare long-lists of budget proposals equivalent to these targets and these will be considered by CLT in the first instance over the Summer. Proposals will then be presented to Executive Committees from September 2023.

### Technology Investment Programme

4.30 To deliver the modernisation ambition of the Change Programme and to keep pace with digital and technology change, a multi-year Technology Investment Programme should be created and funded. This will cover core systems, line of business systems and technology refresh (where not covered by the CGI contract).

4.31 Creating a Technology Investment Programme and fund will require a review of capital programme priorities to create the financial headroom for this investment programme. Whilst this will still be business case-dependent, it will mean that technology investments can be planned and prioritised in advance and not reliant on securing one-off funding each time a business case is presented.

4.32 At the same time, the Council needs to work closely with CGI to agree the balance of responsibilities for both parties during the latter part of the contract with them.

This includes the implications of moving more services to the Cloud rather than under the direct operational management of CGI.

- 4.33 For the reasons, above it is proposed that a comprehensive review of Digital and ICT provision across the Council is undertaken as part of the Service Design and Delivery Programme. This will cover CGI services, ICT services provided outside the CGI contract (“shadow IT”), application rationalisation and scope to exploit systems and applications to their fullest capability.

## **5. Next Steps**

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- 5.1 An update on progress in delivering the workstreams comprising the Change Programme will be reported to the Committee’s next meeting on 21 September 2023. Directorate-specific proposals will also be brought forward to the relevant Executive Committee for consideration from this point, with an overview of progress also provided to the Finance and Resources Committee.

## **6. Financial impact**

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- 6.1 The report sets out a series of changes arising from the most recent review of the Council’s expenditure and income planning assumptions, net of available savings in corporate budgets, resulting in revised funding gaps of £37.6m in 2024/25 and £172.7m over the five-year period to 2028/29.
- 6.2 The Change Programme shows a potential contribution of £15.5m in 2024/25 based on projects being commenced this year, rising to £48.0m by 2026/27. Although indicative targets have been set, further detailed scoping of these workstreams is required before the related savings can be incorporated within the budget framework, with any shortfall against these targets increasing the level of required savings from Directorate-specific proposals. An update on progress in delivering these accompanying plans will therefore be provided to the Committee’s next meeting on 21 September 2023.
- 6.3 Even assuming full delivery of Change Programme-related savings, this will be insufficient to bridge the overall financial gaps and, as such, this requirement will need to be addressed through the identification and delivery of Directorate budget proposals. A process to initiate development of these proposals is underway and an update will likewise be provided to the Committee’s next meeting on 21 September 2023.

## **7. Stakeholder/Community Impact**

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- 7.1 There is no direct relevance to the report’s contents, although specific proposals brought forward as part of the MTFP will be the subject of appropriate engagement and consultation, as well as consideration by Executive Committees. Further details in this area will be included in the report to the Committee’s next meeting on 21 September 2023.

## **8. Background reading/external references**

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- 8.1 [Medium Term Financial Strategy and 2023/24 Financial Plan Update](#), Edinburgh Integration Joint Board, 13 June 2023
- 8.2 [Edinburgh Integration Joint Board \(EIJB\) – financial update](#), Finance and Resources Committee, 25 April 2023
- 8.3 [Revenue Budget 2023-24 Update - referral from the City of Edinburgh Council](#), Finance and Resources Committee, 30 March 2023
- 8.4 [Liberal Democrat Group Budget Motions](#), City of Edinburgh Council, 23 February 2023
- 8.5 [Revenue Budget Framework 2023/27 – progress update](#), Finance and Resources Committee, 7 February 2023

## **9. Appendices**

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Appendix 1 - Review of key expenditure and income planning assumptions – changes arising

Appendix 2 – Key assumptions within the budget framework, 2024/25 to 2028/29

## Review of key expenditure and income planning assumptions – changes arising

	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Starting gap following approval of 2023/24 budget	36.7	67.1	92.8	121.8	151.8
<b>Confirmed/known changes since February 2023:</b>					
HR and Payroll system - additional costs – <b>Note 1</b>	0.4	1.5	1.5	1.5	1.5
Stonewall accreditation and associated staffing – <b>Note 2</b>	0.1	0.1	0.1	0.1	0.1
Cessation of service concession flexibility drawdown – <b>Note 3</b>	0.0	0.0	0.0	0.0	18.9
Provision for potential liabilities and risk factors - <b>Note 4</b>	10.0	10.0	10.0	10.0	10.0
<b>Updated gap before savings</b>	<b>47.1</b>	<b>78.7</b>	<b>104.4</b>	<b>133.3</b>	<b>182.2</b>
Offsetting savings in Council Tax, energy costs and corporate budgets based on 2022/23 outturn and subsequent years' projections – <b>Note 5</b>	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)
<b>Updated gap after offsetting corporate savings</b>	<b>37.6</b>	<b>69.2</b>	<b>94.9</b>	<b>123.8</b>	<b>172.7</b>

- 1. HR and Payroll system** – on 16 March 2023, members agreed to award the contract for the Council's HR and Payroll system upgrade to Oracle HCM. This approval gives rise to estimated additional costs of £0.397m in 2024/25, increasing to £1.451m with effect from 2025/26, with these costs now incorporated within the budget framework.
- 2. Stonewall accreditation and associated staffing** – on 4 May 2023, members agreed to sign the Council up to the Stonewall Diversity Champions Programme and participate in the UK Workplace Equality Index immediately. In doing so, they approved associated recurring costs of £61,040, met on a one-off basis from the Council's unallocated reserves in 2023/24, with funding to be identified on a sustainable basis as part of the 2024/25 budget process.
- 3. Cessation of service concession flexibility** – in agreeing the 2023/24 revenue budget, members approved application of the retrospective benefit arising from adopting this flexibility over a period of five years from 2023/24. By extension, this flexibility is no longer available from 2028/29, adding £18.9m to the underlying savings requirement with effect from that year.



#### 4. Provision for potential liabilities and risk factors

In addition to the above confirmed commitments and changes, a number of other risks and potential liabilities have been identified as follows, with corresponding detail provided in the following sections.

	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
SWIFT replacement (indicative costs) – <b>Note 4i</b>	1.2	1.9	1.9	1.9	1.9
Refresh of education devices – <b>Note 4ii</b>	0.0	0.0	0.0	2.0	2.0
Teachers' superannuation - 1% increase in employer contributions – <b>Note 4iii</b>	1.8	1.9	1.9	2.0	2.0
Non-teaching pay award for 2023/24 - recurring liabilities of an additional 1% = £4.5m – <b>Note 4iv</b>	4.6	4.8	4.9	5.1	5.2
Lothian Valuation Joint Board - additional requisition – <b>Note 4v</b>	0.3	0.5	0.7	0.9	1.1
Impact of increased NDR relief for Meadowbank on Council's grant funding allocation (assuming no pass-through to Edinburgh Leisure) – <b>Note 4vi</b>	0.7	0.7	0.7	0.7	0.7
	8.6	9.8	10.1	12.6	12.9

- (i) **SWIFT replacement** – included in Year 1 of the Change Programme is a review of the Council's Social Care Operating Model and, in that context, consideration of a replacement for the existing SWIFT system. An indicative sum of £1.2m in 2024/25, increasing to £1.9m from 2025/26, based on (i) assumed capitalisation of the costs of system replacement and (ii) on-going (revenue) maintenance costs thereafter has been included at this stage although these sums will be refined as the full business case is developed and related approvals secured.
- (ii) **Refresh of education devices** – in April 2021, it was confirmed that every local authority school pupil from P6 to S6 in Edinburgh would, starting from September 2021, receive their own digital device as part of an ambitious and inclusive education strategy, Edinburgh Learns for Life. Based on the relevant useful life and subject to confirmation of any external funding, an indicative sum of £2m is included in both 2027/28 and 2028/29 for replacement of these devices.
- (iii) **Teachers' superannuation contributions** - it is anticipated that employers' contributions for teaching staff will increase by 1% with effect from April 2024, giving rise to an additional liability of £1.8m in 2024/25 and increasing in line with the level of pay awards thereafter.
- (iv) **Non-teaching pay award, 2023/24** – while the teaching staff pay award for financial year 2023/24 has been agreed, negotiations around the non-teaching award remain in progress, with the employer's offer of 3 April 2023 rejected by the representative trade unions' consultative ballots. There is therefore the potential for the agreed level of settlement to give rise to sums in excess of those included within the budget framework (and/or offset by the receipt of Scottish

Government funding), with each 1% of unfunded pay award equating to some £4.6m.

- (v) **Lothian Valuation Joint Board requisition** – after a succession of real-terms reductions in constituent council requisitions and a consequent required drawdown of general Board reserves, the budget-setting report considered by the Board on 30 January 2023 pointed to an anticipated need for these requisitions to increase significantly from 2024/25. The £1.1m increase incorporated within the updated budget framework by 2028/29 would equate to an overall increase of some 30% over this period.
- (vi) **Impact of increased NDR relief for Meadowbank on Council’s grant funding allocation (assuming no pass-through to Edinburgh Leisure)** – following publication of the Barclay Review on Non-Domestic Rates, the Scottish Government confirmed that properties run by council ALEOs in receipt of charitable or sports club relief would be able to retain that relief to support their activities. This level of relief would, however, be capped in real terms going forward to mitigate against future ALEO relief expansion.

The new Meadowbank Sports Centre opened in July 2022. While entitled to twelve months’ relief as a newly constructed facility, the rateable value of the centre has increased by some £1.4m, giving rise to an associated additional rates liability of £0.7m. It is anticipated that this sum will be offset against the Council’s grant funding allocation and, on the assumption that it is not passed on to Edinburgh Leisure, give rise to a pressure of this level.

In view of these potential liabilities and risks, it is therefore recommended that a £10m provision be included in the budget framework in 2024/25, continuing at that level thereafter.

## 5. Savings in corporate budgets

Faced with these risks, a review has also been undertaken of corporate budgets in the context of the provisional 2022/23 outturn (details of which will be reported to Council on 22 June) and subsequent years' projections to determine whether a contribution towards these targets could be provided from these areas. This consideration has resulted in the identification of some £9.5m of anticipated savings to offset against the revised gaps, comprised as follows:

- (i) **Council Tax** – based on the size, profile and expected buoyancy of the Council Tax base and anticipated collection rates, £3m of additional income relative to current budget framework assumptions is assumed from 2024/25;
- (ii) **energy budgets** – through a combination of lower-than-anticipated tariff increases in 2022/23, revised price estimates for 2023/24 and 2024/25 and measures undertaken to reduce overall consumption, savings of £1.5m are now forecast relative to the level of framework provision in 2024/25 and subsequent years; and
- (iii) **other corporate budgets, including inflationary allowances, application of budget framework risk contingency and allocation of net funding from St James Growth Accelerator Model (GAM) grant payment** - £5m of total savings are forecast going forward in these areas.

## **Other potential revenue-raising measures under consideration**

### **NDR Empty Property Relief**

Following the full devolution of NDR Empty Property Relief (EPR) policy to local authorities with effect from April 2023, a draft policy is included elsewhere on today's agenda. Subject to members' decision and subsequent collection rates, this has the potential to generate additional income relative to the inherited baseline, thus making a contribution to the overall savings gap. Pending these decisions, however, no additional income is assumed at this time.

### **Council Tax – consultation on second homes and empty properties**

In addition, a Scotland-wide consultation on **Council Tax for second homes and empty properties** is underway, with a closing date of 11 July. This may give rise to additional income depending on the extent of changes permitted, Council policy and the effectiveness of the policy in bringing properties back into use. Given these uncertainties and the need for due Parliamentary and Council consideration, however, as with NDR EPR above, no additional income is assumed at this stage.

### **Transient Visitor Levy (TVL)**

On 25 May, the **Visitor Levy (Scotland) Bill** was formally introduced into the Scottish Parliament and, if passed, will give local authorities the power to introduce a visitor levy.

Under the Bill, any funding raised by a visitor levy will, once administrative costs have been deducted, require to be spent on developing, supporting and sustaining facilities and services which are substantially for, or used by, persons visiting for leisure purposes. The Bill will also require a local authority to consult with local communities, tourism businesses and tourism organisations before it introduces a visitor levy.

The Bill gives the authority the power to set the charge level which will be set as a percentage of the cost. Given the time for the Bill to pass and other current stipulations contained within the Bill, an Edinburgh TVL could be collected from 2026, assuming implementation as soon as the legislation permits.

## Key assumptions within the budget framework, 2024/25 to 2028/29

	Note	2024/25	2025/26	2026/27	2027/28	2028/29	At 2023/24 levels, every 1% change would result in following change from core assumptions
Staff pay award (all staff; average provision)		3%	3%	3%	3%	3%	£7.3m
Contract inflation (general)	1	3%	3%	3%	3%	3%	£0.8m
Contract inflation (PPP and related contracts)	2	3%	3%	3%	3%	3%	£0.6m
Electricity (tariff increase)	3	10%	3%	3%	3%	3%	£0.2m
Gas (tariff increase)	3	34%	3%	3%	3%	3%	£0.1m
Non-Domestic Rates poundage		2.5%	2.5%	2.5%	2.5%	2.5%	£0.3m
COVID-related service impacts - total provision	4	£9m	£9m	£9m	£9m	£9m	n/a
Demographic provision	5	£3.9m	£3.9m	£3.9m	£3.9m	£3.9m	n/a
Council Tax (rate)		3%	3%	3%	3%	3%	£3.5m
Council Tax (buoyancy)		0.75%	0.75%	0.75%	0.75%	0.75%	£3.5m
Government grant core funding year-on-year change	6	0%	0%	0%	0%	0%	£9.0m
Discretionary fees and charges (average)		5%	5%	5%	5%	5%	£0.2m

**Note 1** - in recognition of the exceptional impact of successive years' inflation on the Council's revenue budget, the framework also includes an additional £5m provision, baselined from 2023/24. This sum is notionally allocated to (i) anticipated pressures in costs of fuel, (ii) additional sums payable in respect of the Millerhill gate fee and the Council's NSL parking enforcement contract and (iii) a range of uplifts due on Education and Children's Services fees and contracts.

**Note 2** - the level of uplift applicable to the Council's PPP contracts is the Retail Price Index (RPI) rate in February of the preceding financial year. The actual level of uplift applied, however, is tempered by application of the relevant "constraining factor" to the borrowing-based element.

**Note 3** - level of provision is based on Scottish Procurement Utilities Guidance, taking into account wholesale prices and pre-purchased volumes. Future years' figures remain subject to considerable uncertainty given low pre-purchased volumes, the effects of year-on-year reconciliations and wider sectoral volatility.

**Note 4** - the £9m total indicatively comprises (i) the continuing assumed loss of the Lothian Buses dividend, (ii) a £2m reduction in parking income and (iii) £1m of additional support for Edinburgh Leisure.

**Note 5** - the sum shown comprises £3.6m for Education and Children's Services, of which some £2.3m is assumed to be directed to schools to reflect changes in pupil numbers, and £0.3m to Place to reflect the impact of increasing household numbers on waste collection and recycling costs.

**Note 6** - the level of change shown for 2024/25 is based on Edinburgh's confirmed allocation as part of the 2023/24 Local Government Finance Settlement. Subsequent years' allocations are based on Local Government-wide planning allocations included within the Scottish Government's Resource Spending Review published in May 2022.

The budget framework also includes £27.3m of net additional investment relative to the 2020/21 approved budget in respect of homelessness services.

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Procurement Delivery Plan 2023/24

Executive	
Wards	All
Council Commitments	

### 1. Recommendations

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- 1.1 It is recommended that Committee note the content of the report and the intention to provide committee with a regular update on progress throughout the year.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Lynette Robertson, Interim Head of Commercial and Procurement Services

E-mail: [Lynette.robertson@edinburgh.gov.uk](mailto:Lynette.robertson@edinburgh.gov.uk) | Tel: 0131 469 3810

## Procurement Delivery Plan 2023/24

### 2. Executive Summary

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- 2.1 The report is intended to provide early awareness of planned procurement activity and to allow time for elected members to ask questions about the procurement strategy at an early stage in the process.

### 3. Background

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- 3.1 Over the last year elected members have raised issues of lack of early engagement in the planned delivery approach of council services and an opportunity to raise awareness of plans and the potential for any political, reputational, or financial sensitivities that may occur.
- 3.2 The request for more information on what contracts were due to expire over the next 12 months was requested during engagement on revisions of the Contract Standing Orders.
- 3.3 The Contract Standing Orders set out the Procedures and Roles and responsibilities of Executive Directors in progressing contracts by or on behalf of the Council.

### 4. Main report

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- 4.1 The Commercial and Procurement Services (CPS) provide advice and makes tendering arrangements for proposed contracts with an estimated value of £25,000 and above. To ensure a consistent approach to the delivery of this service a defined process is operated which allows for monitoring and reporting of progress. The process follows a typical project management approach with a five stage model summarised as follows :-
- 4.1.1 **Stage 1** – Procurement Requirement Form approved by Service Director (above £50k) or Executive Director (£1m and above) is received from the Service requesting support to initiate plans for a contract or framework agreement.
- 4.1.2 **Stage 2** – Procurement Plan/Strategy development period, this includes gathering benchmark data, market research, spend data, co-production,



specifications development, application of sustainability and other duties, sourcing options analysis and risk analysis.

- 4.1.3 **Stage 3** – Approvals, the plan/strategy is agreed with key stakeholders including budget holder, senior procurement manager, finance, and other specialists as appropriate and proportionate to the value and complexity of the requirement.
  - 4.1.4 **Stage 4** – Tender stage via the agreed route as defined in the approved plan/strategy, tender is published, evaluated and recommendation for award made in accordance with the CSO schedule and/or delegate authority. Once approved, issue standstill, award and rejection feedback.
  - 4.1.5 **Stage 5** – Mobilise the awarded contract, handover contract management responsibilities to the relevant service, add details to the contract register, publish an award notice, contract manager implements and manages the contract delivery to conclusion. (if recurring need, stage 1 starts at least 12 months prior to expiry or at a date agreed).
- 4.2 The procurement projects are tiered at an early stage to identify those which are higher value, higher complexity, higher risk or offer greater opportunity for sustainable outcomes such as climate outcomes and/or savings potential. Projects of this nature are reviewed two-weekly via the management team; all others are reviewed by the procurement category lead reporting to a Senior Category Manager.
  - 4.3 The Contract Register is populated by CPS and by service areas, it provides details of all live contracts and the date each is due to expire. To ensure details are up to date a six monthly review is issued to Directorate/Divisions to confirm the accuracy of content or make amendments as required.
  - 4.4 Details of contracts that are due to expire are issued as a prompt for services to review and either confirm no further contract is required or to initiate a request for a new requirement via a Procurement Requirement Form where the aggregate value is above £25,000.
  - 4.5 The appendices provide a summary of contracts that are working through the five-stage procurement process and a list of contracts that are due to expire up to 30 April 2024.
  - 4.6 The appendix 1 provides the current forecast date for approval of the tender recommendation and may change if more time is required to complete the procurement procedure. The intended approval route is also provided based on the estimated annual value only.
  - 4.7 The appendix 2 provides expiring contracts which are anticipated to be 'renewed'. It should be noted that renewal of contracts may require a change in scope, merge of contracts with similar need or consider inhouse alternatives. As a result, the contract title and value are subject to change and therefore the projects appearing on Appendix 1 may not be an exact match. It should also be noted that some of the expiring contracts may be extended beyond their planned end date to meet specific circumstances.

## **5. Next Steps**

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- 5.1 Subject to member feedback the report will be refreshed and provided at regular intervals either via committee report or bulletin update.

## **6. Financial impact**

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

## **7. Stakeholder/Community Impact**

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- 7.1 There is no equalities, health and safety, governance, compliance or regulatory implications to take account of in this report.

## **8. Background reading/external references**

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- 8.1 The full council contract register is available in the external [website](#).

## **9. Appendices**

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Appendix 1 – New and Renewal contracts to April 2024

Appendix 2 – Expiring contract to 30 April 2024

## Appendix 1 – New or Renewal contracts to April 2024

Contract/Service required	Estimated Value	New/Renewal	Forecast Approval Date	Approval Route – Executive Director (ED) or Committee (F&R)	Latest Forecast Date if changed	Date approved	Comments
Webcasting	Less than £5m	Renewal	July 2023	ED – Corp Services			
Catering	Less than £5m	Renewal	July 2023	ED - Place			Cultural venues
Supply of Flavoured drinks	Less than £5m	Renewal	July 2023	ED - Place			
Vehicle Recovery & Repair	Less than £5m	Renewal	Aug 2023	ED - Place			Collaboration with Lothian Buses
Void Homes cleaning	Less than £5m	Renewal	Aug 2023	ED - Place			
General Stationery and Office Paper	Less than £5m	Renewal	Aug 2023	ED – Corp.Services			Scot.Gov Framework
iPad & iPhone Repairs	Less than £5m	New	Aug 2023	ED - ECJS			Market engagement
Facilitation Partner – L&D	Less than £5m	New	Aug 2023	ED – Corp Services			
Music and Video streaming	Less than £5m	Renewal	Aug 2023	ED - Place			Funeral services
Passenger Transport	£5m and above	Renewal	Sep 2023	<b>F&amp;R</b>			Merge of two frameworks
Dementia Support	Less than £5m	Renewal	Sept 2023	ED - HSCP			Two contracts
Street Lighting Columns	Less than £5m	Renewal	Sep 2023	ED - Place			
Dean Park Primary	Less than £5m	New	Sep 2023	ED - Place			6 classroom extension
Traffic Management Framework	Less than £5m	Renewal	Sep 2023	ED - Place			
Legal Services	£5m and above	Renewal	Sep 2023	<b>F&amp;R</b>			Collaborative Framework
Offsite Revenue processing	Less than £5m	Renewal	Sep 2023	ED – Corp Services			
Funeral Director services	Less than £5m	Renewal	Sep 2023	ED – Place			Renewal

Contract/Service required	Estimated Value	New/ Renewal	Forecast Approval Date	Approval Route – Executive Director (ED) or Committee (F&R)	Latest Forecast Date if changed	Date approved	Comments
Single Occupancy Discount Review	Less than £5m	Renewal	Sep 2023	ED – Corp Services			
Homelessness Accommodation with Support	£5m and above	Renewal	Sept 2023	<b>F&amp;R</b>			
Supported Lodgings	£5m and above	Renewal	Sept 2023	<b>F&amp;R</b>			
Hostile Vehicle Mitigation	Less than £5m	New	Nov 2023	ED – Place			Rental
Granton Heat Network	£5m and above	New	Nov 2023	<b>F&amp;R</b>			Concession
Learning – Accredited Pathways	£5m and above	New	Nov 2023	<b>F&amp;R</b>			New
Edinburgh Christmas	Less than £5m	Renewal	Nov 2023	<b>F&amp;R</b>			Renewal
Day Opportunities for Older People	£5m and above	Renewal	Dec 2023	<b>F&amp;R</b>			In co-production phase.
Coatfield Lane Redevelopment	£5m and above	New	Jan 2024	ED - Place			Subject to planning approval
Homelessness Support Services	£5m and above	Renewal	Jan 2024	<b>F&amp;R</b>			Market Engagement
Garden Aid & Ad Hoc Grounds Maintenance	Less than £5m	Renewal	Jan 2024	ED - Place			
Childcare	Less than £5m	Renewal	Jan 2024	ED - Place			Subsidised support
Home Based Care and Assoc Services	£5m and above	Renewal	Jan 2024	<b>F&amp;R</b>			Flexible Framework

**Appendix 2 – Expiring contracts to 30 April 2024 (Above £50k and potentially recurring)**

<b>Contract Reference</b>	<b>Contract Name</b>	<b>Contract End Date</b>	<b>Est. Contract Value</b>	<b>Type of contract: Goods / Services Consultant / Works</b>
CT2313	Homelessness Prevention: Group Work for Young People Service	01/07/23	£73,350	Services
CT2375	Education and Health & Social Care Transport Framework Agreement	02/07/23	£32,000,000	Services
CM0000	Football Academies to Support Attainment	31/07/23	£321,992	Services
CT2265	Framework Agreement for the Provision of Accommodation for Homeless Service Users	31/07/23	£5,000,000	Services
CT2432	Webcasting Services	31/07/23	£164,290	Services
CT2676	Transport Traffic Management Measures	31/07/23	£387,097	Services
PL0000	Urban Traffic Control System	31/07/23	£55,320	Services
RM6177	Supply of liquid Fuels - Petrol and Diesel	31/07/23	£7,800,000	Goods
RM6177	Supply of liquid Fuels - Class D Gas Oil	31/07/23	£137,500	Goods
CM0000	Software which facilities Looked After young people to feedback and voice opinions as well as training on the system	01/08/23	£54,636	Services
CT2194	Supply Of Hand Sanitiser	27/08/23	£450,000	Goods

Contract Reference	Contract Name	Contract End Date	Est. Contract Value	Type of contract: Goods / Services Consultant / Works
CM0000	Mathematics development resource for primary schools	31/08/23	£295,000	Services
CM0000	Curriculum delivery support for primary schools	31/08/23	£145,000	Services
CT2677	Forestry and Arboricultural Works	31/08/23	£273,040	Services
CT0392	General stationery & officer paper	31/08/23	£2,030,000	Goods
SP-15-016	Supply of IT Consumables	31/08/23	£1,961,087	Goods
CM0000	Parent evening booking system	01/09/23	£80,331	Services
CT2644	External Offsite Revenues Processing Service in respect of Council Tax and National Non-Domestic Rates	08/09/23	£664,640	Services
PL0000	Ticketing Software Proprietary Software	10/09/23	£56,854	Services
CM0000	iPad Repairs	15/09/23	£210,033	Services
CT0781	Provision of Security Services	15/09/23	£7,500,000	Services
CE0000	Consultation Activity Software	20/09/23	£56,185	Services
CM0000	Refugee English Language Teaching and Cultural Integration Support	30/09/23	£142,911	Services
CT0488	Single Occupancy Discount Review Service	30/09/23	£152,228	Services

Contract Reference	Contract Name	Contract End Date	Est. Contract Value	Type of contract: Goods / Services Consultant / Works
CT2493	Provision of Funeral Services	30/09/23	£92,000	Services
CT2584	Driver Medicals for Taxis and Private Hire	30/09/23	£448,000	Services
HSCP	Contracts for Night Care Support (10 contracts)	30/09/23	£8,441,855	Services
HSCP	Block Contracts - Care Home and Care and Support (15 contracts)	30/09/23	£19,794,165	Services
YPO 654	Standard maintenance and emission testing of Cremators	30/09/23	£161,602	Services
CT0998	Consultancy Services	30/09/23	£410,000	Services
CT2864	Gardening and Food Pantry, Justice services	09/10/23	£53,702	Services
CM0000	Emergency catering for Ukrainian arrivals at the Welcome Hub	31/10/23	£60,000	Services
CT2717	Supply & Maintenance of Stairlifts, Ceiling Track Hoists & Bidet Toilets	31/10/23	£1,210,748	Services
CT2731	Emergency Snow Clearance	31/10/23	£50,425	Services
CM0000	Supply of school uniforms (4 contracts)	31/10/23	£260,000	Goods
RE0000	Frozen drinks for schools	31/10/23	£65,000	Goods
RM1557.10	Incident Reporting software	31/10/23	£133,833	Goods

Contract Reference	Contract Name	Contract End Date	Est. Contract Value	Type of contract: Goods / Services / Works
CT2223	Open Framework for Support Services Under Option 2, 3 &4 of The Social Care (Self-Directed Support)(Scotland) Act 2013	07/11/23	£4,000,000	Services
CT1079	Granton Heat Network - Technical Advisor	13/11/23	£79,435	Services
CT2256	Back to Laboratory Saliva - Based Test Kits and Screening for Controlled and Illegal Drugs	18/11/23	£372,480	Services
SP-19-013	Web based and proprietary devices framework	29/11/23	£4,500,000	Goods
CT1062	Light and Heavy Plant (operator)	30/11/23	£4,000,000	Goods/Services
CT1158	Grounds Maintenance Framework	30/11/23	£70,000	Goods
CT2631	Aluminium Street Lighting Columns Framework	30/11/23	£800,000	Goods
CT2472	Fresh Fruit, Fresh Vegetables, Bakery Products and Eggs	01/12/23	£2,657,788	Goods
ESPO 664	Traffic Modelling and Transport Planning Consultancy Services	15/12/23	£4,000,000	Services
CT2692	Legal Services Framework Agreement	20/12/23	£12,000,000	Services
HS0000	Action research to inform the future shape of carer information, advice and support	30/12/23	£79,580	Services
CM0000	Hearing devices for the hearing impaired	31/12/23	£80,000	Services
CM0000	Wellbeing Support and Life Coaching Programme for Young People	31/12/23	£90,000	Services



Contract Reference	Contract Name	Contract End Date	Est. Contract Value	Type of contract: Goods / Services / Works
CT0378	Payroll Support Service, Self Directed services Framework Agreement	31/12/23	£658,658	Services
CT2919	Childminder Development Pilot	31/12/23	£67,293	Services
HS0000	LCIL (Independent Living Advice) - Outreach Info service	31/12/23	£5,950,371	Services
CE0000	Event Planning Software	31/12/23	£56,000	Goods
NHS NP77718	Supply and Distribution of Prepared Sandwiches	31/12/23	£369,139	Goods
CT2216	Edinburgh Street Design Guidance Factsheets	04/01/24	£191,862	Services
CT0587	Tree Planting and Watering Framework Agreement	05/01/24	£400,000	Services
SP-18-007	Media Planning, Buying and Associated Services	05/01/24	£800,000	Services
CT2317	Provision of a Rent Deposit Guarantee Service	27/01/24	£503,009	Services
PL0000	Factoring services Gracemount	31/01/24	£250,000	Services
RM1043.5	Blue Badge Digital Solution	04/02/24	£60,000	Services
CT2622	Framework for Independent Psychological Assessments (Permanence Planning and Permanence Order Applications) (2 contracts)	11/02/24	£400,000	Services
RM3745	External Audit and Tax Services	16/02/24	£88,745	Services

Contract Reference	Contract Name	Contract End Date	Est. Contract Value	Type of contract: Goods / Services / Works
CT2340	New Build Housing Framework Agreement	27/02/24	£300,000,000	Works
CT0398	Garden Aid and Ad Hoc Grounds Maintenance Work	28/02/24	£2,400,000	Services
HS0000	Contingency generator in the event of power failure	28/02/24	£63,000	Services
CM0000	Parental engagement system for children's learning and development	29/02/24	£120,000	Services
CT2573	Mediation Service for Children with Additional Support Needs	24/03/24	£85,000	Services
CM0000	Supply of baby and toddler equipment for foster care / emergency foster care placements	31/03/24	£50,000	Services
CM0000	The Employment of Psychologists to provide independent assessments to support Permanence Order applications for looked after accommodated children	31/03/24	£267,433	Services
CT0266	Homelessness Prevention - Locality Support Services (2 contracts)	31/03/24	£9,518,370	Services
CT0375	Independent Advocacy and Children's Rights Service	31/03/24	£1,010,000	Services
CT0387	Temporary Security Alarm Systems	31/03/24	£960,000	Services
CT0466	Residential Care for Young People	31/03/24	£6,851,066	Services
CT0526	Lot 1 Managed support services; Children and Young People with Additional Support Needs	31/03/24	£7,604,580	Services
CT0559	Framework for Day Opportunities - Older People	31/03/24	£7,720,184	Services
CT2195	Homelessness Prevention: Street Outreach, Support Hub and Complex Needs Visiting Support Service	31/03/24	£9,569,014	Services

Contract Reference	Contract Name	Contract End Date	Est. Contract Value	Type of contract: Goods / Services / Works
CT2196	Homelessness Prevention: Young Peoples Visiting Support Service	31/03/24	£2,855,001	Services
CT2263	Information & Advice Service for Black & Ethnic Minority (BME) Carers	31/03/24	£295,507	Services
CT2310	Edinburgh Dementia Post Diagnostic Support Service	31/03/24	£1,886,871	Services
CT2443	Homelessness Prevention YESS	31/03/24	£205,981	Services
CT2464	Subsidised Childcare for Working Parents (4 contracts)	31/03/24	£4,380,100	Services
CT2833	Edinburgh Day Opportunities For People Diagnosed With Young Onset Dementia	31/03/24	£594,819	Services
CT2835	South West (Canalside) Older People's Day Opportunities	31/03/24	£246,831	Services
HS0000	Third Sector Infrastructure Support _ Outreach and Advisory	31/03/24	£674,682	Services
HS0000	Volunteering Support for those with additional health needs	31/03/24	£76,682	Services
HS0000	Essential Care Home Support	31/03/24	£252,305	Services
HS0000	Specialist Support for individuals with Multiple Sclerosis	31/03/24	£219,000	Services
RE0000	Bespoke system and software which operated alarm systems	31/03/24	£53,305	Services
RE0000	Utility Supply for Seafield	31/03/24	£160,000	Goods
RE0000	Auto diallers for New Parliament House Security Control	31/03/24	£152,771	Services

<b>Contract Reference</b>	<b>Contract Name</b>	<b>Contract End Date</b>	<b>Est. Contract Value</b>	<b>Type of contract: Goods / Services / Works</b>
CT2174	Vehicle Parts	31/03/24	£900,000	Goods
CT2292	Civic Clocks Maintenance	23/04/24	£109,966	Services
CT1066	Victim of Crime Support	24/04/24	£108,108	Services

## Finance and Resources Committee

**10.00am, Tuesday, 20 June 2023**

### **Review of Contract Standing Orders**

<b>Executive</b>	
<b>Wards</b>	All
<b>Council Commitments</b>	2,3 and 7

#### **1. Recommendations**

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It is recommended that the Committee:

- 1.1 approve the proposed revisions to the existing Contract Standing Orders, as summarised in Appendix 1 to this report, and adopt the Contract Standing Orders included in Appendix 2 to this report; and
- 1.2 note that there will continue to be an annual review of the Contract Standing Orders to ensure that they work effectively and provide effective scrutiny of Council purchasing and contract management.
- 1.3 note that the proposed revised Contract Standing Orders will be referred on to full Council on 24 June 2023 for approval

**Dr Deborah Smart, Executive Director of Corporate Services**

Contact: Lynette Robertson, A/Head of Commercial and Procurement Services

E-mail: [lynette.robertson@edinburgh.gov.uk](mailto:lynette.robertson@edinburgh.gov.uk) | Tel: 0131 469 3810

Finance and Resources Committee - 20 June 2023

# Finance and Resources Committee

## Review of Contract Standing Orders

### 2. Executive Summary

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The Council's Contract Standing Orders (CSOs) provide controls and regulation around all of the Council's purchasing and contract management activity as well as promoting improved economic, environmental and social outcomes through the Council's considerable spending power. To allow for continuous improvement and to reflect any changes to Council commitments or policies the CSOs are reviewed annually and changes are recommended where considered necessary. This report provides a summary of the proposed changes to the CSOs and seeks approval for the proposed changes.

### 3. Background

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- 3.1 The Council is required to have standing orders under the Local Government (Scotland) Act 1973. The CSOs provide controls and regulation around all of the Council's purchasing and contract management activity, and place requirements on Directorates to effectively plan and contract manage the resulting contracts. The CSOs are regularly reviewed and amended as required to support continuous improvement and reflect legislative changes.
- 3.2 The CSOs are the rules which regulate procurement spend as well as complementing the Council's strategic objectives. The [Sustainable Procurement Strategy](#) approved on [5 March 2020](#), sets out 7 key strategic objectives being:
  - 3.2.1 Making procurement spend more accessible to local small business and the third sector;
  - 3.2.2 Improving Fair Work practices adopted by suppliers;
  - 3.2.3 Increasing community benefits delivered by suppliers;
  - 3.2.4 Contributing to the Council's 2030 zero-carbon city target;
  - 3.2.5 Delivering savings and Best Value outcomes;
  - 3.2.6 Ensuring legal compliance and robust and transparent governance; and
  - 3.2.7 Promoting innovative and best practice solutions.

## 4. Main report

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- 4.1 The CSOs are the subject of regular reviews. This most recent review has considered the operation of the current CSOs since they were amended in February 2021, and has identified a number of potential improvements that could be made, particularly in relation to effective governance and the use of officer resources. The proposed changes are summarised in Appendix 1 to this report and identified in track changes in the CSOs appended in Appendix 2 of this report.
- 4.2 The current lead in times for reporting, the eight-week cycle, summer recess and the Special Finance and Resources Committees reserved for consideration of budget issues can mean delays in awarding contracts of up to two to three months following evaluation of the bids. For straightforward procurements that are standalone, these timescales can be built into the project plan. However, where there are many interdependent appointments and contracts or the procurement timescales change e.g. to allow sufficient clarification of bids, or further market engagement then this can lead to delays which can impact the critical path for strategic projects. Increasingly, to avoid delay to projects, the urgency procedure or delegation to Directors to allow the award of contracts, prior to identifying the successful bidder is being relied upon.
- 4.3 To address these operational difficulties the amendments include a proposal to increase the current delegated threshold for approving the spend on services and supplies from £1million in aggregate (the current level) to £1million per annum or £5million in total over the duration of the contract whichever threshold is exceeded first, and from £2million in aggregate (the current level) for works contracts to £4million in aggregate. Above these new levels the approval of the Finance and Resources Committee would be required as is the case at present.
- 4.4 The current thresholds have never been amended since the Contract Standing Orders were substantially revised originally 11 years ago in 2012. Raising the thresholds would allow for effective governance by allowing resources (both elected member and officer) to be focused on the higher value often more strategic procurements by reducing the number of reports going to Finance and Resources Committee to a more manageable number. Based on the period May 2021 to November 2022 this would have reduced the 63 reports over this period to 47. Taking account of the committee frequency having reduced over recent years this would on average be 6 or 7 procurement reports going to each committee rather than 9.
- 4.5 To enable effective scrutiny in advance of procurements reaching the award stage it is proposed that the six monthly procurement report to Finance and Resources Committee is supplemented with a report which includes details of all procurement projects that Commercial and Procurement Services are currently progressing and all recurring expiring contracts above the regulated level. This would include all recurring contracts above £50,000 expiring over the next year taken from the Council contract register. The requirement of Service Directors to consult with Elected Members on matters considered politically, reputationally or financially

sensitive in relation to proposed procurement activity and to brief Elected Members as appropriate will remain unchanged.

- 4.6 Additionally, amendments are proposed to clarify the rules on the requirement for three quotes over and above the £5,000 threshold and to take account of changes in officer titles. More recent Council commitments and Scottish Government guidance on Fair Work First have also been included.

## **5. Next Steps**

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- 5.1 The changes to the CSOs shall be highlighted to Council officers by publication on the Orb and a series of online awareness raising events and training delivered by Commercial and Procurement Services.

## **6. Financial impact**

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- 6.1 There are no direct financial impacts as a result of this report. By maintaining proportionate procurement and contract management controls, and improving these through annual reviews of the CSOs, it is anticipated the CSOs will continue to support the delivery of planned Council savings targets and the delivery of the wider non-financial benefits that can be secured through the Council's procurement activity.

## **7. Stakeholder/Community Impact**

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- 7.1 The CSOs were prepared as result of feedback and consultation with service areas and a wide range of officers involved in procuring and commissioning across all service areas of the Council throughout the year.

## **8. Background reading/external references**

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- 8.1 [Sustainable Procurement Annual Report 2022 - Report to Finance & Resources Committee](#)  
8.2 [Operational Governance – Annual Review of Contract Standing Orders](#)

## **9. Appendices**

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Appendix 1 – Summary Table of Material Changes to Contract Standing Orders

Appendix 2 – Contract Standing Orders (as revised)



## Appendix 1 – Summary of Material Changes to Contract Standing Orders

Standing Order No.	Change	Explanation for the Change
1.2. Definitions and Interpretation	<p>A revised definition of 'Fair Work First' has been included.</p> <p>Procurement Requirement Form</p>	<p>The Scottish Government has built upon its commitment to encourage Fair Work practices amongst employers. The Fair Work First commitment extending the five principles to seven. Now including the requirement to encourage the offer of flexible and family friendly practices for all workers and oppose the use of fire and rehire practices</p> <p>The instruction document for procurement setting out requirements and considerations signed by Directors or Service Directors now includes a requirement that the implications for sustainability and Council outcomes such as becoming a net zero city by 2030 and increased opportunities for SMEs and the local economy be considered.</p>
1.3 General Principles	Aim of becoming a net zero city by 2030	Reference to aims to become a net zero city by 2030 included
Schedule: Relevant Values and Associated Tendering Procedure	Quotes	Reflecting difficult market conditions and the difficulty often obtaining 3 quotes for low value or specific purchases the rules are amended purchases up to £5,000. Now for £5,000 or over alternative quotes

		<p>and/or evidence of firm fixed prices should be sought where reasonably practicable.</p> <p>Between £5,000 and £25,000 there is a recognition that the various Procurement laws allow for direct awards and that these should be reflected in the choice of procedures more clearly</p>
Schedule: Relevant Values and Associated Tendering Procedure	Approval to award sought from Finance and Resources Committee or Council where value is equal to or exceeds £1 million per annum or £5million in total whichever value is exceeded first.	As explained in 4.3 above to address operational difficulties the amendments include a proposal to increase the current delegated threshold for approving the spend on services and supplies from £1million in aggregate (the current level) to £1million per annum with a aggregate cap at £12million, and from £2million in aggregate (the current level) for works contracts to £4million in aggregate.





# **CONTRACT STANDING ORDERS**

**22 June 2023**

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## **Introduction**

These Contract Standing Orders of the City of Edinburgh Council (“Council”) apply from 22 June 2023 and apply (with certain exceptions) to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services.

### **1 Preliminary**

#### **1.1 Extent and interpretation**

- 1.1.1 The Council makes these Standing Orders in terms of section 81 of the Local Government (Scotland) Act 1973.
- 1.1.2 These Standing Orders must be interpreted in accordance with the key principles of transparency, equal treatment, non-discrimination and proportionality.
- 1.1.3 These Standing Orders apply from 22 June 2023 and apply, subject to the provisions of Standing Order 1.1.5 and 1.1.6, to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services (including consultancy services).
- 1.1.4 To the extent relevant these Standing Orders are subject to the overriding provisions of United Kingdom (UK) or Scottish legislation. They are also, to the extent relevant, subject to any UK government or Scottish Government guidance on public procurement that may be issued from time to time.
- 1.1.5 These Standing Orders do not apply to any of the following:
  - 1.1.5.1 contracts of employment;
  - 1.1.5.2 contracts solely relating to the lease, purchase or disposal of heritable property;
  - 1.1.5.3 the allocation of direct payments or personal budgets under options 1, 2 or 4 of the Social Care (Self Directed Support) (Scotland) Act 2013;
  - 1.1.5.4 appointed guardians or legal services designated by a court of tribunal, any persons appointed under The Curators ad Litem and Reporting Officers (Panels) Scotland Regulations 2001 and the appointment of board members required by statute;
  - 1.1.5.5 contracts with statutory or public bodies on the basis of an exclusive right enjoyed by law; and
  - 1.1.5.6 those contracts excluded by the Act, the 2015 or 2016 Regulations for example arbitration or conciliation services.

- 1.1.6 These Standing Orders shall apply only as follows to contracts made on behalf of the Lothian Pension Fund for which the Council is the administering authority:
- 1.1.6.1 In Standing Order 1.1.references to the Procurement Handbook and the Contract Management Manual shall be construed accordingly; Standing Order 2.1 shall not apply, Standing Order 2.9 to (and including) 2.13 shall apply only where it is appropriate in the circumstances, Standing Order 2.16 shall not apply, Standing Orders 4.2 and 4.3 shall apply only where it is appropriate in the circumstances, Standing Orders 11 and 12 shall not apply; and
- 1.1.6.2 The procedures set out in the Schedule shall apply but only to the extent required by the Act, the 2015 Regulations or the 2016 Regulations, and the corresponding approvals required shall apply for such proposed contracts.
- 1.1.7 These Standing Orders must be read in conjunction with, and all Council staff must comply with, the Scheme of Delegation to Officers, the Council’s Financial Regulations, the Procurement Handbook and the Contract Management Manual. Where there is any discrepancy, these Standing Orders shall take precedence.
- 1.1.8 Failure to comply with these Standing Orders when making purchases or seeking offers may result in disciplinary action.
- 1.1.9 Any query regarding the application or interpretation of these Standing Orders should be made in the first instance to the Head of Commercial and Procurement Services acting on behalf of the Executive Director of Corporate Services.

## 1.2 Definitions and interpretation

- 1.2.1 “Act” means the Procurement Reform (Scotland) Act 2014;
- 1.2.2 “Best Value” means the legal duty to secure continuous improvement in the performance of the Council’s functions as set out in section 1 of the Local Government in Scotland Act 2003 as follows:-
- “1 Local authorities' duty to secure best value**
- (1) It is the duty of a local authority to make arrangements which secure best value.
- (2) Best value is continuous improvement in the performance of the authority's functions.
- (3) In securing best value, the local authority shall maintain an appropriate balance among—
- (a) the quality of its performance of its functions;
- (b) the cost to the authority of that performance; and
- (c) the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.
- (4) In maintaining that balance, the local authority shall have regard to—
- (a) efficiency;
- (b) effectiveness;

- (c) economy; and
- (d) the need to meet the equal opportunity requirements.
- (5) The local authority shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.
- (6) In measuring the improvement of the performance of a local authority's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.
- (7) In this section, "*equal opportunity requirements*" has the same meaning as in Section L2 of Part II of Schedule 5 to the Scotland Act 1998 (c.46);

- 1.2.3 "CLT" means the Corporate Leadership Team;
- 1.2.4 "Consultant" means a specialist who charges a fee for providing advice or services such as but not limited to business or project management, human resources, environment, communication, information technology, property and estates and financial services, but excluding (i) agency, secondments and temporary workers, (ii) professional services provided by solicitors, counsel and actuaries, and (iii) technical or specialist services required for works contracts or proposed works contracts such as quantity surveyors, cost consultants, design engineers and architects;
- 1.2.5 "Contract Manager" means the nominated Contract Manager for a specific contract who is responsible for dealing with supplier performance and contractual matters on a day to day basis;
- 1.2.6 "Co-production" means the real and meaningful involvement of the citizens of Edinburgh including future recipients of the services and key stakeholders and suppliers (both current and potential) in how and what community services and related goods and works are delivered with regard to the National Standards for Community Engagement;
- 1.2.7 "Executive Director" means the relevant Executive Director (or in the case of the Edinburgh Integration Joint Board the Chief Officer) of the procuring Directorate/Division or for the purpose of exercising any powers set out in these Standing Orders the Chief Executive of the Council or, in the case of cross-directorate purchasing or absence of the relevant Executive Director or the Chief Executive, such Service Director as that Executive Director has nominated in accordance with the Scheme of Delegation, the Executive Director of Corporate Services or such Executive Director as the Chief Executive may nominate;
- 1.2.8 "Fair Work First" means, as promoted by the Scottish Government, the commitment by employers to investment in skills and training, no inappropriate use of zero hours contracts, action to tackle the gender pay gap, genuine workforce engagement, including with trade unions, payment of the Real Living Wage, offer flexible and family friendly working practices for all workers and oppose the use of fire and rehire practices;
- 1.2.9 "Procurement Thresholds" means the prescribed threshold values set for the supply of goods, services, works, Social and other Specific Services or concession contracts as they may be amended from time to time under the 2015 Regulations;



- 1.2.10 “Framework” means an arrangement under which the terms and conditions are agreed, but where there is normally no commitment to subsequently place orders or call off contracts;
- 1.2.11 “Legislative Exemptions” means an exemption from the application of procurement rules under the relevant legislative provisions and principles developed through case law and other means, as is relevant;
- 1.2.12 “Procurement Handbook” means the procurement handbook issued by the Executive Director of Corporate Services, setting out the detailed requirements for the conduct of procurement activity within the Council (as amended from time to time) and as updated by the Scottish Government’s Procurement Journey;
- 1.2.13 “Contract Management Manual” means the contract management manual issued by the Executive Director of Corporate Services, setting out the detailed requirements for the conduct of contract management activity within the Council (as amended from time to time);
- 1.2.14 “Procurement Requirement Form” means a document setting out as a minimum: -
- 1.2.15.1 what is the Council's requirement for the goods, works or services and why do we need it?
  - 1.2.15.2 what are all the available options, including internal provision, which is the best and why?
  - 1.2.15.3 can and should the Council afford it?
  - 1.2.15.4 what are the proposed supplier management arrangements and who is the nominated Contract Manager as required by Contract Standing Orders?
  - 1.2.15.5 how do we track, measure and account for the benefits?
  - 1.2.15.6 the implications for sustainability and delivery of Council outcomes such as the aim of becoming a net zero city by 2030, increased opportunities for SMEs/ the local economy and delivery of the Council’s sustainable procurement outcomes
- 1.2.15 “Project Manager” means the nominated Project Manager for a specific contract who is responsible for dealing with the contractor’s performance and contractual matters on a day to day basis;
- 1.2.16 “Real Living Wage” means the hourly rate of pay which is independently calculated each year and overseen by the Living Wage Foundation and announced during Living Wage week in October/November each year;

- 1.2.17 “2015 Regulations” means the Public Contracts (Scotland) Regulations 2015 or successor legislation (as amended from time to time);
- 1.2.18 “2016 Regulations” means the Procurement (Scotland) Regulations 2016 or successor legislation (as amended from time to time);
- 1.2.19 “Regulated procurement” means a procedure to award a regulated contract being a public contract which is equal to or greater than £50,000 or £2million for works contracts;
- 1.2.20 “Schedule” means the schedule to these Standing Orders;
- 1.2.21 “Service Director” means the relevant Service Director of the procuring Division (or in the case of the Edinburgh Integration Joint Board the direct reports to the Chief Officer) or in the case of the absence of the relevant Service Director such other Service Director that the Executive Director may nominate;
- 1.2.22 “Social and other Specific Services” means a public contract or framework for social and other specific services as defined by the 2015 Regulations including:-
- 1.2.22.1 Health, social and related services
  - 1.2.22.2 Administrative social, educational, healthcare and cultural services
  - 1.2.22.3 Other community, social and personal services
  - 1.2.22.4 Legal services
  - 1.2.22.5 Investigation and security services
  - 1.2.22.6 Postal services
- 1.2.23 “Standing Orders” means these standing orders including the Schedule and “Standing Order” shall be interpreted accordingly;
- 1.2.24 “Sustainable Procurement Objectives” means the seven key strategic procurement objectives that the Council has agreed to promote, namely (i) making procurement spend more accessible to local small businesses and the third sector, (ii) improving fair work practices adopted by suppliers, (iii) increasing community benefits delivered by suppliers, (iv) becoming a net zero city by 2030 (v) delivering savings and Best Value outcomes, (vi) ensuring legal compliance and robust and transparent governance and (vii) promoting innovative and best practice solutions; and,
- 1.2.25 “Sustainable Procurement Strategy” means the Council’s five-year Sustainable Procurement Strategy (March 2020-March 2025) published as a requirement of the Procurement

Reform (Scotland) Act 2014 and as amended from time to time, which includes the Strategic Procurement Objectives.

### 1.3 General Principles

- 1.3.1 The relevant officer with responsibility for commissioning and/or procuring shall, prior to commencing any procurement process, ensure that an appropriate Procurement Requirement Form that meets the strategic and service objectives of the Council is completed in order to ensure (i) that Best Value is achieved, (ii) that the proposal supports the delivery of the Sustainable Procurement Strategy and the promotion of the Sustainable Procurement Objectives, (iii) that the proposal complies with the Council's equality and sustainability duties to become a net zero city by 2030 (iv) that Co-production with key stakeholders is planned as appropriate and proportionate to the nature of the proposed contract.
- 1.3.2 The Procurement Requirement Form shall include consulting with other Council service areas to ensure that where there is a need for the same or similar services that they are jointly procured where appropriate. Where the approximate value of any proposed procurement is likely to exceed £1 million (or £50,000 in the case of consultancy spend) the relevant Procurement Requirement Form shall require the approval of the relevant Executive Director prior to proceeding to procurement.
- 1.3.3 All potential contracts above the Procurement Thresholds and Regulated procurements must comply with the general principles of equal treatment, non-discrimination, transparency and proportionality. Procurements must not be designed with the intention of unduly favouring or disadvantaging any potential tenderer.
- 1.3.4 Throughout the life of a contract the contract should:-
- a. comply with the minimum standards set out in the Procurement Handbook and the Contract Management Manual and
  - b. be managed by the Contract Manager or as appropriate the Project Manager in respect of
    - i. performance;
    - ii. compliance with the specification and other terms of the contract;
    - iii. cost and benefits including the delivery of community benefits;
    - iv. Best Value requirements;
    - v. equality requirements;
    - vi. compliance with the Sustainable Procurement Strategy;

- vii. delivering the aim of becoming a net zero city by 2030;
- viii. delivery and risk management; and
- ix. continuous improvement and Co-production principles.

1.3.5 All procedures for initiating procurement, developing procurement plans, inviting and receiving tenders, approval of contracts, and all contractual arrangements entered into, shall support the delivery of the Council's Sustainable Procurement Strategy and the promotion of the Sustainable Procurement Objectives. This shall include compliance with the Council's equality and sustainability duties and so far as practicable making procurement spend more accessible to local small businesses and the third sector, contributing to the Council's aim of becoming a net zero city by 2030, encouraging and promoting Fair Work First principles, payment of the Real Living Wage and increasing community benefits delivered by suppliers.

1.3.6 All expenditure must comply with the Council's Financial Regulations.

1.3.7 Grants while not subject to the full application of the procurement regulations should be allocated in consultation with the Head of Commercial and Procurement Services and are subject to the requirement to

- a. secure Best Value;
- b. comply with the Council's Grant Standing Orders;
- c. comply with the Council's Finance Rules; and,
- d. adhere to the Compact values of fairness, transparency, equality of treatment and mutual respect.

## **2 Procedures**

2.1 In addition to the obligations in Standing Order 1.3, before commencing a tendering procedure or making a purchase where no contract exists the relevant Executive Director must consult with the Head of Commercial and Procurement Services to establish whether:

2.1.1 The Council has an existing contract for the same or similar requirement which may fulfill their requirements and provide Best Value; or

2.1.2 there is any existing internal provision or other resources which could be used.

2.2 The procedure for the award of any contract shall depend upon the estimated aggregated value of that contract. Regulatory duties on aggregation of contracts shall apply and the artificial splitting of purchase orders or requirements to avoid the application of these Standing Orders is not permitted.

- 2.3 Subject to Standing Order 9 and 1.1.6, or where otherwise legally permitted in respect of proposed contracts which exceed the Procurement Thresholds, the minimum associated tendering procedures that must be applied are detailed in the Schedule.
- 2.4 For a procedure other than competitive tendering e.g. the negotiated procedure without prior advertisement, advice must be sought from the Service Director for Legal and Assurance and/or Head of Commercial and Procurement Services.
- 2.5 Health, social care and community services shall be procured in accordance with the Act, the 2015 Regulations, the 2016 Regulations, the Procurement of Care and Support Services 2016 (Best Practice), any statutory guidance issued under the Act and the principles of Co-production.
- 2.6 For all purchases of £50,000 and above for the supply of goods and services and £2million for works the sustainable procurement duty introduced by the Act requires that before buying anything the Council must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates with a particular focus on inequality and then act in a way that secures these improvements and supports the delivery of the Sustainable Procurement Strategy and the promotion of the Sustainable Procurement Objectives.
- 2.7 In accordance with its sustainable procurement duty and the Sustainable Procurement Strategy the Council must consider how its procurement processes can facilitate the involvement of Small or Medium Enterprises (SMEs), third sector bodies and supported businesses and how innovation can be promoted. For contracts over the Procurement Thresholds a contract may be awarded in the form of separate lots and where the decision is not to award in the form of separate lots this should be explained in the procurement documents.
- 2.8 The Council may reserve the right to participate in a tendering procedure to providers operating supported businesses, supported employment programmes or supported factories where more than 30% of the workers are disabled or disadvantaged persons in accordance with the 2015 Regulations. Where this right is exercised by the Council the contract award procedures provided by the Regulations and Act shall be followed.
- 2.9 Where legally permissible the Council shall seek to ensure that for purchases or contracts of an estimated value of less than £50,000 that at least one SME from the City of Edinburgh or an SME who is a significant employer within the City of Edinburgh is invited to tender in any process. For future repeat procurements for similar goods, services or works the Council shall seek to ensure that at least one new SME from the City of Edinburgh or a new significant employer within the City of Edinburgh is invited to tender in any process.
- 2.10 Direct purchasing below £5,000 where the purchase cannot be secured from an existing contracted supplier without competitive tendering is permissible subject to the Council's duty to secure Best Value. Best Value will normally be secured by seeking alternative quotes and/or evidence of firm fixed prices where reasonably practicable.

2.11 Direct purchasing above £5,000 requires a minimum of 3 quotes for all purchases except where it would be permissible in those circumstances that would be permitted by the Act, the 2015 Regulations, the 2016 Regulations or in accordance with Standing Order 9.

2.12 The Head of Commercial and Procurement Services shall be consulted as appropriate in respect of tendering arrangements for any proposed contracts with an estimated value of less than £25,000 including individual call off contracts and direct awards under Frameworks.

The Head of Commercial and Procurement Services may seek advice and escalate such risks as considered appropriate to the Service Director of Legal and Assurance who shall advise as to the appropriate action.

2.13 The Head of Commercial and Procurement Services shall advise on and make all tendering arrangements for any proposed contracts with an estimated value in excess of £25,000 including individual call off contracts and direct awards under Frameworks.

2.14 If an unsuccessful tenderer brings a written or formal challenge against the Council in relation to a tender exercise or questions the integrity of the tender process, the recipient of the notice of challenge or query must inform the Head of Commercial and Procurement Services. The Head of Commercial and Procurement Services must inform the Service Director of Legal and Assurance as to potential legal challenges.

2.15 Parent Teacher Association monies may be subject to the application of the procurement regulations where the contract is entered into by the Council. The prior consent of the Council must be obtained where the expenditure of Parent Teacher Association monies will result in alterations to Council land or buildings or require equipment to be fixed to Council land or buildings, or have health or safety or ICT implications or maintenance obligations.

### **3 The Role and Responsibilities of Executive Directors**

3.1 Each Executive Director retains responsibility for selecting and appointing contractors, providers, suppliers or Consultants for their Directorate and shall seek guidance, as appropriate, from the Head of Commercial and Procurement Services. The Head of Commercial and Procurement Services shall be consulted at the earliest opportunity to ensure that all purchasing arrangements are made in compliance with these Standing Orders.

3.2 Each Executive Director has responsibility for all contracts tendered and let by their Directorate and is accountable to the Council for the performance of their duties in relation to contract letting and management, which are:

3.2.1 to ensure compliance with these Standing Orders, the Procurement Handbook and the Contract Management Manual;

3.2.2 to ensure no contract is entered into by the Council without seeking advice, where appropriate, from the Head of Commercial and Procurement Services and Service Director of Legal and Assurance and having proper regard to such advice;

- 3.2.3 to ensure adequate time is allowed to consult the market and allow the market to respond;
- 3.2.4 to ensure that appropriate contract security (for example guarantees or performance bonds) is obtained where required or considered prudent;
- 3.2.5 to prepare and approve where required by these Standing Orders an appropriate Procurement Requirement Form for each proposed purchase or contract;
- 3.2.6 to prepare, in consultation with the Head of Commercial and Procurement Services, appropriate contract and tender documents which clearly specify the scope, quality and quantity of the works, goods or services;
- 3.2.7 to check whether there is any existing Council or other adopted collaborative framework that can appropriately be used to achieve Best Value for the Council before undergoing a further competitive tender process;
- 3.2.8 to keep all bids confidential subject to any legal requirements;
- 3.2.9 to take appropriate measures to prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid distortion of competition and to ensure equal treatment of tenderers and to maintain written records of the measures taken and any conflicts arising;
- 3.2.10 to ensure that any evaluation panel is suitably qualified and trained to assess tenders;
- 3.2.11 to ensure no supplier is requested by the Council to provide goods, services or works without first having a valid purchase order in place;
- 3.2.12 to enter all purchase order information onto the relevant Council financial system prior to the service or goods being delivered;
- 3.2.13 to ensure that for contracts of a value greater than £5,000 for goods, and services and £10,000 for works, the contract register record is updated within 5 working days following issue of contract award and in any event prior to start date of contract;
- 3.2.14 to arrange for the publication of a contract award notice on Public Contracts Scotland for Regulated procurements including call offs from frameworks where the value (including aggregate values) is equal to or exceeds £50,000 or £2million for works as required by the Regulations
- 3.2.15 to ensure all relevant staff putting in place a contract have read and understood and are familiar with these Standing Orders, the Procurement Handbook, the Contract Management Manual or other guidance issued in respect of these Standing Orders;

- 3.2.16 to conduct a timely Integrated Impact Rights Assessment and/or privacy impact assessment as appropriate;
- 3.2.17 to ensure contracts are awarded, any necessary checks such as IR35 or Disclosure Scotland checks are carried out and any appropriate contract security documents are signed before the supply of goods, works, services provision commences;
- 3.2.18 to put in place arrangements for efficient contract and supplier management including the identification of a Contract Manager or Project Manager and management of benefits and performance, for the entire duration of the contract or Framework. For Frameworks or contracts used by more than one Directorate the arrangements for contract and supplier management shall be made by the Executive Director for the Directorate with the largest spend or anticipated spend in respect of the same and pending such decision being made the contract management arrangements shall be made by the Executive Director for the Directorate submitting the Procurement Requirement Form;
- 3.2.19 to retain a copy of the contract and keep proper records of all contracts and tenders, including minutes of tender evaluation panels and other meetings;
- 3.2.20 to take immediate action in the event of a breach of these Standing Orders or non-compliance with the Procurement Handbook or the Contract Management Manual within his/her directorate;
- 3.2.21 to consult with Elected Members on matters reasonably considered politically, reputationally or financially sensitive in relation to proposed procurement activity and to brief Elected Members as appropriate at the Procurement Requirement Form stage of such procurements; and,
- 3.2.22 to make appropriate arrangements for the opening of tenders and their secure retention to protect the integrity of the procurement process.

#### **4 Tender Documents**

- 4.1 The tender documents shall clearly set out the proposed method of evaluation as well as the scope, timing, quality and quantity of the works, services and supply of goods required by the Council.
- 4.2 The Service Director for Legal and Assurance will be consulted on conditions of contract for particularly significant or complex projects or contracts.
- 4.3 The Council's conditions of contract shall be used for all purchases over £5,000 unless the Head of Legal and Risk has advised that this is not required.

#### **5 Evaluation of Tenders and Quotes**

- 5.1 Tenders and quotes shall be evaluated on the basis of most economically advantageous and the best price-quality ratio. The award of a contract on the basis of lowest cost alone shall be limited to low value and straightforward



requirements which are below the Procurement threshold values and only with the prior agreement of the Head of Commercial and Procurement Services.

- 5.2 Tenders and quotes received after the closing date and time stipulated for return of tenders, or tenders which are incomplete or in an incorrect format will not be opened or considered unless the Council, acting proportionately, decides that there are circumstances which allow it to exercise discretion in allowing consideration of the tender. The Head of Commercial and Procurement Services must be consulted if tenders which are submitted late, incomplete or in an incorrect format are to be evaluated.
- 5.3 Tenders shall be evaluated by a tender evaluation panel which should comprise officers and such others as may be approved by the Head of Commercial and Procurement Services all of whom must have sufficient knowledge and technical ability to enable them to evaluate detailed tenders appropriately. The evaluation process shall follow any guidance issued by the Head of Commercial and Procurement Services and be fully and appropriately documented.
- 5.4 Where a proposed purchase or tender involves the use, adoption or purchase of any form of Information and Communications Technology (ICT) device or digital service, software or hardware then the approval of the Council's Digital Services must be sought at the Procurement Requirement Form stage and any purchase for any value (including those for nil value) must be undertaken in collaboration and with the approval of the Council's Digital Services. The Council's existing Strategic ICT and Transformation contract should be used for any Council requirements unless it is unsuitable or will not provide Best Value.

## **6 Acceptance and Award of Contracts**

- 6.1 Following the conclusion of the procedure for awarding contracts set out in these Standing Orders and, where applicable, the expiry of the mandatory standstill period, the resulting contract between the Council and successful tenderer shall follow the approval process detailed in the Schedule. The signing of the contract document or letter of acceptance shall be in accordance with the Scheme of Delegation.

## **7 Eligibility to tender and termination, variation or suspension of a contract**

- 7.1 The relevant Executive Director, having due regard to legal advice from the Service Director of Legal and Assurance, may treat a potential tenderer as ineligible to tender where there are reasonable grounds to conclude that the contractor or potential tenderer:
  - 7.1.1 has committed an act of grave misconduct in the course of their business or profession; or,
  - 7.1.2 has shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract which led to early termination of that prior contract, damages or other comparable sanctions, subject to consideration by the Council of any measures taken to demonstrate reliability; or,

- 7.1.3 falls within one or more of the other grounds set out in the 2015 Regulations; or,
- 7.1.4 has compiled, used, sold or supplied a prohibited list which:
  - i. contained details of persons who are or have been members of trade unions or persons who are taking part or have taken part in the activities of trade unions, and,
  - ii. was compiled with a view to being used by employers or employment agencies for the purposes of discrimination in relation to recruitment or in relation to the treatment of workers, within the meaning of the Employment Relations Act of 1999 (Blacklists) Regulations 2010.

7.2 The relevant Executive Director may terminate, suspend or vary a contract, in accordance with the express or implied terms of the contract and may also take such further action with regard to any contract as the Council is legally entitled to take.

7.3 The relevant Executive Director will notify the Service Director of Finance and Procurement and the Head of Commercial and Procurement Services without delay of any actions taken in accordance with Standing Order 7.1 to 7.2.

## **8 Electronic Procurement**

8.1 Requests for quotations and invitations to tender shall be issued and/or received by electronic means.

## **9 Waiver of Contract Standing Orders or Legislative Exemptions**

9.1 The requirement to comply with any provision of these Standing Orders may be waived in accordance with the waiver approval process detailed in the Schedule if on considering a written report by an appropriate officer the waiver is considered to be in the Council's best interests having regard to

9.1.1 Best Value;

9.1.2 any potential risk of successful legal challenge;

9.1.3 the principles of transparency, equal treatment, non-discrimination and proportionality;

9.1.4 any impact upon services users; and,

9.1.5 the Sustainable Procurement Strategy.

9.2 A record of the decision approving a waiver must be kept by the relevant Executive Director and a copy of such approved waiver provided to the Head of Commercial and Procurement Services who shall where appropriate make an entry in the contract register and any other appropriate register.

9.3 Where approval for a waiver of these Standing Orders has not been obtained in

advance the reason for this must be contained in the waiver report.

- 9.4 Where a waiver, committee approval or procedure permitted by this Standing Order 9 allows the direct award of a contract which is equal to or exceeds £50,000 then a contract award notice must be recorded on the Public Contracts Scotland portal and the relevant Executive Director must notify Commercial and Procurement Services of the details to allow entry on the contract register and any other appropriate register,
- 9.5 Where these Standing Orders have been waived in accordance with this Standing Order 9 the relevant Executive Director shall put in place a written contract for that requirement without delay, inform the Head of Commercial and Procurement Services and ensure appropriate plans are made for tendering the requirement where appropriate.
- 9.6 The requirement to waive these Standing Orders is not required where:
  - 9.6.1 a procedure or specific situation other than the open or restricted procedure is permitted by the 2015 Regulations, 2016 Regulations, the Act, other legislation or relevant case law. In deciding whether the use of another procedure or specific situation is permitted the relevant Service Director or Executive Director shall seek advice from the Head of Commercial and Procurement Services and/or Service Director of Legal and Assurance ;
  - 9.6.2 the circumstances of the proposed contract are covered by legislative exemptions, for example certain research and development services;
  - 9.6.3 contracts with another public body for the purposes of ensuring co-operation with the aim of providing public services; or
  - 9.6.4 a tender process or contract negotiations are currently in progress and contact award and contract commencement is anticipated within four months.

## **10 Contract extensions or variations**

- 10.1 Subject to 10.2, an Executive Director (or where the value or consequent change in price does not exceed £25,000, the relevant Service Director) may authorise an extension to a contract, or any other variation including a consequent change in price, provided such extension or variation has been provided for in the initial procurement documents which may include price revision clauses or options, is not contrary to the Act, the 2015 or 2016 Regulations or the Council's legal obligations.
- 10.2 An Executive Director or Service Director shall not extend or vary a contract if such extension or variation is not expressly permitted by the contract without seeking advice from the Service Director of Legal and Assurance or the Head of Commercial and Procurement Services.
- 10.3 The regulatory rules on aggregation of contracts shall apply.

## 11 Consultants

- 11.1 Consultants shall only be appointed where the service cannot be provided by Council staff due to a lack of expertise or capacity.
- 11.2 The cost of appointing a Consultant shall be contained within the budget of the service or project for which the Consultant is to be appointed.
- 11.3 Executive Directors shall ensure a clear specification identifying the required outcomes shall be in place at the time of appointing the Consultant.
- 11.4 Executive Directors shall ensure that appropriate monitoring arrangements, such as gateway reviews, are in place prior to a Consultant's appointment in order that payments to the consultant are only made in accordance with the satisfactory achievement of measurable outcomes.
- 11.5 Where a Consultant is to be appointed and the services are:
- 11.5.1 of a financial nature the Service Director of Finance and Procurement must be consulted on the scope and specification of the services prior to appointment.
  - 11.5.2 of a legal nature the Service Director of Legal and Assurance must be consulted on the scope and specification of the services prior to appointment.
  - 11.5.3 of an ICT or Digital Services nature, the Service Director of Customer and Digital Services must be consulted on the scope and specification of the services prior to appointment.

For all other appointments the relevant Executive Director shall approve the scope and specification where the services (or series of related services) are anticipated to be provided at an aggregate cost of up to £50,000.

- 11.6 Where Consultants are appointed, Executive Directors shall ensure that where appropriate, Council staff fill key project roles and work closely with Consultants to maximise the potential for transfer of skills and knowledge to Council staff.
- 11.7 Executive Directors shall maintain up-to-date records on the consultancy spend within their Directorate and shall include consultancy spend as a line in the annual consultants' report for the Finance and Resources Committee each financial year.
- 11.8 Subject to 11.9 the appointment of a Consultant where the services (or series of related services) are anticipated to be provided at an aggregate cost of £50,000 or more shall follow the approval process detailed in the Schedule.
- 11.9 Further approval shall not be required for consultancy services that are essential to the completion of a Pre-Approved Council Project. A Pre-Approved Council Project is a project for which there is:
- 11.9.1 approved revenue or capital expenditure in accordance with the

Council's Financial Regulations; and

- 11.9.2 for projects that have a Council or appropriate committee report approving the recommendation to commence the project which includes an explicit reference to the requirement for consultants in the delivery of that project.
- 11.10 Committee approval shall not be required for the appointment of a Consultant employed in the delivery of a works contract where the value of that works contract is below the Committee reporting requirements as set out in the Contract Standing Orders for services or works. Any such appointment shall require the prior approval of the relevant Executive Director and the Head of Commercial and Procurement Services and details of any such appointments shall be included in a regular update report to CLT for noting.
- 11.11 In the event that the requirements of 11.9.2 are not met and the use of a Consultant is required as a matter of urgency the urgency provisions set out in provision 4 of the Council's Committee Terms of Reference and Delegated Functions and the Waiver provisions contained in Contract Standing Order 9 where appropriate should be followed.
- 11.12 An Executive Director shall not appoint a former employee who has been granted early retirement or been given a redundancy or severance package ("former employee") as a consultant unless:
- 11.12.1 a minimum of 1 year has elapsed since the former employee ceased to be employed by the Council; or,
- 11.12.2 subject to consultation with the Chief Executive, the Executive Director concerned is satisfied that there is a clear and robust justification for the appointment of the former employee as a consultant.

## **12 National Frameworks**

- 12.1 In order to purchase without delay from National Frameworks which comply with the relevant procurement legislation such as those put in place by Scotland Excel, Scottish Procurement, Yorkshire Purchasing Organisation (YPO), Crown Commercial Services (CCS) or the East Shires Purchasing Organisation (ESPO) the Council may make use of the Framework subject to reporting the initial adoption of such Frameworks in a six-monthly report to the Finance and Resources Committee.
- 12.2 Individual call-off contacts placed under Council or National Frameworks shall be subject to the approvals thresholds as detailed in the Schedule. For the avoidance of doubt, where the value of individual call-offs exceed these thresholds then approval or delegated authority must be sought from the Finance and Resources Committee (or as otherwise required under in these Standing Orders).

## **13 Review of Standing Orders**

- 13.1 These Standing Orders will be reviewed at least annually.

**Schedule  
RELEVANT VALUES AND ASSOCIATED TENDERING PROCEDURE**

Total value for duration of contract or purchase (aggregation rules apply)*	Procedure	Approval of contractual obligation	Committee Approval
Up to £5,000*	<p>Use existing local, national, Council framework or call- off contracts or</p> <p><b>Appropriate choice of provider</b> documenting reasoning and quote <i>or</i></p> <p>Public Contracts Quick Quote facility.</p> <p>Best Value must be delivered, for up to £5,000 alternative quotes and/or evidence of firm fixed prices should be sought where reasonably practicable</p>	Executive Director, Service Director or such other officer to whom the relevant Executive Director or Service Director has appropriately delegated their powers to in consultation with Head of Commercial and Procurement Services as appropriate**	Not required
£5,000* to £25,000* (including health or social care services)	<p>Use existing local, national, Council framework or call- off contracts or</p> <p>Seek a minimum of 3 quotes using Public Contracts Scotland “Quick Quote” facility unless the circumstances for a direct award that would be permitted by the Act, the 2015 Regulations or the 2016 Regulations are present</p> <p><b>or 3 written/formal quotations</b> – written description of requirements followed by written / electronic submission of quotes.</p> <p>for Social and other Specific Services for Health or Social</p>	Executive Director, Service Director or such other officer to whom the relevant Executive Director or Service Director has appropriately delegated their powers to in consultation with Head of Commercial and Procurement Services as appropriate, and Service Director of Legal and Assurance as appropriate**	Not required

	Care Services: Contracts to be awarded in accordance with the Procurement of Care and Support Services 2016 (Best Practice) and any statutory guidance issued under the Act		
<b>£5,000* up to £50,000* for Consultancy spend****</b>	<p>Use existing local, national, Council framework or call-off contracts or</p> <p>Seek minimum of 3 quotes using Public Contracts Scotland "Quick Quote" facility up to a value of £50,000 unless the circumstances for a direct award that would be permitted by the Act, the 2015 Regulations or the 2016 Regulations are present</p> <p><b>or</b></p> <p><b>written/formal quotations</b> – written description of requirements followed by written / electronic submission of quotes up to a value of £50,000 unless otherwise agreed with Head of Commercial and Procurement Services</p> <p>or</p> <p><b>Invitation to tender following public advertisement</b> - Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements as set out in the Act and the 2016 Regulations (generally above £50,000)</p>	Executive Director, Service Director or such other officer to whom the relevant Executive Director or Service Director has appropriately delegated their powers to in consultation with Head of Commercial and Procurement Services and Service Director for Legal and Assurance as appropriate up to £50,000.**	Not required
<b>£50,000* and above for Consultancy spend****</b>	Use existing local, national, Council framework or call-off contracts where they comply with the 2015 and 2016 Regulations as applicable, or-	Not applicable subject to **	Approval to award sought from Finance and Resources Committee***or Council where value is equal to or exceeds

	<p><b>Invitation to tender following public advertisement -</b> Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements required by the Act and the 2016 Regulations</p> <p>Or</p>		£50,000 per annum
<p><b>£25,000* and above for services and supplies (including health or social care services)</b></p>	<p>Where Best Value can be demonstrated use existing local, national, Council framework or call- off contracts where they comply with the 2015 and 2016 Regulations as applicable, or-</p> <p><b>Invitation to tender following public advertisement –</b> using the Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements required by the Act and the 2016 Regulations</p> <p>or</p> <p>Public Contracts Quick Quote facility up to a value of £50,000.</p> <p>or</p> <p>for Social and other Specific Services for Health or Social Care Services- Contracts below the Procurement thresholds to be awarded in accordance with the Procurement of Care and Support Services 2016 (Best Practice) and any statutory guidance issued under the Act Contracts above the Procurement thresholds follow the relevant light touch provisions in the Procurement Regulations</p>	<p>Executive Director or Service Director (where delegated authority has been given) in consultation with Head of Commercial and Procurement Services (and Service Director for Legal and Assurance as appropriate) up to £1million per annum but not exceeding £5million in total.**</p>	<p>Approval to award sought from Finance and Resources Committee***or Council where value is equal to or exceeds £1 million per annum or £5million in total.</p>



<p><b>£25,000* and above for works</b></p>	<p>Use existing local, national, Council framework or call-off contracts where they comply with the 2015 and 2016 Regulations as applicable, or</p> <p>Public Contracts Quick Quote facility up to a value of £2million.</p> <p><b>Invitation to tender following public advertisement</b> - Public Contracts Scotland portal and where these are Regulated Procurements comply with the provisions for Regulated procurements as set out in the Act and the 2016 Regulations</p>	<p>Executive Director or Service Director (where delegated authority has been given) in consultation with Head of Commercial and Procurement Services (and Service Director for Legal and Assurance as appropriate) up to £500,000.</p> <p>Executive Director approval in consultation and Head of Commercial and Procurement Services (and Service Director for Legal and Assurance as appropriate), between £500,000 and less than £4million.</p>	<p>Approval to award sought from Finance and Resources Committee*** or Council where value is equal to or exceeds £4 million.</p>
<p><b>Above £50,000* for individual call off-contracts for services and supplies placed under National Frameworks subject to compliance with the relevant procurement legislation (excluding consultancy services)</b></p>	<p>In accordance with the call-off provisions specified for that National Framework.</p>	<p>Executive Director or Service Director (where delegated authority has been given) in consultation with Head of Commercial and Procurement Services (and Head of Legal and Risk as appropriate) up to £1million per annum but not exceeding £5million in total **.</p>	<p>Approval to award sought from Finance and Resources Committee*** or Council where value is equal to or exceeds £1million per annum or £5million in total.</p>
<p><b>Above £50,000* for individual call off-contracts for works placed under National Frameworks subject to compliance with the relevant procurement legislation</b></p>	<p>In accordance with the call-off provisions specified for that National Framework.</p>	<p>Executive Director or Service Director (where delegated authority has been given) in consultation with Head of Commercial and Procurement</p>	<p>Approval to award sought from Finance and Resources Committee*** or Council where value is</p>

<b>(excluding consultancy services)</b>		Services (and Service Director for Legal and Assurance as appropriate) up to £500,000**.  Executive Director approval in consultation with the Head of Commercial and Procurement Services (and Service Director for Legal and Assurance as appropriate), between £500,000 and less than £4million**.	equal to or exceeds £4 million.
<b>Above the Procurement Threshold for concession contracts</b>	Publication of a Concession Notice in OJEU and compliance with the requirements of the Concession Contracts (Scotland) Regulations 2016	Executive Director approval in consultation with the Head of Commercial and Procurement Services (and Service Director for Legal and Assurance) as appropriate) up to £5million	Approval to award sought from Finance and Resources Committee*** or Council where the value is equal to or exceeds £5 million

\* the estimated value of the contract is the value of the total consideration (not including VAT) which the Council expects to be payable under or by virtue of the contract. Contracts must not be artificially disaggregated.

\*\* The purchase (even for nil value) of any form of ICT device or digital service, software or hardware shall require the approval of the Council's Digital Services, in accordance with the provisions of the foregoing Standing Orders

\*\*\*Contracts for Lothian Pension Fund shall be subject to the approval of the Pensions Committee.

\*\*\*\* The provisions of 11.9 Consultants shall apply

### WAIVER APPROVAL PROCEDURE

Total value for duration of Waiver (aggregation rules apply)*	Approval of waiver	Committee Approval
<b>Up to £5,000*</b>	Not required**	Not required
<b>Above £5,000 to £50,000*</b>	The relevant Executive Director or Head of Service to whom the relevant Executive Director has appropriately delegated their powers to and the Head of Commercial and Procurement Services **	Not required
<b>Above £50,000 - £250,000 (£5,000 - £50,000 in the case of consultancy spend)*</b>	The relevant Executive Director, and the Executive Director of Corporate Services (or the Head of Commercial and Executive where the relevant Executive Director is the Executive Director of Corporate Services)**	Not required

<b>Above £250,000 (above £50,000 in the case of consultancy spend)*</b>	<b>**</b>	Approval to waive sought from Finance and Resources Committee** or Council as the Chief Executive considers appropriate

\* the estimated value of the contract is the value of the total consideration (not including VAT) which the Council expects to be payable under or by virtue of the contract. Contracts must not be artificially disaggregated.

\*\* The purchase (even for nil value) of any form of ICT device or digital service, software or hardware shall require the approval of the Council's Digital Services, in accordance with the provisions of the foregoing Standing Orders.

\*\*\*Contracts for Lothian Pension Fund shall be subject to the approval of the Pensions Committee.

\*\*\*\* The provisions of 11.9 of the foregoing Standing Orders (Consultants) shall apply.

## Finance and Resources Committee

10am, Tuesday 20 June 2023

### Non-Domestic Rates - Empty Property Policy

Executive/routine  
Wards  
Council Commitments

#### 1. Recommendations

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- 1.1 To agree in principle, subject to possible refinement, the proposed changes to the Council's Non-Domestic Rates – Empty Property Policy, which are intended to come into operation from 1 January 2024.
- 1.2 To note that Officers will engage with Businesses and invite representation from the Scottish Property Federation and other relevant groups to provide comment on the proposed changes by the end of June 2023.
- 1.3 To note a final report will be brought to Committee in the autumn, detailing the recommended policy.

Dr Deborah Smart

Executive Director of Corporate Services

Contact: Nicola Harvey, Service Director, Customer and Digital Services

E-mail: [Nicola.harvey@edinburgh.gov.uk](mailto:Nicola.harvey@edinburgh.gov.uk)

Neil Jamieson, Head of Customer Services

E-mail: [neil.jamieson@edinburgh.gov.uk](mailto:neil.jamieson@edinburgh.gov.uk) | Tel: 0131 469 6150



## Non-Domestic Rates – Empty Property Policy

### 2. Executive Summary

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- 2.1 This report details a proposal to revise the Council's Non-Domestic Rates Empty Property policy. The proposal removes open ended exemptions and reliefs for most empty properties and instead places a 12-month limit on any such award. This timeline will apply from the last time the property was occupied, regardless of the owner/occupier.
- 2.2 There are over 1800 empty properties in Edinburgh. The future occupation and active use of these properties would deliver economic, social and cityscape benefits. The potential net increase in billable liability for these properties is estimated at over £13.8m, and billing and recovery activities would be progressed in the normal way.
- 2.3 Officers will engage with Businesses and invite representation from the Scottish Property Federation and other relevant groups to provide comment on the proposed changes. This will be led by Place colleagues and concluded by the end of June 2023.
- 2.4 A final report will be brought to Committee in the autumn, detailing the recommended policy, which is intended to be operational from 1 January 2024.

### 3. Background

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- 3.1 Non-Domestic Rates are a tax on Non-Domestic properties to help fund essential services. They are charged on properties held by the private, public and third sectors and payable by individuals, sole traders, businesses, charities, and public sector organisations (including the Council itself). Certain premises are exempt from business rates, whilst others may be eligible to claim Non-Domestic Rates relief based on circumstances, e.g. small businesses, charities, and unoccupied properties.
- 3.2 From 1 April 2023, Local Authorities in Scotland have been able to adjust Empty Property Relief (EPR) within the Non-Domestic rating system. On 10 March 2023 the Finance and Resources Committee approved the Council's Empty Relief policy, which mirrored the previous Scottish Government scheme. Committee also requested a further report considering potential changes to the approved scheme. That action is addressed by this report, which includes contributions from Elected Members and Council Officers.

## 4. Main report

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- 4.1 Scottish councils now have the power to amend Non-Domestic Rates empty property relief and exemptions. There is no requirement to follow a national framework, and each council has autonomy to design their own scheme. This creates flexibility for the Council to develop a scheme to address the issue of empty properties within Edinburgh.
- 4.2 Recent analysis confirmed the following split of empty properties in Edinburgh.
- Over 1800 empty properties in Edinburgh.
  - The Council is landlord for 93 empty properties.
  - The location of the empty properties is city wide, with further information provided in Appendix 1.
  - There are 159 sites with no buildings, which fall within this relief, and these are currently divided into green and brown field sites. 30 of these sites are Council owned. This level has remained static and there are currently no outstanding entries.
- 4.3 The following factors were considered when reviewing the Council's Non-Domestic Rates Empty Property policy:
- Scope to encourage owners to use properties, with anticipated economic, social and cityscape benefits (considered in Section 6 & 7);
  - implementation date should allow sufficient notice for businesses to plan for change and avoid any negative impact on inflight commercial agreements that could potentially inhibit buildings being brought back into use;
  - ensure fairness of NDR billing, by addressing open ended reliefs and exemptions;
  - opportunity to simplify relief categories; and
  - potential to deliver increased income to support service delivery.
- 4.4 The proposed changes to the policy are detailed at Appendix 2. They simplify existing classifications and remove the open-ended nature of various exemptions and reliefs and instead create a standard 12-month time limit, with the ability for a 12-month extension if certain criteria are met. The following operating principles would apply.
- a) The relief/exemption timescale would be applied to the property rather than the accountholder. This means the timescale commences from the last date the property was occupied, irrespective of the owner. This practice would ensure appropriate liabilities are billed.
  - b) To avoid unintended consequences a minimum occupancy requirement of six months would apply.
  - c) The proposal would impact the Council, as an owner of empty properties in the city. The portfolio of empty Council owned properties continues to be proactively managed by the Council's Estates team, with ongoing work to bring empty properties owned by the Council back into meaningful use. These activities are reported to Committee by the Estates team.
  - d) Charges would be subject to the Council's normal financial recovery activities.

- e) Classifications would be simplified to allow for relief time limits to be applied more uniformly. Discussions with senior planning officers established that whilst specific legislation determines the listed/unlisted classification, there is no material distinction progressing each property type through the planning and building warrant process.
- f) Properties subject to legal action would continue to be exempt e.g. occupation prohibited by law etc.
- g) A further 12-month extension of the 10% standard empty property relief would be applied where appropriate evidence exists, that the building is being actively marketed for sale/let or a current planning permission/building warrant exists. This would create a total relief timescale for standard properties of up to 24 months - 3 months at 50% and up to 21 months at 10%.

## 5. Next Steps

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- 5.1 The Non-Domestic Rates – Empty Property policy, approved by Committee on 10 March 2023 has been in operation since 1 April 2023.
- 5.2 To note that Place colleagues will engage with business and invite representation from the Scottish Property Federation and other relevant groups to provide comment on the proposed changes by the end of June 2023. A final report will be brought to Committee in the autumn, detailing the recommended policy, which is intended to be operational from 1 January 2024.
- 5.3 Any policy change will be supported by an implementation plan, that will include time to engage with impacted owners as part of coordinated awareness raising activities. This plan will align with the NDR work programme for 2023, which includes the 2023 rates revaluation, associated transitional relief activities, the small business bonus scheme changes, and support for the Essential Edinburgh re-ballot.

## 6. Financial impact

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- 6.1 The Council's revenue grant funding settlement for 2023/24 includes funding sufficient to fully meet existing relief and exemption liabilities created by the Council policy, which has operated since 1 April 2023. The existing level of grant funding received from Scottish Government will be maintained for 3 years.
- 6.2 Future changes to the empty property policy will be the financial responsibility of the Council e.g. any loss/increase in income flows directly to the Council.
- 6.3 For illustrative purposes only, and based on current empty property levels, pre-revaluation rateable values **and** an assumption **that all properties were vacant for more than 12 months and no relief extension is applicable**, this proposal could generate over £13.8 million of annual liability (net of charges that Edinburgh Council would be liable for as owner of empty properties in the city) that would be billed for collection. This is detailed in Appendix 3. The actual sums would depend on the number and nature of the properties and the length of time they have been empty. Collection levels would also be heavily influenced by these characteristics including



the reason for the property being empty i.e. business in administration, deceased estate etc. Given the long-standing nature of the previous Scottish Government policy it is not possible at this time to predict with sufficient accuracy potential collection levels. .

- 6.4 Business rates for empty properties owned by the Council will be billed and paid in the normal way. Additional Council charges resulting from this proposal would be offset against revenue generated through the changes to the empty property relief policy. Any additional revenue generated through changes to existing reliefs would also require to be offset against the Council's assumption of liability for newly eligible properties, irrespective of ownership, with effect from April 2023.
- 6.5 The initial costs of implementing and supporting the proposal, including system alterations, is estimated at £150k. Ongoing resource costs would be met from increased collection levels.

## **7. Stakeholder/Community Impact**

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- 7.1 The proposed changes are designed to encourage building owners to return properties to active use. Occupied premises are a vital component of a healthy and growing economy. Established benefits include an increased economic activity through the city by attracting customers and businesses to the area. This increased footfall also supports other local businesses such as cafes, restaurants, and entertainment venues, creating a virtuous cycle of economic activity. As more businesses open to meet the demand of the growing customer base, it generates additional economic activity beyond their own operations through the wages paid to employees, purchases made from suppliers, and the spending of customers. This multiplier effect can amplify the economic benefits of each occupied premise.
- 7.2 Occupied premises facilitate better spaces and amenities for residents and visitors, by improving the quality of the visual environment. This can assist the city's High Streets and Town Centres being attractive places to visit and helps to protect the value of surrounding properties. Occupied premises can increase the value of nearby properties, as they make the area more attractive to potential buyers, renters, and investors.
- 7.3 Occupied premises also decrease the risk of vandalism, crime, and antisocial behaviour in all its forms while reducing pressures on Police and other public services, and contributes towards community cohesion, shared sense of identity, civic pride, and local distinctiveness.
- 7.4 The proposal will impact on owners of empty properties in Edinburgh and a focused consultation exercise will now be undertaken with business forums on the proposed changes.

## **8. Background reading/external references**

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- 8.1 [Finance and Resources Committee – 10 November 2022](#)  
[Finance and Resources Committee - 10 March 2023](#)

## **9. Appendices**

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9.1 Appendix 1 - Empty Property Caseload

Appendix 2 - Empty Property Reliefs & Exemptions Current Policy & Proposal

Appendix 3 - Financial Implications of Proposal - Indicative Only

## Snapshot of Empty Property Caseload

## Empty Property by Postcode (Includes CEC)

Relief / Exemption	EH1	EH2	EH3	EH4	EH5	EH6	EH7	EH8	EH9	EH10	EH11	EH12	EH13	EH14	EH15	EH16	EH17	EH21	EH27	EH28	EH29	EH30	Total
Empty Property Relief 10%	26	51	81	29	12	92	19	29	12	12	32	130	3	19	17	13	2	0	2	17	2	5	605
Empty Property Relief 50%	5	6	9	2	1	4	2	0	0	1	1	5	0	1	1	0	0	0	0	0	0	1	39
Administrator	1	3	0	0	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	1	0	0	8
Building Preservation Notice	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Executor in deceased estate	0	0	1	0	1	3	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	7
Ground/land - no buildings	7	15	11	5	32	17	6	4	0	0	7	16	1	11	0	13	5	0	0	9	0	0	159
Liquidator	0	3	1	0	1	2	5	0	0	2	4	0	1	0	1	0	0	0	0	1	0	0	21
Listed Buildings	112	294	178	10	4	106	18	20	34	6	2	14	1	3	4	15	1	0	0	1	0	9	832
RV	8	14	14	15	2	23	7	10	6	1	3	35	2	5	4	12	3	0	0	0	4	5	173
Void Industrial Property	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2
<b>Total</b>	<b>159</b>	<b>386</b>	<b>296</b>	<b>61</b>	<b>53</b>	<b>247</b>	<b>57</b>	<b>63</b>	<b>52</b>	<b>22</b>	<b>53</b>	<b>200</b>	<b>8</b>	<b>39</b>	<b>28</b>	<b>55</b>	<b>11</b>	<b>0</b>	<b>2</b>	<b>29</b>	<b>6</b>	<b>20</b>	<b>1,847</b>

## CEC Detail by Postcode

Relief / Exemption	EH1	EH2	EH3	EH4	EH5	EH7	EH8	EH10	EH11	EH12	EH14	EH15	EH16	EH17	EH28	EH30	Total
Empty Property Relief 10%	1	1	3	5	8	0	0	1	2	4	1	0	3	0	3	1	33
Empty Property Relief 50%	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
Ground/land - no buildings	3	0	0	1	13	0	0	0	0	1	3	0	8	3	0	0	32
Listed Buildings	5	0	0	1	0	7	1	0	0	0	0	1	2	0	0	0	17
RV	1	0	0	0	1	1	0	0	0	1	2	0	1	0	0	2	9
Void Industrial Property	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>10</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>22</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>1</b>	<b>14</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>93</b>

The portfolio of Council owned empty properties are actively managed by Estates colleagues. Sale or lease of property is reported through the Finance and Resources Committee

### Comparison of Empty Property Reliefs & Exemptions

Empty Property Relief	Relief Description	Current Policy (1/4/23) Duration	Proposal
Standard Empty Property Relief 50%	50% empty property relief for the first 3 months of a property being unoccupied	3 Months	3 Months
Standard Empty Property Relief 10%	10% relief after initial 3 months of 50% Empty relief ended	No time limit	9 Months*&**
Empty Property Classifications aligned with standard relief	Exemption Description	Current Duration	Proposal
Void Industrial Property 100%	Unoccupied industrial properties	6 months	Standard Empty Property Relief applied for all categories including voids (3 months at 50% and 9 months at 10%) *&**
Void Industrial Property 10%	10% Relief after initial 6 months of 100% industrial relief ended	No time limit	
Ground/land – no buildings	Applies to vacant ground entries with no infrastructure on them	No time limit	
Listed Buildings	Applies to vacant listed buildings	No time limit	
Rateable Value < £1700	Unoccupied properties with RVs less than £1,700	No time limit	
Administrator	Unoccupied properties where liable party is in administration	No time limit	
Executor in deceased estate	Vacant properties where person entitled to possession is executor of a deceased person's estate	No time limit	
Building Preservation Notice	Unoccupied property subject to a building preservation order	No time limit	
Company being wound up	Unoccupied properties where liable party is subject to a winding up order	No time limit	
Vacant Crown/L.A. action	Unoccupied properties subject to crown / LA acquisition, e.g., compulsory purchase order	No time limit	
Liquidator	Unoccupied properties where liable party is in administration	No time limit	
Empty Property Classifications - No Change	Exemption Description	Current Duration	
Occupation prohibited by law	Properties prohibited from being occupied by law e.g., asbestos removal	No time limit	No time limit

\*Full charge applies after 12 months from date property is first empty.

\*\*Evidence required to extend 10% relief for a further 12 months: **Sale or Let** - Advertising details from the solicitor/estate agent.

**Building Work** to bring property back into use - Building Warrant reference number/Planning permission reference number.

## Summary of Empty Property Reliefs & Exemptions Proposal

Empty Property Relief	Relief Description	Proposal
Standard Empty Property Relief	All empty property classifications unless listed below	Standard Empty Property Relief applied (3 months at 50% and 9 months at 10%) *&**
Empty Property Classifications	Exemption Description	Proposal (No change)
Occupation prohibited by law	Properties prohibited from being occupied by law e.g., asbestos removal	Full exemption - no time limit

\*Full charge applies after 12 months from date property is first empty.

\*\*Evidence required to extend 10% relief for a further 12 months: **Sale or Let** - Advertising details from the solicitor/estate agent.

**Building Work** to bring property back into use - Building Warrant reference number/Planning permission reference number.

### Financial Implications of Proposal - Indicative Only

The table shows potential liability generated by the proposal. For discussion purposes this assumes that all properties have been **empty for over 12 months** and therefore reflect the **maximum** liability level (i.e., no relief/exemption apply) based on the current caseload and rateable values. These changes would result in £1.1m of additional costs for CEC properties, and when these are netted off the increased liability for collection is over £13.8m. These values are subject to change following the conclusion of the 2023 revaluation process.

At this time the level of collection is difficult to predict with sufficient accuracy, but initial analysis suggests certain categories may present collection challenges.

Empty Property Relief - Current Classification	Proposal Impact	Total Per Annum (£)	Cost to CEC (£)	Potential additional annual liability less CEC costs *
Empty & Void Property Relief	Difference between 90% and Full Charge	1,223,906	41,721	<b>1,182,185</b>
Empty Property Exemption - Current Classification	Proposal Impact	Total Per Annum (£)	Cost to CEC (£)	Potential additional annual liability less CEC costs *
Ground/land – no buildings	Applies to vacant ground entries with no infrastructure on them	2,384,522	719,670	<b>1,664,852</b>
Listed Buildings	Applies to vacant listed buildings	9,488,257	337,399	<b>9,150,858</b>
Rateable Value < £1700	Unoccupied properties with RVs less than £1,700	87,919	5,023	<b>82,896</b>
Administrator, liquidator, etc	Unoccupied properties where liable party is in administration or subject to a winding up order	1,686,734	0	<b>1,686,734</b>
Deceased estate	Vacant properties where person entitled to possession is executor of a deceased person's estate	42,408	0	<b>42,408</b>
Vacant Crown/L.A. action	Unoccupied properties subject to crown / LA acquisition, e.g., compulsory purchase order	17,248	0	<b>17,248</b>
<b>Totals</b>		<b>14,930,994</b>	<b>1,103,813</b>	<b>13,827,181</b>

\*Assumes all properties have been vacant for over 12 months, and none are being actively marketed/no current planning permission and therefore no relief applies.

# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Award of contract for Project Management, Site Supervision and Technical Consultancy Services for North Bridge Refurbishment

Executive/routine Wards Council Commitments	Executive
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### 1. Recommendations

- 1.1 It is recommended that the Committee approves the award of contract to Currie & Brown UK Limited, for Project Management, Site Supervision and Technical Consultancy Services for North Bridge Refurbishment. The contract will be awarded through the direct award mechanism of the Scotland Excel 0820 Engineering and Technical Consultancy framework. This contract will start on 1 August 2023, has a value of £1,229,155, and will end on 30 June 2026.

**Paul Lawrence**

Executive Director of Place

Contact: Stephen Knox, Services Manager – Structures and Flood Management

E-mail: [stephen.knox@edinburgh.gov.uk](mailto:stephen.knox@edinburgh.gov.uk) | Tel: 0131 529 3587

## Award of contract for Project Management, Site Supervision and Technical Consultancy Services for North Bridge Refurbishment

### 2. Executive Summary

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- 2.1 This report seeks approval for contract award to Currie & Brown UK Limited, for Project Management, Site Supervision and Technical Consultancy Services for North Bridge Refurbishment. The contract will be awarded through the direct award mechanism of the Scotland Excel 0820 Engineering and Technical Consultancy framework. This contract will start on 1 August 2023, has a value of £1,229,155, and will end on 30 June 2026.

### 3. Background

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- 3.1 Balfour Beatty Civil Engineering Limited were appointed via the Scape Group Framework Agreement for the construction works to refurbish North Bridge; comprising structural steelwork repairs, preparation and painting of the structure and facades, repairs to cast iron façades, minor concrete repairs, restoration of the KOSB war memorial, and installation of permanent platforms to improve access for future inspections and maintenance. The current approved budget is £62.182m and is contained within the 10-year Sustainable Capital Budget Strategy 2022-32. The current planned completion date is June 2025, and a 12-month post-completion defect period is included in the contract.
- 3.2 To support the construction works contract with Balfour Beatty, the Council has four separate contracts for Project Management and Technical Consultancy services. These are as follows:
- 3.2.1 A contract with Currie & Brown UK Limited under the Council's CT9676 Professional Services Framework 2016, for Project Management and technical services
- 3.2.2 Three contracts with BHL Consultancy Ltd under the Council's CT2240 Clerk of Works Framework for Technical Advisor services, Contract Supervisor services and Inspector Services.



- 3.3 Due to the extension of the construction works contract, it is necessary to also extend the services currently provided under the four support service contracts listed above.
- 3.4 The two frameworks under which these contracts were awarded have since expired. With a recently approved budget and increasing certainty of the completion date for the refurbishment works, there is now an opportunity to appoint a single supplier to provide all of the required services.
- 3.5 Due to the sub-contract arrangements within the contracts detailed in 3.1, combining the services into a single contract will allow the Council to maintain consistency in the services provided on site. A single contract will also result in simplified contract governance and management, reduced markup, and more effective reporting.

## **4. Main report**

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- 4.1 The proposed contract is a direct award to Currie & Brown UK Limited for Project Management, Site Supervision and Technical Consultancy Services for North Bridge Refurbishment. Subject to approval the contract will be awarded through the direct award mechanism of the Scotland Excel 0820 Engineering and Technical Consultancy framework.
- 4.2 The breakdown of the contract value is contained in Appendix 1. The total value is £1,229,155.
- 4.3 The contract will commence on 1 August 2023. Coinciding with the planned completion date, most of the services will end in June 2025, however an allowance for continued services has been included to cover the 12-month defects liability period following completion.
- 4.4 The services currently provided through BHL Consultancy Ltd are sub-contracted to three limited companies. For continuity in service, it is intended to retain these three sub-contracts. Due to the reduction in markup under the proposed arrangement with Currie & Brown, there is a saving of approximately £40,000. This is in addition to the improved efficiency in reporting, and contract governance and management which will result in further savings.
- 4.5 It is prudent to retain the current suppliers to ensure the continuity of the existing team, and the Scotland Excel 0820 Engineering and Technical Consultancy framework facilitates this direct award to Currie & Brown UK Limited. Bringing in a new supplier at this stage would add disproportionate time and cost to the project, mainly due to a lack of familiarity with the complex works involved.
- 4.6 Due to the variety of services provided under the contract and the different commercial arrangements which apply to each, it may be necessary to award these services in two separate contracts. Whilst each of these contracts will be less than the threshold requiring Committee approval, it was felt appropriate to seek approval

of award due to the aggregate amount being in excess of £1,000,000. The advantages outlined in 3.5 will still apply.

## **5. Next Steps**

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- 5.1 Subject to the approval of the recommendations in this report, the contract will be awarded to Currie & Brown UK Limited.

## **6. Financial impact**

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- 6.1 The total value of the contract is £1,229,155.
- 6.2 Awarding the contract results in savings of approximately £40,000 due to reduced sub-consultancy markup.
- 6.3 All costs are contained within the current approved North Bridge Refurbishment project budget.

## **7. Stakeholder/Community Impact**

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- 7.1 There are no equalities or sustainability impacts directly arising as a result of this report.
- 7.2 The existing commitment to Community Benefits will be continued by Currie & Brown. Examples for this project include work placements, training and support for an unemployed person looking to return to employment, local college visits to the project, participation in the Council's 'Meet the Buyer' event, and talks/training to Council staff on new legislation and other commercial matters to enhance knowledge transfer.

## **8. Background reading/external references**

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- 8.1 None.

## **9. Appendices**

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- 9.1 Appendix 1 - Cost breakdown

## **Appendix 1: Cost Breakdown**

<b>Services</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Project Management	£ 115,036	£ 255,173	£ 127,323	£ 26,269	£ 523,801
Principal Designer	£ 16,698	£ 41,601	£ 25,582	£ 5,021	£ 88,902
Technical Advisor	£ 64,176	£ 144,794	£ 103,748	£ 19,201	£ 331,919
Site Supervision	£ 68,729	£ 143,079	£ 60,005	£ 12,721	£ 284,533
<b>Total</b>	<b>£ 264,639</b>	<b>£ 584,647</b>	<b>£ 316,658</b>	<b>£ 63,212</b>	<b>£ 1,229,155</b>

### **Notes:**

- Project Management also includes Cost Management services.
- A contingency of 15% has been applied to the annual totals.

Estimated annual increases, in accordance with the Scotland Excel framework, have been included.

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# Finance and Resources Committee

10:00, Thursday, 20 June 2023

## Award of Flexible Framework Agreement for Sports and Physical Activities for Children and Young People

Routine  
Wards All  
Council Commitments 12,13 and 14

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resource Committee:
  - 1.1.1 Approves the award of a Flexible Framework Agreement for Sports and Physical Activities for Children and Young People to organisations detailed in Appendix 2
    - 1.1.1.1 Lot 1: Day sports and physical activities to 63 organisations
    - 1.1.1.2 Lot 2: Residential sports and physical activities to 12 organisations
  - 1.1.2 Approves the commencement of the Flexible Framework Agreement on 1 August 2023 for an initial period of four years with the option to extend for a further four years in two-year increments, with a total estimated value of £6,000,000.

**Amanda Hatton**

Executive Director of Education & Children's Services

Contact: Laura Zanotti, Strategic Planning & Commissioning Manager

E-mail: [laura.zanotti@edinburgh.gov.uk](mailto:laura.zanotti@edinburgh.gov.uk) | Tel: 0131 469 3499 x 23499

## Award of Flexible Framework Agreement for Sports and Physical Activities for Children and Young People.

### 2. Executive Summary

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- 2.1 This report seeks approval to award a flexible framework agreement to organisations detailed in appendix 2 for lot 1 and 2, to deliver sports and physical activities for children and young people. The flexible framework agreement is to commence on 1 August 2023 for an initial period of four years with the option to extend for a further four years in two-year increments.

### 3. Background

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- 3.1 The City of Edinburgh Council (the Council) is committed to providing sports and physical activities across the whole of the city.
- 3.2 The Education Senior Leadership Team is redesigning services to closely align with place-based approaches to improve outcomes for children and their families and to deliver best value. This strategy also covers Wider Achievement and Lifelong Learning (includes Active Schools, Community Sport Hubs and Outdoor Learning).
- 3.3 Over the last twelve months, ensuring we have compliant mechanisms has been prioritised. This is to support the spend around funding for equity streams and encompass a place-based approach.
- 3.4 The Finance for Equity report was submitted to Education, Children and Families, and Finance and Resources Committees in November 2022, detailing the long-term approach. This included the need for better control on spend, to regulate activities taking place within Schools and Wider Achievement and Lifelong Learning, and to ensure sports and physical activities are procured and delivered equitably citywide.
- 3.5 The Council, in collaboration with the community and voluntary sector networks coordinated by EVOC and LAYC, committed to creating a flexible framework agreement in line with our commitment to getting it right for every child. The priorities included helping children to be active, healthy, and nurtured, widening achievement, and closing the attainment gap through a range of sports and physical activities, accessible to all children and young people aged 4 – 18.

- 3.6 Following consultation and co-production with internal and external stakeholders it was proposed there was a need for both day and residential sports and physical activities. A flexible framework agreement that was split into two lots was proposed.
- 3.6.1 Lot 1: Day sports and physical activities
- 3.6.2 Lot 2: Residential sports and physical activities
- 3.7 Co-production recommended longer agreements would be beneficial with an option for new organisations to apply. To accommodate this, the Council created a flexible framework agreement that would open every two years. This strategy also enables prices to be reconsidered every two years.

## **4. Main report**

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- 4.1 The tender was published in accordance with the Public Contracts (Scotland) Regulations 2015 with the Light Touch Regime applied, allowing additional flexibility to the procurement approach.
- 4.2 A Prior Information Notice was issued on 29<sup>th</sup> September 2022. 100 organisations had noted interest at the time of the procurement plan sign off. Of those, 60% were Edinburgh based and 76% were Micro (1-9 employees) organisations.
- 4.3 To support the Micro organisations, the Council held two supplier events prior to the tender being issued, with one supported by the Supplier Development Programme. The events were recorded and available to organisations who were unable to attend.
- 4.4 The tender was issued on 13 January 2023.
- 4.5 The co-production process highlighted a need and an interest in specific training. The Council worked with Supplier Development Scotland to facilitate a Live system event training which was attended by 60 people. A Youtube video was also produced which received 84 views.
- 4.6 The tender was open for 103 days to ensure the council reached a wide range of organisations offering sports and physical activities to children and young people.
- 4.7 Responding to further feedback from organisations, the Council facilitated another Live Q&A event on 2 February 2023. This was attended by 25 people and received 46 views on YouTube.
- 4.8 On the 12 April 2023 to further support organisations the Council issued three PowerPoint presentations (1. Who should be on the Framework, 2. How to find the tender and 3. How to complete a tender) these were downloaded 53 times as well as being issued via e-mail.
- 4.9 69 organisations submitted a tender with 214 offerings.
- 4.9.1 Lot 1 received 63 organisations submitting a tender, and
- 4.9.2 Lot 2 received 12 organisations submitting a tender.

- 4.10 The Evaluation was based on the Most Economically Advantageous Tender (MEAT) with a weighting of 30% Price / 70% Quality. Details of the evaluation can be found in Appendix 1.

## **5. Next Steps**

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- 5.1 Subject to approval, the new flexible framework agreement will be implemented, ensuring all council settings have the information to purchase from 1 August 2023.
- 5.2 The Flexible Framework Agreement will be jointly contract managed by individual Schools, Wider Achievement and Lifelong Learning (WA&LL) teams and the Children, Education & Justice Services, Strategic Planning and Commissioning team.

## **6. Financial impact**

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- 6.1 The total estimated spend on this flexible framework agreement including extensions is £6,000,000. There is no commitment to this full spend.
- 6.2 Schools and Wider Achievement and Lifelong Learning will be able to access the framework in a flexible and needs-led manner, according to the required outcomes for the children in each Learning Community. They may pool resources from central, devolved or external funding streams (PEF, DSM, SEF etc).
- 6.3 It is noted that during the transition to the contract award, the estimated spend for sports and physical activities has increased. This applies to a small number of providers, including Gold and Gray Soccer Academy. The impact is due to the Learning Communities' requirements and the additional time granted for the process, at the request of small, micro organisations and sole traders.
- 6.4 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

## **7. Stakeholder/Community Impact**

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- 7.1 This Procurement has been taken forward in accordance with the Council's Sustainability Procurement Strategy.
- 7.2 Organisation provided a response on their actions to support the Council's sustainability goals, including the 2030 net zero emissions target and the 30% reduction in private car travel by 2030.
- 7.3 There are no significant environmental impacts expected.
- 7.4 All organisations have committed to discussing the opportunity for community benefits. Community benefits will be discussed with the council when an organisation has a spend higher than £50,000 per annum.



- 7.5 Of the 69 organisations applying to be on the flexible framework agreement, 65 have committed to paying the Real Living Wage, and 25 have confirmed they are Living Wage Accredited. The remainder are sole traders or engage volunteers.
- 7.6 Engagement between Education and the Community and Voluntary Sector continues to explore how we can more closely align with Place Based approaches to improve outcomes for children and families (Learning Communities and Teams around the Learning Communities).
- 7.7 Views of parents/carers, families, and young people continue to be gathered as part of the self-evaluation process around interventions and supports delivered to children and young people experiencing poverty-related barriers.

## **8. Background reading/external references**

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- 8.1 None

## **9. Appendices**

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- 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Processes
- 9.2 Appendix 2 – Recommended organisations

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Flexible Framework Agreement for Sports and Physical Activities for Children and Young People.		
Contract period (including any extensions)	48 months with the option to extend for a further two 24 months (Total eight years).		
Estimated contract value	£6,000,000 (Total including extensions)		
Procurement Route chosen	Open with light touch		
Tenders returned	Lot 1: Day sports and Physical Activities – 63 Lot 2: Residential sports and physical activities - 12		
Name of Recommended supplier/s	69 – List can be found in Appendix 2 below		
Price / Quality ratio	30/70		
Evaluation criteria and weightings	<b>Selection Criteria (SPD)</b>		
	Grounds for Exclusion	Pass/Fail	
	Economic and Financial Standing – Finance	Pass/Fail	
	Economic and Financial Standing – Insurance	Pass/Fail	
	Health and Safety	Commitment	
	Disclosure	Commitment	
	Community Benefits	Commitment	
	Fair Work First	Commitment	
	Serious Organised Crime Groups	Reviewed	
	<b>Award Criteria</b>		<b>Percentage</b>
	Method Statement	23%	
	Communication	19%	
	Management Information	17%	
	Equalities	17%	
	Safeguarding	5%	
	Contingency Planning	5%	
	Data Protection	5%	
Sustainability	9%		
Evaluation Team	Council Officers		

## Appendix 2 – Recommended organisations

Lot 1	Lot 2
Access Parkour	Ardroy Outdoor Education Centre
Alien Rock	Friends of the Award
Aquatic Learning Ltd	Metro Outdoors Ltd
Big Hearts Community Trust	MY Adventure
Bridge 8 Hub CIC	Scout Scotland /Scout Adventures Lochgoilhead
City of Edinburgh Basketball Club	Scripture Union Alltnacriche
Corylus CIC	Scripture Union Scotland
Dunedin Fencing Club	SOEC
Earth Calling	Sport Aberdeen
Edible Estates	SU Scotland Lendrick Muir
Edinburgh & Lothians Greenspace Trust	The Actual Reality Trust
Edinburgh Dance Academy	The Outward Bound Trust
Edinburgh Karate Shizen	
Edinburgh Leisure	
Edinburgh South CFC	
Erdkinder Forest School	
Evolution Swim School CIC	
Foot Forward Coaching	
Friends of the Award	
Gold and Gray Soccer Academy	
GS TENNIS COACHING	
Heart of Midlothian FC	
Hibernian Community Foundation	
House of Jack CIC	
Impact Arts	
KIC Dance	
Live It Dance Studios	
Love Outdoor Learning	
Metro Outdoors Ltd	
Muirhouse Youth Development Group	
MY Adventure	
Nuvoc Volleyball Club	
OutdoorClassrooms.Scot Ltd	
Passion4Fusion	
Pentland Gymnastic Club	
Port Edgar Watersports CIC	
Rowanbank Environmental Arts & Education CIC	
RUTS Ltd	
School of Hard Knocks	
Scottish Orienteering	
Scout Scotland /Scout Adventures Lochgoilhead	
Smart Play Network	
SOEC	
Spartans Community Football Academy	
Street League	

Street Soccer (Scotland) Limited	
Susan Watson Athletics and Yoga	
Sustrans Ltd	
SwimEasy LTD	
Team United	
The Actual Reality Trust	
The Drama Studio	
The Green Team (Edinburgh & Lothians) Ltd	
The Yard	
Touchdown UK	
Trees and Seas Outdoor Adventures	
Warrender Baths Club	
Water of Leith Conservation Trust	
West Edinburgh Stingrays	
West Edinburgh Warriors Basketball Club	
Wester Hailes Growing Communities	
Wetwheels Edinburgh CIC	
Yoga Leaf Edinburgh	

# Finance and Resource Committee

10.00am, Tuesday, 20 June 2023

## Award of Contracts for Holiday Support for Disabled Children and Young People

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee:
- 1.2 Notes the five contracts awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Children, Education and Justice Services, in consultation with the Convenor of Finance and Resources:

Contracts for the delivery of Holiday Support for Disabled Children and Young People to the following organisations:

- Barnardo's, to the value of £189,120,
- Lothian Autistic Society (operating as Branch Out Together), to the value of £1,613,141,
- The Action Group, to the value of £991,305,
- Capability Scotland, to the value of £734,196, and
- The Yard (Scotland Yard Adventure Centre), to the value of £2,174,044.

#### Amanda Hatton

Executive Director of Children, Education and Justice Services

Contact: Andrew McWhirter, Senior Manager • Children, Education and Justice Services

E-mail: [Andrew.McWhirter@edinburgh.gov.uk](mailto:Andrew.McWhirter@edinburgh.gov.uk)

## Award of Contracts for Holiday Support for Disabled Children and Young People

### 2. Executive Summary

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- 2.1 The Finance and Resource committee is asked to note the award of five contracts to provide Holiday Support for Disabled Children and Young People. The total contract value (for the full contract period including extensions) is £5,701,806.
- 2.2 The contract period will be for 3 years with a provision for an extension of a maximum of 3 years at the discretion of the Council.

### 3. Background

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- 3.1 The City of Edinburgh Council have funded 'School Holiday Hubs' for children and young people with a disability for nearly 20 years working in collaboration with Community and Voluntary organisations.
- 3.2 The different hubs offer disabled children and young people the opportunity to take part in a range of fun activities within a structured environment tailored to their need. By investing in a collaborative contract, we are able to offer choice to children and their families.
- 3.3 The cohort of children and young people who are supported via the Holiday Hubs are unable to access mainstream school holiday schemes as they require additional support to enable them to engage with activities.
- 3.4 The Holiday Hub provision had previously been delivered through a mixture of contractual arrangements, some through block contracts and others through spot purchase arrangements. Engagement with providers showed this method of contracting was having a negative impact on providers ability to recruit and training specialised staff.
- 3.5 In March 2022, Education, Children and Families Committee agreed to progress with establishing a sustainable and robust model going forward, building upon increased partnership working between the Council and those supporting children with a disability.

- 3.6 A Procurement Request Form (PRF) was submitted to Commercial and Procurement Services (CPS) in Spring 2022 to undertake a procurement for a collaborative of long-term contracts for Holiday Hubs, to offer providers security to plan, train and retain specialist staff. It was a requirement that the resulting contracts be in place ahead of the Summer Holiday in 2023.

## 4. Main report

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- 4.1 Commercial and Procurement Services (CPS) published a Prior Information Notice (PIN) in Public Contracts Scotland (PCS) on 29 September 2022 to determine interest from potential providers and inform the supply market of the tender opportunity. The PIN indicated that 11 organisations expressed interest to deliver this contract.
- 4.2 The Council asked for feedback and providers' opinions on the proposed draft specification and invited them to attend an online supplier event on 19 October 2022. 13 representatives from 10 separate organisations attended an online supplier event, which included a Q&A and discussion forum.
- 4.3 Following this stakeholder engagement, the Contract Notice published on 8 December 2022, with tenders returned on 23 January 2023.
- 4.4 The competition was under Social and Specific Services "Light Touch Regime" Procedure involving negotiations, on PCS as set out in the Public Contracts (Scotland) Regulations 2015.
- 4.5 Tender responses were received on from 5 providers/collaborations, with 7 bids submitted in total: 3 for Lot 1 (Low Support Needs), 3 for Lot 2 (Medium Support Needs) and 1 for Lot 3 (High Support Needs).
- 4.6 Due to the complex nature of the care the Holiday Hub providers deliver, the evaluation for the tender was weighted 80:20 Quality:Price, to ensure the best standard of care provider was prioritised.
- 4.7 The recommendation for award of contracts is based upon the complete evaluation and total score for the tenders and is detailed below in Appendix 1.
- 4.8 Due to staff absence from being called to Jury Duty, evaluations were not completed in time to make the deadline for the April 2023 Finance & Resource Committee.
- 4.9 Following the evaluations, the recommendation is to offer full contracts to the highest scoring bidders, as per the published Instructions to Tender.
- 4.10 There would not be adequate time following the next Finance and Resource Committee on 20 June 2023 for the contracts to be signed and providers to recruit and train staff for the summer term Holiday Hub starting the first week of July 2023.
- 4.11 The disadvantage to young people in delaying the service would have been disproportionate to the benefit of awarding following the June 2023 Finance &

Resources committee. Therefore, emergency approval to award was sought and granted on 11<sup>th</sup> May 2023.

## 5. Next Steps

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- 5.1 Due to the urgency of the requirement, urgent approval was sought for these contract awards to reduce the risk of reputational damage to the Council and ensure children and young people have access to summer activities.
- 5.2 The contracts begin in June 2023 for an initial period of three years with three optional extensions of one year. The contracts are due for review every 6 months, with the Council able to amend according to funding outcomes.

Contract	Lead Organisation	Total Value
Lot 1	Barnardo's	£189,120
Lot 2	Lothian Autistic Society (Branch Out Together)	£1,304,495
Lot 1 & Lot 2	The Action Group	£991,305
Lot 2	Capability Scotland	£734,196
Lot 3	The Yard (Scotland Yard Adventure Centre)	£2,174,044

- 5.3 Due to funding constraints, the following contract was awarded for one year with five optional extensions of one year, at the discretion of the Council and subject to funding considerations.

Contract	Lead Organisation	Total Value
Lot 1	Lothian Autistic Society (Branch Out Together)	£308,645

- 5.4 Contract Management and Implementation will be managed by Children, Education and Justice Services.

## 6. Financial impact

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- 6.1 The Holiday Hubs project has an annual budget of £1,000,000, of which, £115,000 per annum is allocated to staffing with the remaining £885,000 per annum allocated to the procurement of the services.
- 6.2 The above budget includes the anticipated £100,000 of revenue derived from parental contributions to the Hubs, which equates to £10,000 over the 10 weeks the Hubs run.



- 6.3 Were the Council to award contracts to all suppliers who met the quality standard, for the first three years of the contract there would be an overspend of £16,803 in year two and £53,067 in year three.
- 6.4 Accordingly, the lowest ranked bid (Lothian Autistic Society, Lot 1) was offered a one-year contract, with the option to extend for five more should an increased budget become available.
- 6.5 Should the Council wish to extend the contract beyond year 3, additional resources will need to be considered as part of the annual budget setting process.
- 6.6 The prices quoted by the successful providers will be fixed. The Council has reserved the right to negotiate with the providers on the anniversary of the contract subject to benchmarking and current market conditions.
- 6.7 Financial assessments have been carried out, and all providers have demonstrated acceptable financial status and there is limited risk to the council.

## **7. Stakeholder/Community Impact**

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- 7.1 Potential suppliers were involved with developing the specification through a supplier open day and ongoing collaboration and communication.
- 7.2 Throughout Summer of 2022, parents and families were involved in focus groups and feedback opportunities, the results of which were fed into the specification and procurement plan to ensure improved outcomes for children and young people.
- 7.3 By way of Community Benefits, the recommended suppliers have committed to delivering a range of local schemes, as well as incorporating the Epic Days programme into their year-round delivery.
- 7.4 All providers have committed to pay the Real Living Wage to all staff involved in the delivery of this contract.
- 7.5 All providers have submitted sustainability plans for how they plan to minimise their impact on the environment while delivering this contract.

## **8. Background reading/external references**

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- 8.1 n/a

## **9. Appendices**

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- 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Processes

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	<b>Holiday Support for Disabled Children and Young People</b>	
Contract period (including any extensions)	3 years +1 + 1 + 1.	
Estimated Contract Value (including extensions)	£5,682,214 (total of all bids across all lots)	
Procurement Route Chosen	Competitive Dialogue with Negotiation	
Tenders Returned	7 (from 5 providers)	
Name of Recommended Supplier(s)	Lothian Autistic Society (operating as 'Branch Out Together') The Action Group Barnardo's Capability Scotland The Yard (Scotland Yard Adventure Centre).	
Price / Quality Split	<b>80 Quality</b>	<b>20 Price</b>
	1. DELIVERY OF THE CONTRACT	40.00
	2. STAFFING AND TRAINING	30.00
	3. MEETING TARGETS / MANAGEMENT INFORMATION	10.00
	4. BUSINESS CONTINUITY	5.00
	5. THE ENVIRONMENT	5.00
	6. COMMUNITY BENEFITS	5.00
	7. FAIR WORK PRACTICES	5.00
Evaluation Team	Officers from Children, Education and Justice Services.	

### Tender Evaluation Outcomes.

<b>Bidder</b>	<b>Quality (out of 80)</b>	<b>Price (out of 20)</b>	<b>Total</b>
Lot 1			
The Action Group	77	20	97
Barnardo's	70	12.9	82.9
Lothian Autistic Society	58	13.35	71.35
Lot 2			
The Action Group	77	15.26	92.26
Lothian Autistic Society	64	20	84
Capability Scotland	60	16.13	76.13
Lot 3			
The Yard	71	20	91

### Notes.

1 - all bidders met the minimum quality threshold of 50%.

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# Finance and Resources Committee

10am, Tuesday 20 June 2023

## Bed Base Review – Drumbrae Care Home

### Executive/routine

Wards Ward 3 -

Drumbrae/Gyle

Council Commitments 37, 38.

### 1. Recommendations

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1.1 That the Finance and Resources Committee:

1.1.1 Acknowledges that Edinburgh Integration Joint Board considered a recommendation from officers to undertake a strategic commissioning review. This would inform plans for community infrastructure and bed-based service provision in the medium to long term.

1.1.2 Awaits the outcome of this work before a decision is made on the future use of Drumbrae care home.

1.1.3 Recommends this approach to the City of Edinburgh Council meeting to be held on 22 June 2023.

**Andrew Kerr**

Chief Executive

## Bed Base Review – Drumbrae Care Home

### 2. Executive Summary

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- 2.1 This report outlines the current situation relating to the Bed Base Review including Drumbrae Care Home and presents options for the future use of the facility for consideration.
- 2.2 The recommendation from officers is to delay any decision on the future use of the former Drumbrae Care Home until the outcome of the strategic commissioning review. This was considered by the Edinburgh Integration Joint Board at its meeting on 13 June 2023 and a note of the decision has been sent to Committee members.
- 2.3 Should elected members not wish to await the outcome of the strategic commissioning review, options for the use of the facility include:
  - 2.3.1 Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision.
  - 2.3.2 Reopen the facility as a care home and consider the consolidation of two of the older care homes into it.
  - 2.3.3 Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC.
  - 2.3.4 Sell the property for redevelopment.
  - 2.3.5 Alternative use for the property to support wider challenges faced by CEC.

### 3. Background

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- 3.1 On 22 June 2021, the Edinburgh Integration Joint Board (EIJB) approved proposals for Phase 1 of its future Bed-Based Care Strategy.
- 3.2 Phase 1 of the strategy involved a number of interconnected property moves and adaptations involving assets owned by the City of Edinburgh Council and NHS Lothian as follows:
  - 3.2.1 For NHS Lothian to decommission intermediate care currently provided from the remaining wards at Liberton Hospital and to re-provide these from a reconfigured number of beds within the Privately Financed Initiative (PFI)

buildings currently accommodating Hospital Based Complex Clinical Care (HBCCC).

3.2.2 For NHS Lothian to decommission the HBCCC beds provided at Ferryfield House and withdraw from the lease at the intended break point.

3.2.3 For the Council to decommission the residential care model provided at Drumbrae Care Home to enable NHS Lothian to re-provide HBCCC within that facility.

3.3 The above decision required the Council to decommission residential care services at Drumbrae Care Home to facilitate providing HBCCC services from the property.

## 4. Main report

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4.1 Throughout 2021, assessments were completed on Drumbrae to assess its suitability for the transition to provision of HBCCC.

4.2 Based on the findings of the assessments and following approval by the EIJB, residential care services were decommissioned at Drumbrae in December 2021 to enable the transition to the provision of HBCCC. The property has remained vacant since that time.

4.3 On 7 June 2022, the Finance and Resources Committee approved the lease arrangements for Drumbrae care home to NHS Lothian, including the annual lease charge and the length of lease term.

4.4 On 24 June 2022, subsequent further due diligence identified that Drumbrae was not compliant for the delivery of clinical services. In summary, there are additional requirements to comply with the Fire (Scotland) Act 2005 and the Fire Safety (Scotland) regulations 2006. Furthermore, the [NHS Scotland Firecode SHTM 81 part 1](#) was updated in 2022, which applies to all buildings that accommodate NHS services, and this is supported by [Scottish Government guidance on fire safety](#) which was also updated in 2022. The Act requires evidence to assure Fire Authorities that the building can be satisfactorily evacuated. With NHS patients that may be bed bound there is a need to demonstrate progressive lateral evacuation to comply with the Act. For Drumbrae to be compliant with the Act and associated standards, significant additional adaptations are required.

4.5 In July 2022, the adaptations had increased significantly and were estimated to cost £3m to complete the ground floor only. NHS Lothian and the Edinburgh Health and Social Care Partnership (EHSCP) continued to work between July and October 2022 to find alternative, less costly solutions to transition the property to the provision of HBCCC with the current position reported to Council on 16 March 2023.

4.6 The impact of the pandemic on the construction industry saw building costs increase exponentially. These issues along with the updated Fire Safety regulations meant that in order to provide any healthcare services from Drumbrae care home, in its entirety, adaptations were required, estimated to cost £10m with a 24-month schedule for work to be completed.

- 4.7 In October 2022, NHS Lothian advised they were unable to deliver the Direction set by the EIJB due to the increased cost and time required for the adaptations.
- 4.8 Discussions continued between all partners from November 2022 to date, to agree how best to progress in light of the challenges faced in transitioning the facility to provide healthcare services. To proceed as originally proposed will require an investment of an estimated £10m. A timeline of activity can be found in appendix 1.
- 4.9 Since the strategy was approved by the IJB in 2021, several issues have emerged that need considered when planning bed-based services for the future. The Partnership are already experiencing a change in demographics with many people presenting to bed-based services older, frailer and with more co-morbidity. There is also an increase in the number of people with dementia adding to the complexity of need.
- 4.10 The impact of the pandemic is also emerging. People have increased vulnerability to frailty through deconditioning and isolation. More people are presenting later resulting in them being more acutely unwell with more complex conditions. The perception of hospitals and care homes has also shifted, with people perceiving care homes to be unsafe and hospitals to be much safer environments to receive care and support.
- 4.11 The whole system has remained under severe sustained pressure. There is a lack of community care capacity to meet demand, Primary Care services are under enormous pressure, the unscheduled care system is extremely stressed, there are increasingly long waiting lists for scheduled care, people are in hospital who do not need to be there and there are extensive delayed discharges across acute and community hospital sites. These issues need to be considered when designing a sustainable bed base for Edinburgh.
- 4.12 As considerable time has passed since the IJB set the Direction to transition Drumbrae to HBCCC provision and in light of the additional cost and time to complete the work required plus the issues outlined above, it is recommended that a strategic commissioning exercise is undertaken by external commissioning consultants on the bed base in Edinburgh with a focus on older people's services. The strategic commissioning exercise would identify all types of beds needed to meet the needs of the population both now and in the future across all older people's bed-based services.
- 4.13 The IJB were asked to approve the strategic commissioning exercise at their meeting on 13 June 2023, which was approved.
- 4.14 The strategic intent of the bed-based review was to rebalance the bed base in Edinburgh although it only focused on three bed types which supported flow from hospital into community. The scope of the whole system strategic commissioning exercise would be to review the work already completed and to expand the scope to all bed-based services, incorporating assumptions based on the emerging issues outlined previously.



- 4.15 The strategic commissioning exercise will provide assurance that the projected bed numbers required to meet future demand are based on current data including any emerging themes as a result of the pandemic and increased system pressures. This approach is supported by both corporate leadership and management teams in CEC and NHS Lothian and the service areas prioritised in the bed-based review, with clinical and care teams requesting this exercise is completed before any reconfiguration of existing beds is undertaken.
- 4.16 The strategic commissioning exercise is in the early stages of development with appointment of a commissioner underway. The appointment will be for an initial period of six months. An implementation plan will be developed based on the findings of the review and associated timescales agreed at that point.
- 4.17 As there are limited facilities in Edinburgh to accommodate bed-based services, it is recommended that Drumbrae care home remains unoccupied until the strategic commissioning exercise has concluded. This would ensure the facility could be utilised for the most appropriate service provision based on the findings of the exercise. If Drumbrae were to be utilised by CEC for an alternative purpose, this would greatly reduce the available capacity to accommodate bed-based services and could be detrimental to the conclusion of the strategic commissioning exercise.
- 4.18 There is a planned public consultation on care home provision in Edinburgh which has been focused on the future of four older people's care homes in Edinburgh.
- 4.19 The public consultation was planned to run in parallel with the strategic commissioning exercise however, it is proposed to allow the strategic commissioning exercise to conclude and publicly consult, if necessary, on proposals responding to its findings.
- 4.20 It is acknowledged that Drumbrae remaining unoccupied poses an ongoing business and reputational risk, particularly when the system is under sustained pressure. If it is decided by the Council that we need to make the best use of existing resources, Drumbrae could be used for a variety of different options some of which are outlined and being considered below:
- 4.20.1 Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision.
  - 4.20.2 Reopen the facility as a care home and consider the consolidation of two of the older care homes into it.
  - 4.20.3 Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC.
  - 4.20.4 Sell the property for redevelopment.
  - 4.20.5 Alternative use for the property to support wider challenges faced by CEC.
- 4.21 These options are explored in greater detail below with a high-level assessment of each included as appendix 2.

## 5. Conclusions

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- 5.1 The IJB agreed at the meeting on 13 June 2023, to undertake a strategic commissioning exercise before any changes are made to the current bed base in Edinburgh. This would ensure that we have an accurate understanding of the current and future bed numbers and type, needed for our growing older population following the pandemic.
- 5.2 If it is decided by the Council that we make best use of existing resources, then the Council should consider the options presented in the absence of any strategic assessment of the impact on the Bed-Based Care Strategy without the use of Drumbrae. The proposed strategic commissioning exercise would be used to inform plans for community infrastructure and bed-based service provision in the medium to long term and therefore is highly recommended.

## 6. Next Steps

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- 6.1 These options will be presented to the Council at their meeting on 22 June for decision.

## 7. Financial impact

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- 7.1 Where known, the financial implications have been indicated in each of the options above.

## 8. Stakeholder/Community Impact

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- 8.1 Various impact assessments have been completed on the proposals to date. A full integrated impact assessment will be completed on the outcome of the strategic commissioning exercise and any preferred option.

## 9. Background reading/external references

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- 9.1 Bed Based Care Strategy – Phase 1, presented to the Edinburgh Integration Joint Board on 22<sup>nd</sup> June 2021, Item 7.1 can be accessed [here](#).
- 9.2 Report to Edinburgh Integration Joint Board on 28<sup>th</sup> September 2021, Item 4.1 can be accessed [here](#).
- 9.3 The report to the Finance and Resources Committee agreeing the lease arrangements for Drumbrae on 16<sup>th</sup> June 2022, Item 8.1 can be accessed [here](#)
- 9.4 A progress report presented to the Council on 9<sup>th</sup> February 2023, item 7.8 can be accessed [here](#), this was also presented to the EIJB as an additional item at their meeting on 28<sup>th</sup> February 2023.

- 9.5 A progress report presented to the Governance, Risk and Best Value committee on 14<sup>th</sup> March 2023, item 8.15 can be accessed [here](#)
- 9.6 A status report presented to the Council on 16<sup>th</sup> March 2023 can be accessed [here](#)

## **10. Appendices**

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[Appendix 1](#) Timeline of activity relating to the transition of Drumbrae care home to date.

[Appendix 2](#) Options and high-level assessment for the future use of Drumbrae.



# Bed Base Review – Timeline of events

## Project Timeline

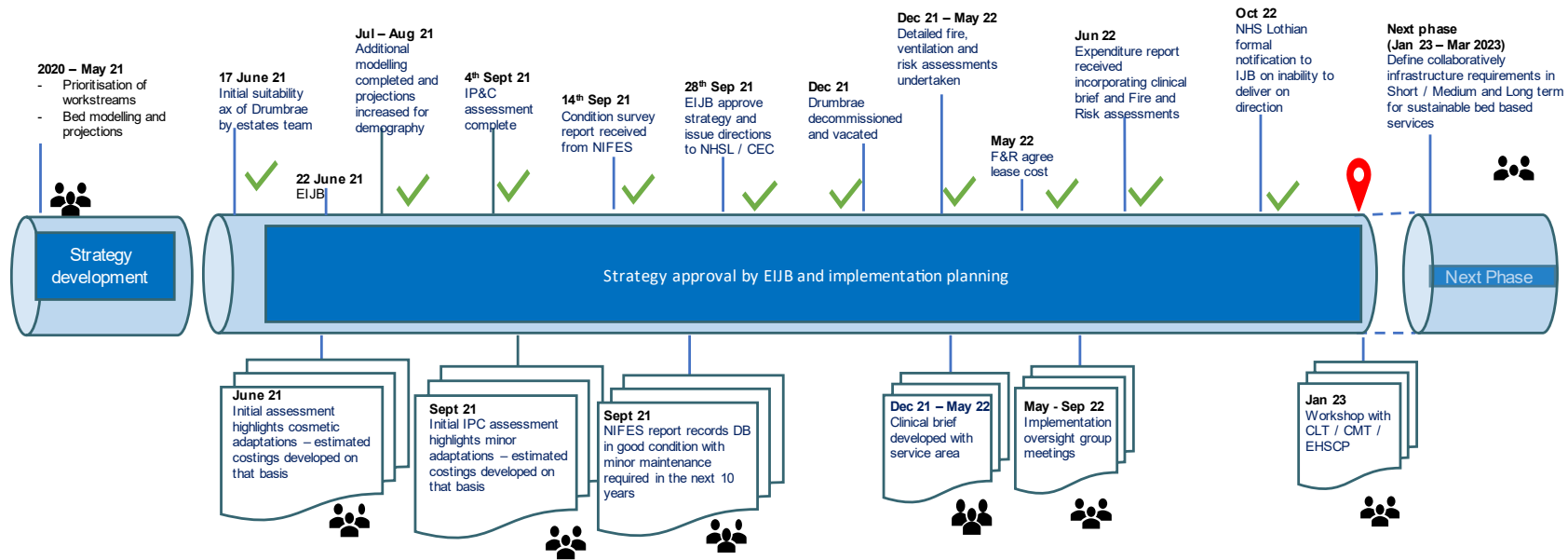
### Key



Our current position



These represent activities that multiple stakeholders were involved in



**Option 1: Proceed as originally intended completing all adaptations to transition the facility to HBCCC provision:**

- 11.1 The initial proposal to transition Drumbrae care home to the provision of HBCCC was developed to enable other bed-based redesign to take place within the existing estate.
- 11.2 By accommodating the majority of the HBCCC service within Drumbrae, space would be created within the vacated HBCCC facilities to enable the Intermediate Care service (mostly accommodated within Liberton Hospital) to be relocated.
- 11.3 The proposal saw a small increase in the Intermediate Care bed numbers and a decrease of HBCCC bed numbers aligned to the modelling and projections of the Bed Based Care Strategy.
- 11.4 The proposal enabled bed-based services to be withdrawn from the Liberton Hospital site in anticipation of the site being purchased and redeveloped by the Council and enabled NHS Lothian to withdraw from the lease on the PFI facility, Ferryfield House at the break point in the lease agreement.
- 11.5 To proceed as initially intended, £10m of investment is required to get Drumbrae compliant with clinical standards. The lease on Ferryfield House would also need to continue to the intended end point in 2027 to ensure enough community capacity is created to reduce the HBCCC bed numbers as projected.
- 11.6 From discussions with all partners (EHSCP, CEC and NHS Lothian), it was proposed that NHS Lothian would fund £3m of the adaptations to Drumbrae and continue to lease Ferryfield House. The Council has been asked to invest £7m to cover the cost of most of the adaptations.
- 11.7 The terms and conditions of a lease to NHS Lothian, as approved by Committee on 7 June 2022, would need to be reconsidered and reported back to Committee for approval, e.g., a longer term than 5-years would be required.
- 11.8 The adaptations are estimated to take one calendar year to complete, however, factoring in time for statutory consents, tendering of contracts etc, would mean that the facility would not be operational until Summer 2025 at the earliest.
- 11.9 In order to fund the adaptations required, both the Council and NHS Lothian would have to source the investment from existing budgets. For the Council this would mean redirecting funds from existing capital investment programmes, which are currently fully committed and under significant budgetary pressure.
- 11.10 This option does enable services to come off the Liberton Hospital site but could potentially breach the agreed timeframe set by the Council in the occupancy agreement (two calendar years from the point of sale, completed in April 2023).

**Option 2: Reopen the facility as a care home, and consider the consolidation of two of the older care homes into it:**

- 11.11 When residential care services were decommissioned at Drumbrae in December 2021, most of the equipment was removed from the property to allow for the adaptations to begin.
- 11.12 All kitchen equipment was removed and most of the communal and bedroom furniture was redistributed and recycled. The building has also suffered water damage due to a burst pipe during the winter months.
- 11.13 The facility could not be reopened until repairs are completed and until it has been re-equipped to function as a care home. The cost of repair and refurbishment has been assessed and is estimated at £1.7m which is inclusive of a full refit, new kitchen, furniture and fittings. Provided no statutory consents are required, this could be completed within one calendar year.
- 11.14 The facility could not be reopened as a care home to provide additional capacity as there is no revenue available to operate an additional 60-bed care home.
- 11.15 Furthermore, the Partnership do not have the ability to staff an additional 60-bed care home without consolidating one or more of the older care homes within Drumbrae.
- 11.16 The challenges with recruitment into the care sector is well documented and retention of staff is also a known concern.
- 11.17 The only way the Partnership could safely reopen Drumbrae as a care home would be to consolidate one or more of the older homes into it, reallocating the budget and relocating the equipment and staff (and residents should they choose to move to Drumbrae) into Drumbrae.
- 11.18 Existing budgets would need to transition from the older care homes to Drumbrae as there is no available revenue to operate Drumbrae in addition to the existing care homes. It costs approximately £4m per annum to operate a 60-bed care home based on the budget set for the existing 60-bed care homes in the estate.
- 11.19 This option supports the wider strategic aim of decommissioning the older care homes within the estate that have surpassed their design life expectancy and cannot continue to provide care provision safely and sustainably in the coming years.
- 11.20 Property assessments completed more than 10 years ago highlighted the risks of continuing to provide care in these buildings indefinitely, with a further assessment completed in 2019 validating the need to decommission these buildings.
- 11.21 Work is underway to plan and develop the public consultation activity with a range of stakeholders and it was intended to go live in Q3 of this financial year however, as outlined previously, it may be more appropriate to await the findings of the strategic commissioning review and consult on the totality of the redesign of older people's bed-based services.

- 11.22 If this option is preferred, consideration is needed with regards to the timing. It has been well documented that no decision would be reached regarding the four older homes in the estate until the public consultation has concluded. Currently, timescales for concluding the consultation are by Q4 2023/24. Therefore, this option would still see Drumbrae remaining unoccupied for 6-9 months.
- 11.23 As the timescales for the consultation activity and the planned strategic commissioning exercise run into Q4 2023/34, it seems practical to undertake the consultation on the findings of the strategic commissioning exercise including future care home provision in Edinburgh.
- 11.24 To align to the model of care being introduced to the larger care homes in the estate, the Partnership would replicate this within Drumbrae post consolidation and introduce registered nurses into the staffing establishment over time.
- 11.25 This option supports the Partnership's strategic aim to transition from residential care provision to provide affordable nursing and complex dementia care for the most vulnerable of our citizens. This model of care cannot be introduced to the older care homes in the estate as the physical environments cannot accommodate it.
- 11.26 Alongside the two care homes previously operated by Four Seasons Healthcare coming back in house, consolidating two older care homes into Drumbrae would, over time, increase the capacity of nursing and dementia beds in the city which is much needed to meet existing demand.
- 11.27 This option offers an improved working environment for the staff who are currently employed within the older care homes and potentially offers better outcomes to our existing residents should they choose to move into Drumbrae.
- 11.28 This option does not provide any alternative accommodation for the services located within Liberton Hospital and could impact on the timescales outlined in the occupancy agreement if alternative accommodation could not be found for the intermediate care service.

**Option 3: Reopen the facility as a hybrid model with the upper floor as a care home and the lower floor as HBCCC:**

- 11.29 In January 2023, during discussions on how best to progress with Drumbrae considering the increased costs and time for the adaptations required, NHS Lothian proposed an alternative solution for Drumbrae.
- 11.30 This option would see the facility leased to NHS Lothian as planned with the lower floor adapted to provide HBCCC, equating to 30 beds.
- 11.31 The adaptations required to transition the lower floor to healthcare provision would cost approximately £3m and are estimated to take 4-6 months to complete.
- 11.32 NHS Lothian would fund the adaptations entirely for the lower floor of the property.

- 11.33 Due to the fire safety compliance and the increased cost to adapt the full building, NHS Lothian would only occupy the lower floor of the property leaving the upper floor vacant for alternative use.
- 11.34 There is potential to operate the upper floor of the property as a 30-bed care home provided registration is granted by the Care Inspectorate for a dual function facility providing both health and care services.
- 11.35 The initial proposal by NHS Lothian saw services withdrawn from Ferryfield House at the break clause in the lease agreement. This meant that the HBCCC beds would significantly reduce beyond the projections outlined in the Bed Based Care Strategy.
- 11.36 A targeted feasibility study was undertaken with the relevant clinical teams to ascertain whether this option could be delivered without any negative impact on performance, capacity and flow.
- 11.37 It was assessed that this option would leave the Partnership with a significant gap in its bed base and posed an unacceptable level of risk to performance.
- 11.38 However, by maintaining the lease at Ferryfield House until its intended end date of 2027 and operating the 30 beds for HBCCC at Drumbrae, the remaining bed base redesign could be achieved, enabling intermediate care to be relocated off the Liberton Hospital site, the most time critical element of the redesign proposals.
- 11.39 Similar to the previous option, to safely establish a care home on the upper floor of Drumbrae, one of the older care homes would need consolidated into it.
- 11.40 Regulators would need assurance that a hybrid model was safe to operate, and each floor would need to comply with the relevant standards set by the regulatory bodies for each service provision.
- 11.41 This option does deliver in part, the bed-based redesign proposed within the Bed Based Care Strategy and allows time for a strategic commissioning review to inform plans for community infrastructure and bed-based service provision in the medium to long term.

**Option 4: Sell the site for redevelopment:**

- 11.42 Drumbrae care home was purpose built in 2013 as part of the City of Edinburgh Council's Strategy for providing a high-quality care environment for older people.
- 11.43 The care home was the fifth new build of six planned for the city and is the second newest in the estate, with Royston Court being the most recent.
- 11.44 Drumbrae was chosen to transition to the provision of HBCCC because it was modern and offered improved accommodation for the HBCCC service in comparison to the facilities in which it currently operates from.
- 11.45 A high-level estimated value of the site is £4m.



**Option 5: Alternative use for the property to support wider challenges faced by CEC:**

11.46 Another option would be to use the facility to support the wider challenges faced by the Council, this option has yet to be scoped and discussions continue with other CEC officers regarding further options.

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Advantages</b>	Fully compliant environment for the provision of healthcare services	No major adaptations required to return the facility to care home provision	Provides 30 HBCCC beds in accommodation that is fully compliant with healthcare standards, an improvement on existing accommodation	Located in prime area attractive to developers	Potential to use the facility to support wider challenges faced by CEC (yet to be scoped)
	Improved accommodation for the HBCCC service to that which the service is currently provided from	Provides an opportunity to consolidate one or more of the older care homes into Drumbrae, transferring budgets, equipment, and staff	Provides an opportunity to consolidate one older care home into Drumbrae, transferring the budget, equipment, and staff	Potential capital receipt in the region of £4m	This could include the use for Children’s Social Care or for other occupation by vulnerable groups
	Delivers BBC P1 strategy as intended	Replaces older stock within the estate and provides the opportunity to transition to the new nursing model over time	Replaces older stock within the estate and provides the opportunity to transition to the new nursing model over time	Reduction of overall estate, reducing ongoing costs	
	Enables the redesign of intermediate care allowing services to move off of the Liberton Hospital site	Timescales for completion are within one calendar year	Timescales for completion are within one calendar year	Opportunity to reinvest any profit into alternative care facilities	
			Enables the redesign of intermediate care allowing services to move off of the Liberton Hospital site		

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Disadvantages</b>	£7m capital investment deficit required to complete the adaptations - CEC required to fund this	Limited options to reaccommodate intermediate care services from Liberton Hospital without a significant impact on capacity in HBCCC	Would require the continuation of the lease at Ferryfield House to the intended end date of 2027 (potentially beyond)	Reduction of overall estate before a strategic review removes it as an option in that assessment	Loss of bed-based capacity during sustained system pressures
	Extended timescales for completion would mean the facility would not be operational until 2025	No ability to withdraw from the lease at Ferryfield House before the intended end date of 2027 (and potentially beyond)	Decision to consolidate one or more of the older care homes taken outwith the planned public consultation	Could impact the ability to deliver on the Direction set by the IJB following the review	
	Extended timescales for completion impact on the ability to withdraw services from Liberton hospital within the agreed timeframe set out in the occupancy agreement	Significant loss of HBCCC capacity due to environmental challenges in existing accommodation	Reputational damage of reopening part of the facility as a care home following the building remaining empty for a significant time	Limited options for withdrawing services from Liberton Hospital and Ferryfield House	
	Lease agreement at Ferryfield House would need to continue until a full strategic commissioning review is completed	Decision to consolidate one or more of the older care homes taken outwith the planned public consultation	Doesn't deliver the Direction set by the IJB	No opportunity to consolidate one or more of the older care homes into Drumbrae	
	Benefits would not be realised until 2025 at the earliest	Reputational damage of reopening the facility as a care home following the building remaining empty for a significant time			

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Risks</b>	Financial risk to CEC, £7m required to complete adaptations would need redirected from existing capital investment projects	Reputational risk of reopening facility as a care home following a prolonged period where the facility has remained empty during extreme system pressures	Risk that regulatory authorities do not approve a dual function facility with the building only able to operate as either healthcare provision or care home	Reputational risk of selling assets during sustained system pressures	It should be noted that this option will have costs associated and will depend on the use agreed
	Reputational risk of facility remaining empty until adaptations are completed (estimated summer 2025)	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	Reputational risk of reopening part of the facility as a care home following a prolonged period where the facility has remained empty during extreme system pressures	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	
	Reputational risk due to extended timescales and increased cost of adaptations required	Reputational risk of reopening as a care home when residents were moved out of their home on decommissioning and staff were dispersed across the remaining care home estate	Reputational risk of strained relationships between all partners and elected members due to inability to deliver on the Direction set by the IJB	Risk to withdrawing services from Liberton Hospital / Ferryfield House as limited alternative accommodation to move services into	
	Risk that supply chain challenges will further extend timescales for completion (Lack of available contractors or materials)	Risk to withdrawing services from Liberton Hospital as limited alternative accommodation to move services into	Reputational risk of reopening part of the facility as a care home when residents were moved out of their home on decommissioning and staff were dispersed across the remaining care home estate	Risk of limited ability to consolidate older care homes into newer fit for purpose facilities due to lack of available capacity in remaining estate	
	Financial risk to NHS Lothian of continuing with the lease on Ferryfield House beyond the intended break point	Financial risk, inability to reopen as additional capacity as there is no available budget without consolidating one or more of the older homes within it	Financial risk, inability to reopen as additional care home capacity as there is no available budget without consolidating one of the older homes within it		

	<b>Option 1 - Proceed as initially intended completing all adaptations to transition property to provide healthcare services</b>	<b>Option 2 - Reopen facility as a care home by consolidating one or more of the older homes into it</b>	<b>Option 3 - Reopen facility as a hybrid model (Care home / HBCCC)</b>	<b>Option 4 - Sell the property for redevelopment</b>	<b>Option 5 - Alternative use for the property to support wider challenges faced by CEC</b>
<b>Assumptions</b>	Adaptations are fully completed in one calendar year (not including tendering of contracts and statutory consents)	Drumbrae can be re-registered as a care home with the Care Inspectorate	Registration is granted for dual function facility	Site is valued at approximately £4m on a redevelopment basis	
	The lease can be extended to 20 years with break points at each 5-year interval	Drumbrae is compliant with all standards to provide residential care	Each floor of Drumbrae is compliant with required standards for operational purpose		
	Walkers Healthcare are open to negotiating the break point in the lease on Ferryfield House	Staff would be willing to transfer to Drumbrae from the older care homes	Staff would be willing to transfer to Drumbrae from an older care home	Any return could be reinvested in alternative care facilities	
	Capital investment can be found from existing budgets, redirecting investment from existing capital investment projects	The facility can be fully equipped utilising existing equipment from other care homes in the estate	The facility can be fully equipped utilising existing equipment from other facilities in the estate		
	CEC consent to the scale of the adaptations required as landlord of the facility	NHS Lothian agree to continue with the lease at Ferryfield House until the intended end date of 2027 (potentially beyond)	NHS Lothian agree to continue with the lease at Ferryfield House until the intended end date of 2027 (potentially beyond)		
	A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years	HBCCC could be consolidated within the existing estate (configuration to be agreed)	A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years		
		A strategic commissioning review is undertaken to assess the bed-based capacity required to ensure sustainable services in the future 10 years			

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# Finance and Resources Committee

10am, Tuesday 20 June 2023

## Resource to support the Edinburgh Integration Joint Board Medium Term Financial Strategy

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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It is recommended that the Finance and Resources Committee:

- 1.1 Note the requirement for the Edinburgh Integration Joint Board (EIJB) to develop and deliver a Medium Term Financial Strategy (MTFS).
- 1.2 Note that additional resource is required to support the development of a Medium Term Financial Strategy.
- 1.3 Note that the previous Chief Officer, Edinburgh Health and Social Care Partnership in consultation with the Convenor of Finance and Resources Committee under urgency provisions approved the recruitment of additional resource through a waiver to provide specific capacity to lead the development of the MTFS.
- 1.4 Agree to a further six month extension for this additional resource, to further develop the MTFS.

**Andrew Kerr**

**Chief Executive**

Contact: Moira Pringle, Chief Finance Officer

E-mail: [moira.pringle@nhslothian.scot.nhs.uk](mailto:moira.pringle@nhslothian.scot.nhs.uk) | Tel: 0787 242 0111

## Resource to support to the Edinburgh Integration Joint Board Medium Term Financial Strategy

### 2. Executive Summary

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- 2.1 This report provides Finance and Resource Committee with an update on the additional resource required to develop the Edinburgh Integration Joint Board (EIJB) Medium Term Financial Strategy (MTFS).
- 2.2 The request for additional resource to develop the MTFS has been discussed and agreed by the Convenor of Finance and Resources Committee under urgency procedures. This report homologates the initial decision taken under urgency procedures.
- 2.3 This report also requests that Finance and Resources Committee agree a further 6 month extension for this appointment to allow the work on the MTFS to continue. Whilst there has been significant progress to develop the MTFS, there is still a significant amount of work required to achieve financial balance. Alongside this, two Care Inspectorate reports include several recommendations that will require investment from the EIJB.

### 3. Background

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- 3.1 There is a recognition that the EIJB needs to urgently develop a MTFS to achieve its ambition to deliver a sustainable health and care service within Edinburgh especially considering the funding gap of £41m for 23/24 and an anticipated gap of £80m over the next four years.
- 3.2 Initial work has been undertaken to start to shape a MTFS, however this work is being undertaken alongside delivering several other workstreams. There has been no one dedicated resource who has the expertise or capacity to undertake this work at the pace required.

### 4. Main report

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- 4.1 The MTFS needs to be set in the context of the EIJB strategic ambition for a sustainable health and care system and delivered in line with the strategic priorities



within the EIJB Strategic Plan and will deliver strategic change with health and care services.

- 4.2 Some work had begun to develop a MTFs for the EIJB, however the work had been driven by existing staff and there was a requirement to increase the pace of this work considering the 23/24 budget gap. There was a recognition that to deliver a MTFs, additional dedicated resource with relevant expertise was required to:
  - 4.2.1 Develop specific proposals to address the projected budget gap both this year and in the coming years by identifying opportunities to deliver better outcomes for those who use health and care services in Edinburgh, alongside driving efficiencies and minimising costs.
  - 4.2.2 Develop clear benefits realisation (including clear articulation of the net value) for proposals identified, ensuring key milestones are achieved.
  - 4.2.3 Development of implementation plans to enable the EIJB to achieve clear tangible benefits, better outcomes for people and efficient services.
- 4.3 The Chief Officer and colleagues engaged Gatenby Sanderson, (who are on a Council framework) interviewed and appointed a suitable candidate on an interim basis week commencing 28 November 22 for an initial period of 6 months.
- 4.4 To allow this work to begin immediately, the Chief Officer, Edinburgh Health, and Social Care Partnership in consultation with the Convenor of Finance and Resources agreed to proceed with this appointment under urgency procedures set out in paragraph 4.1 of the Committee terms of reference and delegated functions for the initial six months (week commencing 28 November – 2 June). Consultation has also been undertaken with the Convenor of Finance and Resources Committee, group spokespersons and group leaders under urgency procedures to cover the period 2 June – 20 June. This report homologates the decision taken under urgency procedures covering the period week commencing 28 November 22 to 20 June 23.
- 4.5 Alongside the homologation of the urgency decision, this report also requests that the Finance and Resources Committee agree to extend the appointment of the additional resource by a further six months.
- 4.6 Since the postholder started in November 22, there has been considerable progress to present a MTFs to the EIJB on 13<sup>th</sup> June which indicates how the EIJB would approach financial balance over a 3-year period. However, there is still work to be undertaken to deliver the EIJB savings and recovery programme in 23/24 and deliver the MTFs. This programme also needs to take cognisance of the service improvement and investment required to deliver on the recommendations identified in the two Care Inspectorate reports into Adult Support and Protection and Adult Social Care Services. There is also a significant piece of work to shift service delivery to an early intervention and prevention model and reshape services over the next few years to achieve financial sustainability. This work can't be undertaken within existing resources and needs the expertise of the current resource to deliver on this.

- 4.7 The current candidate has been tasked with the current deliverables and appropriate key performance indicators have been aligned to the undernoted workstreams:
- 4.7.1 Development of the MTFs for the EIJB
  - 4.7.2 Supporting service redesign and configuration
  - 4.7.3 Looking at ways to drive service improvement aligned to synergies with partner work programmes, this will include supporting the Adult Social Work and Social Care improvement programme.
  - 4.7.4 Mapping out opportunity for technology investments, which includes supporting the Digital Transformation for Health and Social Care workstream.
- 4.8 Detailed key performance indicators and outcomes for the remaining 6 months and reviewing deliverables for the previous six months will be developed by the Chief Finance Officer in consultation with the Chair and Vice Chair of the EIJB. Updates on delivery of the EIJB MTFs will be included in the EIJB update report to Policy and Sustainability Committee on a quarterly basis.

## **5. Next Steps**

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- 5.1 The additional resource appointed will continue to develop the MTFs and will report to the June 23 EIJB and reporting through Policy and Sustainability Committee as appropriate.

## **6. Financial impact**

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- 6.1 The initial 6 month costs of the contract are estimated to be £104,650 and will be covered within existing budgets and will be offset by the savings proposals developed and implemented. A further six months extension will cost £104,650 and can be covered within existing budgets.

## **7. Stakeholder/Community Impact**

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- 7.1 As this relates to the appointment of additional resources to support the development of the MTFs, there are no direct stakeholder or community impact (positive / negative).
- 7.2 Any proposals developed as part of the MFTS will be considered in terms of stakeholder / community impacts, both positive and negative and reported in line within appropriate governance arrangements.

## **8. Background reading/external references**

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- 8.1 Not applicable.

## **9. Appendices**

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None.

# Finance and Resources

10am, Tuesday, 20 June 2023

## Health and Social Care Contract Extension Report

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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It is recommended that the Finance and Resources Committee:

- 1.1 Approve the extension of the Health and Social Care contracts outlined in 4.1.

**Andrew Kerr**

Chief Executive

Contact: Emma Gunter, Interim Contracts Manager, Edinburgh Health and Social Care Partnership

E-mail: [emma.gunter@edinburgh.gov.uk](mailto:emma.gunter@edinburgh.gov.uk)

## Health and Social Care Contract Extension Report

### 2. Executive Summary

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- 2.1 This report sets out the current Edinburgh Health and Social Care Partnership (EHSCP) commissioning activity and how these impact on contractual arrangements including the requirement to waive the requirement of Contract Standing Orders to allow contracts to be extended at the expiry of the current contract duration.

### 3. Background

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- 3.1 In line with the strategic plan and direction from the Edinburgh Integration Joint Board (EIJB), the Edinburgh Health and Social Care Partnership (the Partnership) is actively procuring a range of services. The ongoing impact of Covid-19 has had a continued effect on not only the Partnership but also provider's capacity to engage in coproduction and procurement exercises within initial timescales while continuing to provide services in line with service specifications.
- 3.2 On 6 December 2021 the Scottish Government published "Preparing to Transition Towards a National Care Service for Scotland: SPPN 7/2021". This Scottish Procurement Policy Note advises public bodies involved in the commissioning of social care services of the actions they can and should take in preparation for the transition to a National Care Service in Scotland. Councils are asked to review strategic commissioning plans and to consider the impact of decisions on resources and the social care market and consider the use of contract modifications or extensions where feasible to enable the collective focus to be on implementation. This review is now in progress and a number of contractual arrangements have been recommended, following consideration by the Health and Social Care Partnership Procurement Board, for extension.
- 3.3 This paper sets out, on a service-by-service basis, the proposed contractual arrangements and recommended extensions with supporting rationale.

## 4. Main report

- 4.1 The contractual arrangements covered by this paper, annual values, contract end dates and recommendations are summarised in the table below:

Contract	Value 2022/23 Value	Value 2023/24 (£m)	Value 2024/25 (£m)	Contract End Date	Recommendation - contracts to be extended until
Allpay Limited Pre-paid cards	0.05	0.05	0.07	01.06.2023	31.10.2027
Care and Treatment Support Service - Milestone House	0.8	0.8	-	31.03.2022	31.03.2024
Telecare Call Handling Service (ATEC24)	-	0.1	-	31.05.2023	29.02.2024
Specialist Care Service - Life-Pod Clutter Management	0.2	0.2	-	31.03.2023	31.03.2024
Essential Care Home Support (Scottish Care)	0.06	0.06	-	31.03.2023	31.03.2024
Third Sector Infrastructure Support (EVOG)	0.01	0.6	-	31.03.2023	31.03.2024

- 4.2 These are discussed individually in paragraphs 4.3 to 4.22 below.

### Allpay Limited Pre-paid Cards

- 4.3 The service provides pre-paid cards that are loaded with a set amount of money to be spent by social work service users. The service is currently provided by Allpay within Edinburgh Health & Social Care Partnership (EHSCP) for Self-Directed Support Direct Payments (SDS) and across EHSCP and Criminal Justice (ECS) for emergency payments.
- 4.4 This service is required for the following additional reasons: HSC want to introduce this service for Corporate Appointee (CA) service users whose DWP benefits are managed by the organisation, their bills are paid, and they receive agreed amounts of cash which they currently attend the locality offices to collect, and ECS wish to introduce this service to provide service users with charity grant funding and authorised departmental funding where required.
- 4.5 There is a need to provide service users with funds for many reasons within all social work services. They need to be able to use the funds to pay invoices as well as make on-line payments in some cases giving cash is inappropriate as the individual might not spend the cash on what it has been authorised for. There is an option to pay the money into service users bank accounts via BACs transfer but some individuals do not have a bank account and in some cases the funds transferred would not be available to them due to them being in overdraft. This governance process is managed under the Know Your Customer function.
- 4.6 The current contract (waiver) for SDS expired in May 2023. It is envisaged that these services from Allpay Limited, including the additional services for Corporate

Appointee and Education and Children's Service, will be required going forward for years to come.

- 4.7 The proposal is a Direct Award using Crown Commercial Services RM6248 Payment Solutions 2 "Lot 2: Prepaid Cards" to ensure continuity of service. Given the relatively low cost of this service there is limited benefit in changing providers against significant disruption.
- 4.8 The contract will be for four years and five months which is in line with the limit of two years beyond the end of the overarching framework.

### **Care and Treatment Support Service**

- 4.9 The contract with Waverley Care Blood Borne Virus (BBV) was previously extended from 31 March 2022 to 31 March 2023 as noted in the Finance and Resources Committee report of August 2021. The BBV service has moved to a model of supporting people in the community and at the same time the beds at Milestone House, previously used by the BBV service for step up/step down care, have been used as interim care beds. Permission is sought to extend this contract for one further period of 12 months to 31 March 2024 to allow full consideration of how to utilise the interim care beds best effectively via a commissioning exercise.

### **Telecare Call Monitoring Service (ATEC24)**

- 4.10 In October 2023, it was agreed by the Edinburgh Health and Social Care Partnership's (EHSCP) Executive Management Team, that the Partnership would opt to become an early adopter of the National Shared Alarm Receiving Centre (ARC) Programme. The programme is delivered in partnership between the Local Government Digital Office and Scotland Excel. The objective is to deliver a *Once for Scotland* procurement solution. The tender went live on 17 March 2023 and is scheduled for award and mobilisation to start in June 2023. Around 15 providers are part of the early adopter cohort, therefore, it is anticipated the mobilisation and implementation will be completed in tranches that are yet to be finalised. The EHSCP would prefer not to be part of the initial implementation tranche, as it is unlikely that operational readiness would be at its desired state but also gain the value of lessons learned from the first cohort.
- 4.11 It is therefore recommended to extend the existing contract with London Borough of Newham Council for a maximum of 9 month (6 months + 3 months) allowing the Scotland Excel framework to be put in place and then progress with procuring the new ARC through this route.

### **Specialist Care Services (Life-Pod)**

- 4.12 A Procurement exercise has taken place to establish a preferred provider(s) to deliver a house cleaning service which supports discharge from hospital. In addition, and distinct from this it has been identified operationally of the requirement for a therapeutic service for hoarding and neglect.

- 4.13 This requirement supports the duties around Adult Support & Protection. The Adult Initial Referral Discussion (IRD) Review Group and Public Protection Strategic lead has confirmed that hoarding / self-neglect are now both recognised as Public protection / safeguarding issues and that hoarding is also an automatic trigger for Police/Social Work/Health to start the IRD where the Clutter Image rating reaches level 7. Hoarding disorder is a mental health disorder characterised by excessive accumulation of and attachment to possessions regardless of their actual value. Hoarding behaviour is sufficiently severe to result in significant distress or significant impairment in personal, family, social, educational, occupational, or other important areas of functioning. Self-neglect can be associated with a range of social, psychological and health issues. These impact on the individual's ability to maintain standards of care and hygiene which are safe or acceptable. Intervention needs to be sensitively managed and one-off interventions are seldomly effective.
- 4.14 There is no in-house specialist therapeutic support service for people that hoard or suffer from chronic self-neglect. The service is currently provided by Life-Pod via spot purchase contract when required. This approach to contracting is expensive therefore a commissioning exercise will be undertaken to establish a more formal contractual arrangement with an identified Provider which would allow for reassurance on regulatory requirements, due diligence and closer monitoring of outcomes.
- 4.15 It is recommended to extend the contractual arrangement with Life-Pod for a further 12 months to 31 March 2024 to allow the commissioning work to be undertaken.

#### **Essential Care Home Support (Scottish Care)**

- 4.16 An Independent Sector Lead is required to support the Edinburgh Health and Social Care Partnership. Across Scotland this is provided to Partnerships by Scottish Care. There are no other organisations currently able to provide this service.
- 4.17 Scottish Care are providing support in the following areas, care home support, service improvements and development being key to their work plan. Additionally, they provide an integral role in our Power of Attorney, Herbert Protocol and John's campaigns. They are also represented on the IJB Strategic Planning Group, and has the interests of older people, and people with dementia at the heart of her work plan, whilst ensuring the independent sector is well represented across multi agency discussions for care home and care at home.
- 4.18 It is recommended that this post is extended for a further period of 12 months to 31 March 2024.

#### **Third Sector Infrastructure Support (EVOC)**

- 4.19 Edinburgh Voluntary Organisations Council (EVOC) has been identified as the key delivery partner to help build collaborative approaches and consensus between the Edinburgh Integration Joint Board (EIJB) and the third sector. The role of EVOC in this work is to represent voluntary organisations during the exploration of alternative community commissioning approaches and identify new support needs for effective

community commissioning in the city. Currently there are no alternative providers offering a similar, or like-for-like, service in Edinburgh.

- 4.20 The recommendation therefore is to extend the EVOC contract for a further 12 months to 31 March 2024 to further support Transition Team workstreams 1 and 3 and the development of the Edinburgh Pact and Community Mobilisation work which itself has been extended up until March 2025 by the EIJB.

## **5. Next Steps**

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- 5.1 If the recommendations in this paper are accepted Officers from the Partnership will work with colleagues in Commercial and Procurement Services to make the appropriate contractual arrangements which take account of the recommendations in the Scottish Government's SPPN.

## **6. Financial impact**

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- 6.1 The total value of the contract extensions, and the Direct Awards detailed in this report is £1.9m in financial year 2023/24.
- 6.2 Funding associated with the extension, and Direct Award of the contracts will be delegated by EIJB to the Council, along with the funding associated with the interim care beds.

## **7. Stakeholder/Community Impact**

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- 7.1 Each of the ongoing procurement exercises has been co-produced with service users, providers and other relevant stakeholders.

## **8. Background reading/external references**

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[Preparing to Transition towards a National Care Service for Scotland SPPN 7/2021](#)

## **9. Appendices**

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Appendix 1 Health and Social Care - Recommended Contract Extensions



## HEALTH AND SOCIAL CARE – RECOMMENDED CONTRACT EXTENSIONS

Contract Register Unique Key	Contract Reference	Contract Name	Supplier Name	Recommended Contract End Date	Contract Value	Annual Value
100013083	HS0091	Pre-loaded cards	Allpay Limited	30/10/2027	£0.31m	£0.07m
100011861	HS0073	Care and Treatment support service – Milestone House	Waverley Care	31/03/2024	£1.7m	£0.86m
100016615	ATEC24/001	Telecare Call Monitoring Service	London Borough of Newham	29/02/2024	£0.14m	£0.14m
100015390	HS0133	Specialist Care Services	Life-Pod Clutter Management Cic	31/03/2024	£0.2m	£0.2m
100014782	HS0123	Essential Care Home Support	Scottish Care	31/03/2024	£0.2m	£0.06m
100004719	39	Third Sector Infrastructure Support	EVOC	31/03/2024	£0.6m	£0.6m

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# Finance and Resources Committee

10.00am, Tuesday 20 June 2023

## Under 22 Concessionary Travel on Trams – referral from the Transport and Environment Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Transport and Environment Committee has referred a report on under 22 concessionary travel on trams to the Finance and Resources Committee for information.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Rachel Gentleman, Committee Officer  
Legal and Assurance Division, Corporate Services  
rachel.gentleman@edinburgh.gov.uk

# Referral Report

## Under 22 Concessionary Travel on Trams

### 2. Terms of Referral

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- 2.1 On 18 May 2023 the Transport and Environment Committee considered a report noting the decision of the Edinburgh Trams board to continue to offer free concessionary travel for people under the age of 22 on trams until 31 December 2023.
- 2.2 The Transport and Environment Committee agreed:
  - 2.2.1 To note the decision of the Edinburgh Trams board to continue to offer free concessionary travel for people under the age of 22 on trams until 31 December 2023.
  - 2.2.2 To refer the report to the Finance and Resources Committee for information.
  - 2.2.3 To reaffirm the Committee's decision of 6 October 2022 that the Scottish Government should expand U22 free travel to light rail.
  - 2.2.4 To agree to receive an update once the Fair Fares Review had been concluded.

### 3. Background Reading/ External References

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- 3.1 Minute of the Transport and Environment Committee of 18 May 2023
- 3.2 [Transport and Environment Committee – 18 May 2023 webcast](#)

### 4. Appendices

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Appendix 1 – Report by the Executive Director of Place

# Transport and Environment Committee

10.00am, Thursday, 18 May 2023

## Under 22 concessionary travel on trams

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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- 1.1 Transport and Environment Committee is asked to:
  - 1.1.1 Note the decision of the Edinburgh Trams board to continue to offer free concessionary travel for people under the age of 22 on trams until 31 December 2023; and
  - 1.1.2 Refer this report to Finance and Resources Committee for information.

**Paul Lawrence**

Executive Director of Place

Contact: Hannah Ross, Senior Responsible Officer

E-mail: [hannah.ross@edinburgh.gov.uk](mailto:hannah.ross@edinburgh.gov.uk) | Tel: 0131 529 4810

## Under 22 concessionary travel on trams

### 2. Executive Summary

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- 2.1 The board of Edinburgh Trams have resolved to carry under 22s for free on trams for the remainder of their financial year (to 31 December 2023) to allow the Scottish Government's Fair Fares review to complete. Committee is asked to note the decision of Edinburgh Trams board.

### 3. Background

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- 3.1 The Scottish Government introduced the Young Persons (Under 22s) Free Bus Travel scheme on 31 January 2022. This scheme allowed young people access to free bus travel in Scotland, on presentation of a National Entitlement Card or Young Scot National Entitlement Card. The scheme only applies to bus and ferry (in limited circumstances), but not to other forms of public transport such as trams.
- 3.2 Since the commencement of the Young Persons (Under 22s) Free Bus Travel scheme, Edinburgh Trams have offered free tram travel to under 22s who live in Edinburgh on presentation of a City of Edinburgh National Entitlement Card. The cost of this (from 31 January 2022–31 March 2023) has been reimbursed by the Council on the same reimbursement rate as received for bus travel. This aligns with the approach taken to the concessionary travel scheme for over 60's.
- 3.3 The approved Council budget for 2023/2024 does not make provision for on-going financial support from the Council for under 22s concessionary travel on trams in Edinburgh.

### 4. Main report

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- 4.1 The Board of Edinburgh Trams have considered and agreed to continue to support free travel for under 22s (in possession of a City of Edinburgh National Entitlement Card) in the absence of any reimbursement from the Council or Transport Scotland. The Board have asked the Council to note their decision.
- 4.2 The decision of the Edinburgh Trams board is only for their current financial year (to 31 December 2023). They will continue to carry under 22s until this date to provide continuity to passengers while the Scottish Government's Fair Fares review

concludes, noting that Scottish Government may consider that the Young Persons (Under 22s) Free Bus Travel scheme should be expanded to include trams.

- 4.3 The basis for the Edinburgh Trams board's decision was that they considered that continuing to carry under 22s for free assists with behaviour setting and staff welfare, and also aligns with sustainability objectives. They were also of the view that modal shift to bus could result in a requirement for additional buses on routes which could lead to additional congestion. Edinburgh Trams carrying under 22s for free aligns with the Council's objective to ensure that ticketing is integrated across public transport operators. This promotes transfer across mode and enables travel across the city. This fits in with the integrated ticketing project which is already underway between Edinburgh Trams and Lothian Buses.

## **5. Next Steps**

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- 5.1 Edinburgh Trams will continue to offer free travel on trams for passengers under the age of 22 (in possession of a City of Edinburgh National Entitlement Card) until 31 December 2023.
- 5.2 Council officers and Transport for Edinburgh will continue to engage with Transport Scotland on the Fair Fares review, in line with the motion approved by Transport and Environment Committee on 6 October 2022.

## **6. Financial impact**

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- 6.1 There is no additional cost for Edinburgh Trams to carry passengers under the age of 22 for free. Edinburgh Trams did not budget for any reimbursement from the Council for revenue foregone arising from the under 22 scheme and therefore there is not anticipated to be any additional budgetary pressure in the 2023 financial year arising from Edinburgh Trams carrying passengers under the age of 22 for free.
- 6.2 Since the introduction of the Scottish Government's Concessionary Travel scheme for bus passengers for under 22s, Edinburgh Tram has offered also offered free travel on the tram. The fare income lost to Edinburgh Trams was reimbursed by the Council on the same reimbursement basis as the Scottish Government scheme.
- 6.3 Transport and Environment Committee on 6 October 2022 confirmed that this arrangement would remain in place until 31 March 2023, but that any future support would be considered as part of the Council budget setting process for 2023/2024.
- 6.4 On 23 February 2023, the Council approved its budget for 2023/2024. No provision was made to provide any funding to Edinburgh Trams to reimburse any lost income associated with free tram travel for under 22s in 2023/2024.
- 6.5 The board of Edinburgh Trams have taken the decision to continue to offer free travel on the tram for passengers under the age of 22 (with a City of Edinburgh National Entitlement Card) until 31 December 2023.

- 6.6 The budget approved by the Edinburgh Trams board for operations in 2023 assumes that there are no additional costs associated with offering free tram travel for under 22s and no income anticipated from under 22 fares. Therefore, they consider that concessionary travel for under 22s will have no impact on their budget projections.
- 6.7 Committee is asked to note that the Revenue Budget Framework approved by Council in [February 2022](#) included £7m in relation to the opening of the line to Newhaven. This aligned with the update to the Final Business Case presented to members in October 2020. An update to this reserves position was provided to members in [February 2023](#).
- 6.8 There is an impact to the Transport for Edinburgh Group of the loss of income to Lothian Buses from the Scottish Government's Young Persons (Under 22s) Free Bus Travel scheme. While this income was not assumed in the Lothian Buses budget (as Lothian Buses have assumed that Edinburgh Trams will continue to carry under 22s for free), it represents a loss of opportunity in that Lothian Buses could increase its revenue for investment. For the existing tram line, it is estimated that income to Lothian Buses would be in the region of £0.3m if Edinburgh Trams does not carry under 22s free of charge. For the line to Newhaven, it is not possible to accurately estimate the income to Lothian Buses if Edinburgh Trams does not carry under 22s free of charge. Council officers consider that the total lost income could be in the region of up to £1m per annum.

## **7. Stakeholder/Community Impact**

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- 7.1 At present, concessionary travel is offered to older, disabled and young people on Edinburgh Trams in line with the Scottish Government Schemes for Free Bus Travel in Scotland.
- 7.2 The Board of Edinburgh Trams have agreed to continue this until 31 December 2023.
- 7.3 Council officers and Transport for Edinburgh will continue to engage with the Scottish Government through Transport Scotland to ensure that the challenges of this current arrangement for integrated ticketing and routing (including the environmental impact) are recognised.
- 7.4 At the appropriate time, the Council will prepare a response to the Fair Fares Review.

## **8. Background reading/external references**

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- 8.1 Minute of the City of Edinburgh Council – [23 February 2023](#).
- 8.2 Minute of Transport and Environment Committee - [6 October 2022](#).



## 9. Appendices

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9.1 None.

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## Finance and Resources Committee

**Tuesday 20 June 2023**

### Workforce Dashboard

<b>Item number</b>	
<b>Executive/routine</b>	<b>Routine</b>
<b>Wards</b>	<b>All</b>
<b>Council Commitments</b>	

#### **1. Recommendations**

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- 1.1 To review and note the information contained in the Workforce Dashboard for the period January to March 2023 (Quarter 4).
- 1.2 It is also proposed that Committee agreed to inclusion of benchmarking and wider Directorate trend summary data in future quarterly reports.

#### **Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Nareen Owens, Service Director - Human Resources

Human Resources Division, Corporate Services Directorate

E-mail: [nareen.owens@edinburgh.gov.uk](mailto:nareen.owens@edinburgh.gov.uk) | Tel: 0131 469 5522

# Finance and Resources Committee

## Workforce Dashboard

### 2. Executive Summary

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- 2.1 This report provides the Council's Workforce Data for the period January to March 2023 (Quarter 4).
- 2.2 Key trends in the workforce data for this period includes:
- increase in agency worker spend and leavers costs because of payment of the back dated pay award;
  - decrease in overtime and casual average monthly spend; and
  - minimal increase in overall sickness absence rates.
- 2.3 As reported to this Committee on 25 April 2023, some service areas within the Council are continuing to experience service capacity issues and these are further impacted by absence, turnover, and an inability to recruit to an increasing number of 'hard to fill' roles due to the challenging employment market. In turn this has increased the utilisation of agency workers and overtime. A separate deep dive report on Hard to Fill roles will be presented for consideration at Committee on 20 June 2023.

### 3. Background

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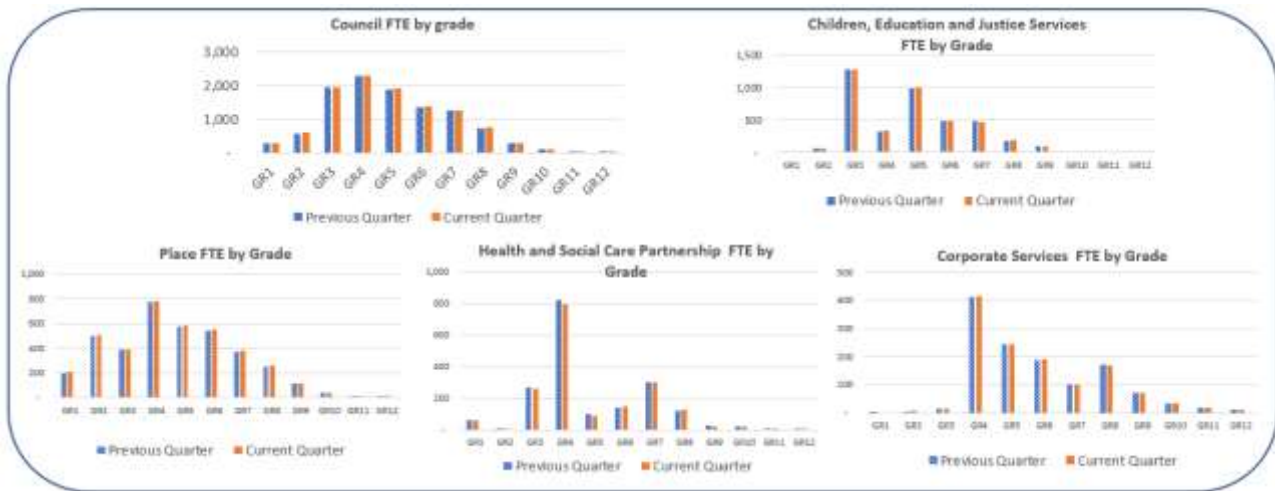
- 3.1 The Workforce Dashboard provides data and insight for the period January to March 2023 (Quarter 4) and aims to capture the employee lifecycle, including:
- the number of Full Time Equivalent (FTE) colleagues employed and breakdown of role grading by directorate.
  - the cost of the quarterly pay costs, including our flexible workforce (agency, overtime and casual).
  - recruitment information.
  - trends on absence rates.
  - organisational leaver information.
  - insight from Directorates on the last quarter and workforce context for the next quarter.

### 4. Main Report - Dashboard

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- 4.1 Workforce data is highlighted below.

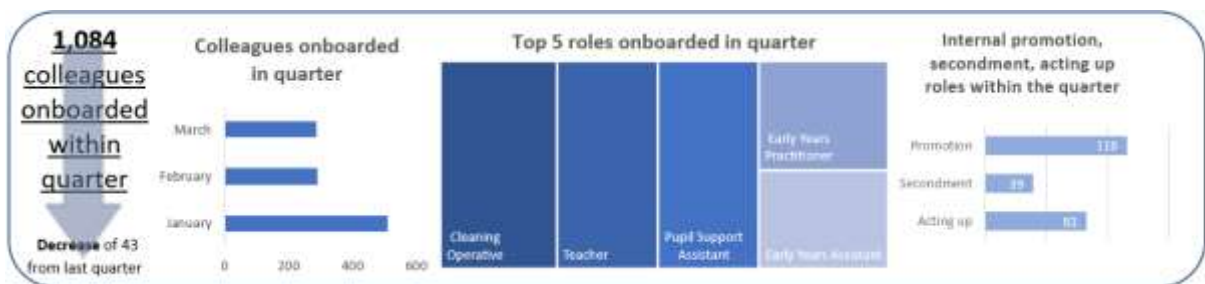
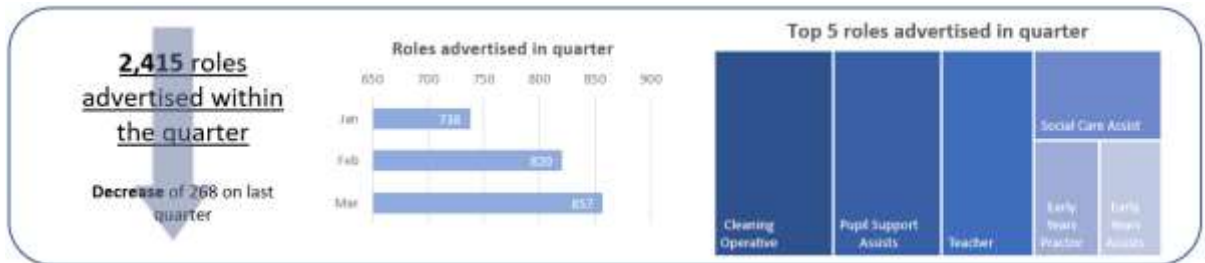
### Quarterly workforce dashboard (January 2023 - March 2023)



4.1.2 **Pay:** The average monthly pay bill (excluding flexible workforce) increased by £175,000 in this quarter. This was because of the implementation of the backdated pay award for Local Government Employees in January 2023 to both organisational leavers and agency workers. Overtime and casual average monthly spend both decreased during this quarter (£48,000 and £301,000 respectively).

4.1.3 As at March 2023, the Council had a salary overpayments balance of £1.49m (1,151 employees affected). 62% of this is attributed to Children, Education and Justice Services Directorate (£0.93m with 715 colleagues affected (both existing and leavers)). Work is underway with the Digital and Debt Recovery Teams to review system and process for leavers to consider any potential improvements. In addition, a new induction course has been developed which is aimed at new Managers but is also being initially rolled out in schools. This course focuses on all aspects of the 'employee life cycle' and what managers are required to do in terms of transactions and deadlines to try and proactively mitigate risk in this area.

4.1.4 **Recruitment and Employability:** The level of vacancies advertised over the quarter has reduced from last quarter by 268. This is due to reduction in advertising in January which is common due to planned leave and candidate/applicant availability.

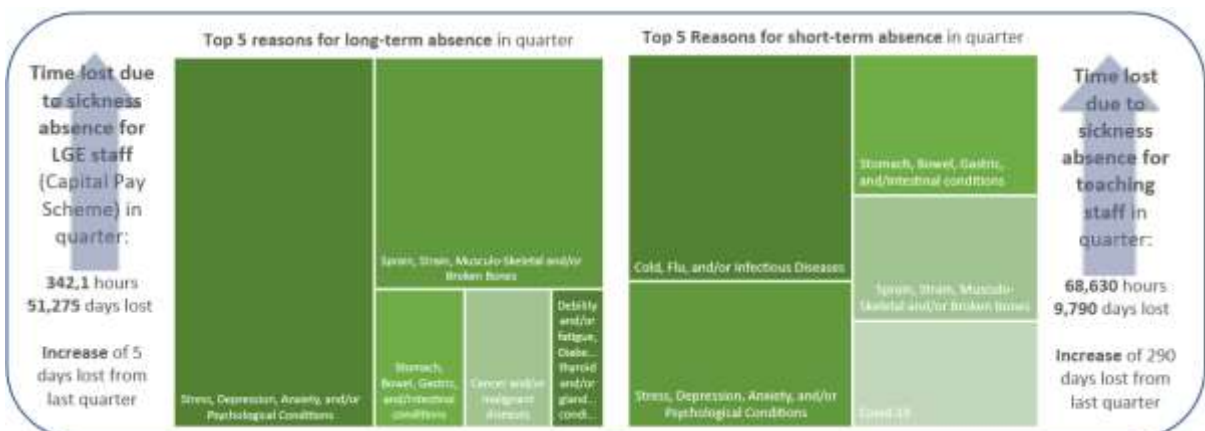


4.1.5 The number of colleagues onboarded during the quarter was 1,084:

- 55% - Children, Education and Justice Services Directorate
- 24% - Place
- 13% - Corporate Services
- 8% - Edinburgh Health and Social Care Partnership.

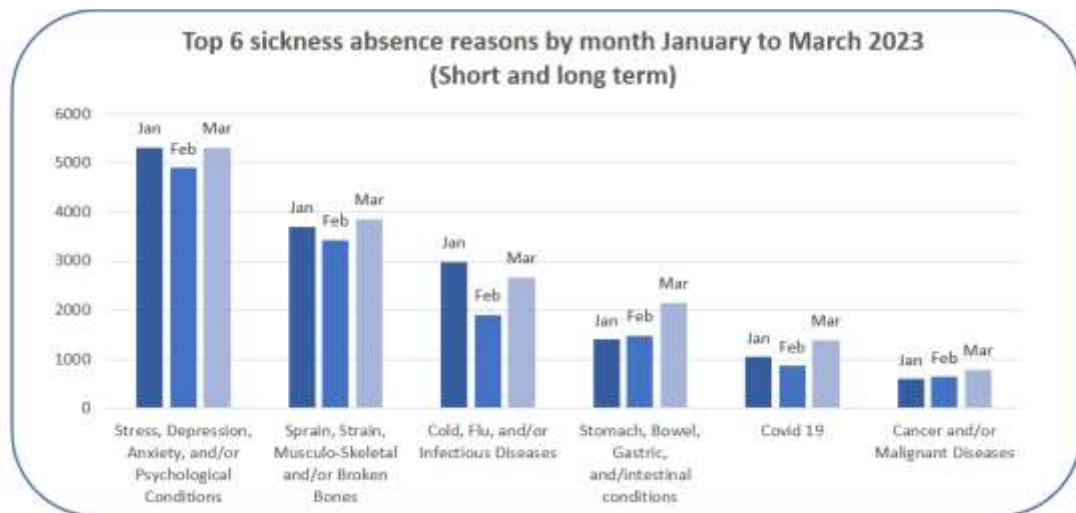
4.1.6 Of the 1084, 48% were internal and 52% were external. There were 71 casual workers onboarded in the quarter, 60 (85%) of whom for the Supply List within Children, Education and Justice Services Directorate.

4.1.7 Over the quarter we supported 165 apprentices.

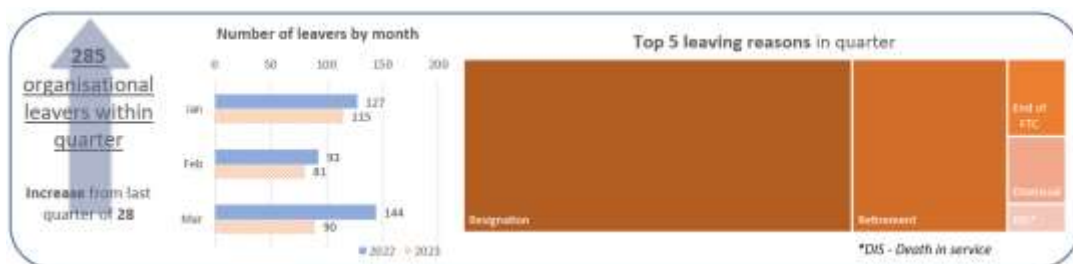


4.1.8 **Sickness Absence:** during the quarter there were 61,065 days lost to sickness absence which represents an increase of 294 days lost compared with the last quarter (October to December 2022 - 60,771 days lost).

4.1.9 In March 2023, there was an increase in sickness absence levels, when compared to the start of the quarter. Absence reasons with the largest increase in the month of March 2023 (when compared to the monthly average over the quarter) are stomach, bowel, gastric, and/intestinal conditions, and Covid-19. This is in line with wider community and public trends in relation to an increase in both these types of absences.



4.1.10 **Turnover:** Over the quarter there was an increase of 28 leavers. A review of Exit Interview data has been considered to determine potential trends. Of those who completed exit interviews 73% noted that they would recommend the City of Edinburgh Council as an employer to family and friends. The top 5 reasons that either had ‘a lot of influence’ or ‘some influence’ for leaving included; (1) Lack of job satisfaction (2) seeking new role/challenge (3) pay and benefits (4) development opportunities and (5) culture.



## 4.2 Narrative from Directorates for the last quarter (January - March 2023)

### 4.2.1 Corporate Services

- Recruitment activity post the festive period is increasing.
- Directorate sickness continues to outturn below the target level.
- As part of Learning at Work Week in May, the HR and Internal Communications teams took the opportunity to raise awareness of the wellbeing support available to colleagues as well as wider learning initiatives.

#### 4.2.2 **Edinburgh Health and Social Care Partnership (EHSCP)**

- EHSCP continues to look at ways to recruit more people to the care sector. The work with Capital City Partnership (CCP) is progressing well with a high number of notes of interest and an increasing number of applicants being processed. A recruitment drive aimed at generating interest within communities started in November 2022. Since then, there have been several recruitment events of this type, focusing on local communities and attracting newcomers into the sector.
- EHSCP have worked with HR to identify and implement ways to expedite the on-boarding process and are trialling a condensed Job Description for entry level positions. The CCP team are now well established with MyJobScotland and Department for Work and Pensions as work continues to look at ways to broaden the approach to recruitment.
- Recent recruitment in May 2023 has seen a rise in the number of applications for Social Care Assistants and after interview has resulted in 34 Social Care Assistants, 14 Social Care Workers and 8 Prevention Team Social Care Workers.

#### **Assessment and Care Management Teams (including Social Workers and Occupational Therapists)**

- In February 2023, Assessment and Care Management (ACM) teams were reporting vacancy levels of 19% in respect of frontline staff, equating to 55 full time equivalent (FTE). During March 2023 a Recruitment Support Team, consisting of 2 Business Support Administrators began providing support to ACM Recruiting Managers. Scottish Government provided funding for this team which aims to increase capacity in adult social work and social care services. An update on outcomes will be provided to the next Committee.

#### **Home Care**

- Two business support staff have been appointed to assist with the recruitment process including pre-employment checks and onboarding, with support by a dedicated HR adviser. The team also continue to work closely with CCP to support our recruitment activity. An update on outcomes will be provided to the next Committee.
- Absence levels within Home Care have risen over the last three quarters and the HR Adviser is working closely with all the service areas to further understand reasons for this to allow targeted intervention.

#### **Care Homes**

- During the quarter have advertised and interviewed for 27 posts since January, with 36 successful candidates offered roles Pre-employment checks are ongoing and are being prioritised.

#### 4.2.3 **Children, Education and Justice Services**

- A recent recruitment drive across the division resulted in the appointment of a new Service Director - Children's Services and Criminal Justice. In addition, the service also recently recruited to three vacant Head of Children's Services positions; namely: Corporate Parenting, Social Work Practice Teams and Early Intervention. The Directorate was proud to involve a Young Person's Panel as part of the interview process.
- We also saw the introduction of an Interim Senior Manager – Head of Children's Services in April 2023 on a temporary basis as the Head of



Children's Service – Early Intervention, taking on responsibility for whole family support and the front door to services (social care direct) while we recruit to the permanent post.

- There has been a recent successful round of recruitment to vacancies in our practice teams and we have appointed 25 social workers. We have also recruited to our Disability Team and appointed one social worker. Recruitment for senior manager positions is in place, which will build stability for the service.

#### **Education**

- A recruitment drive for PSAs across the school estate saw adverts go live in May 2023 and created an opportunity for mainstream PSAs to be seconded into the special sector to increase numbers within these schools. An update on the process will be provided at the next Committee.
- 340 primary teachers were interviewed for posts in August 2023. There has been ongoing work with the QIEO for Initial Teacher Education to develop a “grow your own” model to improve retention of newly qualified staff and with Learning and Teaching colleagues on teacher empowerment to improve the quality of work experience.

#### **Early Years**

- Monitoring the uptake of places each term of session 2022-23 has enabled us to keep track of supply and demand for places and enabled us to identify settings where we have surplus staff to be relocated, and the opportunity to change from full year to term time contracts for staff who are not in leadership roles.

#### **4.2.4 Place**

- There has been no significant change in the workforce data for Place since the previous quarter.
- A flexible approach to recruitment in Facilities Management, particularly in recruiting Cleaning Operatives, is reflected in both the recruitment and on-boarding information presented. This flexible approach recognises the challenges faced in recruiting and retaining cleaning staff.

### **4.3 Looking forward over the next 12 months – Directorates.**

#### **4.3.1 Corporate Services**

- This quarter sees the launch of our new Behaviours of Respect, Flexibility, and Integrity. Colleagues in our HR team, and across the organisation are supporting the roll-out of these with colleague sessions taking place throughout May and June 2023.
- Our new Employee Code of Conduct, as approved by Committee earlier this year, has now been rolled out with organisational wide communications taking place to encourage all colleagues to review and complete the revised module on MyLearning Hub.
- We have now launched our secure access gateway to the Orb for our hard-to-reach frontline colleagues. These colleagues are now able to sign up, then log in using their personal email address and own device to start using the Orb Gateway in June 2023. We will provide an update on uptake in the next Committee report.

#### 4.3.2 **Edinburgh Health and Social Care Partnership (EHSCP) Assessment and Care Management Teams (including Social Workers and Occupational Therapists)**

The team has:

- Following on from over 26 recruitment events the team continue to roll these out and undertake bulk interviews and onboarding activities.
- Exploring opportunities with Children's Services for recruiting and retaining Social Workers. This included how we advertise for social workers to make posts more attractive and competitive, enhancing opportunities for student placements, and encouraging them into posts and further recruitment events. We are continuing to build on this through 2023.

##### **Home care and Care Homes**

- At the most recent recruitment event on 3 May 23, over 300 notes of interest were made and are now being processed. EHSCP will continue to schedule similar events on a bi-monthly basis. More effort in the marketing space is being considered and costed to enhance our profile and unique selling point and to increase interest in the sector.
- EHSCP will also continue to develop communications and advertising material featuring some of our staff.
- Further job advertisements for various Care Home posts will go live week commencing 22 May 2023.
- We will continue to closely monitor and manage performance on absence at individual service levels and look at ways we can support the staff with the idea of menopause and bereavement cafes being two that we are currently working on.

#### 4.3.3 **Children, Education and Justice Services**

##### **Justice Services and Children's Services**

- On 3 May 2023 we held an open day for people looking for a career in Social Care; we targeted University Graduates and College leavers. The open day was extremely successful. This successful event was a drop in event where visitors heard about the jobs available and could chat with people working in the roles. This will form part of an enhanced recruitment programme that we will be developing further across the sector.

##### **Justice Services**

- Following the end of the organisational review formal consultation, we have commenced recruitment to leadership posts which will ensure that the leadership infrastructure is in place, before implementing the new structure. We are currently advertising four Team Leader posts. We will then move to recruit to permanent Senior Social Worker vacancies. Following a recent round of interviews, we have identified 11 preferred candidates for a combination of permanent and temporary Social Worker posts. This is a significant improvement on previous recruitment campaigns and are working closely with our communication colleagues to raise our profile on social media.

##### **Education**

- PSA, Teachers, and Early Years Professionals continue to be in the top 5 roles advertised, with one quarter of those onboarded via Promotion, Secondment or Acting Up which shows continued success with our "grow your own" model.

- Education colleagues are moving to a new supply booking system. The new system is called Edinburgh Council Supply List. This is a web-based system created by Teacher Booker, which staff can access from any laptop, mobile, iPad etc. Schools will have more control over which supply opportunities are available. Training session for Supply Workers (Teachers, EYPs, PSAs, EYAs) were held recently in preparation for the new going live.

#### **Early Years**

- Reviewing the hours of staff in 5no term time settings. The proposal is to vary up to 138 FTE staff contracts from full year to term time across 27 settings. This will require appropriate engagement with those affected and will be on a voluntary basis.

#### **4.3.4 Place**

Priority continues to focus on:

- Reducing agency and overtime expenditure and recruiting to frontline roles. The approach to recruitment continues to be reviewed to identify new, innovative ways of attracting candidates to roles which are particularly hard to fill.
- Supporting agency employees to successfully apply for substantive posts within the Council when these are advertised; and
- Wellbeing, Support and Challenge Panel continues to provide support and offer guidance for dealing with wellbeing matters, including sickness absence.

## **5. Next Steps**

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- 5.1 To continue to monitor workforce costs, associated business plans and organisational priorities and identify and drive areas for improvement. To further consider data to include benchmarking and trend information going forwards.

## **6. Financial impact**

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- 6.1 To note the budgetary implications of workforce costs (both direct and indirect) and to note the direct and indirect costs related to absence (salary, overtime and agency).

## **7. Stakeholder/Community Impact**

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- 7.1 Stakeholder consultation and engagement, including colleagues, Corporate Leadership Team, Senior Management Teams, Trade Unions and Elected Members is ongoing.

## **8. Background reading/external references**

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- 8.1 [Workforce Dashboard for period October 2022 to December 2022 \(25 April 2023\)](#)

## **9. Appendices**

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- 9.1 Not applicable

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## Finance and Resources Committee

**Tuesday 20 June 2023**

### **Workforce Deep Dive – Hard to Fill Roles**

<b>Item number</b>	
<b>Executive/routine</b>	<b>Routine</b>
<b>Wards</b>	<b>All</b>
<b>Council Commitments</b>	

#### **1. Recommendations**

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- 1.1 To note the information contained in the Workforce Deep Dive report in respect of hard to fill roles within the City of Edinburgh Council and the actions being taken to address this.
- 1.2 To request this 'workforce deep dive' report be submitted to the Finance and Resources Committee also be referred to GRBV Committee for scrutiny.

#### **Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Nareen Owens, Service Director, Human Resources

Human Resources Division, Corporate Services Directorate

E-mail: [nareen.owens@edinburgh.gov.uk](mailto:nareen.owens@edinburgh.gov.uk) | Tel: 0131 469 5522

# Finance and Resources Committee

## Workforce Dashboard

### 2. Executive Summary

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- 2.1 This report updates Committee on the current job roles which the City of Edinburgh Council deems 'hard to fill' and essentially proving a challenge to recruit to. The report also details the actions being taken to mitigate risks in relation to service delivery.
- 2.2 According to a recent CIPD survey, 57% of organisations currently have hard to fill vacancies, and two thirds of employers still expect to have hard to fill vacancies in the next 6 months. Reduced labour pool due in part to Brexit and Covid-19, immigration changes and changing working preferences are all considered to be contributing factors. Recruitment and retention is included as a key risk in the Council's Risk Register and ongoing efforts to address these challenges are being given high priority.
- 2.3 There are hard to fill roles across all directorates. This is due to a variety of factors including the buoyant employment market in Edinburgh, the impact of Brexit and in some cases, the level of salary we are offering compared to other industries or organisations. Other Scottish local authorities are also experiencing recruitment and retention challenges, as indeed are other sectors.
- 2.4 As we commence consideration of our next People Strategy and Strategic Workforce Plan for 2024-2027 areas such as workforce planning, resourcing, attraction, recruitment and retention are expected to be key themes. A strategic ambition and vision is vital to ensure that current works are enhanced and expanded across all services of demand, and the City of Edinburgh Council is recognised as an employer of choice.

### 3. Background

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- 3.1 **Workforce deep dive**  
Following discussion at Finance and Resources Committee on 25 April 2023 it was agreed to compile a deep dive report on hard to fill jobs within the Council and to update Committee on what actions are being taken to address this. Challenges in relation to recruitment and retention was also discussed in detail at the Governance, Risk and Best Value Committee meeting on 2 May 2023 and it was requested that this deep dive report be submitted to the next GRBV committee.
- 3.2 The Workforce Deep Dive provides data and insight for the period date to date including:

- Current hard to fill roles; and
- actions the Council is currently taking locally and corporately to address these recruitment challenges.

## 4. Main Report - Dashboard

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### 4.1 Directorate Summary

#### 4.1.1 Children, Education and Justice Services

Pupil Support Assistants (PSAs), Teachers, and Early Years Professionals continue to be in the top 5 roles advertised by the Council, with a quarter of those onboarded coming through internal succession, be that through promotion, secondment or acting up. Nonetheless, the following roles within the Directorate have continued to prove challenging to recruit to over the past year. Actions are being taken at a local level to address these challenges.

#### **Residential Care Officers**

Following recent recruitment challenges a review of the recruitment process was undertaken with these being streamlined where possible, resulting in some improved outcomes. Unfortunately, on occasion, candidates have either withdrawn or accepted another role elsewhere during the onboarding process as this can prove lengthy due to rigorous pre-employment checks. However, efforts are made to ensure contact with candidates as they progress through the onboarding process, to minimise this risk. In addition salary has been cited as an issue due to comparable roles in other local authorities either paying more as an initial salary or placing candidates at the top of the scale. There has been more focus on this aspect as this is an area that we can manage based on individuals experience. Another factor that affects candidate attraction is the location of care homes where those which are easier to access from commuter towns being more successful.

#### **Social Workers**

Until recently Children's Services Social Work was operating with 40% vacancies. We now have only 5 social work vacancies across Children's Services. Children and Justice Services recently collaborated with Adult Social Care to host an Open Day to introduce roles across all areas and generate interest for newly qualified social workers. The intention is that this approach will continue and seek to raise the profile of the Council as an employer. On 3 May 2023 we held an open day for people looking for a career in Social Care; we targeted University Graduates and College leavers. The open day was extremely successful and numerous teams across Children and Justice Services were involved including Residential Childcare Services, the Disability Team, Children's Practice Teams, Justice Services, Family and Household Support Team and the Health and Social Care Partnership. Focus on the day was the benefits of joining the Council, offering career progression, attractive salary, pension scheme, excellent holidays, and commitment to regular, supportive professional supervision.

This event was a drop in event held in Waverly Court where around 50 visitors heard about the jobs available and could chat with people working in the roles. This will form part of an enhanced recruitment programme that we will be developing further across the sector. We continue to offer practice

placements to undergraduate students in the hope they will seek permanent employment once qualified. Children's Services is also introducing a 'grow your own model', utilising Scottish Government funding to offer 2 places on a postgraduate diploma in Social Work to internal colleagues. This work is ongoing.

### **Early Years**

Part time contracts for support workers can be a challenge depending on the area e.g., the outskirts of the city can be difficult areas to recruit into. We have also been unable to recruit to some 'Head of Centre' vacancies with salary levels cited as a factor in comparison to other management roles. The Early Years service have initiated many good initiatives to help with recruitment and retention, specifically a 'grow your own' scheme and the Early Years and Childcare Academy that has clear career pathways. This work is ongoing.

### **Pupil Support Assistants (PSAs)**

There are a mixture of posts across our education estate that are difficult to recruit to. One such example is PSAs in our Special School sector. Salary is cited as a factor for this and also the role within an Additional Support needs environment can be very challenging, depending on the needs of the child or young person.

### **Gaelic Medium Education**

Recruiting Gaelic speakers to work within the Gaelic provision is difficult and we continue to try and recruit a vacant Head Teacher position. Following the last round of recruitment, there were no applicants. This isn't unique to Edinburgh and is a national issue.

### **Secondary**

Some subjects in the secondary sector are more difficult to recruit to than others, specifically Computing, Business, Maths, Food and Textile Technology (FTT), and Craft, Design and Technology (CDT). Again, this is a national issue, not exclusive to Edinburgh. Using Supply Teachers helps to alleviate this challenge but we continue to look at ways to promote teaching in Edinburgh.

#### **4.1.2 Edinburgh Health and Social Care Partnership (EHSCP)**

The EHSCP has a number of hard to fill roles. This is particularly the case with front line care and Social Worker roles. The wider sector has recruitment and retention challenges. Whilst care as a career can undoubtedly be life changing work with the opportunity for significant job satisfaction, it is viewed as low paid compared to other sectors which offer comparable salaries for less physically and emotionally demanding work. There continues to be significant challenges including a lack of capacity within the system and a significant gap between levels of need and capacity to meet increased levels of complex care. Additionally, colleagues continue to leave the social care sector (a 14% vacancy rate for social workers) which puts increased pressure on the remaining workforce. To attempt to address these issue, the EHSCP has taken a number of positive actions as follows



### **Care Homes and Home Care**

The EHSCP continues to look at ways to recruit more people to the care sector. The ongoing work with Capital City Partnership (CCP) to attract more people in Edinburgh to work in Social Care is beginning to see positive outcomes with a high number of notes of interest and an increasing number of applicants going through the recruitment process. Looking forward, the Partnership are looking to schedule similar community focused recruitment events on a bi-monthly basis. The Partnership have also worked with HR to try and establish ways to expedite the on-boarding process and are trialling a condensed Job Description for entry level positions. The CCP team are now well established with MyJobScotland as work continues to look at ways to strengthen the approach to recruitment. On 18-19 April 2023, the Partnership joined NHS Lothian and Edinburgh College at a recruitment event in the St James Quarter. Work continues to develop communications and advertising material featuring some of our front-line colleagues.

### **Social Workers**

Adult Services joined Children and Justice Services for the Open Day on 3 May and will continue to work closely to promote Edinburgh Social Work as a positive career choice and work closely with universities, offering practice placements, thus building a pipeline for the future.

#### **4.1.3 Place Directorate**

### **Operational Services**

The main hard to fill to roles are skilled road workers and engineer/senior engineer roles. Salary is cited as a factor for this as it is felt that the Council cannot compete with market rates in the private sector, particularly for highly technical professionally qualified roles. It should also be noted that there is increased competition for frontline roles posts with specifically the retail and hospitality sectors, which offer higher hourly rates for potentially less demanding work.

### **Facilities Management (FM)**

The introduction of recruitment fairs targeted in local communities has been successful and the FM Service recently won an award for their work on 'Cleaner Recruitment'. This initiative focused on targeted recruitment campaigns with different forms of engagement, such as face to face open days, extensive social media and app communications as well as local promotion such as lamppost wraps and posters in community venues. This has been captured in a campaign toolkit which will allow this to be used across the Council. The outcome of this initiative led to the following of 64% of vacancies across all locations where this was previously around 10%.

### **Sustainable Development**

The main hard to fill posts are Environmental Officers. Salary and opportunity for career progression is cited as the main reasons. Further work is being considered required to address this, including the positive work carried out across Planning and Building Standards through the introduction of their successful apprentice and graduate programme.

#### 4.1.4. Corporate Services

##### **Finance and Procurement**

In both Finance and Procurement, the difficulty is in recruiting and retaining qualified staff. Comparable salary with other public and private sector organisations is cited as an issue. Consideration is underway with regards to the introduction of apprenticeship / trainee roles as part of 'growing your own' and needs to be further developed, recognising, and considering potential risks post individuals becoming qualified.

**Solicitors** – Salary is a key contributor to these hard to fill roles and particularly with senior roles. Salaries within the private sector have accelerated and we have also saw staff moving to NHS and Scottish Government because of pay differential. In order to respond to this consideration is being given to “grow your own” schemes by recruiting graduate/junior colleagues. Although focus needs to be given to senior roles and types of duties and work around clarification and reprioritisation of tasks requires to be undertaken to ensure that these individuals are focused less on administrative tasks and maximising their professional input. This is also similar for Internal Auditors.

**Committee clerks** – this is an area with higher turnover with staff leaving for promoted posts. This is positive in terms of development of these individuals and consideration needs to be given to succession and development.

##### **Customer and Digital**

There are a number of recruitment interventions underway within this area, including recruitment open days and also 'Refer a Friend'. The following roles are proving hard to fill:

- Contact Centre – this is an area of high turnover given the nature of the entry level roles and salary. Agency staff are used to resource gaps and consideration needs to be given to overall establishment levels and ongoing succession, development and talent management.
- Cross Council, Data Analyst and Project Manager roles - due to the specialism of this skill set consideration needs to be given to wider graduate and apprenticeship types roles, along with succession and development.

## 5. Next Steps

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5.1 As well as continuing to support directorates with local initiatives to address recruitment and retention challenges, the following corporate actions are being progressed/considered:

- Ensure that recruitment and retention a key priority in the development of the Council's new People Strategy and Strategic Workforce Plan, with the focus on the development of a Recruitment and Talent Attraction Strategy and Succession Framework.
- Support services with local workforce planning and help consider transformation of roles and services.

- Continue to work closely with our approved contracted employment agencies Pertemps, ASA etc to support our efforts to recruit to hard to fill roles and ensure maximum outputs against agreed contracts.
- Build on the Employee Value Proposition work commissioned in March 2023 as part of our broader attraction strategy.
- Continue to benchmark with other councils/sectors in relation to salary levels/recruitment and retention strategies.
- Continue to work with internal and external partners to support our recruitment and resourcing strategies, e.g. Capital City Partnership, NHS Lothian, 3rd Sector, Universities and Colleges, the Council's Business Growth and Inclusion Team and our schools.
- Make better use of modern and graduate apprenticeships/internships etc. to supplement our recruitment pipeline.
- Continue to monitor results of exit conversations to support interventions.
- Revisit the planned review of terms and conditions of employment that was put on hold during the pandemic – 'Your Total Reward'.
- Seek to continue to streamline our recruitment and onboarding processes, making it quicker and easier to for hiring managers so we don't lose candidates.
- Continue to offer flexible ways of working as part of our attraction, recruitment and retention strategies and Our Future Work Strategy.

5.2 Committee is asked to note the contents of this deep dive and refer to GRBV Committee for scrutiny.

## **6. Financial impact**

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6.1 To note the budgetary implications of workforce costs (both direct and indirect).

## **7. Stakeholder/Community Impact**

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7.1 Initiatives involve stakeholder consultation and engagement, including colleagues, Corporate Leadership Team, Senior Management Teams, Trade Unions and Elected Members.

## **8. Background reading/external references**

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8.1 [Workforce Deep Dive on Maximising Our Capability and Performance 25 April 2023](#)

## **9. Appendices**

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9.1 Not applicable

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Award of Contract for London Road Capital Improvement Project

<b>Executive/routine</b>	<b>Routine</b>
<b>Wards</b>	<b>All</b>
<b>Council Commitments</b>	

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee:
  - 1.1.1 Approves the award of the London Road Capital Improvement Project to Hillhouse Quarry Group Ltd, T/A MacAsphalt; and
  - 1.1.2 Notes that the value of the contract award is £2,009,306.07 with works programmed to commence on 10 July 2023.

**Paul Lawrence**

Executive Director of Place

Contact: Cliff Hutt, Head of Roads and Infrastructure

E-mail: [cliff.hutt@edinburgh.gov.uk](mailto:cliff.hutt@edinburgh.gov.uk) | Tel: 0131 469 3751

## Award of Contract for London Road Capital Improvement Project

### 2. Executive Summary

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- 2.1 This report seeks approval for contract award to Hillhouse Quarry Group Ltd, T/A MacAsphalt, for the on-site construction of all elements associated with the London Road Capital Improvement Project. The contract will be awarded through the Council's existing Roads and Infrastructure Construction Framework (CT2811). The contract value is £2,009,306.07 and the works are programmed to commence on 10 July 2023 and will last approximately six months.
- 2.2 This scheme was selected for investment using our existing prioritisation procedures for carriageway and footway investment.

### 3. Background

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- 3.1 The Council currently has a framework in place to appoint suitably experienced and qualified contractors to deliver the Transport Infrastructure Capital Investment Programme.
- 3.2 The majority of projects within the capital renewal programme fall below an award value of £2m, however, the scope of the works for the London Road project incorporates numerous improvements to the streetscape which will, in turn, introduce significant active travel and road safety improvements, in particular, for those walking, wheeling and cycling.
- 3.3 In addition to resurfacing the London Road carriageway between Easter Road and Meadowbank Terrace, the design incorporates upgrades to the three traffic signal controlled junctions on the route (London Road/Montrose Terrace, London Road/Abbey Lane and London Road/Marionville Road). The Montrose Terrace and Marionville Road junctions will now include all stop pedestrian stages (with full facilities for visually impaired and disabled pedestrians) and new kerb lines, which will significantly reduce the time it takes pedestrians to negotiate each junction. Cycle Early Starts will also be incorporated at the junctions where appropriate.

- 3.4 The design also incorporates a new controlled puffin crossing adjacent to the McDonald's restaurant on London Road and the existing controlled crossing adjacent to Cambusnethan Street is also proposed for upgrade.
- 3.5 Various other improvements to cycling infrastructure are proposed, such as the introduction of a new segregated cycle lane along the London Road westbound carriageway (between the junctions of Wishaw Terrace and Marionville Road). This is coupled with a new section of segregated cycle lane along the length of Wishaw Terrace. The Wishaw Terrace cycle lane will tie into the new puffin crossing outside McDonald's, providing a safe cycling route for those coming from Lochend Park and wishing to cross London Road, aiding safer onward travel to Holyrood Park. Advanced Cycle Boxes and Advisory Cycle Lanes will also be incorporated at all signal controlled junctions and crossings.
- 3.6 By incorporating the recommendations within the Edinburgh Street Design Guidance (ESDG), the new street layout and junction upgrades will contribute to achieving the measures set out within the Council's 2030 Transport Vision and City Mobility Plan. Furthermore, the additional elements within the project are in line with the Council's commitments to creating greater and safer pedestrian spaces, in conjunction with enhanced Active Travel infrastructure.
- 3.7 Increasing the scope of this project from a standard road renewal scheme to an innovative ESDG compliant design has resulted in the project costs exceeding the £2m contract award threshold for works contracts under Delegated Authority as per Council Contract Standing Orders (CSOs), therefore, requiring this Committee's approval to proceed with the award of this contract.
- 3.8 All costs for this project will be funded from the approved Transport Infrastructure Capital Investment Programme.

## **4. Main report**

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- 4.1 A tender exercise was undertaken in May 2023, advertised via the Public Contracts Scotland (PCS) portal, using Lot 1 of the Council's Roads and Infrastructure Construction Framework 2022-2026 (CT2811) to procure a suitable contractor to undertake the London Road capital improvement project.
  - 4.2 Six Framework suppliers were invited to tender for the works, with two tender returns received. Feedback from suppliers advised over-stretched / committed resources in relation to timing of the works, precluded ability to tender.
- 4.3 Contract award was on the basis of Most Economically Advantageous Tender (MEAT) with the supplier's Framework quality scores considered as part of the assessment.
- 4.4 In line with Council Contract Standing Orders (CSOs) as the value of this award exceeds the £2m Delegated Authority threshold, Committee approval is sought to

award the works to Hillhouse Quarry Group Ltd at a contract value of £2,009,306.07.

## **5. Next Steps**

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- 5.1 Subject to approval of the recommendations in this report the contract for the London Road Capital Improvement Project will be awarded to Hillhouse Quarry Group Ltd.
- 5.2 The work will commence on 10 July 2023 with the work duration estimated at approximately six months.

## **6. Financial impact**

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- 6.1 The value of this contract award is £2,009,306.07.
- 6.2 All costs for this project will be funded from the approved Transport Capital Investment Programme.

## **7. Stakeholder/Community Impact**

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- 7.1 Extensive Stakeholder/Community engagement has been conducted to date in relation to this project. This included Wards 12 and 14 Councillors, Old Town, Leith Central and Craigentenny/Meadowbank Community Councils, Active Travel colleagues, Living Streets, Abbeyhill Primary School, Public Transport providers, Police Scotland and Edinburgh Trams.
- 7.2 Stakeholder engagement will continue throughout the construction phase of the project.
- 7.3 The active travel elements of this project have been agreed following consultation with stakeholders including our in-house Active Travel team, Living Streets and Spokes.
- 7.4 The existing commitment to community benefits will be continued by Hillhouse Quarry Group Ltd. This may include work placements, training and support for return to employment, college visits to the project, participation in the Council's Meet the Buyer events and talks/training to Council staff on legislation and other commercial matters to enhance knowledge transfer.

## **8. Background reading/external references**

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- 8.1 None.



**9. Appendices**

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9.1 None.

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Contract Award – Framework Agreement for the Hire of Operated Plant for Road Operations

Executive/routine Wards Council Commitments	Routine
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### 1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves:
  - 1.1.1 The award of a multi-lot Framework Agreement for the Hire of Operated Plant;
  - 1.1.2 The appointment of eight contractors to service the Framework Agreement, namely: ANW Transport Ltd; Fraser Dunlop Ltd; Hermiston Plant Hire Ltd; Jarvie Plant Group Ltd; John McGeady Ltd; Markon Ltd; NWH Group Ltd; and Robert McCarroll Ltd; and
  - 1.1.3 The commencement of the Framework Agreement on 3 July 2023 for a period of two years with the option to extend for an additional two 12-month periods, undertaken at the sole discretion of the Council, at a maximum estimated total value of £2,400,000 (£600,000 per annum) for all Lots.

**Paul Lawrence**

Executive Director of Place

Contact: Cliff Hutt, Head of Roads and Infrastructure

E-mail: [Cliff.Hutt@edinburgh.gov.uk](mailto:Cliff.Hutt@edinburgh.gov.uk) | Tel: 0131 469 3751

## Contract Award – Framework Agreement for the Hire of Operated Plant for Road Operations

### 2. Executive Summary

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- 2.1 This report requests approval to award a Framework Agreement (Framework) for the Hire of Operated Plant for the use of Road Operations, to commence on 3 July 2023 for a period of two years with the option to extend for an additional two 12-month periods. This is a recurrent requirement and is necessary to replace the existing Framework.
- 2.2 Over the four-year period the total Framework value is estimated at £2,400,000 (£600,000 per annum) for all Lots, however it should be noted that this value is the maximum estimated spend; actual spend will depend on demand for the Framework services which will fluctuate.
- 2.3 This Framework provides essential specialist support to the Council's in-house Road Operations, ensuring that road maintenance functions and civils work is efficiently and effectively delivered.

### 3. Background

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- 3.1 Road Operations have an ongoing requirement for the hire of a range of operated plant to support the delivery of the Council's road maintenance functions.
- 3.2 The Framework encompasses the provision of a range of plant, with operators, which will be used by Road Operations as and when additional plant and operators are required to supplement existing Council resources.
- 3.3 The Framework contains 12 lots as follows, although (as explained in section 3.4) below it is intended that Lot 8 will be abandoned:

Lot	Summary Description
Lot 1 - Road Planers	Hire of 1.0 Metre Road Planer with Operator
Lot 2 - Road Sweepers	Hire of 18,000kg Road Sweeper with Operator

Lot 3 - Non Insulated Road Lorries	Hire of 32t Non-insulated Lorry with Operator
Lot 4 - Insulated Road Lorries	Hire of 32t Insulated Lorry with Operator
Lot 5 - Non insulated Road Lorries with Clamshell Bucket	Hire of 32t Non-insulated Lorry with clamshell bucket with Operator
Lot 6 - 7.5t Gritter Vehicles	Hire of 7.5t Gritter Vehicles with Operator; carrying capacity 3 cubic metres
Lot 7 - 18t Gritter Vehicles	Hire of 18t Gritter Vehicles with Operator; carrying capacity 6 cubic metres
Lot 8 - 26t Gritter Vehicles	Hire of 26t Gritter Vehicles with Operator; carrying capacity 9 cubic metres
Lot 9 - Hi-Ab Cranes	Hire of: A. Rigid Crane with Operator (26000kg) - flatbed with Operator B. Artic Crane with Operator (32000kg) - flatbed with Operator
Lot 10 - Low Loaders	Hire of Low Loader with Operator
Lot 11 - Road Finishers	Hire of: A. 3.5m Paver with Operator B. 5m Paver with Operator
Lot 12 - Plane & Disposal of Road Construction Materials	Full Plane and Disposal Service Provision (including hire of plant, provision of plant operator(s) and disposal of road construction materials)

- 3.4 Lots 6, 7 and 8 of the Framework are for the provision of on-call gritters for contingency purposes in cases of extreme weather. However, it is intended that Lot 8 will be abandoned as no tenders were received.
- 3.5 The Framework also includes a new Lot (Lot 12) for the provision of a Plane and Road Material Disposal Service for use when Road Operations identifies the presence of coal tar during service provision. In these instances, a certified and licenced contractor is required to dispose of the hazardous material safely and legally.
- 3.6 The specification was robust and comprehensive in terms of the Council's requirements and expectations of contractors to ensure that the supplementary

services provided under the Framework will seamlessly augment existing Council operations.

#### 4. Main report

- 4.1 In conjunction with Road Operations, Commercial and Procurement Services (CPS) undertook an open tender exercise.
- 4.2 On 2 March 2023, CPS published a Contract Notice on the Public Contracts Scotland (PCS) portal, with a tender submission deadline of 11 April 2023.
- 4.3 In order to identify the most economically advantageous tenders for each Lot, submissions were assessed on the basis of 40% Quality and 60% Cost.
- 4.4 A summary of the tender and evaluation process is attached at Appendix 1 of this report and the table below shows the weighted scores awarded to each tenderer following evaluation:

Lot	Tenderer	Cost (60%)	Quality (40%)	Total	Ranking
1	Hermiston Plant Hire Ltd	60	29	89	1
	John McGeady Ltd	50.77	38	88.77	2
	Markon Ltd	43.48	40	83.48	3
2	John McGeady Ltd	60	38	98	1
	Hermiston Plant Hire Ltd	50.01	37	87.01	2
	Markon Ltd	40.16	40	80.16	3
	NWH Group Ltd	39.50	40	79.50	4
	ANW Transport Ltd	41.69	30	71.69	5
3	John McGeady Ltd	60	38	98	1
	Markon Ltd	44.36	40	84.36	2
	NWH Group Ltd	40.53	40	80.53	3
	ANW Transport Ltd	41.86	30	71.86	4
4	John McGeady Ltd	60	38	98	1
	ANW Transport Ltd	38.57	30	68.57	2

5	NWH Group Ltd	60	40	100	1
6	ANW Transport Ltd	60	22	82	1
7	ANW Transport Ltd	60	26	86	1
	NWH Group Ltd	40.63	40	80.63	2
8	No bids received/Lot abandoned				N/A
9	Jarvie Plant Group Ltd	60	35	95	1
	Fraser Dunlop Ltd	58.17	33	91.17	2
10	John McGeady Ltd	58.28	38	96.28	1
	ANW Transport Ltd	60	30	90	2
	Robert McCarroll Ltd	45.68	30	75.68	3
	Fraser Dunlop Ltd	41.55	33	74.55	4
	Jarvie Plant Group Ltd	43.40	31	74.40	5
11	Hermiston Plant Hire Ltd	60	37	97	1
	John McGeady Ltd	54.03	38	92.03	2
	Robert McCarroll Ltd	32.42	34	66.42	3
12	Hermiston Plant Hire Ltd	60	37	97	1
	Markon Ltd	51.11	40	91.11	2
	John McGeady Ltd	52.74	38	90.74	3

4.5 Tenderers are aware that the hire periods and plant/vehicles unit numbers specified are estimates only, that admission to the Framework will not guarantee some or any work and that the Framework will be utilised at the Council's sole discretion.

## 5. Next Steps

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5.1 Subject to approval, the Framework will commence on 3 July 2023, allowing the Council to meet its obligations in regard to the provision of road services throughout the City of Edinburgh.

- 5.2 The Contracts and Grants Management team (CAGM) will engage with the Road Operations Contract Manager to ensure that effective contract management is applied throughout the Framework lifecycle.

## **6. Financial impact**

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- 6.1 To calculate the value of the new Framework tendered rates were applied to the specified hire periods (based on historic/estimated future requirements).
- 6.2 The total maximum value of the Framework (for the full contract period including optional extensions) is estimated at £2,400,000 (including a 2.5% contingency uplift to allow for the potential variation in Framework usage, such as additional related ad-hoc hires, which may occur during the contract period).
- 6.3 To calculate the cost implications of the new Framework (cost reduction/increase), a “like for like” cost comparison was undertaken comparing tendered rates to historic rates.
- 6.4 The new Framework constitutes a cost increase of 22%. However, it should be noted that the previous Framework was fixed price and put in place in 2019; and a period of unprecedented global market volatility followed in the interim period.
- 6.5 Purchasing the plant and vehicle concerned, as opposed to hiring it, and employing the required in-house operators, would cost (approximately) an additional £969,000 over the maximum four year contract period.
- 6.6 The prices quoted by the recommended tenderers will be fixed for the initial 24-month contract period. Thereafter price increase applications will be considered at the point of contract extension, subject to the Road Operations Contract Manager’s approval.
- 6.7 Spend under the Framework will be fully funded from the Road Operation’s third-party budgets.
- 6.8 The costs associated with procuring the proposed Framework is estimated to be between £10,000 and £20,000.

## **7. Stakeholder/Community Impact**

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- 7.1 The Policy and Insight team agreed that an Integrated Impact Assessment (IIA) was not required considering that the contracted service is Council facing and unlikely to impact on any protected groups/individuals or community groups.
- 7.2 Tenderers appointed to the Framework as a result of this procurement process will be required to comply with the equalities related obligations laid down in the Council’s Terms and Conditions.
- 7.3 All recommended Tenderers have robust Sustainability, Health and Safety policies and will adhere to the Council on-site management systems when working on behalf of the Council.



- 7.4 It was specified that the plant/vehicles supplied shall be generally, no older than 5 years old and comply with the minimum emissions standards for Edinburgh's Low Emission Zone (LEZ) as required.
- 7.5 A Community Benefits Points System will apply to this Framework whereby the contractor will accrue points based on spend levels. Annually the Council and the Contractors shall agree how the community benefits points will be spent.
- 7.6 The delivery of community benefits will be monitored by the Road Operations Contract Manager, and the contractors will be required to report to the Council on community benefits delivery.
- 7.7 All recommended contractors have confirmed that they intend to pay workers (including any agency or sub-contractor workers) the Real Living Wage.
- 7.8 There are no negative impacts on carbon, adaption to climate change and sustainable development arising directly from this report.
- 7.9 The procurement process followed is compliant with all relevant regulations as well as the Council's Contract Standing Orders. The risk of legal challenge relating to this procurement has therefore been minimised.

## **8. Background reading/external references**

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- 8.1 None.

## **9. Appendices**

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

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	Hire of Operated Plant for Road Operations Ref: CT2904	
<b>Contract period (including any extensions)</b>	3 July 2023 for a period of two years to 2 July 2025, with the option to extend for an additional two 12-month periods, to 2 July 2026 or 2 July 2027 (2 + 1 + 1)	
<b>Maximum Value of all Lots (full contract period including extensions)</b>	£2,400,000	
<b>Procurement Route Chosen</b>	Open Procedure	
<b>Compliant Tenders Returned per Lot</b>	Lot 1	3
	Lot 2	5
	Lot 3	4
	Lot 4	2
	Lot 5	1
	Lot 6	1
	Lot 7	2
	Lot 8	0
	Lot 9	2
	Lot 10	5
	Lot 11	3
	Lot 12	3
<b>Price / Quality Ratio for all Lots</b>	Price 60%	Quality 40%
<b>Price / Quality Ratio Rationale</b>	Ratio reflects the requirement for the delivery of a quality service at the most economical price.	
<b>Evaluation Criteria and Weightings</b>		
<b>Selection Criteria</b>	<b>Weighting</b>	
Financial Standing	pass/fail	

Insurance	pass/fail
Expertise & Capacity	pass/fail
Health & Safety Policy	pass/fail
<b>Award Criteria</b>	<b>Weighting</b>
Plant/Vehicle & Operator Offered	40%
Plant/Vehicle Breakdown Response & Replacement Policy & Operator Replacement Contingency	20%
Hire Lead Time & Delivery/Collection Methodology	10%
Contract Management	10%
Sustainability	10%
Fair Work Practices	10%
<b>Evaluation Team</b>	Three officers from Road Operations

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Commercial Property Portfolio - Response to Motion by Councillor Ross

Executive/routine Wards Council Commitments	Routine Citywide
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### 1. Recommendations

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- 1.1 That the Finance and Resources Committee approve the proposed strategy for the commercial property portfolio on the terms outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) | Tel: 0131 529 5956

## Commercial Property Portfolio - Response to Motion by Councillor Ross

### 2. Executive Summary

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- 2.1 This report sets out a proposed strategy for the ongoing management of the Council's commercial property portfolio.

### 3. Background

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- 3.1 On 16 March 2023, the Council approved the following motion:
- 3.1.1 To note the Council's commercial property portfolio contained a wide variety of assets and was managed with a view to maximising the generation of income;
  - 3.1.2 To note that the rental income generated from commercial property leases supported spending in the Council's revenue budget;
  - 3.1.3 To recognise that the commercial property portfolio represented a potential source of additional capital for investment in Council priorities;
  - 3.1.4 To agree to consider a report to Finance and Resources Committee in two cycles setting out a medium to long-term strategy for the Council's commercial property portfolio that set out its purposes and objectives. The report should provide information on the properties held in the portfolio, including their current and previous uses, any community interest or desire for alternative uses expressed in the properties, and information about other council buildings and/or community provision in the surrounding area (or further information on how this information would be included in the medium to long-term strategy if this was not currently available); and
  - 3.1.5 To agree that the report should also outline how an exercise could be undertaken to identify undeveloped land held by the Council and the HRA with recommendations for retention, development, or potential disposal.

## 4. Main report

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- 4.1 The Council owns a substantial commercial investment property portfolio principally comprising of office, industrial and retail properties leased on commercial terms to third party tenants. It is managed internally by RICS accredited surveyors with external consultants only utilised for specialist services, when required.
- 4.2 The portfolio has grown significantly over the past 15-years due to:
- 4.2.1 The acquisition of the investment property portfolio of the EDI Group in 2009;
- 4.2.2 The acquisition of the investment property portfolio of Waterfront Edinburgh Limited also in 2009;
- 4.2.3 The acquisition of the Housing Revenue Account (HRA) investment property portfolio in 2016; and
- 4.2.4 The ongoing development of income generating opportunities through direct development and/or utilisation of surplus property assets.
- 4.3 As of 31 March 2023, the portfolio consists of approximately 949 principal interests (excluding wayleaves/servitudes/substation leases etc) with an estimated capital value of £245m. In 2022/23 financial year, the portfolio produced a rental income of £15.139m.
- 4.4 The split of the portfolio in terms of main asset class is as follows:

Asset Class	Number of Leases	Approximate % of portfolio income
Industrial	222	25%
Retail	134	20%
Ground leases	38	13%
Office	92	12%
Car parks	9	11%
Leisure (public house/hotel/theatre etc)	16	7%
Other*	438	12%

\*Other minor asset classes such as park stances, bowling greens, tennis courts, allotments, clubhouse, pavilion, lock up garages, telecom masts etc.

### Purpose

- 4.5 Historically, local authorities hold an investment portfolio as it has an important role to play in economic development and supporting small to medium sized businesses.

Additionally, it can provide the Council with an element of control and influence, such as the Royal Mile where the Council owns a significant number of commercial properties. Uses within the portfolio are generally well established and there is very little change of use for individual assets over time.

- 4.6 In more recent times, local authorities have become increasingly reliant on using the rental income to supplement their revenue budget as, in simple terms, forecast rental income is used to offset budget saving requirements and is therefore viewed in the same as any other source of sustainable income such as statutory or parking fees.

### **Medium/Long Term Future Strategy**

- 4.7 The strategy is significantly restricted by how the Council sets its annual revenue budget. As rental income is treated in the same way as other income, forecast budget savings for the following financial year are assumed to be net of that amount (financial year 2023/24 - £15.139m). Therefore, on 1 April each year, a corresponding net income budget is set, which is retrospectively recouped throughout the following year as rents are paid. Consequently, any adverse decision relating to the portfolio, made during the subsequent 12-months, will create a direct budget pressure and the need for more Council-wide savings.
- 4.8 From a financial point of view, the approach has been to ensure that assets within the portfolio are maximised to their full value while placing as much of the lease obligations as possible (insurance, repair etc) onto the tenant.
- 4.9 While the motion acknowledges that the investment portfolio is a potential source of capital generation, this has to be benchmarked against other options for raising capital. The portfolio consists of assets that could demand investment yields on disposal of 4% to 15%+. On an assumption of a blended rate of 10%, £1m pa of rental income could be sold to raise £10m whereas to borrow £10m would currently cost the Council approx. £700k pa. In theory, £700k of rental income could be ringfenced to borrow £10m, but it currently has the same impact as taking that amount directly from the Council's revenue budget and would have to be balanced by additional savings elsewhere.
- 4.10 Conversely, there are elements of the portfolio (the prime assets) that could demand an investment yield of (say) 5% such as Royal Mile shops or ground leases. £1m of rental income would therefore generate capital of £20m whereas the cost to borrow that amount is £1.4m pa. In theory, this creates a saving of £400k pa but does come with considerable risk. The current portfolio is diverse, in terms of use and value, thereby creating a balance so that the current levels of income are sustainable enough for the Council to assume the rental income for the following year. Divesting the portfolio of its prime assets changes that balance whereby the risk of voids, bad debt, R&M costs significantly increases.
- 4.11 Considering the above position, the medium/long term strategy is proposed to follow the following principles:
- 4.11.1 Continue to deliver a property portfolio that supports existing, new and expanding businesses in the city;



- 4.11.2 Manage the portfolio in accordance with the principles of good estate management, ensuring properties are fit for purpose and compliance is well managed;
- 4.11.3 Manage the portfolio in a commercial manner in order to maximise income growth;
- 4.11.4 Consider the disposal of assets within the portfolio, with capital receipts being re invested within the portfolio;
- 4.11.5 Manage the portfolio in accordance with the Council's climate commitments;
- 4.11.6 Manage the existing Concessionary Lets within the portfolio and support community interest in the use/acquisition of Council assets;
- 4.11.7 Manage the portfolio in conjunction with the emerging Corporate Property Strategy; and
- 4.11.8 Undertake an exercise to identify areas of land in Council ownership with further development potential.

**Continue to deliver a property portfolio to support existing and new and expanding businesses in the City.**

- 4.12 A key purpose of the portfolio is the provision of accommodation for businesses to establish and grow in the city. The Council is currently the largest landlord of small to medium sized industrial property in the city and this trend will continue with business space considered a key component of the assets held. Where appropriate, opportunities for expansion will be pursued and considered on their own merits subject to a suitable business case. This is already happening in practice such as:
- East Hermiston Business Park – construction of 16 small industrial units, completed in 2017, funded from grants and prudential borrowing. Now fully leased to 16 SMEs yielding an annual income of £185k, an increase of 20% from the rent roll on completion;
  - Powderhall Stables – Artist and community accommodation in refurbished listed stable block. Refurbishment fully funded from grants and will be leased to Out of Blue;
  - Granton Station – Listed station refurbished via grant funding and now leased to WASPS for the provision of artist accommodation; and
  - Peffermill, Craigmiller – vacant site for which £2.25m has been secured via Regeneration Capital Grant Funding to develop a business park similar to the East Hermiston model.

**Manage the portfolio in accordance with the principles of good estate management, ensuring properties are fit for purpose and compliance is well managed**

- 4.13 All new leases, rent reviews and lease renewals are carried out by a small team of RICS Registered Valuers with years of experience in dealing with such matters.

The Council ensures that when a tenant terminates their agreement, they are obliged to allow the Council entry to market the property prior to the lease ending. This ensures that voids are kept to a minimum.

- 4.14 Estates officers are currently working on creating a tenant handbook which will be issued to all new and existing tenants. This handbook utilises the existing asbestos guidance and will expand to outline all elements of statutory compliance including e.g., water quality, fire safety etc.

#### **Manage the portfolio in a commercial manner in order to maximise income growth**

- 4.15 The default position is that new lettings/lease extensions/ rent reviews will be processed at market rental levels. The assumption that rental levels will be sustained in following year when the Council sets its annual budget creates a risk that voids and/or drops in rental value will create an in-year pressure. This is mitigated by an overarching assumption that voids and/or loss of income will be balanced by scheduled rent increases, mostly through rent reviews.
- 4.16 Any exception to the above is typically reported to Committee for approval, for example, where a concessionary let is deemed appropriate (see below). Vacant properties are generally offered to the market through a formal closing date process. In some cases, particularly in industrial estates where existing occupiers are known to have requirements for additional space, a direct letting may be agreed to reduce void periods and empty property holding costs.
- 4.17 A legacy of the Covid pandemic is the level of debt within the portfolio due to payment plans that were agreed with tenants who requested assistance, or where rental payments have simply lapsed. The Estates Service are working closely with Finance to monitor individual cases.
- 4.18 Over financial year 2022/23, a total of 234 property transactions were processed in the management of the portfolio. This includes new lettings, lease renewals/extensions and rent reviews. On average the vacancy rate across the portfolio over the year was approximately 3% (against an industry average of 7%).

#### **Consider the disposal of assets within the portfolio, with the possibility of capital receipts being re invested within the portfolio.**

- 4.19 A large part of the portfolio is aged and will, over time, require re-investment and potentially re-development. It is proposed that when opportunities arise, elements of the portfolio can be sold with the possibility of the receipt being ringfenced to provide funds for reinvestment in other parts of the portfolio and/or for the development of new accommodation. Any proposed sale would be subject of a report to the Committee, detailing the business case justification, the financial implications and any proposed use of the capital receipt.
- 4.20 An immediate example is ongoing work for the development of new business accommodation at Pepper Place. The Council was successful in a Regeneration Capital Grant Fund Application for an element of the construction cost. Receipts from the disposal of selected assets could be used to contribute to the funding,

avoiding the need for borrowing costs, and on the basis that the rental income from the newly developed units would exceed that from the assets to be sold.

**Manage the portfolio in accordance with the Council's climate and sustainability commitments.**

- 4.21 Consistent with council policies, the commercial property portfolio will be managed, where possible, to minimise impact upon the environment whilst preserving the long-term viability and vitality of its performance. Sustainable properties which are in a good and tenanted condition, suitable for modern business needs and have good basic energy performance.
- 4.22 Given the age and location of some parts of the portfolio, it is recognised that some assets need improvement energy performance. Improvement plans will be identified to improve the sustainability to the portfolio with the relevant works undertaken when relevant funding has been identified.

**Manage the existing Concessionary Lets within the portfolio and support community interest in the use/acquisition of Council assets.**

- 4.23 The default position is that all properties are let at market value. However, there are a number of concessionary lets in place which are either a result of legacy lettings, or more recent agreements with Committee approval.
- 4.24 A list of all existing lettings which are currently considered to be concessionary is attached at Appendix 1. The list excludes a number of properties that are operational in nature (for example, the majority of Council community centres are leased to the relevant management committee at £1 per annum).
- 4.25 Due to the low level of rental achieved from these agreements, a large majority have continued to run on an annual basis following expiry of the original lease term by tacit relocation (silent renewal). Where there is a continued need for the property by the tenant, and the use is considered to merit a continued discount in rental value, then the agreement will continue. An exercise is ongoing to review each of these agreements but they are not expected to yield any significant increase in rental income. Any changes will be reported to Committee on a case by case basis.
- 4.26 Where there is community interest in letting an asset, then this will typically be referred to Committee to consider the merits of the proposal. This already happens in practice (e.g., Bridgend farmhouse sold to a community organisation of £1 or 3-11 West Granton Road leased to Empty Kitchens Full Hearts for £1 pa). Given the relatively low vacancy rate within the portfolio, at any given time, there is often little accommodation available. In tandem with the above, the Council will continue to support the Community Asset Transfer process and the asset list which is published annually on the Council website details all Council property to allow expressions of interest to be made.

## **Manage the portfolio in conjunction with the emerging Corporate Property Strategy**

- 4.27 The Corporate Property Strategy will be presented to the Policy and Sustainability Committee in August and will guide the design and implementation of future changes to operational properties which are required for service delivery. The strategy focuses on operational properties and the over-arching themes that will underpin the decisions required to guide future capital investment which will have a significant impact on the sufficiency, suitability, size and condition of the operational property estate.
- 4.28 As the strategy is implemented, there will be opportunities to consider the location of operational properties in conjunction with the commercial portfolio. Any properties which are deemed to be surplus will transfer to the commercial portfolio for a decision on whether they are to be leased, sold, and/or subject to a community asset transfer.

## **Undertake an exercise to identify areas of land in Council ownership with further development potential.**

- 4.29 The Council own many parcels of land throughout the city from which range from large established development sites (Fountainbridge/Granton), smaller development sites (Eyre Place) and legacy areas of land from previous developments.
- 4.30 Outwith land which cannot be developed due to being protected public open space e.g. Common Good land etc there could be sites which could either be developed for additional Council housing, sold for private/affordable housing development/community use, or retained for an operational purpose.
- 4.31 The Estates Service has in place a resource that is dedicated to maintaining and updating the Council's ownership records. The "Terrier" officers (as in terra firma) will continue to review ownership to establish such areas of land with a view to determining future disposal/development/operational opportunities.

## **5. Next Steps**

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- 5.1 Estates officers will implement the various elements of the proposed strategy. Whilst individual reports on specific transactions, and elements of strategy will be brought to the committee as outlined above, an overall update on the portfolio will be reported in 12-months.

## **6. Financial impact**

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- 6.1 The Council continues to assume the level of rental income achieved in its budget setting exercise. Therefore, it is important that there is a commercial and consistent approach to the management of the portfolio.

## **7. Stakeholder/Community Impact**

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7.1 None.

## **8. Background reading/external references**

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8.1 None.

## **9. Appendices**

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9.1 Appendix 1 – List of existing Concessionary lets.

STREET NUMBER	STREET NAME	OCCUPIER	CURRENT RENT	END OF LET	END OF TACIT	LAND ACRES	USE TYPE
28	ACADEMY STREET	TRUSTEES FOR LEITH VICTORIA AMATEUR ATHLETIC CLUB	£450.00	30 November 2023			HALL
(14)	ADELPHI GROVE	JESSFIELD BOWLING CLUB	£319.50	16 July 2034			BOWLING GREEN
3	ARBORETUM PLACE	TANFIELD BOWLING CLUB	£200.00	09 March 2031			PAVILION
17 & 17A	ARBORETUM ROAD	ERSKINE STEWARTS MELVILLE GOVERNING COUNCIL	£1.00	19 April 2075			RECREATIONAL FACILITY
30	ASHBURNHAM ROAD	QUEENSFERRY RFC	£1.00	17 December 2043			RECREATION GROUND
	BALGREEN ROAD	BALGREEN BOWLING AND CROQUET CLUB	£1.00	21 April 2024			
28	BEACH LANE	PORTOBELLO TODDLER HUT	£50.00	31 March 2106			NURSERY SCHOOL
73	BELFORD ROAD	NATIONAL GALLERIES OF SCOTLAND	£1.00	28 April 2120			MISCELLANEOUS EDUCATION SERVICES
31	BINGHAM AVENUE	BINGHAM AND DISTRICT 50+ PROJECT	£1.00	30 September 2023		0.042	OFFICE(S)
80/1	BLACKFORD GLEN ROAD	CRAIGMILLAR PARK GOLF CLUB	£200.00	14 May 2023	14 May 2024	1.49	GROUND
81	BOSWALL PARKWAY	87TH INVERLEITH SCOUT GROUP	£250.00	24 February 2023	24 February 2024	0.248	GROUND
10	BOWMONT PLACE	THE CRAGS COMMUNITY SPORTS CENTRE (SCIO)	£1.00	25 March 2037		1.66	RECREATIONAL FACILITY
15	BRAID HILLS APPROACH	HARRISON GOLF CLUB	£200.00	28 May 2030		0.11	CLUB PREMISES
29(1)	BRAID HILLS APPROACH	EDINBURGH THISTLE GOLF CLUB	£800.00	15 May 2023	15 May 2024		CLUB PREMISES
1-5	BRIDGE ROAD	CURRIE RUGBY FOOTBALL CLUB	£300.00	31 March 2023	31 March 2024	7.09	PLAYING FIELD
(179A)	BROUGHTON ROAD	REDBRAES RESIDENTS ASSOCIATION	£50.00	28 February 2023	28 February 2024		STORE
132	BROUGHTON ROAD	BROUGHTON AFTER SCHOOL CLUB	£1.00	30 June 2023			PREMISES
2/17	CALDER GROVE	BRITISH WATERWAYS SCOTLAND	£0.00	01 October 2023		0.22	GROUND
38	CALTON HILL	THE COLLECTIVE GALLERY	£0.00	01 October 2023			OBSERVATORY
10	CAMBRIDGE STREET	TRAVERSE THEATRE (SCOTLAND) LTD	£23,738.00	27 October 2141			THEATRE
33	CAMMO ROAD	FRIENDS OF CAMMO	£0.00	31 July 2023			VISITORS' CENTRE
44A	CAMPBELL PARK CRESCENT	19 CAMPBELL PARK DRIVE	£0.00	01 October 2023			GROUND
44A	CAMPBELL PARK CRESCENT	17 CAMPBELL PARK DRIVE	£0.00	01 October 2023			GROUND
35	CLARK ROAD	LOWLAND T A & V R ASSOCIATION	£1,450.00	31 March 2025		0.12	TRAINING CENTRE
(2A)	CLERMISTON GARDENS	MR DON WILKIE	£500.00	10 May 2022	10 May 2023		PAVILION
31	COLTBRIDGE AVENUE	MR B MCKEOWN	£450.00	31 March 2023	31 March 2024	0.038	GROUND
175	COMMERCIAL STREET	CITADEL YOUTH CENTRE	£1.00	01 April 2023	01 April 2024		CLUB PREMISES
31/1	CORSTORPHINE HIGH STREET	10TH HAYMARKET SCOUT GROUP	£0.00	01 April 2023	01 April 2024	0.131	CLUB PREMISES
29	CORSTORPHINE HIGH STREET	CORSTORPHINE TRUST	£750.00	01 April 2039			RESIDENTIAL PROPERTY
2A(05)	CRAMOND ROAD SOUTH	EDINBURGH CROQUET CLUB	£1,250.00	31 August 2023		0.49	GROUND
	DRUM STREET	FERNIESIDE BOYS CLUB	£1.00	04 August 2023			FOOTBALL GROUND
	DRUM STREET	FERNIESIDE BOYS CLUB	£0.00	30 June 2023		0.212	PUBLIC PARK/GARDENS
62/2	DUDDINGSTON PARK SOUTH	JEWEL MINERS WELFARE SOCIETY	£10.00	11 November 2023		4	GROUND
44	DUMBRYDEN DRIVE	WESTER HAILES YOUTH AGENCY	£1.00	17 November 2051			YOUTH CENTRE / DROP IN CENTRE
27/3	EAST BARNTON AVENUE	CRAMOND BOYS CLUB	£100.00	30 June 2023		31	PAVILION
41(2)	EAST BARNTON AVENUE	THE ROYAL HIGH SCHOOL RUGBY CLUB	£1.00	06 July 2105			CLUB PREMISES
22	EYRE PLACE LANE	SCOTLAND YARD ADVENTURE CENTRE	£1.00	11 November 2031		0.781	DAY CENTRE
2	FERNIEHILL DRIVE	RESERVE FORCES AND CADETS ASSOC. FOR THE LOWLANDS OF SCOTLAND	£1,425.00	31 March 2025		0.114	TRAINING CENTRE
71	FIRRHILL DRIVE	OXGANGS NEIGHBOURHOOD CEN. ASSOC. MANAGEMENT COMMITTEE	£1.00	02 March 2023	02 March 2024		GROUND
(10) & 49	FORD'S ROAD	HUTCHISON VALE BOYS CLUB	£800.00	14 May 2023	14 May 2024	1.98	GROUND
	GILBERTSTOUN/DAICHES BRAE	PEDAL PORTOBELLO TRANSITION TOWN	£150.00	31 March 2035			GROUND
7	GILLESPIE STREET	NKS	£1.00	31 March 2023	31 March 2024		MISCELLANEOUS EDUCATION SERVICES
5-7	GILMERTON ROAD	75TH BLACKFORD SCOUT GROUP	£250.00	31 March 2023	31 March 2024	0.49	CLUB PREMISES
227	GILMERTON ROAD	INCH PARK COMMUNITY SPORTS CLUB	£1.00	17 November 2089			RECREATIONAL FACILITY
53-69	GORGIE ROAD	EVOC (GORGIE CITY FARM)	£1.00	30 June 2023		0.192	FARM
26	GRACEMOUNT DRIVE	LAHA (LIBERTUS)	£0.00	17 July 2130		0.289	GROUND
67B	GROATHILL ROAD NORTH	DRYLAW NEIGHBOURHOOD CENTRE ASSOCIATION	£1.00	21 December 2023			COMMUNITY CENTRE
22A	GULLAN'S CLOSE (264 CANONGATE)	ST MARY'S STREET RESIDENTS ASSOCIATION	£0.00	01 April 2023	01 April 2024		CAR PARK
43	HAMILTON TERRACE	LOWLAND TERRITORIAL AUXILIARY	£1,450.00	31 March 2025		0.093	TRAINING CENTRE
75	HARVESTERS WAY	WESTER HAILES CIVIC & LEISURE TRUST	£1.00	18 February 2121		0.84	GROUND

	HAWES PIER	SEC OF STATE FOR COMMUNITIES & LOCAL GOV MARITIME & COASTGUARD AGENCY	£4,500.00	31 October 2023			BOATHOUSE
(A)	HAWES PIER	ROYAL NATIONAL LIFEBOAT INST	£1.00	13 November 2076			HARBOUR/ground lease
	HAWTHORNVALE	EDINBURGH SCULPTURE WORKSHOP LTD	£1.00	15 May 2135			GROUND
(C)	HEAD OF HARBOUR	QUEENSFERRY BOAT CLUB	£200.00	01 October 2023			HARBOUR
180	HIGH STREET	EDINBURGH FESTIVAL FRINGE SOCIETY	£1.00	31 March 2023	31 March 2024		OFFICE(S)
53(B)	HIGH STREET	QUEENSFERRY HISTORY GROUP	£1.00	15 May 2023	15 May 2024		OFFICE(S)
6(2)	INFIRMARY STREET	CANONGATE YOUTH PROJECT LTD	£9,725.00	07 January 2023	07 January 2024		MISCELLANEOUS EDUCATION SERVICES
(15)	INGLIS GREEN ROAD	REDHALL STAR YOUTH	£500.00	18 February 2024			PAVILION
	JOHN'S PLACE	LEITH ATHLETIC FOOTBALL CLUB	£500.00	13 May 2023	13 May 2024		PAVILION
	KATESMILL ROAD	THISTLE LAWN TENNIS CLUB	£200.00	04 February 2028		1.23	TENNIS COURT
5	KIRK LOAN	CORSTORPHINE COMMUNITY CENTRE	£1.00	30 May 2023			OFFICE
2-4	KIRK HILL ROAD	TRUSTEES OF PRIESTFIELD TENNIS & SPORTS ASSOCIATION	£1.00	05 January 2023	01 January 2024	0.809	TENNIS COURT
7	LADYCROFT	51ST BALERNO MIDLOTHIAN SCOUT GROUP	£600.00	01 October 2034			HALL
15A	LAMPACRE ROAD	GLENPARK BOYS CLUB	£1.00	31 July 2023			TRANSPORTABLE UNIT
15	LAMPACRE ROAD	CARRICKNOWE AFTER SCHOOL CLUB	£1.00	31 July 2023			CLUB PREMISES
15A(1)	LAMPACRE ROAD	GLENPARK BOYS CLUB	£1.00	31 March 2023	21 March 2024		MISCELLANEOUS EDUCATION SERVICES
24	LANARK ROAD	WATER OF LEITH CONSERVATION TRUST	£1.00	31 March 2023	31 March 2024		MUSEUM
97(3)	LANARK ROAD	SPROUT	£0.00	01 October 2023			PUBLIC GARDENS/PARK
97(2)	LANARK ROAD	SCOTTISH ASSOCIATION FOR MENTAL HEALTH	£1.00	30 June 2023		4.49	GROUND
(283)	LANARK ROAD WEST	CURRIE BOWLING CLUB	£400.00	10 November 2036		1.98	BOWLING GREEN
22	LEITH LINKS	LEITH FRANKLIN CRICKET CLUB	£1,000.00	10 November 2024			CLUB PREMISES
2	LEVEN STREET	KINGS THEATRE	£1.00	01 July 2073			
	LINKS GARDENS	LEITH ATHLETIC FOOTBALL CLUB	£100.00	31 July 2023			PAVILION
5	LINKS PLACE	TURNING POINT SCOTLAND LTD	£1.00	30 April 2025			OFFICE(S)
(8A)	LOANING CRESCENT	LOANING CRESCENT BOWLING CLUB	£1.00	23 July 2023		0.67	BOWLING GREEN
1	LOCHEND ROAD SOUTH	LOCHEND NEIGHBOURHOOD CENTRE	£13,500.00	02 March 2023	02 March 2024		DAY CENTRE
(5)	MALLENY	CURRIE RUGBY FOOTBALL CLUB	£352.00	12 September 2039		0.198	CLUB PREMISES
(23)	MEADOWFIELD DRIVE	THE FIELD GROUP DUDDINGSTON	£100.00	31 October 2023		4.32	GROUND
29-39	MITCHELL STREET (INC. 51 QUEEN CHARLOTTE ST)	QUEEN MARGARET COLLEGE PROPERTIES LTD	£1.00	02 May 2120		0.899	GROUND
25	MORVENSIDE CLOSE	WESTER HAILES LAND & PROPERTY DEV CO LTD	£2,666.00	26 June 2122			GROUND
7	MUIRHOUSE MEDWAY	MUIRHOUSE MILLENIUM CENTRE LIMITED	£1.00	31 May 2098			COMMUNITY CENTRE
8	MUIRHOUSE PARKWAY	CRAIGROYSTON BOYS CLUB	£20.00	28 September 2023			CLUB PREMISES
(27A)	MURRAYBURN GARDENS	THE MURRAYBURN CENTRAL NEIGHBOURHOOD COUNCIL	£1.00	28 September 2023		0.176	5-A-SIDE / KICK-ABOUT PITCH
82	NEWBATTLE TERRACE	THE FALCON BOWLING AND TENNIS CLUB	£200.00	31 March 2035			BOWLING GREEN
	NEWCRAIGHALL PUBLIC PARK	NEWCRAIGHALL LEITH VICTORIA AMATEUR FOOTBALL CLUB	£150.00	31 March 2023	31 March 2024		PAVILION
13A	NEWTOTFT STREET	STEVENSON COLLEGE	£7,000.00	31 August 2023			OFFICE(S)
32	NIDDRIE MAINS ROAD	THE REDEEMED CHRISTIAN CHURCH OF GOD	£6,800.00	21 July 2023			OFFICE(S)
86-88	NIDDRIE MAINS ROAD	OUT OF THE BLUE	£12,000.00	30 June 2023			OFFICE
92	NIDDRIE MAINS ROAD	THISLE HEALTH & WELLBEING	£5,000.00	30 June 2023			SHOP
61	NIDDRIE MAINS TERRACE	THE VENCHIE CHILDREN AND YOUNG PEOPLE'S PROJECT	£1.00	15 May 2032		1.038	GROUND
	NIDDRIE MAINS TERRACE/WAUCHOPE TERRACE	WAUCHOPE COMMUNITY GROWERS ASSOCIATION	£150.00	30 November 2023		0.27	GARDEN GROUND
7	NIDDRIE MARISCHAL GARDENS	WORLD MISSION AGENCY SCOTLAND	£7,000.00	31 May 2023	31 May 2024		CHURCH & HALL
21(11)	OBSERVATORY ROAD	LOTHIAN AND BORDERS POLICE BOARD	£15.00	15 May 2086		0.25	RADIO FACILITIES
(217/1)	OXGANGS ROAD NORTH	J B SPENCE	£1.00	31 March 2023	31 March 2024		STORE
18/1	PARKGROVE PLACE	CLERMISTON & DRUMBRAE COMMUNITY CENTRE	£1.00	31 August 2023			OFFICE(S)
(44)	PATRIOTHALL	SCOTTISH MIDLAND CO-OPERATIVE SOCIETY LTD	£0.79	01 April 2023	01 April 2024		GROUND

B	PEFFER PLACE	CRAIGMILLAR OPPORTUNITIES TRUST LTD	£1.00	16 June 2119			GROUND
A	PEFFER PLACE	CRAIGMILLAR OPPORTUNITIES TRUST LTD	£1.00	11 June 2118			GROUND
D	PEFFER PLACE	CRAIGMILLAR OPPORTUNITIES TRUST LTD	£1.00	31 March 2121			GROUND
15A	PENNYWELL COURT	NORTH EDINBURGH ARTS	£1.00	14 March 2031			ART CENTRE
92B	PILTON DRIVE	SPARTANS COMMUNITY FOOTBALL ACADEMY	£1.00	05 December 2088			6 FOOTBALL GROUND
	PILTON PARK	LAURISTON THISTLE FOOTBALL CLUB	£500.00	30 June 2023			PAVILION
(12(2))	REGENT ROAD	REGENT BOWLING CLUB	£150.00	28 August 2041			0.55 BOWLING GREEN
10/11	RIDDLES COURT (322 LAWNMARKET)	SCOTTISH HISTORIC BUILDINGS TRUST	£1.00	30 June 2114			OFFICE(S)
3	RIVERSIDE	CRAMOND ANGLING CLUB	£0.00	05 May 2025			FISHING RIGHTS
(2)	RIVERSIDE	CRAMOND HERITAGE TRUST	£1.00	15 May 2023	15 May 2024		STORE
(1A)	RIVERSIDE	CRAMOND BOAT CLUB	£250.00	14 May 2023	14 May 2024		0.438 GROUND
6	ROSEBURN PARK	MURRAYBURN - DAFS CRICKET CLUB	£1.00	30 July 2023			STORE
99(13)	SAUGHTON ROAD NORTH	CORSTORPHINE RUGBY FOOTBALL CLUB	£950.00	15 May 2023	15 May 2024		CLUB PREMISES
(1)	SCOTLAND STREET LANE EAST	DRUMMOND LAWN TENNIS CLUB	£700.00	27 December 2023			0.542 TENNIS COURT
	SEAFIELD ROAD	THE DOG KENNELS ASSOCIATION	£800.00	25 February 2023	25 February 2024		GROUND
118	SILVERKNOWES ROAD	SILVERKNOWES GOLF CLUB	£1.00	01 April 2031			0.13 CLUB PREMISES
118C	SILVERKNOWES ROAD	BRAID HILLS LEISURE LTD	£480.00	15 August 2111			OFFICE(S)
(112)	SLEIGH DRIVE	TRUSTEES OF LOCHEND AMATEUR BOXING & FITNESS CLUB	£300.00	31 March 2023	31 March 2024		0.15 CLUB PREMISES
2	SOUTH GYLE ACCESS	FORRESTER RUGBY FOOTBALL CLUB	£1,381.42	10 August 2038			CLUB PREMISES
5	SPITTALFIELD CRESCENT	SOUTHSIDE COMMUNITY CENTRE ASSOCIATION	£1.00	30 June 2023			HALL
	SPRINGFIELD ROAD	GAVIN BROWN	£112.50	30 January 2023	30 January 2024		GRAZINGS
25(B)	SPYLAW STREET	108TH PENTLAND (FORMER MERCHISTON) SCOUT GROUP	£0.00	28 November 2023			0.085 GROUND
	STANEDYKEHEAD	DR CLIVE BEACH AND MRS ELIZABETH BEACH	£250.00	30 April 2018	30 April 2024		GRAZINGS
(22)	STENHOUSE PLACE WEST	STENHOUSE COMMUNITY BOWLING CLUB	£100.00	14 May 2027			0.84 CLUB PREMISES
	TORPHIN ROAD	COLINTON COMMUNITY COMPOST	£500.00	31 March 2023	31 March 2024		QUARRY
(28A)	WARRISTON ROAD	CRAIGROYSTON F C	£150.00	31 March 2023	31 March 2024		PAVILION
3-11 West Granton Road	WEST GRANTON ROAD	EMPTY KITCHENS FULL HEARTS	£1.00	23 May 2028			0.46 CLUB PREMISES
13-15	WEST HARBOUR ROAD	TEBA	£1.00	20 June 2023			WORKSHOP(S)
(3)	WEST MEADOWS	MEADOWS CROQUET CLUB	£200.00	14 February 2027			BOWLING GREEN
6	WEST PILTON CRESCENT	PILTON PARTNERSHIP LTD	£3,250.00	30 June 2023			MISCELLANEOUS EDUCATION SERVICES
19	WEST PILTON GROVE	PILTON CENTRAL ASSOCIATION (EDU Indirect Service Provision)	£1,050.00	30 March 2023	30 March 2024		1.75 COMMUNITY CENTRE
	WEST PILTON PARK	PILTON EQUALITIES PROJECT	£1.00	30 April 2023	30 April 2024		0.632 GROUND
(45B)	WEST PILTON PLACE	NORTH EDINBURGH CHILDCARE	£1.00	02 July 2055			1.74 GROUND
30	WESTBURN GROVE	WHALE, THE ARTS AGENCY	£1.00	22 June 2024			0.73 ADULT TRAINING / RESOURCE CENTRE
10	WESTER BROOM PLACE	GYLEMUIR COMMUNITY ASSOCIATION	£1,000.00	01 July 2023			GROUND
8	WESTER BROOM PLACE	GYLE RECREATION GROUND COMMITTEE	£400.00	28 November 2023			GROUND



# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Summary Report on Property Transactions concluded under Delegated Authority

<b>Executive/routine Wards Council Commitments</b>	<b>Routine Citywide</b>
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### 1. Recommendations

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- 1.1 That the Finance and Resources Committee notes the 65 transactions detailed in the attached Appendix have been concluded in terms of the Council's 'Scheme of Delegation to Officers.'

#### **Paul Lawrence**

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) | Tel: 0131 529 5956

## Summary Report on Property Transactions concluded under Delegated Authority

### 2. Executive Summary

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- 2.1 To advise the Committee of all lease agreements, etc. concluded in terms of the Council's 'Scheme of Delegation to Officers'.
- 2.2 This delegated authority currently extends to the conclusion of all new leases of up to five years in length where the rental is no greater than £50,000 per annum and rent reviews where the rental is no greater than £50,000 per annum. The authority also includes the sale of property which has been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions outwith these parameters are reported separately to Committee.
- 2.3 The default management position for the commercial investment portfolio is to let properties at the relevant rent. Any lease agreement at less than market levels, otherwise known as a concessionary let, is reported separately for committee approval before the letting is completed

### 3. Background

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- 3.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant Executive Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme.

### 4. Main report

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- 4.1 Appendix 1 provides details of 65 transactions completed under delegated authority since the last report.
- 4.2 The financial benefit to the Council of these transactions is summarised below:
  - 4.2.1 Four new leases producing a total income of £57,051;
  - 4.2.2 30 lease renewals producing an additional £42,827 on a total of £418,933 per annum;

- 4.2.3 One servitude producing an initial payment of £10,000;
- 4.2.4 17 rent reviews producing an additional £63,438 on a total rent of £486,696 per annum;
- 4.2.5 Two disposals producing a total capital receipt of £895,171; and
- 4.2.6 11 licences for park events producing £42,775.

## **5. Next Steps**

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- 5.1 The report sets out transactions which have been completed, under delegated authority. There are no further steps in relation to these transactions.

## **6. Financial impact**

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- 6.1 The financial impact of the transactions noted are set out above.

## **7. Stakeholder/Community Impact**

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- 7.1 None.

## **8. Background reading/external references**

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- 8.1 None.

## **9. Appendices**

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- 9.1 Appendix 1 – Schedule of Property Transactions.

**NEW LEASE**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	3 – Drum Brae/Gyle	General Property	Building F Unit 3, The Hub, 17F South Gyle Crescent, Edinburgh EH12 9EB	Children’s Beds Home Ltd	Showroom and office for sale of beds	<b>Rent:</b> £19,000 per annum <b>Lease Period:</b> 1 April 2022 to 31 March 2025
<b>REMARKS:</b>						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
NG	7 – Sighthill Gorgie	Housing Revenue Account	54 Glenalmond Place, Edinburgh, EH11 4FF	Kashif Ali	Class 1 – Retail/ Convenience Store	<b>Rent:</b> £22,500 per annum <b>Lease Period:</b> 1 May 2023 to 1 May 2043
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PEF01-U08	17 – Portobello / Craigmillar	General Property	Block 7, Unit 3 Peffermill Industrial Estate, Edinburgh, EH16 5UY	EICC	Workshop	<b>Rent:</b> £16,000 per annum <b>Lease Period:</b> 22 May 2023 to 30 September 2023
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
	17 – Portobello/ Craigmillar	General Property	Land at Musselburgh Road, Joppa	Scottish Gas Networks	District Gas Governor	<b>Rent:</b> £1 per annum, £4500 grassum payment <b>Lease Period:</b> 24 December 2022 to 24 December 2082

## LEASE RENEWAL

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
01/T278T/ 31	1 – Almond	General Property	Unit 31 The Loan, Viewforthbank Industrial Estate, Edinburgh, EH30 9SD	Dave Douglas	Gym	<b>Old Rent:</b> £19,000 per annum <b>New Rent:</b> £21,000 per annum <b>From:</b> 1 June 2021 to 31 May 2026
REMARKS:						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
EHBP/TE MP1	7 – Sighthill / Gorgie	General Property	Unit 1 East Hermiston Business Park, Edinburgh, EH16 4UZ	Mainstream Print Centre Limited	Workshop	<b>Old Rent:</b> £9,700 per annum <b>New Rent:</b> £11,400 per annum <b>From:</b> 20 December 2022 to 19 December 2027.
REMARKS:						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
EHBP/TE MP4	7 – Sighthill / Gorgie	General Property	Unit 4 East Hermiston Business Park, Edinburgh, EH16 4UZ	Sociable Hounds Limited	Workshop	<b>Old Rent:</b> £9,700 per annum <b>New Rent:</b> £11,400 per annum <b>From:</b> 20 December 2022 to 19 December 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
EHBP/TE MP8	7 – Sighthill / Gorgie	General Property	Unit 8 East Hermiston Business Park, Edinburgh, EH16 4UZ	GM External Solutions Limited	Workshop	<b>Old Rent:</b> £9,700 per annum <b>New Rent:</b> £11,400 per annum <b>From:</b> 29 November 2022 to 28 November 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
EHBP/TE MP10	7 – Sighthill / Gorgie	General Property	Unit 10 East Hermiston Business Park, Edinburgh, EH16 4UZ	Beautifully Covered Limited	Workshop	<b>Old Rent:</b> £9,700 per annum <b>New Rent:</b> £11,400 per annum <b>From:</b> 12 February 2023 to 11 February 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
EHBP/TE MP11	7 – Sighthill / Gorgie	General Property	Unit 11 East Hermiston Business Park, Edinburgh, EH16 4UZ	AD Paragon Limited	Workshop	<b>Old Rent:</b> £9,700 per annum <b>New Rent:</b> £11,400 per annum <b>From:</b> 19 December 2022 to 18 December 2027.
<b>REMARKS:</b>						



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
EHBP/TE MP12	7 – Sighthill / Gorgie	General Property	Unit 12 East Hermiston Business Park, Edinburgh, EH16 4UZ	BD Warehouse UK Limited	Workshop	<b>Old Rent:</b> £9,700 per annum <b>New Rent:</b> £11,400 per annum <b>From:</b> 19 December 2022 to 18 December 2027.

REMARKS:

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17314/6	7 – Sighthill / Gorgie	General Property	Unit 6 Broomhouse Workspace, New Lairdship Yards, Edinburgh, EH11 3HY	Infinity Internet Limited	Workshop	<b>Old Rent:</b> £14,000 per annum <b>New Rent:</b> £15,100 per annum <b>From:</b> 1 December 2022 to 31 November 2027.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17314/8	7 – Sighthill / Gorgie	General Property	Unit 8 Broomhouse Workspace, New Lairdship Yards, Edinburgh, EH11 3HY	Cabcom (Scotland) Limited	Workshop	<b>Old Rent:</b> £8,575 per annum <b>New Rent:</b> £9,200 per annum <b>From:</b> 27 May 2023 to 26 May 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17314/13	7 – Sighthill / Gorgie	General Property	Unit 13 Broomhouse Workspace, New Lairdship Yards, Edinburgh, EH11 3HY	Peter Young Flooring Limited	Workshop	<b>Old Rent:</b> £8,500 per annum <b>New Rent:</b> £9,100 per annum <b>From:</b> 1 April 2023 to 31 March 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16496/12	7 – Sighthill / Gorgie	General Property	Unit 8 Sauchiebank, Russell Road Ind Est, Edinburgh, EH11 2NN	Cedar Developments Limited	Workshop	<b>Old Rent:</b> £7,000 per annum <b>New Rent:</b> £9,143 per annum <b>From:</b> 21 March 2023 to 20 March 2026.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
35/W380N /19	9 – Fountainbridge / Craiglockhart	General Property	Unit 19 West Gorgie Park, Edinburgh, EH14 1UT	Dunedin West Gorgie Limited	Workshop	<b>Old Rent:</b> £6,400 per annum <b>New Rent:</b> £7,200 per annum <b>From:</b> 10 February 2023 to 9 February 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
35/W380N /28	9 – Fountainbridge / Craiglockhart	General Property	Unit 28 West Gorgie Park, Edinburgh, EH14 1UT	Raymond William Clark	Workshop	<b>Old Rent:</b> £8,250 per annum <b>New Rent:</b> £9,200 per annum <b>From:</b> 12 June 2023 to 11 <sup>t</sup> June 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20370/6	9 – Fountainbridge /Craiglockhart	General Property	Unit 42 West Gorgie Park, Edinburgh, EH14 1UT	Caledonian Heating & Plumbing Limited	Workshop	<b>Old Rent:</b> £10,900 per annum <b>New Rent:</b> £11,550 per annum <b>From:</b> 14 December 2022 to 13 December 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6784	11 – City Centre	General Property	8 Lauriston Street, Edinburgh, EH3 9DJ	Donald Stephen & Peter Conrad	Shop	<b>Old Rent:</b> £7,000 per annum <b>New Rent:</b> £7,900 per annum <b>From:</b> 1 May 2023 to 30 April 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
723/13a	13 – Leith	General Property	Unit 20 Tennant Street, Edinburgh, EH6 5ND	At The Market Limited	Warehouse	<b>Old Rent:</b> £11,600 per annum <b>New Rent:</b> £12,500 per annum <b>From:</b> 4 April 2023 to 3 April 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
723/14	13 – Leith	General Property	Unit 22/24 Tennant Street, Edinburgh, EH6 5ND	Edinburgh Community Food Limited	Warehouse	<b>Old Rent:</b> £24,460 per annum <b>New Rent:</b> £25,800 per annum <b>From:</b> 14 January 2023 to 13 January 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8373	14 – Craigentenny / Duddingston	General Property	27 East Norton Place, Edinburgh, EH7 5DR	Director of Health & Social Care	Day Centre	<b>Old Rent:</b> £18,500 per annum <b>New Rent:</b> £23,800 per annum <b>From:</b> 4 February 2023 to 3 February 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17896/1	16 – Liberton / Gilmerton	General Property	Block A, Unit 1 Gracemount Business Pavilions, Edinburgh, EH18 8QF	Vert Rotors UK Limited	Workshop	<b>Old Rent:</b> £14,001 per annum <b>New Rent:</b> £15,200 per annum <b>From:</b> 1 January 2023 to 31 December 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17896/2	16 – Liberton / Gilmerton	General Property	Block A, Unit 2 Gracemount Business Pavilions, Edinburgh, EH18 8QF	Vert Rotors UK Limited	Workshop	<b>Old Rent:</b> £7,500 per annum <b>New Rent:</b> £7,500 per annum <b>From:</b> 1 January 2023 to 31 December 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17896/5	16 – Liberton / Gilmerton	General Property	Block B, Unit 2 Gracemount Business Pavilions, Edinburgh, EH18 8QF	Vert Rotors UK Limited	Workshop	<b>Old Rent:</b> £7,500 per annum <b>New Rent:</b> £7,500 per annum <b>From:</b> 1 January 2023 to 31 December 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17768/1	17 – Portobello / Craigmillar	General Property	Unit 1 Peffer Business Centre, Peffer Place North, Edinburgh, EH16 4UZ	JDS Gardening Limited	Workshop	<b>Old Rent:</b> £8,750 per annum <b>New Rent:</b> £9,500 per annum <b>From:</b> 18 November 2022 to 17 November 2027.
<b>REMARKS:</b>						



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
ES779/13	17 – Portobello / Craigmillar	General Property	29 Peffer Place, Edinburgh, EH16 4BB	Benjamin Alan Fletcher	Dojo	<b>Old Rent:</b> £18,000 per annum <b>New Rent:</b> £18,000 per annum <b>From:</b> 17 February 2023 to 16 February 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
ES779/11	17 – Portobello / Craigmillar	General Property	33 Peffer Place, Edinburgh, EH16 4BB	The Head of Safer & Stronger Communities	Workshop	<b>Old Rent:</b> £29,970 per annum <b>New Rent:</b> £30,400 per annum <b>From:</b> 1 April 2023 to 31 March 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PEF01-U08	17 – Portobello / Craigmillar	General Property	Block 4, Unit 1 Peffermill Industrial Estate, Edinburgh, EH16 5UY	Laurence McIntosh Limited	Workshop	<b>Old Rent:</b> £12,000 per annum <b>New Rent:</b> £16,500 per annum <b>From:</b> 1 January 2023 to 31 December 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PEF01-U15	17 – Portobello / Craigmillar	General Property	Block 7, Unit 1/2 Peffermill Industrial Estate, Edinburgh, EH16 5UY	SM Electrical Supplies (Edinburgh) Limited	Warehouse	<b>Old Rent:</b> £24,000 per annum <b>New Rent:</b> £27,200 per annum <b>From:</b> 1 June 2023 to 31 May 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PP-01-U02	17 – Portobello / Craigmillar	General Property	Unit 5/6 Peffermill Parc, Edinburgh, EH16 5UY	Scottish Chamber Orchestra Limited	Store	<b>Old Rent:</b> £16,360 per annum <b>New Rent:</b> £17,500 per annum <b>From:</b> 27 April 2023 to 26 April 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PEF01-U03	17 – Portobello / Craigmillar	General Property	Block 2, Unit 3 & 4 Peffermill Industrial Estate, Edinburgh, EH16 5UY	Mrs Unis Spicy Foods Limited	Workshop	<b>Old Rent:</b> £18,000 per annum <b>New Rent:</b> £20,250 per annum <b>From:</b> 1 January 2023 to 8 September 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PEF01-U021	17 – Portobello / Craigmillar	General Property	Block 2, Unit 5 Peffermill Industrial Estate, Edinburgh, EH16 5UY	Mrs Unis Spicy Foods Limited	Workshop	<b>Old Rent:</b> £9,000 per annum <b>New Rent:</b> £10,100 per annum <b>From:</b> 1 January 2023 to 8 September 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17768/1	17 – Portobello / Craigmillar	General Property	Unit 1 Peffer Business Centre, Peffer Place North, Edinburgh, EH16 4UZ	JDS Gardening Limited	Workshop	<b>Old Rent:</b> £8,750 per annum <b>New Rent:</b> £9,500 per annum <b>From:</b> 18 November 2022 to 17 November 2027.
<b>REMARKS:</b>						

**SERVITUDE**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
	1 – Almond	Parks & Greenspace	Land to rear of Farquhar Quarry, South Queensferry	AR (Ferry Muir Gait) Limited	Sewerage Pipe	<b>Rent:</b> £1- £10,000 grassum payment <b>Lease Period:</b> 24 December 2022 to 24 December 2082

**RENT REVIEW**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
SGC-U01	3 – Drum Brae / Gyle	General Property	9 South Gyle Crescent, Edinburgh	GM Investment Trustees Ltd	Ground	<b>Old Rent:</b> £5,023 per annum <b>New Rent:</b> £6,225 per annum <b>From:</b> 28 May 2023 to 27 May 2028.
<b>REMARKS:</b>						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
SGC-U03	3 – Drum Brae / Gyle	General Property	9a, b & c South Gyle Crescent, Edinburgh, EH12 9EB	GM Investment Trustees Ltd	Ground	<b>Old Rent:</b> £21,030 per annum <b>New Rent:</b> £22,000 per annum <b>From:</b> 28 May 2023 to 27 May 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17314/2	7 – Sighthill / Gorgie	General Property	Unit 2 Broomhouse Workspace, New Lairdship Yards, Edinburgh, EH11 3HY	Darren & Anne Docherty	Office	<b>Old Rent:</b> £6,500 per annum <b>New Rent:</b> £7,000 per annum <b>From:</b> 1 February 2023 to 31 January 2028.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16496/12	7 – Sighthill / Gorgie	General Property	Unit 12 Sauchiebank, Russell Road Ind Est, Edinburgh, EH11 2NN	Dip 'N' Strip (Edinburgh) Ltd	Workshop	<b>Old Rent:</b> £11,745 per annum <b>New Rent:</b> £15,000 per annum <b>From:</b> 1 December 2022 to 30 November 2027.

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
35/W380N /12	9 – Fountainbridge / Craiglockhart	General Property	Unit 12 West Gorgie Park, Edinburgh, EH14 1UT	ETI Engineering Limited	Workshop	<b>Old Rent:</b> £6,350 per annum <b>New Rent:</b> £6,850 per annum <b>From:</b> 1 July 2022 to 30 June 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20380/3	9 – Fountainbridge / Craiglockhart	General Property	Unit 36 West Gorgie Park, Edinburgh, EH14 1UT	Corkers Wine Limited	Workshop	<b>Old Rent:</b> £7,200 per annum <b>New Rent:</b> £8,200 per annum <b>From:</b> 29 January 2023 to 28 January 2028.
<b>REMARKS:</b>						



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
20370/5	9 – Fountainbridge / Craiglockhart	General Property	Unit 40 West Gorgie Park, Edinburgh, EH14 1UT	Keith Baxter	Workshop	<b>Old Rent:</b> £10,740 per annum <b>New Rent:</b> £12,150 per annum <b>From:</b> 1 February 2023 to 31 January 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
Cock-U01	11 – City Centre	General Property	9 Cockburn Street, Edinburgh, EH1 1BP	Underground Solutions	Shop	<b>Old Rent:</b> £18,300 per annum <b>New Rent:</b> £19,500 per annum <b>From:</b> 5 May 2023 to 4 May 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14167/5	11 – City Centre	General Property	21 Cockburn Street, Edinburgh, EH1 1BP	Lisardo's Limited	Restaurant	<b>Old Rent:</b> £32,126 per annum <b>New Rent:</b> £42,000 per annum <b>From:</b> 20 April 2023 to 19 April 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7174	11 – City Centre	General Property	66 Grassmarket, Edinburgh, EH1 2JR	William J L Baber	Shop	<b>Old Rent:</b> £22,400 per annum <b>New Rent:</b> £23,200 per annum <b>From:</b> 5 December 2022 – 4 December 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1544/2	11 – City Centre	General Property	8 Lochrin Place, Edinburgh	Picturehouse Cinemas Limited	Cinema	<b>Old Rent:</b> £13,000 per annum <b>New Rent:</b> £15,000 per annum <b>From:</b> 1 April 2020 to 31 March 2025.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
19/S618/17	12 – Leith Walk	General Property	17 St Clair Street, Edinburgh, EH6 8LB	C&W Assets Ltd	Ground	<b>Old Rent:</b> £37,894 per annum <b>New Rent:</b> £48,521 per annum <b>From:</b> 1 November 2022 – 31 October 2027.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
723/3	13 – Leith	General Property	Unit 36 Tennant Street, Edinburgh, EH6 5NA	Claremont Electric Motor Repairs	Workshop	<b>Old Rent:</b> £11,350 per annum <b>New Rent:</b> £12,200 per annum <b>From:</b> 1 April 2023 to 31 March 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PEF01-U01	17 – Portobello / Craigmillar	General Property	Block 1 Peffermill Industrial Estate, Edinburgh	Funeral Services Limited	Warehouse	<b>Old Rent:</b> £57,000 per annum <b>New Rent:</b> £63,250 per annum <b>From:</b> 13 November 2022 to 12 November 2027
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PEF01-U13	17 – Portobello / Craigmillar	General Property	Block 5, Unit 4 Peffermill Industrial Estate, Edinburgh	Spotless Commercial Cleaning Limited	Warehouse	<b>Old Rent:</b> £14,500 per annum <b>New Rent:</b> £15,600 per annum <b>From:</b> 4 May 2023 to 3 May 2028.
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
PEF01-U18	17 – Portobello / Craigmillar	General Property	Block 9 Peffermill Industrial Estate, Edinburgh	Funeral Services Limited	Warehouse	<b>Old Rent:</b> £58,500 per annum <b>New Rent:</b> £65,000 per annum <b>From:</b> 12 May 2022 to 11 May 2027
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
31981	17 – Portobello / Craigmillar	General Property	Block 10b Peffermill Industrial Estate, Edinburgh	Laurence McIntosh Holdings Limited	Warehouse	<b>Old Rent:</b> £89,600 per annum <b>New Rent:</b> £105,000 per annum <b>From:</b> 30 September 2022 to 29 September 2027.
<b>REMARKS:</b>						

## DISPOSALS

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
FM	9 – Fountainbridge / Craiglockhart	General Property	191 Colinton Road, Edinburgh EH14 1BZ  Former groundsman's house	Jack Fraser	Private residential dwelling	<b>Purchase price:</b> £409,073 <b>Date of entry:</b> 12 May 2023 <b>Sale concluded:</b> 12 May 2023
<b>REMARKS:</b> <i>Highest offer following open market tender</i>						

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ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
FM	10 – Meadows/ Morningside	General Property	23 and 25 Braid Hills Approach, Edinburgh EH10 6JZ  Residential dwelling and former clubroom	James Sivewright and Ailsa Bruce	Private residential dwelling	<b>Purchase price:</b> £486,098 <b>Date of entry:</b> 28 April 2023 <b>Sale concluded:</b> 28 April 2023
<b>REMARKS:</b> <i>Highest offer following open market tender</i>						

## NEW LEASES - PARK EVENTS

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	5 – Inverleith	Parks and Greenspace	Inverleith Public Park	Sue Hitchen	Foodies Festival	<b>Rent, including management fee: £13,500</b> <b>Lease Period: 2 to 10 August 2022</b>
<b>REMARKS:</b>						

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ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	5 – Inverleith	Parks and Greenspace	Inverleith Public Park	Terry Crossley ta Great Scottish Events	Christmas Charity event/run	<b>Rent, including management fee: £1,827</b> <b>Lease Period: 2 to 4 December 2022</b>
<b>REMARKS:</b>						



ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	6 – Corstorphine/ Murrayfield	Parks and Greenspace	Roseburn Park	Luke Fenton	Inclusive Rugby Clinic Event	<b>Rent, including management fee: £1,560</b> <b>Lease Period: 20 to 23 October 2022</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	11 – City Centre	Parks and Greenspace	Princes Street Gardens West	World Wide Events Ltd	Oktoberfest	<b>Rent, including management fee: £23,331</b> <b>Lease Period: 2 to 11 October 2022</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	11 – City Centre	Parks and Greenspace	Calton Hill	Abhijit Chakraborty	Dusherra	<b>Rent, including management fee: £1</b> <b>Lease Period: 9 October 2022</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	11 – City Centre	Parks and Greenspace	West Princes Street Gardens	Rajnish Singh	Diwali	<b>Rent, including management fee: £1</b> <b>Lease Period: 4 to 7 November 2022</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	11 – City Centre	Parks and Greenspace	West Princes Street Gardens	Cutting Edge Theatre Company	Easter Play	<b>Rent, including management fee: £552</b> <b>Lease Period: 9 April 2023</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	11 – City Centre	Parks and Greenspace	Calton Hill	Beltane Fire Society	Beltane Fire Festival	<b>Rent, including management fee: £2,000</b> <b>Lease Period: 28 April to 2 May 2023</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	12 – Leith Walk	Parks and Greenspace	Pilrig Park	Wege Singh and Dharmveer Singh t/a The Bhat Sikh Gurdwara and Community Association Edinburgh	Edinburgh Vaisakhi Mela 2023	<b>Rent, including management fee: £1, if asked</b> <b>Lease Period: 6 to 7 May 2023</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	15 – Southside/Newington	Parks and Greenspace	The Meadows Public Park	Edinburgh Students' Charities Appeal	Marathon event	<b>Rent, including management fee: £1</b> <b>Lease Period: 5 March 2023</b>
<b>REMARKS:</b>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
FM	15 – Southside/ Newington	Place (Parks and Greenspace)	The Meadows Public Park	Mousa Raza	Grand Iftaar	<b>Rent, including management fee: £1</b> <b>Lease Period: 16 April 2023</b>
<b>REMARKS:</b>						

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Former Castlebrae High School, Greendykes Road, Edinburgh – Proposed Transfer to Housing Revenue Account

Executive/routine	Routine
Wards	17 – Portobello / Craigmillar
Council Commitments	

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approves the transfer of the former Castlebrae High School, Greendykes Road, to the Housing Revenue Account, on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) | Tel: 0131 529 5956

## **Former Castlebrae High School, Greendykes Road, Edinburgh – Proposed Transfer to Housing Revenue Account**

### **2. Executive Summary**

---

- 2.1 Following the opening of the new Castlebrae Community Campus, the former school site is surplus to requirements. This report seeks approval to transfer the site to the Housing Revenue Account (HRA) on the terms and conditions outlined in the report.

### **3. Background**

---

- 3.1 The new Castlebrae Community Campus opened in 2022 with all pupils and services transferring from the existing Castlebrae School site on Greendykes Road.
- 3.2 To prevent anti-social behaviour, demolition work on the former school complex commenced in late 2022 and will be completed later this year. The site extends to approximately 4.36 hectares (10.77 acres) as shown shaded red on the attached plan.

### **4. Main report**

---

- 4.1 The Council's house building programme continues to make good progress with over 1,800 homes completed, over 750 under construction and a further 5,500 in design development. The programme does however need to bring in additional sites to continue with the programme.
- 4.2 It is therefore proposed that the site is transferred to the HRA with the development contributing towards the Council commitment to deliver affordable housing and ensure an allocated site within CityPlan2030 is brought forward in a timely manner.
- 4.3 Due to planning constraints relating to the open space within the site an initial feasibility study by the HRA suggests the site is viable for a mixed tenure housing development of approximately 145 units.



- 4.4 Transferring the site to the HRA will allow the drawdown of allocated Affordable Housing Supply Programme (AHSP) funding from the Scottish Government for new affordable homes.
- 4.5 A transfer figure of £2.9m has been agreed which is assessed based on the value of the site for an affordable led housing development on the proposed density.
- 4.6 Whilst it is possible that a higher gross land value could be achieved should the site be placed on the market, a transfer to the HRA gives certainty over the level of receipt which will be payable within a shorter timescale as it is not conditional on detailed planning consent being in place.
- 4.7 Retaining the site in Council ownership also provides future place making/regeneration opportunities in the wider Craigmillar area.

## **5. Next Steps**

---

- 5.1 Following approval of the terms by Finance and Resources Committee, the site will transfer from the General Fund to the Housing Revenue Account.

## **6. Financial impact**

---

- 6.1 A capital receipt of £2.9m (inclusive of fees) will be allocated towards the capital costs for the construction of the new Castlebrae Community Campus.
- 6.2 Should planning permission be received for a density greater than 145 homes on the site, a further overage payment of £20,000 per additional plot will be transferred. Housing will consider delivering greater density by investigating the acceptability of using the adjoining land as counting toward SUDS and open space provision thereby increasing the development footprint.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

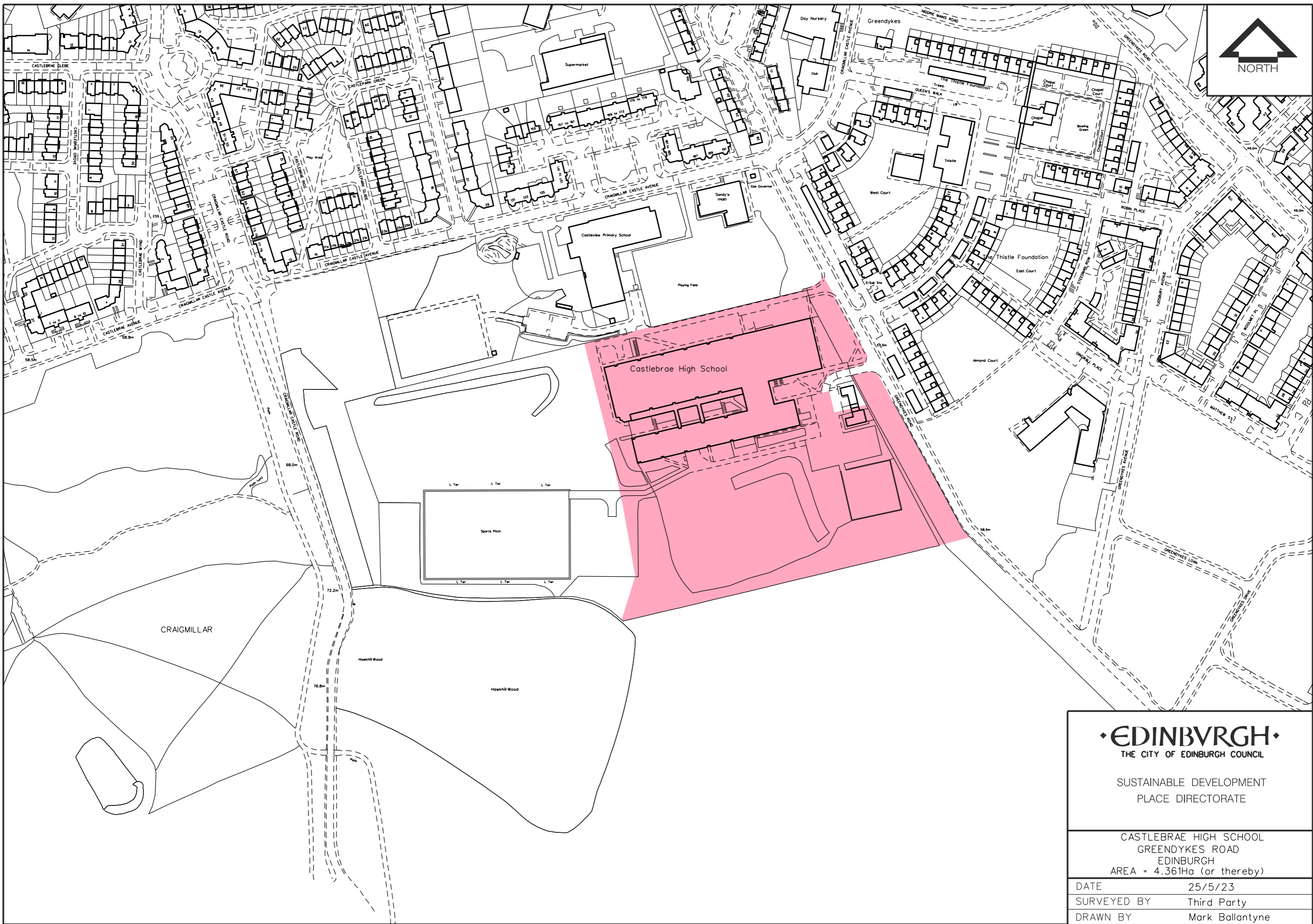
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- 8.1 None.

## **9. Appendices**

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- 9.1 Appendix 1 – Location plan.



Page 306

**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

CASTLEBRAE HIGH SCHOOL  
GREENDYKES ROAD  
EDINBURGH  
AREA = 4.361Ha (or thereby)

DATE	25/5/23
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:2500 @ A3 SIZE
NEG. NO.	A3/2222

SITE PLAN

SCALE 1:2500

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Lauriston Castle Gate House and Garden – Proposed Lease Restructure

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

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approve a new 50-year lease to Alzheimer Scotland of Lauriston Castle Gate House and Garden, Edinburgh, on the terms and conditions outlined in the report.

**Paul Lawrence**

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) | Tel: 0131 529 5956

## Lauriston Castle Gate House and Garden – Proposed Lease Restructure

### 2. Executive Summary

---

- 2.1 Edinburgh Forget Me Not Garden Trust, Alzheimer Scotland and the Council have been working on a revised lease proposal to allow funding to be raised for refurbishment of the Lauriston Castle Gate House. This report seeks approval to grant a new lease on the terms and conditions outlined in the report.

### 3. Background

---

- 3.1 On [27 March 2018](#), following a referral from the Culture and Communities Committee, Committee approved a 25-year lease of the Lauriston Castle Gatehouse and its garden to Edinburgh Forget-Me-Not Garden (EFMNG), a locally based charity established to provide a city-wide facility for those suffering from dementia and their carers.
- 3.2 EFMNG's strategy was to initially create a memory garden, before beginning work to refurbish the lodge house to create a memory café. Having made a success of the garden, the increasing costs of refurbishing the gatehouse has led to a change of approach to assist in finding a solution for the funding gap for the project.

### 4. Main report

---

- 4.1 EFMNG working with one of their key stakeholders, Alzheimer Scotland, and the Council has proposed that the existing lease is terminated, and a new agreement put in place, on the following provisionally agree terms:
- 4.1.1 Subjects: Lauriston Castle Gatehouse Lodge (shown shaded blue) and Forget Me Not Garden (outlined in red), 2A Cramond Road South – as shown on attached plan;
  - 4.1.2 Tenant: Alzheimer Scotland;
  - 4.1.3 Sub Tenancy: EFMNG will occupy the garden through a memorandum of understanding with the tenant.

- 4.1.4 Date of entry: tbc – to coincide with the renunciation of the existing lease between City of Edinburgh Council and Edinburgh Forget-Me-Not-Garden
  - 4.1.5 Lease term: 50 years from date of entry;
  - 4.1.6 Break option: tenant has a break option at five (5) yearly intervals, on serving not less than 12 months written notice
  - 4.1.7 Rent: £1 per annum;
  - 4.1.8 Use: as a resource centre for dementia sufferers and their carers, along with ancillary uses;
  - 4.1.9 Repair: tenant full repairing liability subject to a schedule of condition; and
  - 4.1.10 Costs: each party responsible for their own legal costs.
- 4.2 Under the terms of the Memorandum of Understanding, Alzheimer Scotland will be responsible for upkeep and running of the lodge environment as a dementia support resource. EFMNG Trust will be responsible for maintenance and running of the garden.

## **5. Next Steps**

---

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

## **6. Financial impact**

---

- 6.1 There is no immediate financial impact on the Council as the existing lease is at already concessionary at £1 pa. The new longer lease will allow Alzheimer Scotland to target funding opportunities to refurbish the gatehouse for the proposed use.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

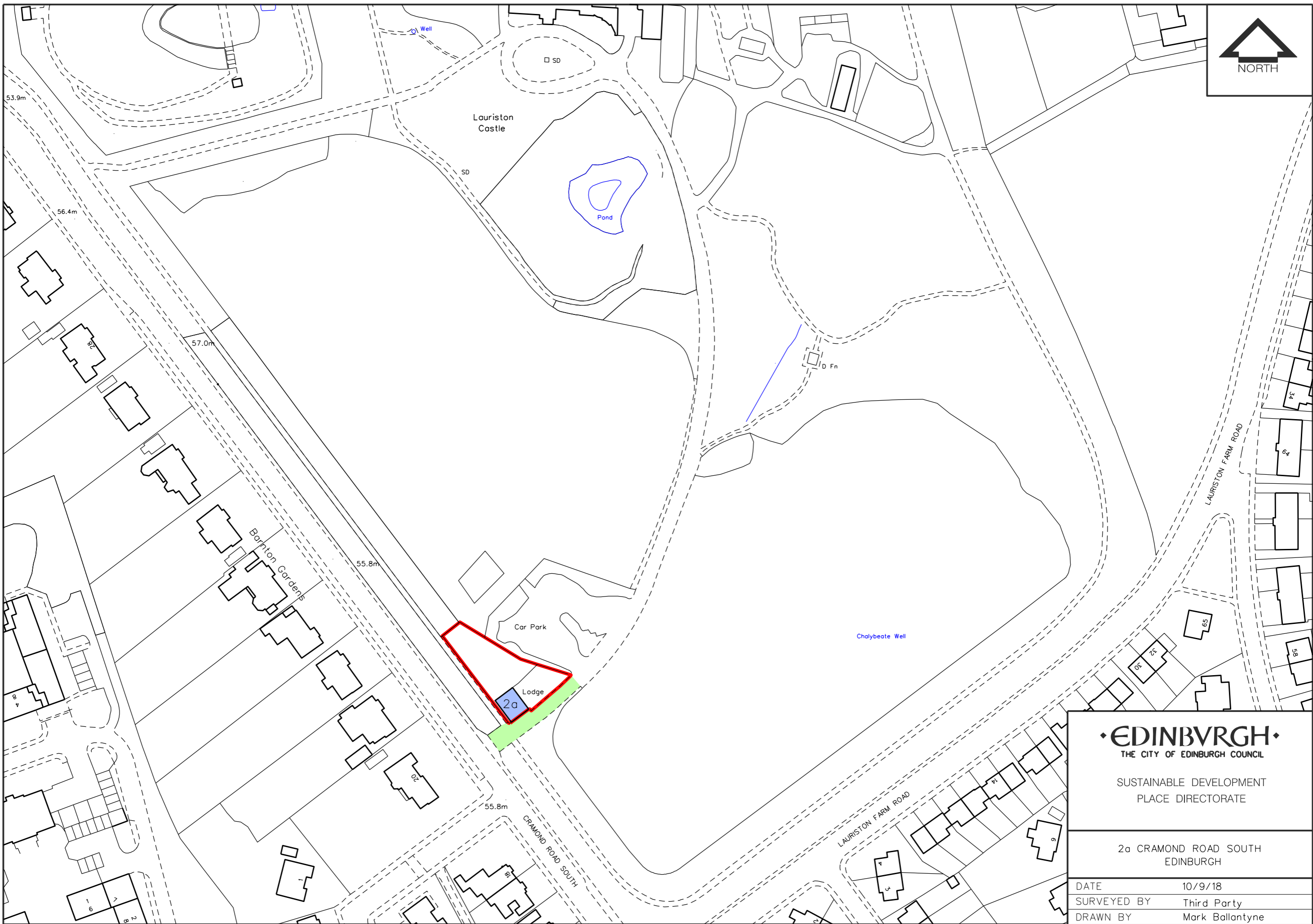
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- 8.1 None.

## **9. Appendices**

---

- 9.1 Appendix 1 – Location plan.



**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

2a CRAMOND ROAD SOUTH  
EDINBURGH

DATE	10/9/18
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1862a

SITE PLAN

SCALE 1:1250

# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## 2a Greendykes Road, Edinburgh – Proposed New Lease

Executive/routine Wards Council Commitments	Routine 17 – Portobello/Craigmillar
---	--

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approve a new 25-year lease to Craigmillar Literacy Trust on 2a Greendykes Road, Edinburgh, on the terms outlined in the report.

**Paul Lawrence**

Executive Director of Place

Contact: Graeme McGartland, Head of Estates

E-mail: [graeme.mcgartland@edinburgh.gov.uk](mailto:graeme.mcgartland@edinburgh.gov.uk) | Tel: 0131 529 5956

# Report

## 2a Greendykes Road, Edinburgh – Proposed New Lease

### 2. Executive Summary

---

- 2.1 Craigmillar Literacy Trust has been located on the site of the former Castlebrae High School for over 20 years. The tenant has requested a new 25-year lease and approval is sought to grant this on the terms and conditions outlined in the report.

### 3. Background

---

- 3.1 No 2a Greendykes Road is one of two former janitor houses located on the site of the former Castlebrae High School. Craigmillar Literacy Trust (CLT) has been located on the school site for over 20 years working, with the local community to support literacy skills.
- 3.2 With the demolition of the school complex, following the opening of the new Craigmillar Community Campus, CLT has requested a new lease to provide security of tenure over one of the former janitor's houses, along with a small area of land, shown outlined in red on the attached plan.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 2a Greendykes Road, Edinburgh;
  - 4.1.2 Tenant: Craigmillar Literacy Trust (SCIO);
  - 4.1.3 Lease term: 25 years from date of entry;
  - 4.1.4 Rent: £750 per annum;
  - 4.1.5 Tenant break option: the tenant will have an annual break option on serving not less than three (3) months' notice;
  - 4.1.6 Landlord break option: the landlord will have a development break option, should suitable alternative premises be provided for the tenant within the redevelopment of the former Castlebrae High School site, on serving not less than 12 months' notice.
  - 4.1.7 Repair: tenant full repairing liability subject to a schedule of condition; and



4.1.8 Costs: each party responsible for their own costs.

4.2 The terms of the lease are considered concessionary.

## **5. Next Steps**

---

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

## **6. Financial impact**

---

6.1 From the date of entry an annual rental of £750 per annum will be credited to the General Property Account.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

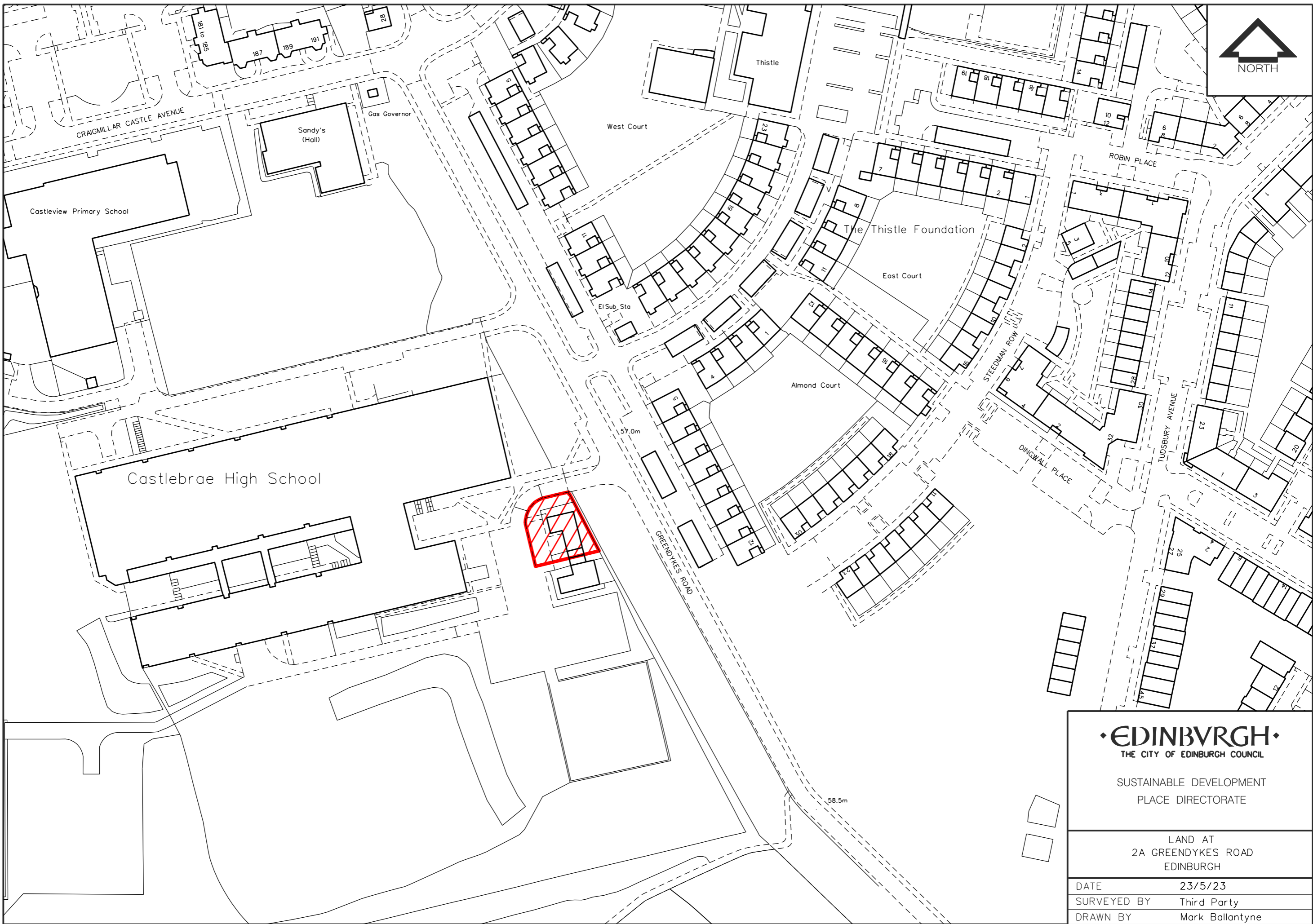
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8.1 None.

## **9. Appendices**

---

9.1 Appendix 1 – Location plan.



SITE PLAN

SCALE 1:1250

**• EDINBURGH •**  
 THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
 PLACE DIRECTORATE

LAND AT  
 2A GREENDYKES ROAD  
 EDINBURGH

DATE	23/5/23
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2577

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## 54 Glenalmond Place, Edinburgh – Proposed New Lease

Executive/routine Wards Council Commitments	Routine 7 – Sighthill/Gorgie
---	---------------------------------

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approve a new 20-year lease to Kashif Ali of 54 Glenalmond Place, Edinburgh, on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Neil Gordon, Estates Surveyor

E-mail: [neil.gordon@edinburgh.gov.uk](mailto:neil.gordon@edinburgh.gov.uk) | Tel: 07873 702320

## 54 Glenalmond Place, Edinburgh – Proposed New Lease

### 2. Executive Summary

---

- 2.1 The property at 54 Glenalmond Place is one of three recently constructed retail units that form part of the wider North Sighthill regeneration project. This report seeks approval to grant a new 20-year lease to Kashif Ali, on the terms and conditions outlined in the report.

### 3. Background

---

- 3.1 The North Sighthill regeneration project is a partnership between the City of Edinburgh Council and ENGIE to deliver 184 affordable homes (149 flats and 35 family homes) and 132 private homes for sale (59 flats and 73 family homes).
- 3.2 No 54 Glenalmond Place is one of three ground floor retail/shop units being delivered a part of the project. The unit extends to an area of 95.12 sq m (1,024 sq ft) or thereby and is shown hatched in red on the attached plan.
- 3.3 The property was marketed with a closing date of 23 February 2023. Competing offers were received at the closing date, which led to a period of further negotiations until such time as heads of terms were agreed between the parties.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 54 Glenalmond Place, Edinburgh;
  - 4.1.2 Tenant: Ashif Kali;
  - 4.1.3 Lease term: 20 years from date of entry;
  - 4.1.4 Rent: £22,550 per annum (a deposit of six-month rent will be payable on entry);
  - 4.1.5 Rent free period: Three month rent period due to unit being in shell condition;

- 4.1.6 Rent review: Five (5) yearly;
  - 4.1.7 Repair: tenant full repairing liability;
  - 4.1.8 Use: class 1 – retail/convenience store; and
  - 4.1.9 Costs: tenant responsible for Council's legal costs.
- 4.2 One of the other units marketed is currently under offer as a hairdressing salon with the terms permitting the transaction to be completed under delegated powers. The third unit remains on the market for lease having not received any offers at the closing date.

## **5. Next Steps**

---

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

## **6. Financial impact**

---

- 6.1 An annual rental of £22,550 per annum will be payable from the date of entry, after the expiry of the rent-free period, credited to the Housing Revenue Account.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

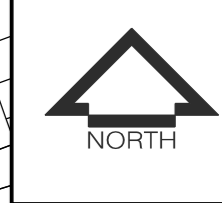
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- 8.1 None.

## **9. Appendices**

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- 9.1 Appendix 1 – Location plan.



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**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

RETAIL UNIT 1  
NORTH SIGHTHILL, HOUSING DEVELOPMENT  
EDINBURGH

DATE	26/9/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2569

SITE PLAN

SCALE 1:1250

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## 1/2 Hailesland Gardens, Edinburgh- Proposed New Lease

Executive/routine Wards Council Commitments	Routine 2 – Pentland Hills
---	-------------------------------

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approve a new nine-year lease to Hailesland Dental Practice at 1/2 Hailesland Gardens, Edinburgh, on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Seli McVittie, Trainee Estates Surveyor

E-mail: [seli.mcvittie@edinburgh.gov.uk](mailto:seli.mcvittie@edinburgh.gov.uk) | Tel: 0131 529 5781

# Report

## 1/2 Hailesland Gardens, Edinburgh- Proposed New Lease

### 2. Executive Summary

---

- 2.1 The property at 1/2 Hailesland Gardens is leased to Hailesland Dental Practice. The tenant has requested a new nine-year lease and approval is sought to grant this on the terms and conditions outlined in this report.

### 3. Background

---

- 3.1 The property known as 1/2 Hailesland Gardens extends to 48.31 sq m (520 sq ft) and is shown outlined in red on the attached plan.
- 3.2 Hailesland Dental Practice operate as an NHS dentist and has occupied the site since 2010. The current rent is £3,900 per annum.
- 3.3 The existing lease is running on an annual basis and the tenant has requested a new nine-year lease.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 1/2 Hailesland Gardens, Edinburgh;
  - 4.1.2 Tenant: Hailesland Dental Practice;
  - 4.1.3 Lease term: Nine (9) years from date of entry;
  - 4.1.4 Rent: £5,000 per annum (current market value);
  - 4.1.5 Rent review: On the fifth anniversary;
  - 4.1.6 Repair: tenant full repairing liability; and
  - 4.1.7 Costs: each party responsible for their own legal costs.
- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.



## **5. Next Steps**

---

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

## **6. Financial impact**

---

- 6.1 Under the new lease, the annual rent will be increased from £3,900 per annum to £5,000 per annum credited to the General Property Account.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

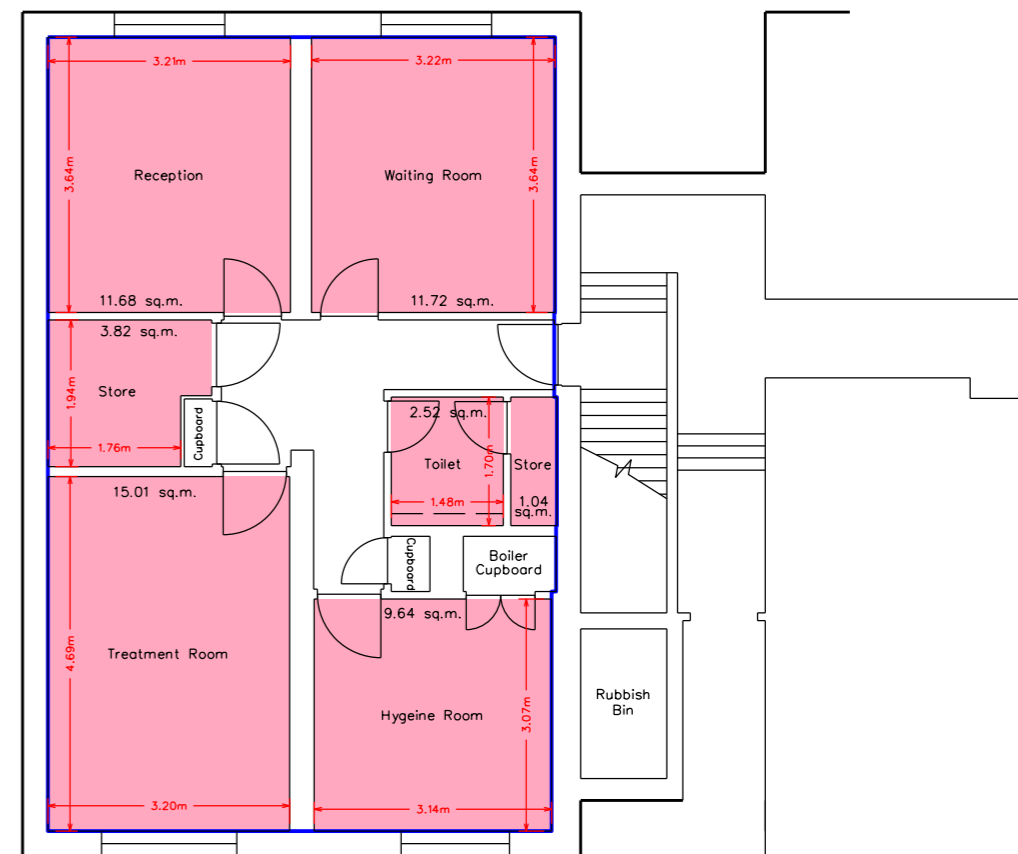
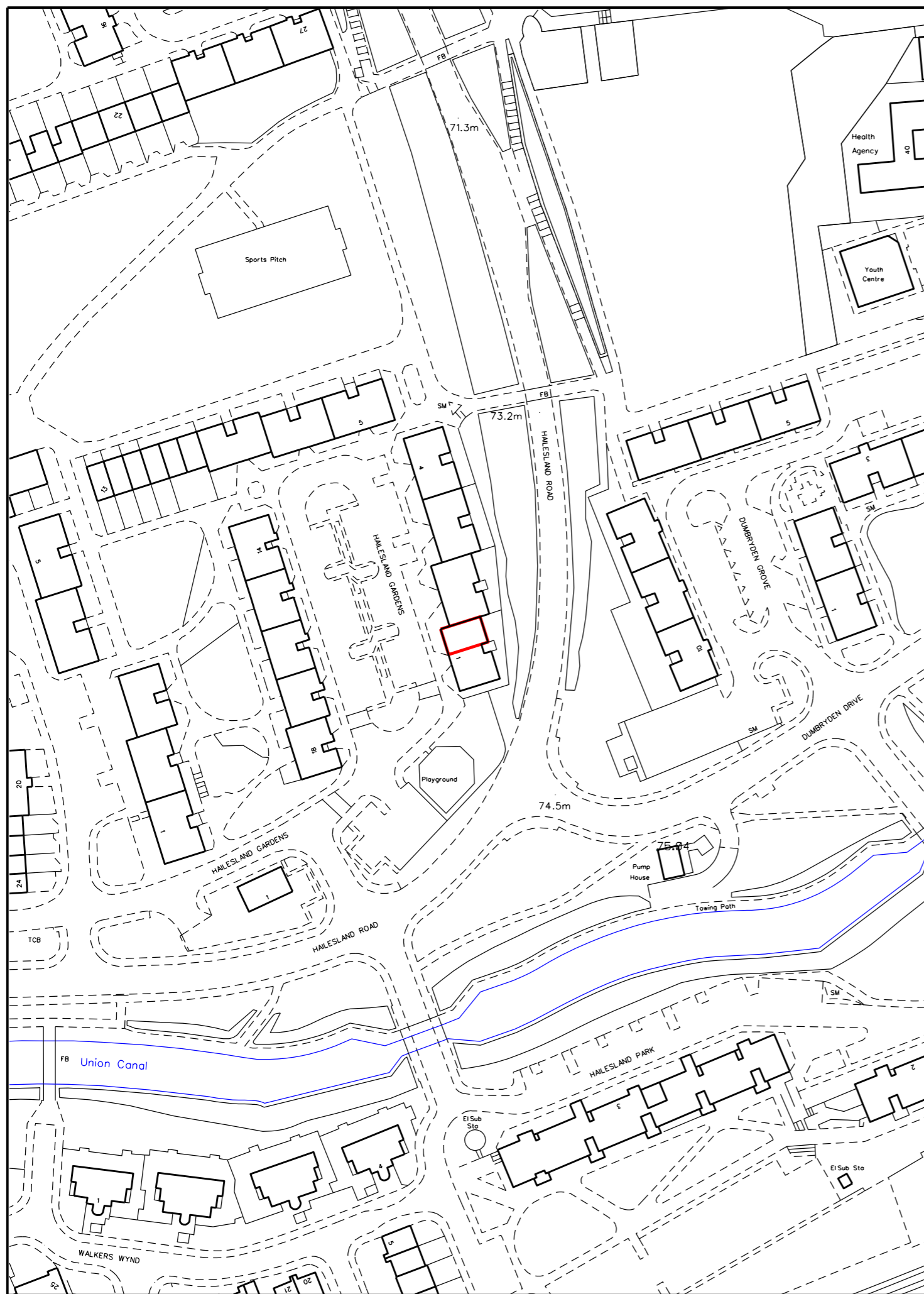
---

- 8.1 None.

## **9. Appendices**

---

- 9.1 Appendix 1 – Location plan.



N.I.A. SHOWN COLOURED PINK - 55.43 sq.m.

G.I.A. SHOWN DELINEATED BLUE - 70.36 sq.m.

**• EDINBURGH •**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

Dental Practice  
1/2 Halesland Gardens  
Edinburgh

DATE 13/10/2010

SURVEYED BY F McDonald

DRAWN BY F McDonald

FILE NO.

NEG. NO. NT2070/A3/1144

LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:100

# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## 101 Canongate, Edinburgh – Proposed Lease Extension

Executive/routine Wards Council Commitments	Routine 11 – City Centre
---	-----------------------------

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approve a 10-year lease extension to Malky and Sons Bhakar Limited of 101 Canongate on the terms outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Iain Lamont, Senior Estates Manager

E-mail: [iain.lamont@edinburgh.gov.uk](mailto:iain.lamont@edinburgh.gov.uk) | Tel: 0131 529 7610

## 101 Canongate, Edinburgh – Proposed Lease Extension

### 2. Executive Summary

---

- 2.1 No. 101 Canongate is let to Malky and Sons Bhakar Limited until 30 September 2023. The tenant has requested a 10-year lease extension and approval is sought to grant this on the terms and conditions outlined in this report.

### 3. Background

---

- 3.1 The property known as 101 Canongate extends to 55.50 sq m (597 sq ft) and is shown outlined in red on the attached plan.
- 3.2 Malky and Sons Bhakar Limited has occupied the property since June 2018 and operate a gift shop. The current rent for the subject is £13,650 per annum.
- 3.3 The existing lease expires on 30 September 2023 and the tenant has requested a 10-year lease extension until 30 September 2033.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 101 Canongate, Edinburgh;
  - 4.1.2 Tenant: Malky and Sons Bhakar Limited;
  - 4.1.3 Lease extension: 10 years from 30 September 2023;
  - 4.1.4 Rent: £18,000 per annum (current market value);
  - 4.1.5 Rent review: Five (5) yearly;
  - 4.1.6 Repair: tenant full repairing liability; and
  - 4.1.7 Costs: tenant responsible for Council's legal costs.
- 4.2 Due to COVID-19 and its effect on Edinburgh's tourist industry, the tenant has built up rental arrears. A repayment plan is in place in order that the arrears are cleared by the commencement of the proposed lease extension.

## **5. Next Steps**

---

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

## **6. Financial impact**

---

- 6.1 Effective from the 30 September 2023 the annual rent will be increased from £13,650 per annum to £18,000 per annum credited to the General Property Account.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

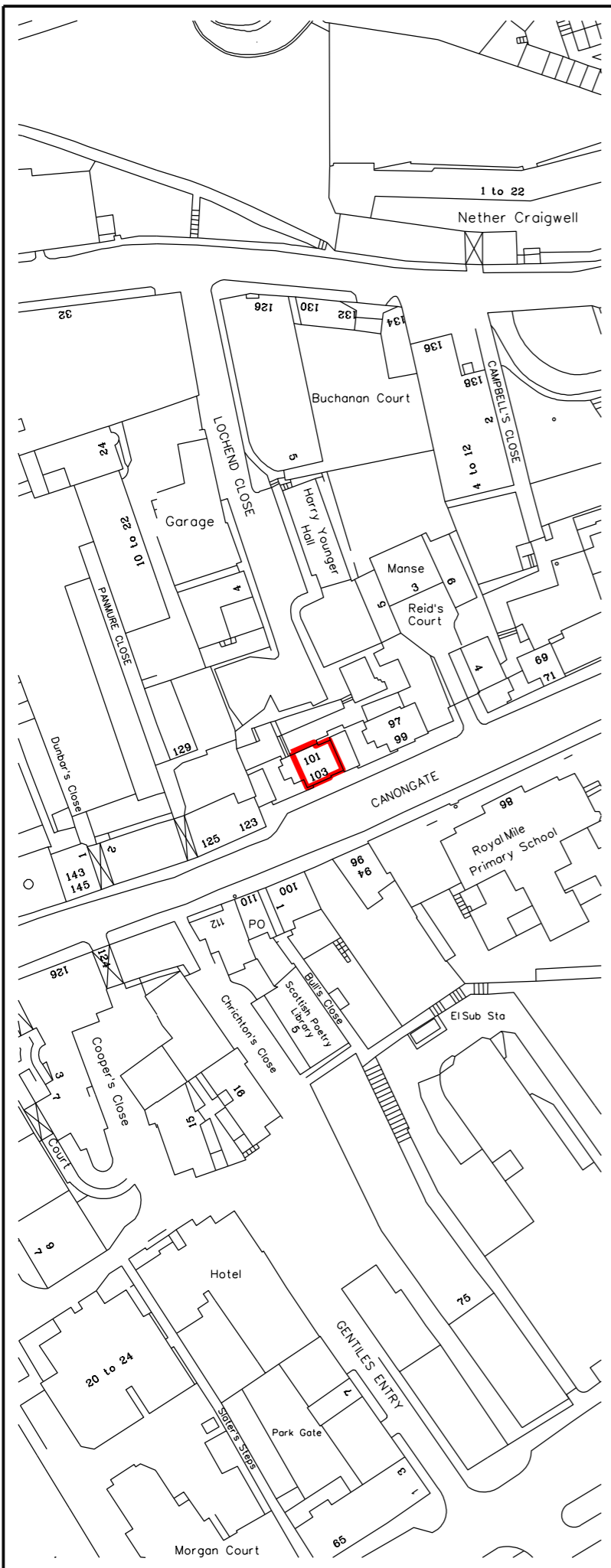
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- 8.1 None.

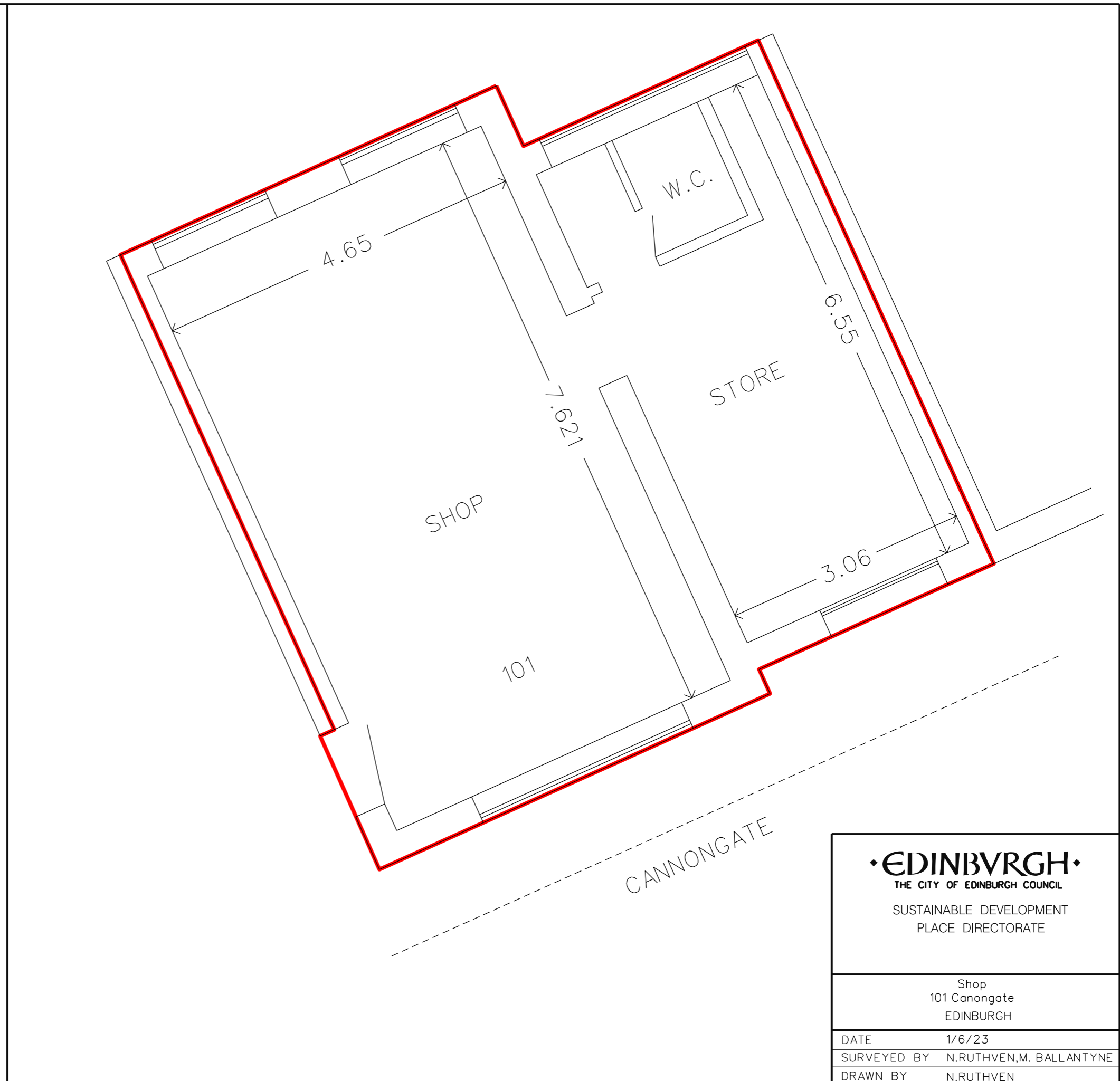
## **9. Appendices**

---

- 9.1 Appendix 1 – Location plan.



LOCATION PLAN SCALE 1:1250



SITE PLAN SCALE 1:50

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
Shop 101 Canongate EDINBURGH	
DATE	1/6/23
SURVEYED BY	N.RUTHVEN, M. BALLANTYNE
DRAWN BY	N.RUTHVEN
SCALE	N.RUTHVEN
NEG. NO.	2673/A3/1078

# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Unit 33 The Loan, Viewforthbank Industrial Estate, South Queensferry – Proposed Lease Extension

Executive/routine Wards Council Commitments	Routine 4 – Forth
---	----------------------

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approve a 15-year lease extension to AMDG Pharma Limited of Unit 33 The Loan, Viewforthbank Industrial Estate, South Queensferry on the terms outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Iain Lamont, Senior Estates Manager

E-mail: [iain.lamont@edinburgh.gov.uk](mailto:iain.lamont@edinburgh.gov.uk) | Tel: 0131 529 7610

## Unit 33 The Loan, Viewforthbank Industrial Estate, South Queensferry – Proposed Lease Extension

### 2. Executive Summary

---

- 2.1 Unit 33 The Loan, Viewforthbank industrial estate is leased to AMDG Pharma Limited who recently took an assignation of the tenancy. The tenant has requested a 15-year extension and this report seeks approval to grant this on the terms and conditions outlined in the report.

### 3. Background

---

- 3.1 The property at Unit 33 The Loan, Viewforthbank Industrial Estate extends to 139.41sq m (1,501sq ft) and is shown outlined in red on the attached plan.
- 3.2 AMDG Pharma Limited has recently taken an assignation of the existing lease from Lloyds Pharmacy Limited who occupied the property since November 2001. The current rent is £40,000 per annum. AMDG Pharma Limited operate a retail pharmacy business processing prescriptions and selling a range of health remedies, beauty products and toiletries.
- 3.3 The lease current lease expired 28 November 2023 and the tenant has requested a 15-year lease extension until 28 November 2038.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: Unit 33 The Loan, Viewforthbank Industrial Estate, South Queensferry;
  - 4.1.2 Tenant: AMDG Pharma Limited;
  - 4.1.3 Lease extension: 15 years from 29 November 2023;
  - 4.1.4 Rent: £42,000 per annum (current market value);
  - 4.1.5 Rent review: Five (5) yearly;
  - 4.1.6 Repair: tenant full repairing liability; and



4.1.7 Costs: tenant responsible for Council's legal costs.

4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease and a rental deposit of £20,000 has been lodged with the Council.

## **5. Next Steps**

---

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

## **6. Financial impact**

---

6.1 Effective from the 29 November 2023 the annual rent will be increased from £40,000 per annum to £42,000 per annum credited to the General Property Account.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

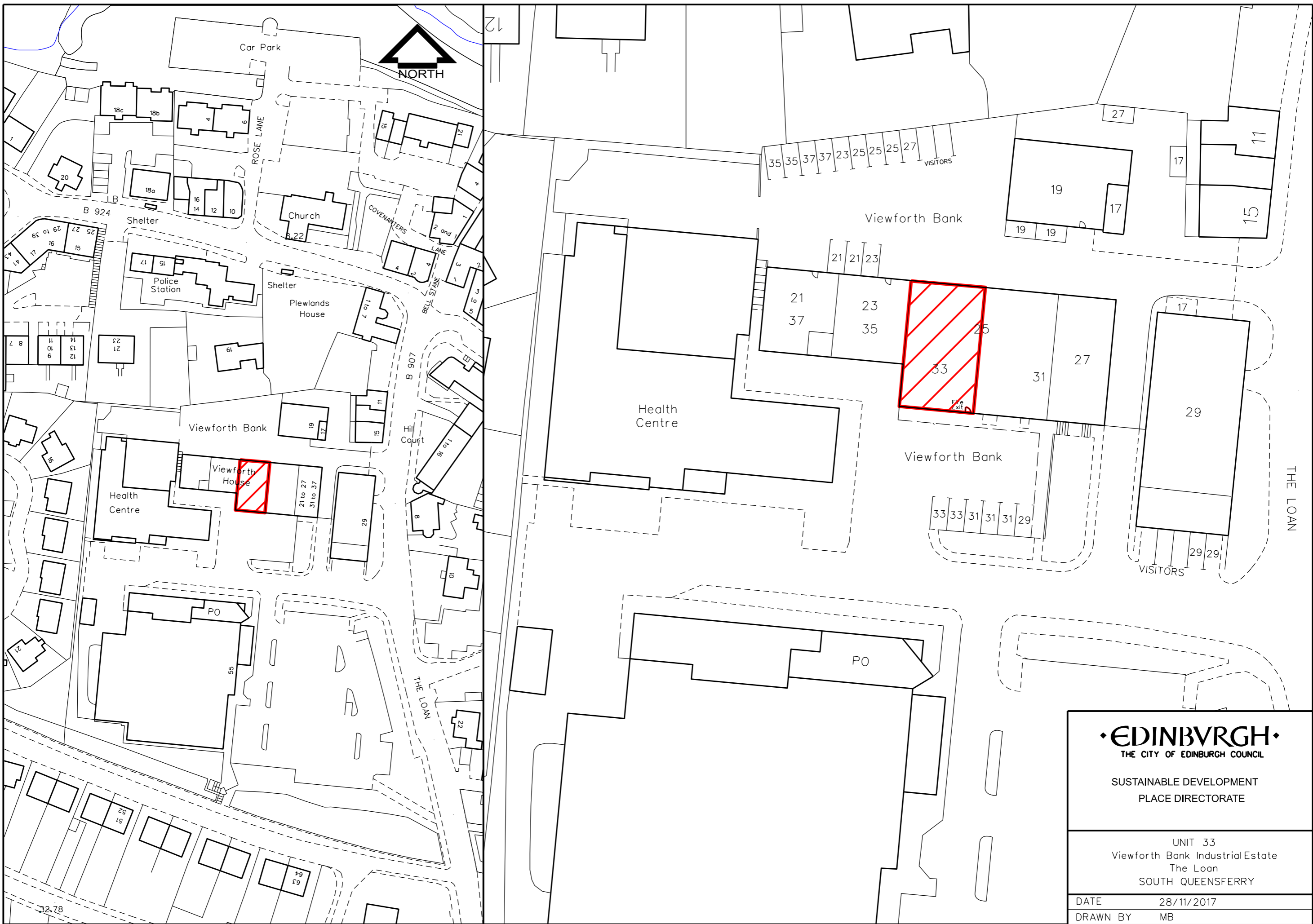
---

8.1 None.

## **9. Appendices**

---

9.1 Appendix 1 – Location plan.



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

UNIT 33  
Viewforth Bank Industrial Estate  
The Loan  
SOUTH QUEENSFERRY

DATE	28/11/2017
DRAWN BY	MB
FILE NO.	01/T278/35
NEG. NO.	A3/1131a

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Land at 97a Lanark Road, Edinburgh – Proposed Disposal

Executive/routine Wards Council Commitments	Routine 8 - Colinton
---	-------------------------

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approves the disposal of 205 sq m of land to the owner of 97a Lanark Road, Edinburgh on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Craig Dalgliesh, Development & Disposals Manager

E-mail: [craig.dalgliesh@edinburgh.gov.uk](mailto:craig.dalgliesh@edinburgh.gov.uk) | Tel: 0131 529 3173

## Land at 97a Lanark Road, Edinburgh – Proposed Disposal

### 2. Executive Summary

---

- 2.1 The owner of 97a Lanark Road has requested to purchase additional garden ground bounding their property measuring approximately 205 sq m. This report seeks approval to progress the disposal on the terms and conditions outlined in the report.

### 3. Background

---

- 3.1 No. 97a Lanark Road was one of the former Lodge Houses associated with Redhall Estate, which was sold by the Council in 1996.
- 3.2 To provide additional garden space, the owner has approached the council to acquire the area shown outlined red on the attached plan, which extends to approximately 205 sq m.
- 3.3 The area has no operational use and given the surrounding vegetation and gradient, it is not readily accessible by the public.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 205 sq m or thereby adjacent to 97a Lanark Road, Edinburgh;
  - 4.1.2 Purchaser: Nicola Cameron;
  - 4.1.3 Price: £10,000; and
  - 4.1.4 Costs: purchaser responsible for Council's reasonably incurred costs.
- 4.2 The purchase price is based on land sales, for use as garden ground, in the immediate area.

## **5. Next Steps**

---

- 5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed conditional disposal.

## **6. Financial impact**

---

- 6.1 The Council will receive £10,000, in financial year 2023/24, credited to the Parks account.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

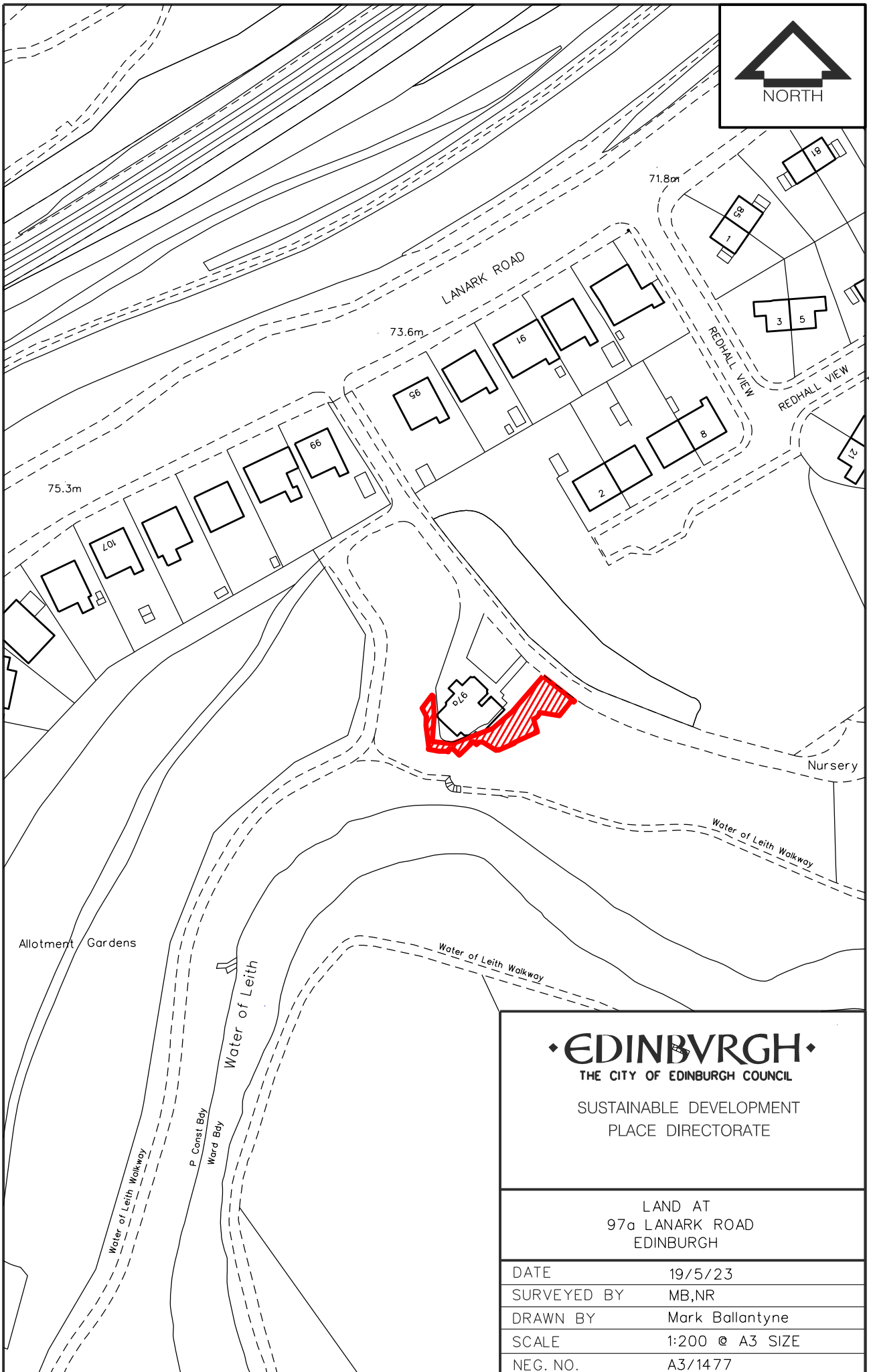
---

- 8.1 None.

## **9. Appendices**

---

- 9.1 Appendix 1 – Location plan.



**• EDINBURGH •**  
 THE CITY OF EDINBURGH COUNCIL  
 SUSTAINABLE DEVELOPMENT  
 PLACE DIRECTORATE

LAND AT  
 97a LANARK ROAD  
 EDINBURGH

DATE	19/5/23
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1477

LOCATION PLAN SCALE 1:1250

# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## 47a Cockburn Street, Edinburgh - Proposed Disposal

Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approves the disposal of basement premises at 47a Cockburn Street, Edinburgh to Judith Gonzalez-Lobo on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Iain Lamont, Senior Estates Surveyor

E-mail: [iain.lamont@edinburgh.gov.uk](mailto:iain.lamont@edinburgh.gov.uk) | Tel: 0131 529 7610

## 47a Cockburn Street, Edinburgh - Proposed Disposal

### 2. Executive Summary

---

- 2.1 The owner of the restaurant at 47a Cockburn Street has requested to purchase the adjoining basement premises which are leased from the Council. Approval is sought to progress the disposal on the terms and conditions outlined in this report.

### 3. Background

---

- 3.1 The basement property at 47a Cockburn Street extends to 92.01 sq m (990 sq ft) as shown outlined in red on the attached plan and is accessed at one end from the basement area of the adjoining Viva Mexico restaurant. The area is leased to the restaurant owner until May 2028 at a rent of £11,000 per annum.
- 3.2 The owner has approached the Council with an offer to purchase the basement to consolidate their business into a single heritable interest.
- 3.3 As the sole access to the basement is via the ground floor unit, should the lease not be renewed on expiry, the Council would be left with space that would be difficult to let in isolation and therefore of low rental value.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: Basement premises at 47a Cockburn Street, Edinburgh;
  - 4.1.2 Purchaser: Judith Gonzalez-Lobo;
  - 4.1.3 Price: £90,000; and
  - 4.1.4 Costs: purchaser responsible for Council's reasonably incurred costs.
- 4.2 The agreed purchase price of £90,000 reflects best value for the Council as it exceeds the rental income to be received during the remaining term of the lease (£55,000) and removes a potential future potential liability should the lease not be renewed.



## **5. Next Steps**

---

- 5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed disposal.

## **6. Financial impact**

---

- 6.1 The Council will lose the rental income due for the remainder of the lease, however, this is manageable in the context of the wider portfolio.
- 6.2 A unbudgeted capital receipt of £90,000 will be received and credited to the General Fund. In line with proposals set out in another report on the agenda, Commercial Property Portfolio Strategy, Committee is asked to note that a business case for the development industrial units at Peffermill, Craigmillar is being developed that may seek the use of some of the capital receipt for this purpose, i.e., utilise capital raised from the investment portfolio for reinvestment in future opportunities. The business case will be submitted to a future Committee to be considered on its own merits.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

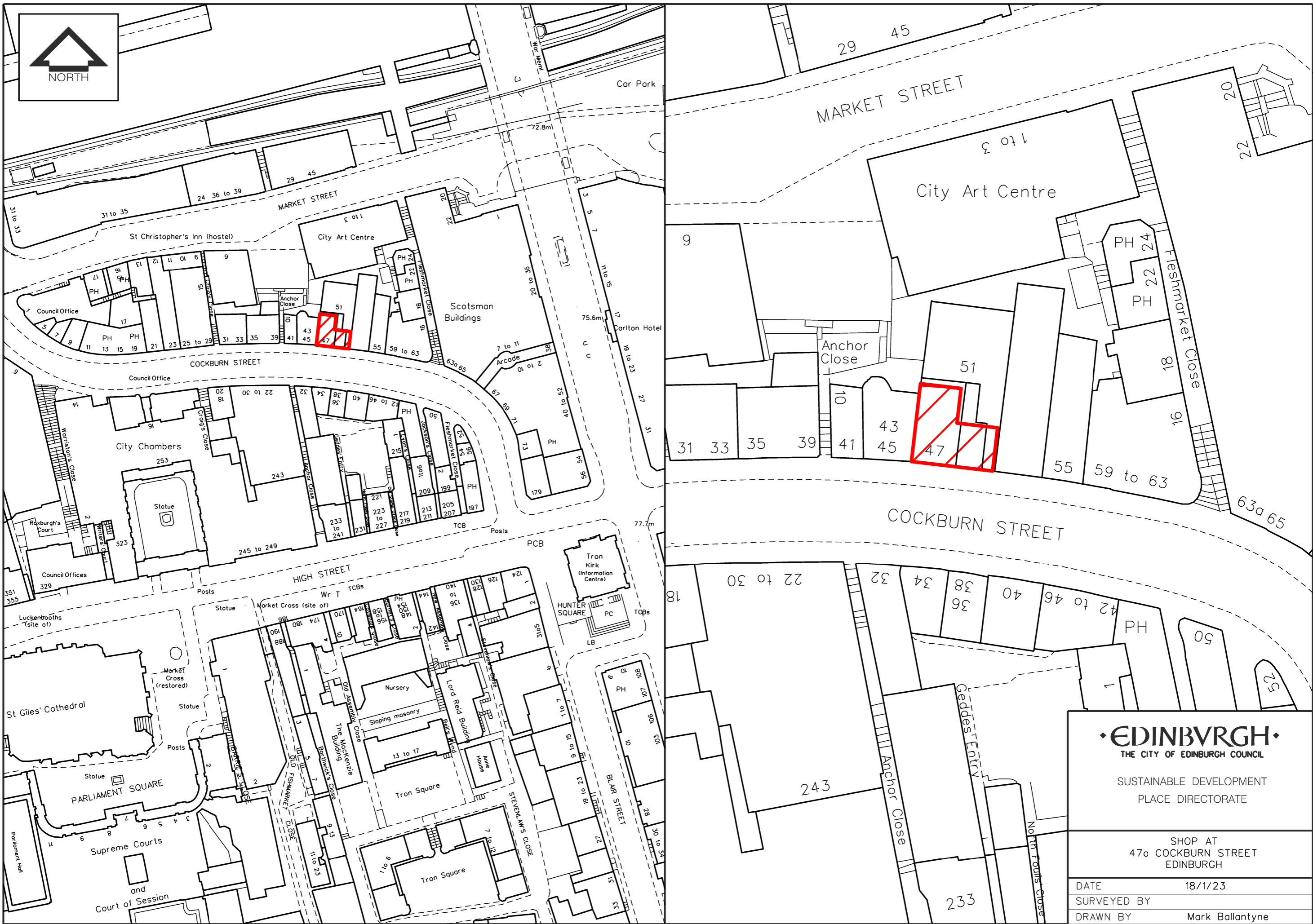
---

- 8.1 None.

## **9. Appendices**

---

- 9.1 Appendix 1 – Location plan.



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

SHOP AT  
47a COCKBURN STREET  
EDINBURGH

DATE	18/1/23
SURVEYED BY	
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1384a

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Land at Groathill Road North, Edinburgh – Proposed Disposal

<b>Executive/routine Wards Council Commitments</b>	<b>Routine 5 – Inverleith</b>
--	-----------------------------------

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approves the disposal of 1,060 sq m of land at Drylaw House, Groathill Road North, to Castle Properties Ltd on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Craig Dalgliesh, Development and Disposals Manager

E-mail: [craig.dalgliesh@edinburgh.gov.uk](mailto:craig.dalgliesh@edinburgh.gov.uk) | Tel: 0131 529 3173

## Land at Groathill Road North, Edinburgh – Proposed Disposal

### 2. Executive Summary

---

- 2.1 The Council has received a request from the owner of Drylaw House, Groathill Road North to purchase land, extending to approximately 1,060 sq m. This report seeks approval to progress the disposal on the terms and conditions outlined in the report.

### 3. Background

---

- 3.1 Drylaw House is a Grade A Georgian mansion dating back to 1718. The current owner successfully restored the building and offers it for corporate functions or exclusive use events.
- 3.2 The council owns a triangular section of the original house grounds shown outlined red on the attached plan. The area is within the grounds of the house, has no operational use to the Council and is not accessible to the public.
- 3.3 The owner has requested to purchase the area of land to rectify their title.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 1,060 sq m or thereby at Drylaw House, Groathill Road North;
  - 4.1.2 Purchaser: Castle Properties Ltd;
  - 4.1.3 Price: £42,400;
  - 4.1.4 Conditions of purchase: the land to be used for garden ground only and for no other purpose; and
  - 4.1.5 Costs: purchaser responsible for Council's reasonably incurred costs.
- 4.2 The purchase price is based on land sales, for use as garden ground, in the immediate area.

## **5. Next Steps**

---

- 5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed conditional disposal.

## **6. Financial impact**

---

- 6.1 A capital receipt of £42,400 will be received in financial year 2023/24, credited to the General Fund.

## **7. Stakeholder/Community Impact**

---

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

## **8. Background reading/external references**

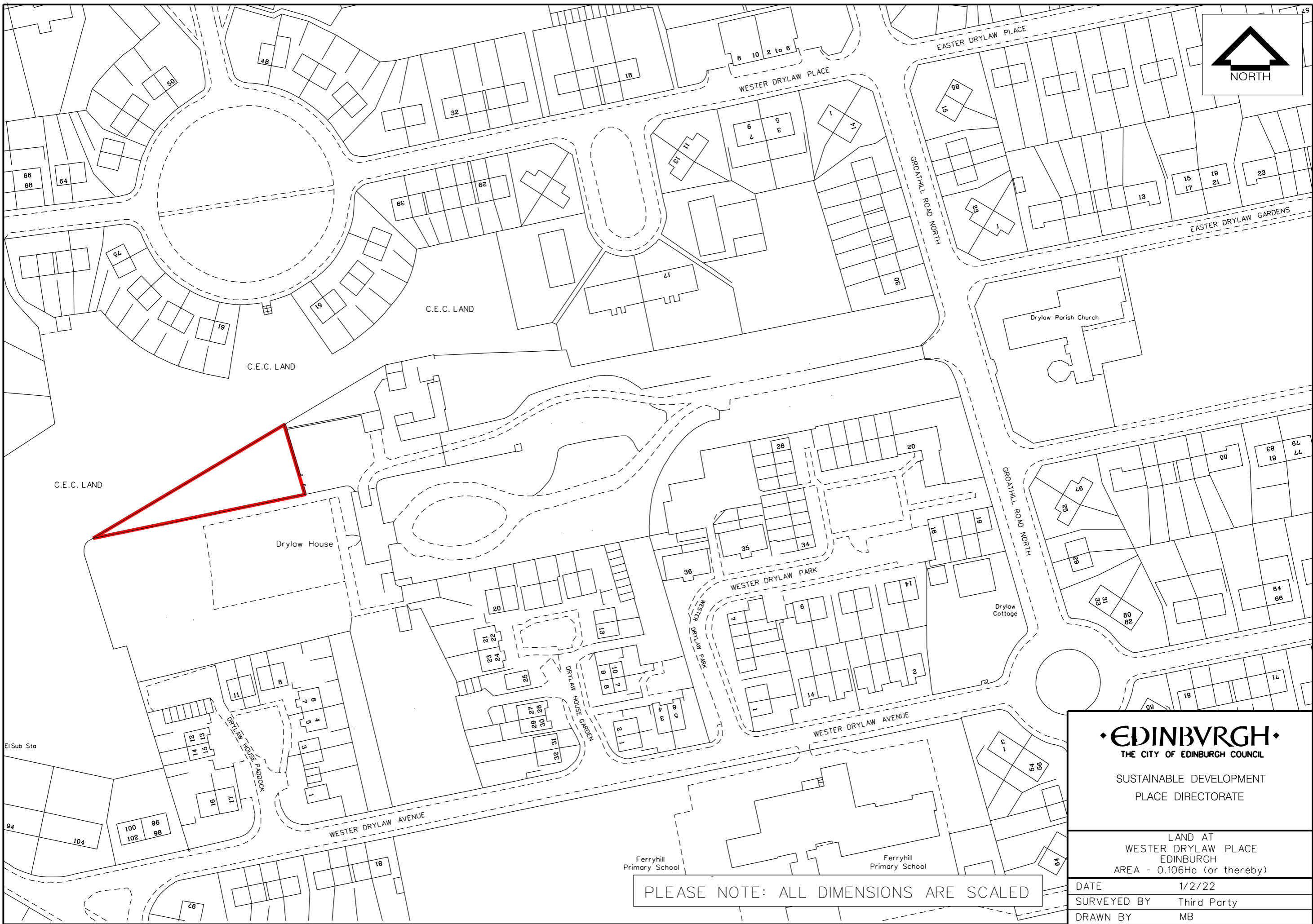
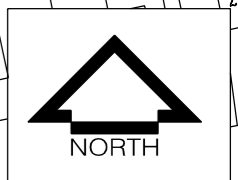
---

- 8.1 None.

## **9. Appendices**

---

- 9.1 Appendix 1 – Location plan.



**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

LAND AT  
WESTER DRYLAW PLACE  
EDINBURGH  
AREA - 0.106Ha (or thereby)

DATE	1/2/22
SURVEYED BY	Third Party
DRAWN BY	MB
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/683a

PLEASE NOTE: ALL DIMENSIONS ARE SCALED

SCALE 1:1250

LOCATION PLAN

# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Land at Whitehills, Shawfair, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	
Council Commitments	

### 1. Recommendations

---

- 1.1 It is recommended that Finance and Resources Committee approves the disposal of 0.46 hectares (1.14 acres) of land at Whitehills, to Shawfair LLP, on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Craig Dalgliesh, Development and Disposals Manager

E-mail: [craig.dalgliesh@edinburgh.gov.uk](mailto:craig.dalgliesh@edinburgh.gov.uk) | Tel: 0131 529 3173

## Land at Whitehills, Shawfair, Edinburgh – Proposed Disposal

### 2. Executive Summary

---

- 2.1 Shawfair LLP has approached both the City of Edinburgh and Midlothian Councils with a request to acquire the tree belt and field area at Whitehills Farm. This report seeks approval to dispose of the land on the terms and conditions outlined in this report.

### 3. Background

---

- 3.1 When Shawfair LLP purchased the City of Edinburgh and Midlothian Council's joint landholdings at Shawfair a strip of land was retained to construct the access road into the Zero Waste site. The road was installed leaving an area to the west, shown on the attached plan, which extends to approximately 0.46 hectares (1.14 acres).
- 3.2 The intention was to transfer this residual land to Shawfair LLP when the road construction was completed.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 1.46 hectares (1.14 acres) at Whitehills, Shawfair, Edinburgh;
  - 4.1.2 Purchaser: Shawfair LLP;
  - 4.1.3 Price: £5,700 (split in terms of ownership, 50% to Midlothian Council, 50% to the City of Edinburgh Council);
  - 4.1.4 Conditions of purchase: the land is to be used for agricultural use, landscaping, or green space and for no other purpose; and
  - 4.1.5 Costs: purchaser responsible for Council's reasonably incurred costs.
- 4.2 Shawfair LLP will maintain the tree belt and will erect and maintain a suitable boundary fence.



## **5. Next Steps**

---

- 5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed conditional disposal.

## **6. Financial impact**

---

- 6.1 The Council will receive a pro-rata division of the purchase price, £2,850, in financial year 2023/24.

## **7. Stakeholder/Community Impact**

---

- 7.1 Local Ward members have been made aware of the recommendations contained within this report.
- 7.2 Midlothian Council have been made aware of the recommendations contained within this report, and the sale of their interest can be completed under delegated authority.

## **8. Background reading/external references**

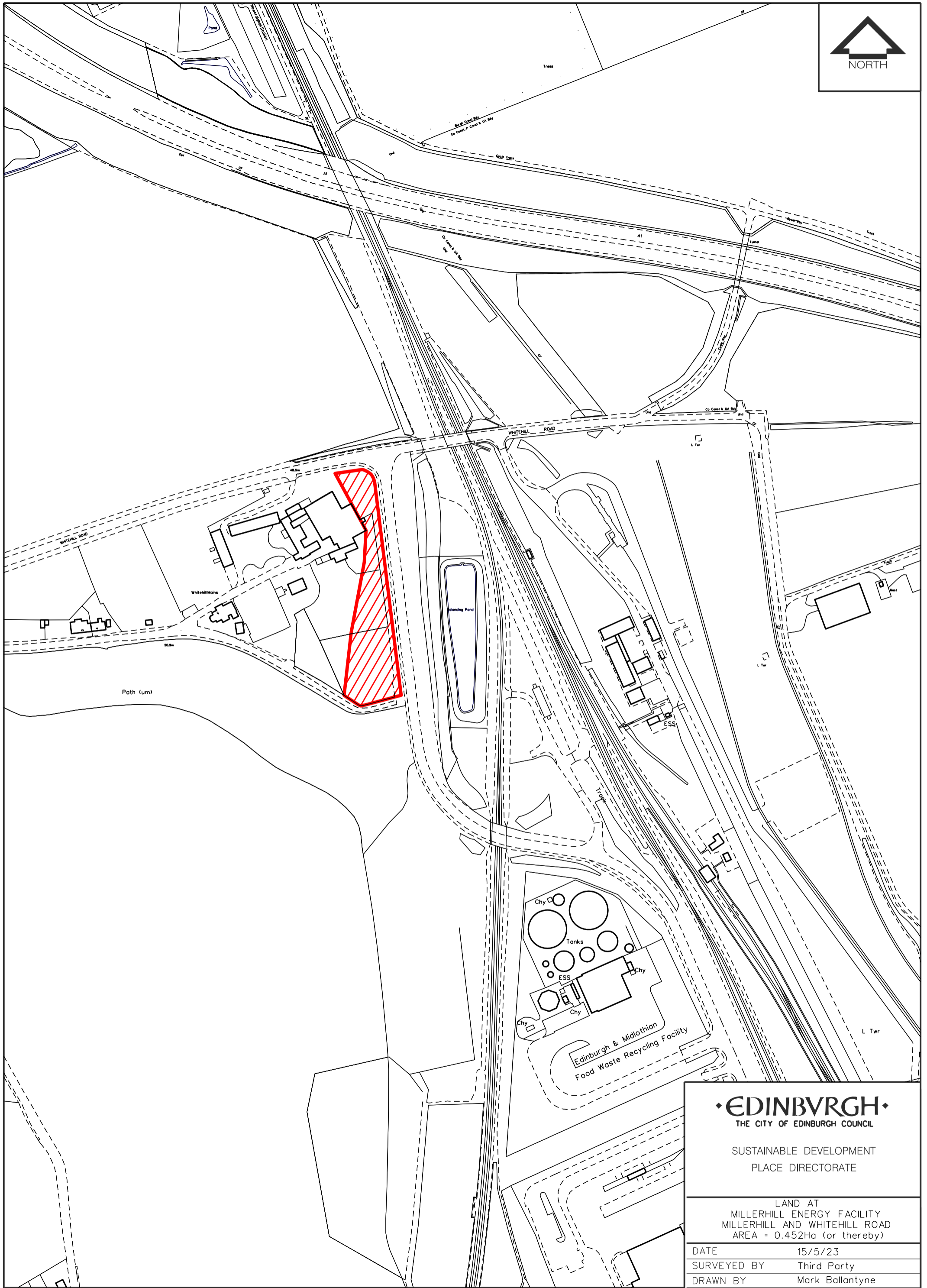
---

- 8.1 None.

## **9. Appendices**

---

- 9.1 Appendix 1 – Location plan.



**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

LAND AT  
MILLERHILL ENERGY FACILITY  
MILLERHILL AND WHITEHILL ROAD  
AREA = 0.452Ha (or thereby)

DATE	15/5/23
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:2500 @ A3 SIZE
NEG. NO.	A3/2388a

SITE PLAN

SCALE 1:1250

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# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Land at Firrhill Crescent, Edinburgh - Proposed Disposal

<b>Executive/routine Wards Council Commitments</b>	<b>Routine 8 – Colinton/Fairmilehead</b>
--	--

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approves the disposal of land at Firrhill Crescent, Edinburgh to the owner of the adjoining 1 Stark's Cottages on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Frances Maddicott, Assistant Development and Disposals Officer

E-mail: [frances.maddicott@edinburgh.gov.uk](mailto:frances.maddicott@edinburgh.gov.uk) | Tel: 0131 529 5919

# Report

## Land at Firrhill Crescent, Edinburgh - Proposed Disposal

### 2. Executive Summary

---

- 2.1 The owner of 1 Stark's Cottages, Firrhill Crescent has requested to purchase an area of adjoining land from the Council. Approval is sought to progress the disposal on the terms and conditions outlined in this report.

### 3. Background

---

- 3.1 The owners of 1 Stark's Cottages wish to purchase an area of ground within the curtilage of St Mark's Primary School that borders their property, in order to build an extension to their property.
- 3.2 The ground extends to approximately 181 sq m and is shown outlined red on the attached plan.
- 3.3 While the land is currently within the curtilage of the school, it serves no practical purpose and, given its size and location, no current or future operational use can be identified for the site.

### 4. Main report

---

- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: land at Firrhill Crescent, Edinburgh;
  - 4.1.2 Purchaser: owners of 1 Stark's Cottages, Edinburgh;
  - 4.1.3 Price: £25,900;
  - 4.1.4 Conditions: the sale is conditional planning permission for the proposed extension;
  - 4.1.5 Overage: should permission be granted for a development of over 40 sq m the Council will receive overage based on the increase in land value. Should future additional development receive planning within a 10-year period of the sale, the Council will receive 100% uplift of the added value; and

4.1.6 Costs: purchaser responsible for Council's reasonably incurred costs.

4.2 The land value has been derived from rates achieved on house plot prices in Edinburgh and is reflective of current market levels. The land has no alternative commercial use.

## **5. Next Steps**

---

5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed disposal.

## **6. Financial impact**

---

6.1 A capital receipt of £25,900 will be credited to the General Property Account.

6.2 The Council will be relieved of its maintenance responsibility for the land to be sold.

## **7. Stakeholder/Community Impact**

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

7.2 The Learning Estate Planning team considered that no operational use could be made of the site by the school estate.

7.3 The Principal Teacher has no objections to sale of the site.

## **8. Background reading/external references**

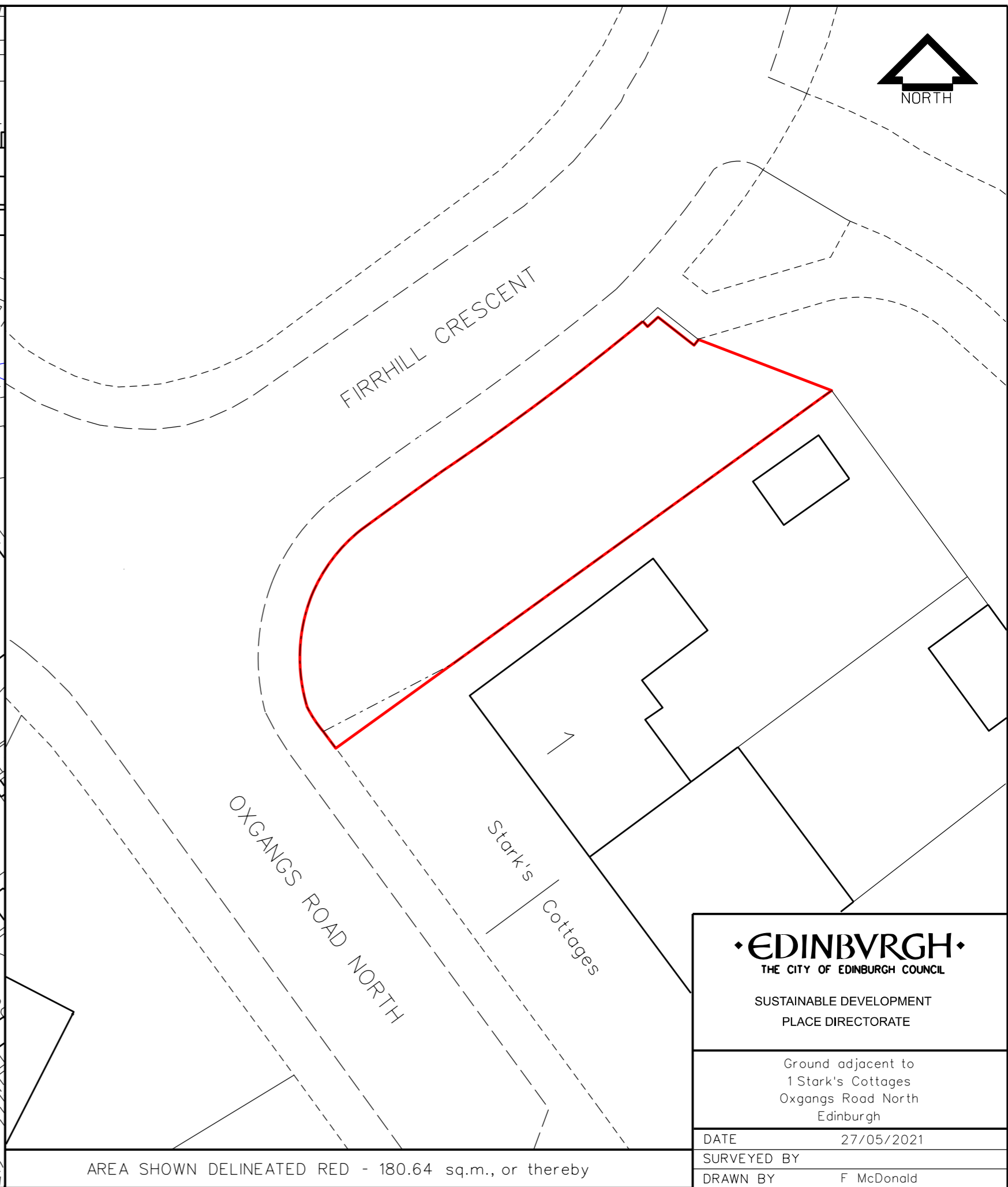
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8.1 None.

## **9. Appendices**

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9.1 Appendix 1 – Location plan.



Page 350

LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:200

AREA SHOWN DELINEATED RED - 180.64 sq.m., or thereby

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
Ground adjacent to 1 Stark's Cottages Oxcgangs Road North Edinburgh	
DATE	27/05/2021
SURVEYED BY	
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT2369/A3/2022 A

# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Land at Claylands Road, Newbridge – Proposed Disposal

<b>Executive/routine</b>	<b>Routine</b>
<b>Wards</b>	<b>1 - Almond</b>
<b>Council Commitments</b>	

### 1. Recommendations

---

- 1.1 That the Finance and Resources Committee approves the disposal of 1.62 hectares (4 acres) of land at Claylands Road, Newbridge to Alex Brewster & Sons Ltd, on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

Contact: Craig Dalgliesh, Development and Disposals Manager

E-mail: [craig.dalgliesh@edinburgh.gov.uk](mailto:craig.dalgliesh@edinburgh.gov.uk) | Tel: 0131 529 3173

## Land at Claylands Road, Newbridge – Proposed Disposal

### 2. Executive Summary

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- 2.1 Alex Brewster & Sons approached the Council seeking to acquire 4 acres of ground at Claylands Road, Newbridge, along with access rights, to facilitate industrial development. Approval is sought to dispose of the land and grant access rights on the terms and conditions outlined in the report.

### 3. Background

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- 3.1 Alex Brewster & Sons are an established local business with agricultural and industrial landholdings at Claylands Road, Newbridge.
- 3.2 To assist with development proposals on their adjoining land, the company has approached the Council with a request to purchase a vacant Council site together with access rights from Claylands Road.
- 3.3 The Council land extends to approximately 1.62 hectares (4 acres). It is irregular in shape and has a significant drop in gradient. It is shown outlined in red on the attached plan together with the Brewster and Sons land shown shaded blue.
- 3.4 The land is not currently used for any purpose and is subject to regular fly tipping and anti-social behaviour. Due its topography, and the infrastructure cost required to rectify, it is not considered a viable development proposition in isolation. Combining it with the larger adjacent site means that a longer term economically viable proposition can be achieved.

### 4. Main report

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- 4.1 The following terms have been provisionally agreed:
- 4.1.1 Subjects: 1.6 hectares (4 acres) (or thereby) at Claylands, Newbridge;
- 4.1.2 Purchaser: Alex Brewster & Sons Ltd;
- 4.1.3 Price: £1,2m with a guaranteed minimum price of £800k, payable in three tranches, at completion, 12 and 24 months post completion;



- 4.1.4 Overage: payable to the Council should a future land sale exceed a rate specified in the contract
  - 4.1.5 Conditions of purchase: planning permission being obtained by the purchaser for the proposed industrial development;
  - 4.1.6 Costs: purchaser responsible for Council's reasonably incurred costs.
- 4.2 The Council instructed an independent valuation of the site. The agreed purchase price is based on this valuation.

## **5. Next Steps**

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- 5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed conditional disposal and access rights.

## **6. Financial impact**

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- 6.1 A guaranteed minimum capital receipt of £800k will be received in three equal tranches commencing in financial year 2023/24, assuming planning permission for the proposed development is achieved. A further two payments will be in financial years 2024/25 and 2025/26.
- 6.2 The sale creates an unbudgeted receipt which will be credited to the General Fund. In line with proposals set out in another report on the agenda, Commercial Property Portfolio Strategy, Committee is asked to note that a business case for the development industrial units at Peffermill, Craigmillar is being developed that may seek the use of some of the capital receipt for this purpose, i.e., utilise capital raised from the investment portfolio for reinvestment in future opportunities. The business case will be submitted to a future Committee to be considered on its own merits.

## **7. Stakeholder/Community Impact**

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

## **8. Background reading/external references**

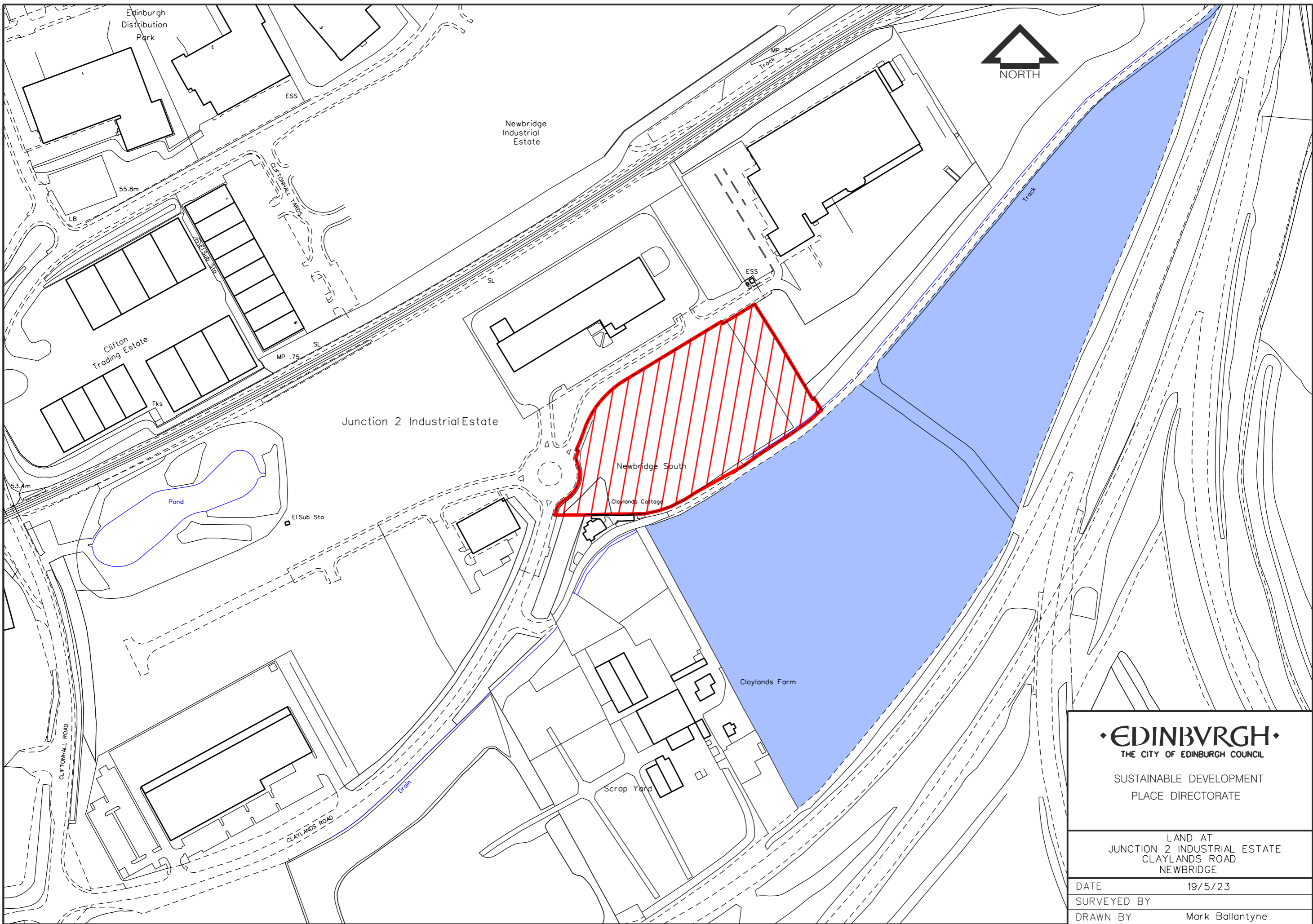
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- 8.1 None.

## **9. Appendices**

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- 9.1 Appendix 1 – Location plan.



SITE PLAN

SCALE 1:2500

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
LAND AT JUNCTION 2 INDUSTRIAL ESTATE CLAYLANDS ROAD NEWBRIDGE	
DATE	19/5/23
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:2500 @ A3 SIZE
NEG. NO.	A3/1458

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

# Finance and Resources Committee

10.00am, Tuesday, 20 June 2023

## Community Transport Grants – Continuation of Public Social Partnership

<b>Executive/routine Wards Council Commitments</b>	<b>Routine All</b>
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### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Approves the award of grants to the following Community Transport Operators:
    - 1.1.1.1 HCL (Handicabs);
    - 1.1.1.2 SEAG;
    - 1.1.1.3 Pilton Equalities Project;
    - 1.1.1.4 Lothian Community Transport Services; and
    - 1.1.1.5 Dove Transport.
  - 1.1.2 Approves the commencement of the grant funding on 1 July 2023 for a period of three years with the option to extend for a further 12-month period, undertaken at the sole discretion of the Council, at a value of £757,028 per year. The value over the grant period is £3.028m as set out in Section 6.

#### Paul Lawrence

Executive Director of Place

Contact: Frank Henderson, City Wide Services Manager

E-mail: [Frank.Henderson@edinburgh.gov.uk](mailto:Frank.Henderson@edinburgh.gov.uk) | Tel: 0131 469 6248

## Community Transport Grants – Continuation of Public Social Partnership

### 2. Executive Summary

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- 2.1 This report requests the approval for the continuation of grants totalling £757,028 per year. Over the total grant period, the value of the contracts would be £3.028m for the provision to support individuals and groups with mobility impairments.
- 2.2 This report seeks to highlight the impressive work carried out by all the existing Community Transport Operators over the past four years while also seeking a method to sustain and grow this vital sector to meet demand at a time of driver shortages affecting the industry nationally and locally. This will involve a further Business Case to be completed in conjunction with Education, Children and Justice Services.
- 2.3 This grant proposal builds on the Public Social Partnership which has delivered a dynamic and lasting partnership between the Council and the Community Transport (CT) sector in Edinburgh to support the remodelling and development of innovative, integrated and flexible transport solutions, and build the capacity of the CT sector to be able to deliver sustainable cost-effective transport solutions based in communities.

### 3. Background

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- 3.1 In [September 2015](#), Finance and Resources Committee agreed to support the establishment of a Community Transport Public-Social Partnership (PSP). Key early achievements include finalising a Memorandum of Understanding, sharing resources, developing a small-scale new service and improving efficiency.
- 3.2 On [11 October 2018](#), Finance and Resources Committee approved the implementation of a Public Social Partnership with grants to Third Sector organisations for the provision of community and accessible transport based on the service they could deliver.
- 3.3 Community Transport Operators have consistently provided low-cost accessible transport support to Adults, Older People and Children with Additional Support Needs who require intensive levels of support to attend schools and health care

facilities over the past four years. They have been able to react to changing needs (such as providing transport logistics to NHS vaccination centres during COVID and providing transport to Ukrainian refugees arriving in Edinburgh).

- 3.4 The PSP enabled the Council and Partners to test the hypothesis that transport services could be planned and purchased to meet periods of high demand. This has been successful within the realm of Health and Social Care provision.
- 3.5 Demand for shared accessible transport is rising at the same time as private contractors have left the market due to rising costs and inability to retain drivers in the industry.
- 3.6 All Community Transport Operators have efficiently, effectively and flexibly met the requirement of the previously funded grant arrangement and have gone beyond expectations.

## 4. Main report

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- 4.1 The existing grant agreement expired in March 2023. An extension was put in place for three months to explore capacity requirements. The Council now seeks to extend the funding for each individual Community Transport partners.
- 4.2 Collaboration is underway with officers in the public transport team and Community Transport providers to offer responsive registered bus service in the Dumbiedykes and Lady Nairn area of the city to facilitate access to GP practices and local shops. A Business Bulletin update on this was reported to Transport and Environment Committee on [18 May 2023](#) but has yet to be approved. None-the-less, should plans be approved the Community Transport PSP are proactively ready to engage further.
- 4.3 As Health and Social Care services flex in response to demand, the Community Transport Operators have altered the way in which they provide services to fit with the Edinburgh Health and Social Care Partnership (EHSCP) demands.
- 4.4 Equally, there is a high demand for individual taxi usage in EHSCP which no longer represents good value or provides quality of service to adults and older people with highly complex needs attending statutory and non-statutory services.
- 4.5 Applying the methodology tested over the past four years will reduce the risk of creating dependency on taxi services and reduce overall costs to EHSCP.
- 4.6 Taking this methodology forward provides the Community Transport Operators with a level of continuity to flex their resources to meet community resilience initiatives to reduce the impact of the cost of living crisis while sustaining existing transport levels and growing in response to national pressures in the Transport Market.
- 4.7 HCL Handicabs are also proposing to bring forward plans to convert some of their Dial-a-Bus service into registered routes enabling older people to full use their over 60's National Entitlement (NEC) Card. Work will begin to scope this exercise in

October 2023 (including community engagement and collaboration with the public transport team).

## 5. Next Steps

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- 5.1 Subject to approval by the Finance and Resources Committee, the grant funding arrangements will be awarded for the provision of transport support for individuals and groups with mobility impairments and complex needs.
- 5.2 The Grant Arrangement will commence on 1 July 2023 for a period of three years with the option to extend for a further 12 months, undertaken at the sole discretion of the Council.
- 5.3 Within this grant period the Council will explore opportunities to seek to support demand for high quality transport provision for children with complex needs.
- 5.4 The Grant Manager will be the City-Wide Service Manager – Transport and Travel.

## 6. Financial impact

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- 6.1 The total value for the grant provision over is £3.028m for the three-year grant duration plus 12-month extension.

	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
Dove Transport	£29,000	£29,800	£29,800	£29,800
PEP Transport	£29,800	£29,800	£29,800	£29,800
SEAG Transport	£98,847	£98,847	£98,847	£98,847
LCTS	£150,591	£150,591	£150,591	£150,591
HcL Handicabs (DAR)	£106,555	£106,555	£106,555	£106,555
HcL Handicabs (DAB)	£341,435	£341,435	£341,435	£341,435
<b>Total</b>	<b>£757,028</b>	<b>£757,028</b>	<b>£757,028</b>	<b>£757,028</b>

## **7. Stakeholder/Community Impact**

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- 7.1 The provision of Voluntary Sector Community Transport Provision supports our City Mobility Plan and the wider ethos of 20 Minute Neighbourhoods.
- 7.2 Coproduction with current service users is routinely carried out at annual general meetings, board meetings and open events organised by EVOC and the Voluntary Sector Community Transport providers.
- 7.3 Sustainability and the environment were key elements of the Grant Award as the passenger's transport inside the city boundaries.
- 7.4 The successful partnership with the voluntary sector community transport providers are required to meet the minimum emissions standards as specified by the Low Emission Zone (LEZ) and be committed to progressively being more sustainable e.g. by converting to electric vehicles by 2030. Community Transport Partners are aware of the LEZ boundaries, standards and penalty charges for not adhering. All Community Transport providers have demonstrated good progress in terms of changing their fleet to electric vehicles and otherwise minimising or mitigating their environmental impact, for example by reducing paper invoices and using sustainable energy sources to provide power at offices.

## **8. Background reading/external references**

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- 8.1 [2030 Climate Strategy and Implementation Plan](#).
- 8.2 [Council Emissions Reduction Plan](#).
- 8.3 Community Transport – Public Social Partnership arrangements – Finance and Resources Committee, [17 March 2016](#).
- 8.4 Community Transport, Interim Funding Arrangements – Finance and Resources Committee, [26 November 2015](#).
- 8.5 Community Empowerment (Scotland) Act 2015 update – City of Edinburgh Council, [10 December 2015](#).
- 8.6 Community Transport – Development of a Public Social Partnership – Finance and Resources Committee, [24 September 2015](#).
- 8.7 The Cooperative Capital Framework year two progress report – City of Edinburgh Council, [20 November 2014](#).
- 8.8 Review of Council Grants to Third Parties 2013/2014 – Communities and Neighbourhoods Committee, [11 February 2014](#).

## **9. Appendices**

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- 9.1 None.

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# Finance and Resources Committee

10.00am, Thursday, 20 June 2023

## Strategy for Provision of Passenger Transport Services

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

### 1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
  - 1.1.1 Notes the strategic approach to the procurement of a new broader Framework Agreement for the provision of all Passenger Transport Services;
- 1.2 Approves waivers to extend the following Framework Agreements:
  - 1.2.1 CT2478 Unescorted Passenger Transport; and
  - 1.2.2 CT2375 Education and Health & Social Care.

#### Paul Lawrence

Executive Director of Place

Contact: Frank Henderson, City Wide Services Manager

E-mail: [Frank.Henderson@edinburgh.gov.uk](mailto:Frank.Henderson@edinburgh.gov.uk) | Tel: 0131 469 6248

## Strategy for Provision of Passenger Transport Services

### 2. Executive Summary

---

- 2.1 This report seeks approval of waivers for extensions of the following Framework Agreements to cover an interim period, of no more than 12 months, to allow the requirements to be retendered as part of a broader and strategic new Transport Framework Agreement for all Passenger Transport Services. The total value of each of the waivers is over the Delegated Authority limit:
- 2.2 The value of each waiver has been estimated to be split between directorates based on previous expenditure as follows:
  - 2.2.1 CT2478 Unescorted Passenger Transport – £1.9m, approximately 53% by Education and 47% by Health & Social Care; and
  - 2.2.2 CT2375 Education and Health & Social Care – £9m, approximately 66% by Education and 34% Health & Social Care.

### 3. Background

---

- 3.1 The Council's Travel Hub manage a range of passenger transport services, including home to school transport, transport of pupils with additional support needs (ASN), transport of vulnerable service users for Health and Social Care (HSC) and booking unescorted passenger journeys, for example for Council officials and elected members, health and social care clients and children and families.
- 3.2 The current Framework Agreement for Unescorted Passenger Journeys expired in December 2022. A tender exercise was undertaken in 2022, however this was abandoned due to technical issues. During the evaluation period, it became clear that the specified level of requirement for disclosure needed to be expanded to ensure PVG checks were carried out at all levels of the contractor workforce. Given the nature and expected duration of this contract, it was felt that it was not an acceptable risk to proceed with that tender as this would have constituted a material change, and therefore there was a need to re-advertise the contract. Lessons were learned from this and taking the opportunity afforded by the need to retender, these have been incorporated into the planning and design of all Lots of the proposed new Framework Agreement.

- 3.3 The current Framework Agreement for Education and Health and Social Care expires in June 2023 and requires a replacement aligned to the academic year. The specifications for this framework are similar to the Unescorted Passenger Journeys so a decision has been taken to combine these frameworks, taking the opportunity to mitigate the same risks and to improve other aspects of the tender including KPIs and Community Benefits, whilst ensuring the tender remains accessible to micro-enterprises by reviewing the approach to assessing and evaluating quality.

## 4. Main report

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- 4.1 The above Framework Agreements are managed by the Travel Hub and naturally align in terms of customers, Council Commitments, legislative requirements and risk, and the wider supply market, therefore the recommended approach is to extend the current provisions until the end of the 2023/2024 academic year and amalgamate these requirements via a new procurement exercise into a broader strategic Transport Framework Agreement which will start no later than July 2024.
- 4.2 The scope of the new Transport Framework Agreement will allow greater market engagement and should increase available capacity, resulting in efficiency savings and the potential to minimise cost increases by both increasing competition and managing demand for these services, such as by promotion of and support to uptake the free bus pass scheme.
- 4.3 The specifications for the larger replacement Transport Framework Agreement will incorporate improvements made following the abandonment of the Unescorted Passenger Transport tender with significant input from Legal Services and Police Scotland.
- 4.4 The new Transport Framework Agreement also takes into consideration changes in usage levels due to the COVID-19 pandemic and Ukraine conflict, the potential to challenge demand and deliver savings via promotion of the free bus pass scheme, and also places appropriate emphasis on environmental factors such as the introduction of the Low Emission Zone (LEZ) and the Edinburgh 2030 Climate Strategy as well as carbon measures detailed in the specifications.
- 4.5 Incorporating the current Framework Agreements into one strategic approach has resulted in unavoidable delays to the procurement timeline, therefore extensions to the current arrangements are requested, as an interim measure, until June 2024 in order to ensure continuity of provision aligned to the academic year.
- 4.6 This will allow appropriate time to fully implement and embed the new Booking and Scheduling Technology system, Flexiroute, across all relevant areas, as well as ensuring greater market awareness via several online and in-person supplier engagement events, as well as providing the opportunity to deliver training to potential bidders where required.

- 4.7 The strategic choice to bring the whole Passenger Transport Service requirements into one package should deliver the most cost-effective approach with Flexiroute, enabling greater flexibility and cost control.

## 5. Next Steps

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- 5.1 Commercial and Procurement Services (CPS), in conjunction with the Service area, will conduct an Open Procedure tender using the Public Contracts Scotland – Tender portal (PCS-T) for a multi-Lot Framework Agreement.
- 5.2 The proposed structure for the new Transport Framework Agreement is five Lots, comprising three Education and HSC Lots segregated by level of requirement, a Lot for Unescorted Passenger Journeys with essential revisions to its specification and a new Lot for Coach Excursions for schools. A revised Prior Information Notice (PIN) was published on Public Contract Scotland (PCS) in June 2023.
- 5.3 The Contract Notice and accompanying documents will be published and made available for download from PCS-T in summer 2023. Training for suppliers on using PCS-T will be provided.
- 5.4 Subject to approval by the Finance and Resources Committee, the Framework Agreements will be extended to the end of the next academic year, June 2024.
- 5.5 The procurement of the larger multi-Lot Framework Agreement will be progressed with the intent to put a report before Committee in Autumn 2023, allowing time for implementation and training of contractors on the Flexiroute system, ahead of the start date at the end of the 2023/2024 academic year.
- 5.6 The Contract Manager for this project will be the Operations Manager for the Council's Travel Hub.

## 6. Financial impact

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- 6.1 The total value for both extensions is estimated to be £10.9m in total, comprising £1.9m for Unescorted and £9m for Education and Health and Social Care for the full duration of the extension period. These values are based on previous and expected demand, and factor in the impact of anticipated inflationary increases during the extension period and the taxi rate increase approved at the Regulatory Committee on [6 February 2023](#), which came into effect in June 2023.
- 6.2 The value of the new Passenger Transport Framework Agreement is anticipated to be in the region of £11m per annum, incorporating an expected increase in expenditure for excursions. Contractors under all Lots of the new Framework Agreement should be required to deliver community benefits.

## **7. Stakeholder/Community Impact**

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- 7.1 The provision of these services is imperative to provide transport for Education and HSC clients, Council employees and elected members.
- 7.2 The nature of this requirement in terms of providing transport services to vulnerable service users means that providers have a duty of care to their customers in ensuring their wellbeing and meeting their needs which will be reflected in the specifications and tender documentation, with a particular focus on mitigating risks with input from Legal Services.
- 7.3 The successful tenderers will be expected to provide Community Benefits in line with the Council guidance and points scoring system.

## **8. Background reading/external references**

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- 8.1 [2030 Climate Strategy and Implementation Plan](#)
- 8.2 [Council Emissions Reduction Plan](#)
- 8.3 [Taxi Fares Review 2023](#)

## **9. Appendices**

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- 9.1 None.

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by virtue of paragraph(s) 8, 9 of Part 1 of Schedule 7A  
of the Local Government(Scotland) Act 1973.

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