

# Notice of meeting and agenda

## Housing, Homelessness and Fair Work Committee

**10.00 am Tuesday, 5th December, 2023**

Dean of Guild Court Room - City Chambers

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

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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

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## **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 Housing, Homelessness and Fair Work Committee of 3 October 2023 – submitted for approval as a correct record 9 - 26

## **5. Forward Planning**

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- 5.1 Housing, Homelessness and Fair Work Committee Work Programme 27 - 32
- 5.2 Housing, Homelessness and Fair Work Committee Rolling Actions Log 33 - 82

## **6. Business Bulletin**

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- 6.1 Housing, Homelessness and Fair Work Committee Business 83 - 90

## **7. Executive Decisions**

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<b>7.1</b>	No One Left Behind – Stage 1 Provision 2024-27 – Report by the Executive Director of Place	91 - 108
<b>7.2</b>	No One Left Behind – Next Phase – Report by the Executive Director of Place	109 - 116
<b>7.3</b>	UK Shared Prosperity Fund Update – Report by the Executive Director of Place	117 - 128
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<b>7.5</b>	Place/Homelessness Financial Monitoring – Report by the Executive Director of Place	141 - 150
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<b>7.7</b>	Housing Emergency Action Plan – Report by the Executive Director of Place	181 - 190
<b>7.8</b>	Land Strategy to Support Delivery of Affordable Housing and Brownfield Regeneration – Report by the Executive Director of Place	191 - 202
<b>7.9</b>	Response to Motion by Councillor Campbell - Waste and Cleansing Services on Council Housing Estates – Report by the Executive Director of Place	203 - 208
<b>7.10</b>	Tenant Participation and Community Engagement - 2024/27 – Report by the Executive Director of Place	209 - 254
<b>7.11</b>	Affordable Housing Commuted Sums - Referral from the Planning Committee	255 - 268

## 8. Routine Decisions

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- 8.1 The EDI Group – annual update for the year ending 31 December 2022 – Report by the Executive Director of Place 269 - 308

## 9. Motions

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- 9.1 By Councillor Caldwell - EdIndex during the Housing Emergency

“Committee

Notes:

1. That Edinburgh Council and Housing Associations run EdIndex as a single portal to try and match residents with social-rent properties, with over 24,000 registered applicants (RRTP Aug 23).
2. EdIndex utilises a points-based system and bidding to match residents to potential homes, and notes that FY22/23 saw 185 average bids per property (EPC Oct 23).
3. That Edinburgh Council declared a Housing Emergency on 2nd November 2023 which requested progress monitoring and further partnership working with RSLs.

Requests:

4. A report in three cycles which outlines:
  - a) Key statistics from EdIndex over FY 23/24, including:
    - a. number of applicants registered on EdIndex.
    - b. total number of successful and unsuccessful bids in the FY.
    - c. average number of days applicants on different priority tiers.
  - b) A full list of partner organisations who are associated with EdIndex and the benefits that EdIndex partners, including the Council, receive.
  - c) What alternative systems comparable local authorities use.
  - d) A general summation of feedback from applicants over the last year and any relevant mechanisms/proposals to

collect feedback from unsuccessful and successful applicants and third sector partners, as well as any proposals to maximise social equity in the system in the context of the Housing Emergency.

5. The information requested in 4. a, b, and c is appended to the annual 'Edinburgh in Numbers' report to ensure transparent public monitoring during the Housing Emergency.
6. Prior to the publication of the above report, a meeting between any elected members, relevant Place Directorate officers and EdIndex Board members (who wish to participate) is arranged to better understand the successes and challenges around EdIndex in the context of Edinburgh's wider Housing Emergency declaration."

## **9.2** By Councillor Hyslop - Discretionary Housing Payments

"Notes that Councillors were informed of funding pressures affecting Discretionary Housing Payments through a briefing note circulated on 1 November.

Notes that DHPs which are awarded to mitigate the effects of the Bedroom Tax and the Benefit Cap will not be affected.

Notes that the Edinburgh is one of the few authorities who make awards for DHP for citizens looking to move to more appropriate/affordable accommodation to support with rent in advance, deposits and removals.

Notes with concern that pressures outlined in the briefing note and the decision to cut back on these supports means that the council will be less able to support one off funding awards to support citizens to stay in their tenancies and avoid homelessness.

Believes that decisions taken with the aim of saving money to reduce funding pressures, which subsequently lead to an increase in homelessness are unlikely to achieve their aim and

will potentially lead to a higher cost for the Council and significantly worse outcomes for residents.

Requests a report to HHFW Committee within 2 cycles with an update to committee which outlines the potential for an increase in homelessness and associated costs to the council if DHP's are withdrawn as set out in the briefing note.”

## **Nick Smith**

Service Director, Legal and Assurance

## **Committee Members**

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Councillor Jane Meagher (Convener), Councillor Graeme Bruce, Councillor Jack Caldwell, Councillor Stuart Dobbin, Councillor Pauline Flannery, Councillor Euan Hyslop, Councillor David Key, Councillor Ben Parker, Councillor Tim Pogson, Councillor Susan Rae and Councillor Iain Whyte

## **Information about the Housing, Homelessness and Fair Work Committee**

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The Housing, Homelessness and Fair Work Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council. The Housing, Homelessness and Fair Work Committee usually meets in the Dean of Guild Court Room in the City Chambers on the High Street in Edinburgh. There is a seated public gallery and the meeting is open to all members of the public.

## **Further information**

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If you have any questions about the agenda or meeting arrangements, please contact Jamie Macrae, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4264, email [jamie.macrae@edinburgh.gov.uk](mailto:jamie.macrae@edinburgh.gov.uk) / [joanna.pawlikowska@edinburgh.gov.uk](mailto:joanna.pawlikowska@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 <https://democracy.edinburgh.gov.uk/> .

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# Minutes

## Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 3 October 2023

### Present

Councillors Meagher (Convener), Bruce, Caldwell, Dobbin, Flannery, Hyslop, Key (items 1 to 15), Mowat (substituting for Councillor Whyte), Parker, Pogson and Rae.

### 1. Minutes

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#### Decision

To approve the minute of the Housing, Homelessness and Fair Work Committee of 8 August 2023 as a correct record.

### 3. Work Programme

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

#### Decision

To note the work programme.

(Reference – Work Programme, submitted.)

### 4. Rolling Actions Log

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

#### Decision

- 1) To agree to close the following actions:
  - Action 2 (2 and 3) – 2023/24 Housing Revenue Account (HRA) Capital Programme
  - Action 6 (1,3 and 4) – Response to motion by Councillor Campbell – Colliesdene House Lifts
  - Action 7 (1,3 and 4) – Damp, mould and condensation in Council homes update
  - Action 8 (1 and 6) – Capital Funding Opportunities for Council Housing
  - Action 10 (1,3 and 4) – Business Bulletin

- Action 11 (4) – Rapid Rehousing Transition Plan – Annual Update on Progress
  - Action 13 (1) – UK Shared Prosperity Fund
  - Action 15 – Affordable Housing Policy Update 2023 – referral from the Planning Committee
  - Action 16 – Motion by Councillor Meagher – Family and Household Support
- 2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log, submitted.)

## 5. Business Bulletin

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The Business Bulletin was presented.

### Decision

- 1) To note the Business Bulletin.
- 2) To request a regular update in the Business Bulletin on the issues associated with data recording against Accessible Housing stock..

(Reference – Business Bulletin, submitted.)

## 6. Whole House Retrofit

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In response to an action agreed by Committee on 9 March 2023, details were provided of additional benefits which could be realised through a Whole House Retrofit (WHR) approach, especially in terms of ensuring Council homes were adapted to meet the needs of a changing climate.

### Motion

To note the report by the Executive Director of Place.

- moved by Councillor Meagher, seconded by Councillor Pogson

### Amendment

- 1) To note the report by the Executive Director of Place.
- 2) To welcome the ongoing work of the whole house retrofit programme to improve estates, including the realising of wider nature / biodiversity / sustainability co-benefits as part of this.
- 2) To recognise that some of this work will include changing practices from the norm and that this will be a learning process for workers across all aspects of the housing service, and for tenants who experience changes on the ground.
- 3) To request a briefing note outlining what training around biodiversity/ nature has already been in place for workers in the housing service, and what regular training programme is planned for workers on this going forward to ensure that future works successfully deliver co-benefits for nature / biodiversity.

- 4) To request that the briefing note includes information about how tenants are kept informed about estate changes relating to biodiversity / nature, and how they are encouraged to participate in this – for example, through citizen science projects and community growing spaces.

- moved by Councillor Parker, seconded by Councillor Rae

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

### **Decision**

To approve the following adjusted motion by Councillor Meagher:

- 1) To note the report by the Executive Director of Place.
- 2) To welcome the ongoing work of the whole house retrofit programme to improve estates, including the realising of wider nature / biodiversity / sustainability co-benefits as part of this.
- 3) To recognise that some of this work would include changing practices from the norm and that this would be a learning process for workers across all aspects of the housing service, and for tenants who experience changes on the ground.
- 4) To request a briefing note outlining what training around biodiversity / nature had already been in place for workers in the housing service, and what regular training programmes were planned for workers on this going forward to ensure that future works successfully delivered co-benefits for nature / biodiversity.
- 5) To request that the briefing note included information about how tenants were kept informed about estate changes relating to biodiversity / nature, and how they were encouraged to participate in this – for example, through citizen science projects and community growing spaces.

(References – Housing, Homelessness and Fair Work Committee, 9 March 2023 (item 5); report by the Executive Director of Place, submitted.)

## **7. Capital City Partnership – Progress Update**

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An update was provided on the progress that had been made against the objectives and targets detailed within the Service Level Agreement (SLA) between the Council and Capital City Partnership (CCP).

### **Motion**

- 1) To note the progress made by Capital City Partnership (CCP) against their Service Level Agreement (SLA) objectives and targets.
- 2) To note that COVID-19 had a major impact on the employment landscape as a whole, with corresponding changes in the strategic and operational landscape at national and local level, impacting employability delivery across the city.

- 3) To note that, as the current SLA was in its final year, a review was currently being undertaken and a new SLA would be presented to Housing, Homelessness and Fair Work Committee for approval in January 2024.
- 4) To refer the report by the Executive Director of Place to the Governance, Risk and Best Value Committee for noting.

- moved by Councillor Meagher, seconded by Councillor Watt

### **Amendment**

- 1) To note the progress made by Capital City Partnership (CCP) against their Service Level Agreement (SLA) objectives and targets.
- 2) To note that COVID-19 had a major impact on the employment landscape as a whole, with corresponding changes in the strategic and operational landscape at national and local level, impacting employability delivery across the city.
- 3) To note that, as the current SLA was in its final year, a review was currently being undertaken and a new SLA would be presented to Housing, Homelessness and Fair Work Committee for approval in January 2024.
- 4) To refer the report by the Executive Director of Place to the Governance, Risk and Best Value Committee for noting.
- 5) To request that the updated SLA includes an increased and renewed focus on green skills and the green economy so that the work of CCP complements the Council's climate strategy and helps to answer the workforce needs / skill gaps identified in that strategy.
- 6) Additionally to request that consideration is given for how CCP could include a workstream / programme focused on retraining workers in carbon intensive industries to transition into green jobs, in line with a just transition approach, and as a preventative action against unemployment.
- 7) To request that these points are captured in the new SLA objectives and that officers engage with groups in the development of these ahead of the report to committee in January 2024.

- moved by Councillor Parker, seconded by Councillor Rae

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

### **Decision**

To approve the following adjusted motion by Councillor Meagher:

- 1) To note the progress made by Capital City Partnership (CCP) against their Service Level Agreement (SLA) objectives and targets.
- 2) To note that COVID-19 had a major impact on the employment landscape as a whole, with corresponding changes in the strategic and operational landscape at national and local level, impacting employability delivery across the city.

- 3) To note that, as the current SLA was in its final year, a review was currently being undertaken and a new SLA would be presented to Housing, Homelessness and Fair Work Committee for approval in January 2024.
- 4) To refer the report by the Executive Director of Place to the Governance, Risk and Best Value Committee for noting.
- 5) To request that the updated SLA included an increased and renewed focus on green skills and the green economy so that the work of CCP complemented the Council's climate strategy and helped to answer the workforce needs / skill gaps identified in that strategy.
- 6) Additionally, to request that consideration be given for how CCP could include a workstream / programme focused on retraining workers in carbon intensive industries to transition into green jobs, in line with a just transition approach, and as a preventative action against unemployment.
- 7) To request that these points be captured in the new SLA objectives and that officers engage with groups in the development of these ahead of the report to committee in January 2024.

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

## **8. Housing and Homelessness and Business Growth and Inclusion: Revenue Budget Monitoring**

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A summary of the out-turn for financial year 2022/23 was provided, with a focus on the month three 2023/24 revenue monitoring position. This included early projections for the Housing Revenue Account (HRA), Housing and Homelessness, and Business Growth and Inclusion.

### **Decision**

- 1) To note the 2022/23 outturn position for the Housing Revenue Account (HRA) and the general funding areas of Housing and Homelessness and Business Growth and Inclusion.
- 2) To note the Place service area (which included: Housing and Homelessness, Culture and Wellbeing, Sustainable Development and Operational Services) was forecast at a pressure of £1.95m for 2023/24 as at month three.
- 3) To note the Housing Revenue Account (HRA) was forecasting a contribution of £4.320m to the Strategic Housing Investment Fund (SHIF) from revenue generated in 2023/24. This was £2.658m less than the budgeted contribution.
- 4) To note Housing and Homelessness was forecasting a budget pressure, as at month three, of £1.35m for services delivered in 2023/24.
- 5) To note Business Growth and Inclusion was forecasting an underspend, as at month three, of £0.4m for 2023/24.
- 6) To note that measures will continue to be progressed to offset budget pressures and to fully deliver approved savings targets to achieve outturn expenditure and income in line with the approved revenue budget for 2023/24.

- 7) To note the ongoing risks to the achievement of a balanced revenue budget for services delivered by the Housing and Homelessness service and to delivering the forecast HRA contribution to the SHIF.
- 8) To note the need for all existing pressures, savings delivery shortfalls and risks to be fully and proactively managed within Directorates.
- 9) To note updates would continue to be provided to members of the Committee during the remainder of the year.

(References – Finance and Resources Committee, 21 September 2023 (item 6); report by the Executive Director of Place, submitted.)

## **9. Retrofitting Strategy – response to motion by Councillor Watt**

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Details were provided of the role of in-house workforce and contractors in delivery of Whole House Retrofit (WHR), including consideration of investing and upskilling of the Council's workforce and the apprenticeship programme.

### **Motion**

- 1) To note the report by the Executive Director of Place on the Council's retrofitting strategy.
- 2) To agree to discharge the action agreed at Finance and Resources Committee on 10 March 2023.
- 3) To note that Finance and Resources Committee would be updated via Business Bulletin.

- moved by Councillor Meagher, seconded by Councillor Pogson

### **Amendment**

- 1) To note the report by the Executive Director of Place on the Council's retrofitting strategy.
- 2) To agree to discharge the action agreed at Finance and Resources Committee on 10 March 2023.
- 3) To note that Finance and Resources Committee would be updated via Business Bulletin.
- 4) To recognise that a People Strategy and Strategic Workforce Plan is being developed to support recruitment, retention and development of staff and requests that - once this Plan has been completed - a note on how this interacts with the specific challenges outlined in this report is circulated to members of the Housing, Homelessness and Fair Work Committee and the Finance and Resources Committee.

- moved by Councillor Parker, seconded by Councillor Rae

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

### **Decision**

To approve the following adjusted motion by Councillor Meagher:

- 1) To note the report by the Executive Director of Place on the Council's retrofitting strategy.

- 2) To agree to discharge the action agreed at Finance and Resources Committee on 10 March 2023.
- 3) To note that Finance and Resources Committee would be updated via Business Bulletin.
- 4) To recognise that a People Strategy and Strategic Workforce Plan was being developed to support recruitment, retention and development of staff and request that - once this Plan had been completed - a note on how this interacted with the specific challenges outlined in the report by the Executive Director of Place be circulated to members of the Housing, Homelessness and Fair Work Committee and the Finance and Resources Committee.

(References – Act of Council No. 4 of 23 February 2023; Housing, Homelessness and Fair Work Committee, 9 March 2023 (item 5); Finance and Resources Committee, 10 March 2023 (items 7 and 8); Report by the Executive Director of Place, submitted.)

## 10. HRA Account Budget Strategy 2024/25

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The 30-year Housing Revenue Account (HRA) Business Plan 2024/25-2053/54 was reviewed annually in consultation with tenants and a five-to-10-year Capital Programme and one-year Capital Investment Budget was approved by the Council. Details were provided of the outcome of the annual review and the impact that had on delivery. Options were set out to mitigate the impact of increases in costs and approval was sought to seek tenants' views on the options as part of the annual budget consultation.

### Motion

- 1) To note the increased financial pressure on the Housing Service and the updates made to HRA Business Plan financial assumptions.
- 2) To agree to seek tenant views on the Housing Revenue Account (HRA) budget strategy.

- moved by Councillor Meagher, seconded by Councillor Pogson

### Amendment

- 1) To note the increased financial pressure on the Housing Service and the updates made to HRA Business Plan financial assumptions.
- 2) To agree to seek tenant views on the Housing Revenue Account (HRA) budget strategy.
- 3) To request that officers immediately and proactively engage with political groups in the run up to the budget setting process to seriously explore how the HRA could be supplemented from the general fund for particular investments – for example, retrofitting and wider environmental estate improvements – so that progress on delivering these is not limited by the ability of Council tenants to pay a rent increase, given the context of the climate and nature emergencies, and in line with a climate justice approach.
- 4) To request that officers send written guidance to all groups about the above.
- 5) To request that officers expand the criteria in Q2 of the consultation to ask about differential rents for older homes which have been retrofitted and are now cheaper to run, rather than exclusively focusing on new builds.

- moved by Councillor Parker, seconded by Councillor Rae

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

## Decision

To approve the following adjusted motion by Councillor Meagher:

- 1) To note the increased financial pressure on the Housing Service and the updates made to HRA Business Plan financial assumptions.
- 2) To agree to seek tenant views on the Housing Revenue Account (HRA) budget strategy.
- 3) To request that officers immediately and proactively engage with political groups in the run up to the budget setting process to seriously explore how the HRA could be supplemented from the general fund for particular investments – for example, retrofitting and wider environmental estate improvements – so that progress on delivering these is not limited by the ability of Council tenants to pay a rent increase, given the context of the climate and nature emergencies, and in line with a climate justice approach.
- 4) To request that officers send written guidance to all groups about the above.
- 5) To request that officers expand the criteria in Q2 of the consultation to ask about differential rents for older homes which have been retrofitted and are now cheaper to run, rather than exclusively focusing on new builds.

(References – Act of Council No. 4 of 23 February 2023; Housing, Homelessness and Fair Work Committee, 9 March 2023 (items 5 and 18); report by the Executive Director of Place, submitted.)

## 11. Tenant Participation and Community Engagement 2024/27

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An update was provided on tenant participation activities in 2023/24 and the development of a new Tenant Participation Strategy (TPS). Agreement was sought for funding for Edinburgh Tenants' Federation (ETF) for a further two years from 1 April 2024 - 31 March 2026 to support tenant participation and engagement.

### Motion

- 1) To continue the report to the next meeting of Housing Homelessness and Fair Work Committee.
- 2) To request a briefing note covering spend and financial commitments of the ETF for every financial quarter of the current funding period and for the future period of funding.

- moved by Councillor Meagher, seconded by Councillor Pogson

### Amendment

- 1) To agree to fund Edinburgh Tenants' Federation (ETF) for a further two years to 31 March 2026, on a maximum standstill budget of £241,083 per annum.
- 2) To note the update on Neighbourhood Alliance (NA).
- 3) To note that a report will be prepared for Committee in December 2023 on funding and support for community engagement in North East locality.

- moved by Councillor Caldwell, seconded by Councillor Flannery

### Voting

The voting was as follows:

For the motion - 9 votes



For the amendment - 2 votes

(For the motion: Councillors Bruce, Dobbin, Hyslop, Key, Meagher, Mowat, Parker, Pogson and Rae.

For the amendment: Councillors Caldwell and Flannery.)

### **Decision**

To approve the motion by Councillor Meagher.

(References – Housing, Homelessness and Fair Work Committee, 20 January 2023 (item 7); report by the Executive Director of Place, submitted.)

## **12. Door Entry Systems in Minority Owned Tenements**

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A proposal was presented to pause the agreed Capital investment in door entry systems for tenement blocks where the Council was a minority owner and repurposing that funding as Capital for the purchase of houses. The intention would be to use the funding to add to the existing Council social rental housing stock in the city at a time where there is acute demand for social housing.

### **Motion**

- 1) To agree to pause the programme of upgrading door entry systems in minority owned blocks.
- 2) To agree the repurpose Capital sums committed to this work for the purchase of property to assist in increasing the number of Council owned socially rented homes available in the city.
- 3) To note that this would be managed as part of the Housing Revenue Account (HRA) Capital Programme in line with the Council's current scheme of delegation.
- 4) To note that a Business Bulletin update would be provided in three cycles advising how the agreed funds have been committed.

- moved by Councillor Meagher, seconded by Councillor Pogson

### **Amendment 1**

- 1) To agree that antisocial behaviour is a serious issue with detrimental impacts to wellbeing, mental and physical health and safety of residents affected.
- 2) To agree that all council tenants deserve to have a home that is safe and secure, regardless of whether they live in a mixed tenure stair or not.
- 3) To note there is no information about
  - What blocks and what areas will not have secure door entry systems.
  - Any information about the number and type of homes which the council would gain.
- 4) To agree to continue this decision to allow for a more detailed report including:
  - How many blocks will be affected if the secure entry systems are not installed.
  - How many council tenants will be affected if the secure entry systems are not installed.
  - Where these blocks are.
  - Information about incidents of crime and antisocial behaviour in those areas

- How many blocks remain across the city with no secure door entry but at least one council home.

5) The report should also set out:

- How many homes approximately the funding could secure.
- Assurances on the type and quality of the home, for example will they meet EESSH2 standards.

- moved by Councillor Hyslop, seconded by Councillor Dobbin

### **Amendment 2**

- 1) Believes it is not appropriate to compromise on the security and physical safety of existing Council tenants in minority blocks and therefore retains the programme.
- 2) Recognises that minority blocks have suffered severe cuts to maintenance in the past.
- 3) Regrets the £176.8m Scottish Government cut to Scotland's 'More Homes' capital housing programme including the Affordable Housing Supply Programme (AHSP) and real terms cut of Transfer Management Development Funding (TMDF) for Edinburgh and Glasgow. Regrets that funding re-instatement was not listed as a priority in the 2023/24 Programme for Government.
- 4) Requests the Convenor write to the Minister for Tenants Rights and the Minister for Housing outlining opposition to such compromises to fund statutory obligations, and requests that the AHSP & TMDF cuts in the 23/24 Scottish Budget are reviewed in the 24/25 budget.

- moved by Councillor Caldwell, seconded by Councillor Flannery

### **Amendment 3**

- 1) Notes that 832 blocks have had secure door entry systems completed, but there are still 200 blocks in the west of the city that require completion.
- 2) Agrees that tenants waiting for the secure door entry systems have the same requirement for safety as those who have already had their door entry systems upgraded.
- 3) Agrees that there should be fair treatment across the City.
- 4) Agrees to continue with the rollout of Door entry systems in the remaining 200 blocks.

- moved by Councillor Bruce, seconded by Councillor Mowat

At this point in the meeting, Amendment 1 and Amendment 2 were withdrawn.

### **Voting**

The voting was as follows:

For the motion - 2 votes

For Amendment 3 - 9 votes

(For the motion: Councillors Meagher and Pogson.

For Amendment 3: Councillors Bruce, Caldwell, Dobbin, Flannery, Hyslop, Key, Mowat, Parker and Rae.)

## Decision

To approve the amendment by Councillor Bruce.

(References – Act of Council No. 4 of 23 February 2023; Housing, Homelessness and Fair Work Committee, 9 March 2023 (item 5); report by the Executive Director of Place, submitted.)

## 13. Damp, Mould, and Condensation in Council Homes Update

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An update was provided on the progress made to date in implementing the actions in the Dampness and Mould Service Improvement Plan and the current operational performance in dealing with reports of damp and mould in Council tenants' homes.

### Motion

- 1) To note the update on the progress made with the actions in the Dampness, Preservation and Mould Service Improvement Plan.
- 2) To note that a further update would be provided to Committee in six months.

- moved by Councillor Meagher, seconded by Councillor Pogson

### Amendment

- 1) To note the update on the progress made with the actions in the Dampness, Preservation and Mould Service Improvement Plan.
- 2) To note that a further update would be provided to Committee in six months.
- 3) Thanks officers for the significant progress outlined and requests that after the 6-month update to the initial improvement plan, that a report, including Appendix 2 (performance), 3 (heatmap) and 5 (complaints) data, recurs annually on the committee work programme.
- 4) Notes the ambition to reduce delays by employing more specialist contractors, and that the UK Housing Ombudsman's 2021 report recommendation of less reliance on tenants reporting and chasing up delayed repairs as well as the Edinburgh Poverty Commission's emphasis on proactive support. Therefore, requests the recurring annual report requested above in 1 also outlined how proactive steps were taken to monitor missed or delayed repairs and complex cases, due to the feeling of helplessness and further health issues this can create for tenants.
- 5) Requests the Convenor write to the UK Department of Levelling Up, Housing and Communities, as well as the Scottish Government's Local Government and Housing Directorate, to express committee's support for a national programme for home insulation, which may assist with sustainability of the improvement plan and EESSH(2) targets going forward.

- moved by Councillor Caldwell, seconded by Councillor Flannery

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

## Decision

To approve the following adjusted motion by Councillor Meagher:

- 1) To note the update on the progress made with the actions in the Dampness, Preservation and Mould Service Improvement Plan.

- 2) To note that a further update would be provided to Committee in six months.
- 3) To thank officers for the significant progress outlined and request that after the 6- month update to the initial improvement plan, a report, including Appendix 2 (performance), 3 (heatmap) and 5 (complaints) data, recurred annually on the committee work programme.
- 4) To note the ambition to reduce delays by employing more specialist contractors, and the UK Housing Ombudsman's 2021 report recommendation of less reliance on tenants reporting and chasing up delayed repairs as well as the Edinburgh Poverty Commission's emphasis on proactive support. Therefore, to request the recurring annual report requested above also outlined how proactive steps would be taken to monitor missed or delayed repairs and complex cases, due to the feeling of helplessness and further health issues this could create for tenants.
- 5) To request the Convener would write to the UK Department of Levelling Up, Housing and Communities, as well as the Scottish Government's Local Government and Housing Directorate, to express committee's support for a national programme for home insulation, which may assist with sustainability of the improvement plan and EESSH(2) targets going forward.

(References – Housing, Homelessness and Fair Work Committee, 9 May 2023 (item 7); report by the Executive Director of Place, submitted.)

## **14. Housing Service Repairs – Benchmarking Report**

---

In response to a decision by committee on 9 May 2023, officers presented an analysis and benchmarking of spinal column pay against other local authorities and the private sector workforce in Edinburgh for trade operative posts.

### **Decision**

- 1) To note the report by the Executive Director of Place.
- 2) To note that the report was based on 13 respondents, including nine other Councils from a total of 31 surveyed.
- 3) To note that amongst the respondents to the survey, the Council benchmarked very highly when it came to wider terms and conditions of employment, including pension entitlement and sick pay, and was broadly comparable for salaries when viewed as an hourly rate.
- 4) To note that challenges in recruiting to trade operative roles were not considered to be the result of the Council offering less favourable terms and conditions, as the responses indicate this is not the case. Rather, there were recruitment challenges across the housing/ construction sectors due to high demand and skills shortages.

(References – Housing, Homelessness and Fair Work Committee, 9 May 2023; report by the Executive Director of Place, submitted.)

## **15. Housing Service Improvement Plan – Six-monthly Update**

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An update was provided on the Housing Service Improvement Plan (HSIP) over the most recent six-monthly period.

## **Motion**

To note the progress made with the Housing Service Improvement Plan over the previous six months.

- moved by Councillor Meagher, seconded by Councillor Pogson

## **Amendment**

- 1) To note the progress made with the Housing Service Improvement Plan over the previous six months.
- 2) To note the work ongoing related to voids and repairs and requests information about how circular economy principles are embedded in this work, either through future, routine updates / reporting in the HSIP (and the performance dashboard) or initially via a separate briefing / discussion.

- moved by Councillor Parker, seconded by Councillor Rae

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

## **Decision**

- 1) To note the progress made with the Housing Service Improvement Plan over the previous six months.
- 2) To note the work ongoing related to voids and repairs and to request information about how circular economy principles were embedded in this work, either through future, routine updates / reporting in the HSIP (and the performance dashboard) or initially via a separate briefing / discussion.

(References – Housing and Economy Committee, 6 June 2019 (item 10); Housing, Homelessness and Fair Work Committee, 9 March 2023 (item 18) and 4 August 2022 (item 5); report by the Executive Director of Place, submitted.)

## **16. Family and Household Support Service**

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Details were provided on the work of the Family and Household Support Service, in response to a motion by Councillor Meagher on 8 August 2023.

## **Decision**

- 1) To note the content of the report by the Executive Director of Place.
- 2) To agree that a member briefing session on the work of the Family and Household Support Service would be arranged.
- 3) To agree that a future report on performance be brought to the Committee annually.

(References – Housing, Homelessness and Fair Work Committee, 8 August 2023 (item 15); report by the Executive Director of Place, submitted.)

## **17. Homelessness Statutory Returns**

---

A summary was provided of the homelessness services statutory returns for the period 1 April 2021 – 31 March 2022. This included comparisons to Glasgow with regards to temporary accommodation, as requested by Committee.

## **Decision**

To note the report by the Executive Director of Place.

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

## **18. Homelessness Services' Performance Dashboard**

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The Council's Internal Audit service recommended that Homelessness Services, in addition to providing an annual report on the service's statutory returns, should provide additional performance information to Committee. Details were provided of data related to the last quarter of 2022/23 and the first quarter of 2023/24. Data was also provided for comparison with the previous year and 2019/20 as per the request of Committee.

### **Decision**

- 1) To note the content of the performance dashboard for quarter 4 of 2022/23 and quarter 1 of 2023/24.
- 2) To agree to remove measure 30 as the Covid-19 isolation unit was no longer in use.
- 3) To agree to remove measure 8 as Edinburgh Help to Rent had now ended.

(References – Housing, Homelessness and Fair Work Committee, 9 March 2023 (item 19); report by the Executive Director of Place, submitted.)

## **19. By Councillor Flannery – Student Homelessness Response**

---

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

### **“Committee Notes**

- 1) The productive meeting, as requested in Paragraph 5 of in 8.2 Student Homelessness Crisis on 7 September on Student Homelessness and Housing at the City Chambers between representatives from Council, Student Union, Housing Co-Op, Slurp and the four Edinburgh Universities to foster a strong partnership to tackle this.
- 2) The positive actions from this meeting including an urgent request to the Scottish Government to publish the PBSA Findings Review, previously agreed also at the City of Edinburgh Council on 22 of June 2023.
- 3) Welcomes the University of Edinburgh's guarantee for accommodation for first year, one-year post-graduate students, but believes this should extend to Post-Graduate Research Students, also. Also requests publication of student numbers for Years 2, 3, 4, who could be at risk from homelessness.
- 4) To endorse Slurp's Request to Universities for an emergency guarantee against Student Homelessness; that still needs to tackle potential student homelessness in years two, three and four, and that this guarantee, as above, should apply equally to Post-Graduate Research Students.

Requests therefore:

- 5) The Convener to write to stakeholders from this meeting to agree a partnership-direction and timeframe to support communication, data access, and early interventions to mitigate homelessness potential in the student population.
- 6) Officers review edinburgh.gov.uk and particularly the 'Report It' page journey to ensure adequate signposting is available to report homelessness or concerns with an HMO property."

- moved by Councillor Flannery, seconded by Councillor Caldwell

### **Decision**

To approve the motion by Councillor Flannery.

## **20. By Councillor Parker – Temporary Accommodation for Asylum Seekers and 'hotel maximisation' Policy Change**

---

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

"Committee:

- 1) Condemns the UK government's "hotel maximisation policy" which will mean that unrelated, asylum-seeking adults will be forced to room share in temporary accommodation and notes that, in Edinburgh, this will be in place at the Learmonth and Piries Hotels.
- 2) Notes the significant safeguarding concerns associated with this policy as well as the serious negative impact it will have on the welfare of people seeking asylum.
- 3) Notes with significant concern the likely impact the policy will have on health and social care services, including the NHS, and condemns the UK government for failing to work with local authority partners to prepare for this before implementing this policy change.
- 4) Further notes the likely impact of the policy on homelessness services, with a likely increase in the number of homelessness presentations resulting from this.
- 5) Considers the latest policy to be yet another example of a morally bankrupt UK government demonstrating total disregard for the rights and welfare of refugees and asylum seekers, and condemns in the strongest possible terms actions by politicians and the far-right to create a "hostile environment" and stoke a culture war against migrants, refugees and asylum seekers.

Therefore, requests that the Convener and Council Leader:

- 6) Write to the UK Government outlining opposition to the "hotel maximisation policy" and set out the challenges the local authority will face when implementing it.
- 7) Write to the relevant Scottish Government ministers seeking funding to mitigate the impact of the changes and raise through the appropriate channels at CoSLA.

Finally:

- 8) Requests that officers provide routine updates about the impact of the policy change via the usual reporting schedules for this Committee, and to consider – in consultation with Councillors - if additional reporting about these changes and the wider provision of housing and support for refugees and asylum seekers in the city, including those with no recourse to public funds, is appropriate.”

### **Motion**

To approve the motion by Councillor Parker.

- moved by Councillor Parker, seconded by Councillor Rae

### **Amendment 1**

“Committee

Deletes:

The section of Paragraph 1 after “accommodation” and inserts full stop.

Inserts in place:

‘Two hotels in Edinburgh are hosting asylum seekers as part of the UK Government’s refugee strategy.’

Inserts

‘5 b) ‘Reaffirms that Edinburgh is a welcoming city for refugees, and is willing to work with the UK government, Scottish government, and other partner agencies to promote and develop support based on liberty, dignity and safety for individuals fleeing war and persecution, and notes the recent positive examples of Ukrainian and Syrian refugees making Edinburgh their home through these support mechanisms.’

Inserts

‘7 b) Requests the Convenor takes appropriate steps to liaise with both the two hotels and relevant Council departments and seek assurance on how safeguarding and health standards are being met in asylum accommodation in light of the June 2023 UK Government policy update. Requests any assurances are reported via a business bulletin update no later than 3 cycles.

- moved by Councillor Caldwell, seconded by Councillor Flannery

### **Amendment 2**

To take no action on the motion by Councillor Parker.

- moved by Councillor Bruce, seconded by Councillor Mowat

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

### **Voting**

The voting was as follows:

For the motion - 8 votes

For Amendment 2 - 2 votes



(For the motion: Councillors Caldwell, Dobbin, Flannery, Hyslop, Meagher, Parker, Pogson and Rae.

For Amendment 2: Councillors Bruce and Mowat.)

### **Decision**

To approve the following adjusted motion by Councillor Flannery:

- 1) To condemn the UK government's "hotel maximisation policy" which would mean that unrelated, asylum-seeking adults would be forced to room share in temporary accommodation. Two hotels in Edinburgh were hosting asylum seekers as part of the UK Government's refugee strategy.
- 2) To note the significant safeguarding concerns associated with this policy as well as the serious negative impact it will have on the welfare of people seeking asylum.
- 3) To note with significant concern the likely impact the policy would have on health and social care services, including the NHS, and to condemn the UK government for failing to work with local authority partners to prepare for this before implementing this policy change.
- 4) To further note the likely impact of the policy on homelessness services, with a likely increase in the number of homelessness presentations resulting from this.
- 5) To consider the latest policy to be yet another example of a morally bankrupt UK government demonstrating total disregard for the rights and welfare of refugees and asylum seekers, and to condemn in the strongest possible terms actions by politicians and the far-right to create a "hostile environment" and stoke a culture war against migrants, refugees and asylum seekers.
- 6) To reaffirm that Edinburgh was a welcoming city for refugees, and was willing to work with the UK government, Scottish government, and other partner agencies to promote and develop support based on liberty, dignity and safety for individuals fleeing war and persecution, and note the recent positive examples of Ukrainian and Syrian refugees making Edinburgh their home through these support mechanisms.
- 7) Therefore, to request that the Convener and Council Leader write to:
  - the UK Government outlining opposition to the "hotel maximisation policy" and set out the challenges the local authority will face when implementing it.
  - the relevant Scottish Government ministers seeking funding to mitigate the impact of the changes and raise through the appropriate channels at CoSLA
- 8) To request the Convener took appropriate steps to liaise with both the two hotels and relevant Council departments and sought assurance on how safeguarding and health standards were being met in asylum accommodation in light of the June 2023 UK Government policy update. To request any assurances be reported via a business bulletin update no later than 3 cycles.
- 9) To request that officers provide routine updates about the impact of the policy change via the usual reporting schedules for this Committee, and to consider – in consultation with Councillors - if additional reporting about these changes and

the wider provision of housing and support for refugees and asylum seekers in the city, including those with no recourse to public funds, was appropriate.

# Work Programme

## Housing, Homelessness and Fair Work Committee

5 December 2023

No.	Title / description	Purpose/Reason	Directorate and Lead Officer	Progress updates	Expected date
1	Place and Homelessness – Financial Monitoring	Quarterly and annual report	Executive Director of Place Lead Officer: Brendan O’Hara 0131 469 3620 <a href="mailto:brendan.o’hara@edinburgh.gov.uk">brendan.o’hara@edinburgh.gov.uk</a>		February 2024 May 2024 October 2024 December 2024
2	Homelessness Services’ Performance Dashboard	Six-monthly report	Executive Director of Place Lead Officer: Nicky Brown 0131 469 3620 <a href="mailto:nicky.brown@edinburgh.gov.uk">nicky.brown@edinburgh.gov.uk</a>		May 2024 October 2024
3	EDI Group	Annual Report and six-monthly update	Executive Director of Place Lead Officer: David Cooper 0131 529 6233 <a href="mailto:david.cooper@edinburgh.gov.uk">david.cooper@edinburgh.gov.uk</a>		May 2024 December 2024

4	Appointments to Working Groups	Annual report	Executive Director of Corporate Services Lead Officer: Jamie Macrae 0131 553 8242 <a href="mailto:jamie.macrae@edinburgh.gov.uk">jamie.macrae@edinburgh.gov.uk</a>		February 2024
5	Capital City Partnership	Annual report	Executive Director of Place Lead Officer: Elin Williamson 0131 469 2801 <a href="mailto:elin.williamson@edinburgh.gov.uk">elin.williamson@edinburgh.gov.uk</a>		May 2024
6	City of Edinburgh Council Assurance Schedule on Housing Services	Annual report	Executive Director of Place Lead Officer: Derek McGowan <a href="mailto:derek.mcgowan@edinburgh.gov.uk">derek.mcgowan@edinburgh.gov.uk</a>		August 2024
7	Edinburgh Living Annual Report	Annual Report	Executive Director of Place Lead Officer: Derek McGowan <a href="mailto:derek.mcgowan@edinburgh.gov.uk">derek.mcgowan@edinburgh.gov.uk</a>		February 2024
8	Empty Homes Annual Update	Annual Report	Executive Director of Place Lead Officer: Andrew Mitchell 0131 469 5822 <a href="mailto:andrew.mitchell@edinburgh.gov.uk">andrew.mitchell@edinburgh.gov.uk</a>		December 2024
9	Homelessness – Statutory Returns	Annual Report	Executive Director of Place Lead Officer: Nicky Brown 0131 469 3620 <a href="mailto:nicky.brown@edinburgh.gov.uk">nicky.brown@edinburgh.gov.uk</a>		August 2024

10	Housing Revenue Account Capital Programme	Annual report	Executive Director of Place Lead Officer: Derek McGowan <a href="mailto:Derek.mcgowan@edinburgh.gov.uk">Derek.mcgowan@edinburgh.gov.uk</a>		February 2024
11	Land Strategy to Support Delivery of Affordable Housing and Brownfield Regeneration	Annual Report	Executive Director of Place Lead Officer: David Cooper 0131 529 6233 <a href="mailto:david.cooper@edinburgh.gov.uk">david.cooper@edinburgh.gov.uk</a>		December 2024
12	Rapid Rehousing Transition Plan	Annual report	Executive Director of Place Lead Officer: Nicky Brown 0131 469 3620 <a href="mailto:nicky.brown@edinburgh.gov.uk">nicky.brown@edinburgh.gov.uk</a>		August 2024
13	Strategic Housing Investment Plan (SHIP)	Annual Report	Executive Director of Place Lead Officer: Derek McGowan <a href="mailto:derek.mcgowan@edinburgh.gov.uk">derek.mcgowan@edinburgh.gov.uk</a>		December 2024
14	Net Increase in Homes and Acquisition	Six-Monthly Business Bulletin	Executive Director of Place Lead Officer: Derek McGowan <a href="mailto:derek.mcgowan@edinburgh.gov.uk">derek.mcgowan@edinburgh.gov.uk</a>		February 2024 August 2024
15	Support for Rent Collection	Annual Business Bulletin	Executive Director of Place Lead Officer: Derek McGowan <a href="mailto:derek.mcgowan@edinburgh.gov.uk">derek.mcgowan@edinburgh.gov.uk</a>		August 2024

16	Housing Service Improvement plan	Six-Monthly  (Updates from the 'Lift Replacement Programme' and lift asset integration into the new Asset Management System to be appended annually to the to the recurring HSIP report)	Executive Director of Place Lead Officer: Sarah Burns <a href="mailto:sarah.burns@edinburgh.gov.uk">sarah.burns@edinburgh.gov.uk</a>		February 2024  August 2024
17	Family and Household Support Performance Report	Six-Monthly report	Executive Director of Place Lead Officer:		May 2024  October 2024

Report Title	Directorate
<b>February 2024</b>	
Appointments to Working Groups	Corporate Services
Edinburgh Living Annual Report	Place
Housing Revenue Account Capital Programme	Place
Housing Service Improvement Plan	Place
Net Increase in Homes and Acquisition (Business Bulletin)	Place
Council Apprenticeship scheme target review (Annual Performance Report 2022/23)	Place
Council Employment Support to asylum seekers and refugees	Place
Place and Homelessness – Financial Monitoring	Place
Empty Homes	Place
Noise Recording App	Place

Cyclical Performance reporting	Place
<b>May 2024</b>	
Homelessness Services' Performance Dashboard	Place
Place and Homelessness – Financial Monitoring	Place
EDI Group	Place
Capital City Partnership	Place
Family and Household Support Performance Report	Place



# Rolling Actions Log

## Housing, Homelessness and Fair Work Committee

3 October 2023

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	29.09.22	<a href="#">HRA Budget Strategy</a>	1) To agree a report in two cycles on the financial strategy setting out the current position with allocation of Transfer of the Management of Development Funding (TMDF), and an analysis of Strategic Housing Investment Framework (SHIF) funding allocations.	Executive Director of Place	March 2023		<b>Closed March 2023</b> Report on agenda for March 2023.

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

			<p>3) To agree to ask the Council Leader to make the case for, and vote for, a funding formula based on need when the SHNZHF report is in front of COSLA Leaders</p>	<p>Convener / Council Leader</p>	<p>Ongoing</p>	<p><b><u>Update Dec 2023</u></b> This review is still ongoing.</p> <p><b><u>Update October 2023</u></b> The review of EESSH2 is not yet complete. This action will be progressed once the review is completed.</p> <p><b><u>Update May 2023</u></b> Scottish Government to conclude EESSH2 review and report to go to COSLA leaders first.</p> <p><b><u>Update December 2022</u></b> Scottish Government will set out its intentions on funding for EESSH2 in 2023. A report can then be submitted and discussions at COSLA leaders</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							meeting would provide the opportunity for the case to be made.
			4) To request a briefing note providing more detail on the TMDF/SHIF.	Executive Director of Place	March 2023		<p><b>Closed March 2023</b> Briefing session held on 25.01.23.</p> <p><b><u>Update December 2022</u></b> Details of this are covered in the SHIP 23-28 report to Committee in December 2022.</p> <p>A detailed report on TMDF/SHIF will be brought to Committee in March 2023 in response to Councillor Campbell's motion.</p>

2	09.03.23	<a href="#">Response to motion by Councillor Dalglish – Energy Efficiency Task Force</a>	<p>1) To agree that the information and signposting of the services outlined in this report would be updated on the 'Home Energy' webpage, and request that Corporate Services initiate an ambitious new campaign directing residents to it.</p> <p>2) To ask the Executive Director of Place to negotiate with the Head of Communications about how this kind of information should be included. This would include notifications of the new/refreshed page to all library managers and</p>	Executive Director of Place			<p><b><u>Update October 2023</u></b></p> <p>An update was included in the Business Bulletin for Committee on 03.10.2023.</p> <p><b><u>Update May 2023</u></b></p> <p>Work on these actions is now underway but have not yet completed. Progress will be updated in the Rolling Actions Log.</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			school headteachers.				
3	09.03.23	<a href="#">Gig Economy Task Force – progress update</a>	1) To request an updated report and proposed programme of work to HHFW committee in 2 cycles in August 2023.	Executive Director of Place	August 2023		<b>Closed 8 August 2023</b> Report on the agenda for August 2023.
			2) To request an additional briefing note to all elected members setting out progress on the Council's support for the Get Me Home Safely campaign and associated actions, and how these are being integrated with the actions set out in this report.	Executive Director of Place	Ongoing		The Licensing Board are currently considering this and a briefing note will be prepared once an update is received.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
4	09.05.23	<a href="#">Business Bulletin</a>	To request feedback from the Inch Park Levelling Up fund bid was provided to relevant community groups and that officers continue to assist them to explore alternative funding streams and options.	Executive Director of Place	December 2023		An update on this is in progress and will be shared with Committee as soon as possible.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
5	09.05.23	<a href="#">Response to motion by Councillor Campbell – Coillesdene House Lifts</a>	1) To agree that the next HSIP plan will include a detailed update on the Asset Management System that is being introduced and that this should include expected timescales for implementation, detail of the type of information that will be included and the accessibility and useability of that data for performance analysis and planning.	Executive Director of Place	October 2023		<b>Closed at meeting 03/10/2023</b> This information is included in the Housing Service Improvement Plan update for Committee on 03.10.2023.



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To request that officers carry out an analysis and provide a briefing note on the risk to council tenants with limited mobility or who use wheelchairs, particularly in the case of fire. This should include analysis of the number of council tenants with gold priority who are housed in multistorey blocks and the suitability of multistorey blocks for people who require gold priority while the lift replacement programme is incomplete	Executive Director of Place	October 2023		<b>Recommended for closure</b> A briefing note covering this was circulated on 15 November 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			3) To request that going forward updates from the 'Lift Replacement Programme' (part of the wider 'Lift Investment Programme') and lift asset integration into the new Asset Management System are appended annually to the recurring Housing Service Improvement Plan report.	Executive Director of Place	October 2023/April 2024		<b>Closed at meeting 03/10/2023</b> Added to the Work Programme

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			4) To request that the next update appended to the Housing Service Improvement Plan includes a statement of reasons as to why a sizable minority of lifts, which have been upgraded since 2013, showed more than 15 'out of action' periods in the last year (as detailed in Appendix 1 of the report) and resolution actions that are being taken.	Executive Director of Place	October 2023		<b>Closed at meeting 03/10/2023</b> This information is included in the Housing Service Improvement Plan update for Committee on 03.10.2023.

			<p>5) To request a further briefing note setting out:</p> <p>i) what pro-active communication and support procedures are in place to support council tenants residents with limited mobility when lifts are not working, including risk assessments and plans for emergencies during these cases.</p> <p>ii) how many council tenants residents with a gold priority / known to have mobility issues were housed in a multi-storey block in the past year.</p> <p>iii) how many council tenants residents known to have mobility issues are</p>	Executive Director of Place	October 2023		<p><b>Recommended for closure</b></p> <p>A briefing note covering this was circulated on 15 November 2023.</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			currently living in multi-storey blocks iv) how many council tenants residents known to have mobility issues and currently living in multi-storey blocks make use of the “opt-in” service to receive additional support from Concierge				
			6) To request a briefing note with an explanation of the costs of the lift project and increases.	Executive Director of Place	October 2023		<b>Recommended for closure</b> A briefing note on this was circulated on 2 October 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			7) To confirm how residents had been informed of how to report repairs and if communications had been issued with Repairs Direct contact details.	Executive Director of Place	October 2023		<b>Recommended for closure</b>  A briefing note covering this was circulated on 15 November 2023.
6	09.05.23	<a href="#">Damp, mould and condensation in Council homes update</a>	1) To note that the Heat Map requested at the March Committee meeting was still outstanding.	Executive Director of Place	October 2023		<b>Closed at meeting 03/10/2023</b>  Heat map now included in the report for Committee in October 2023 and will be included in future updates.

			<p>2) To agree that the Damp, Mould and Condensation process:</p> <ul style="list-style-type: none"> <li>• will ensure that Tenants will receive a copy of the survey report</li> <li>• will establish a team of nominated officers in each locality who will be responsible to ensure that council tenants living in an environment that is hazardous to their health are removed to a decant as a priority.</li> </ul>	Executive Director of Place	Implementation from January 2024	<p><b>Update December 2023</b></p> <p>Recruitment to the new Housing Officer posts for this area is now complete and the team will be in place from January 2024. This additional capacity will enable the full process of sharing survey reports with tenants and establishing local contacts to be implemented.</p> <p><b>Update October 2023</b></p> <p>This action is in progress but not fully complete.</p> <p>Due to the technical and commercial information contained within the survey reports officers are converting the</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>surveys into plain English and writing to the tenant to advise what has been found, what work is required, who is doing the work and a rough plan of when the work will start.</p> <p>Further information is included in the update report on the agenda for Committee on 3 October 2023.</p>
			3) To agree that the next HSIP will include an analysis of the practicalities of offering Tenants who receive a decant the option to remain in the decant on a permanent basis.	Executive Director of Place	October 2023		<p><b>Closed at meeting 03/10/2023</b></p> <p>This is included in the report for Committee in October 2023</p>



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			4) To agree the updated HSIP must include analysis and benchmarking of spinal column pay against other local authorities and the private sector workforce in Edinburgh and a review of the level required to enable recruitment, noting increased workforce capacity, both of trades and surveyors in house, will be crucial for Edinburgh to meet our significant obligations on tenant safety. To request that officers provide a briefing note with expected timeline for this move to in	Executive Director of Place	October 2023		<b>Closed at meeting 03/10/2023</b> A report on Benchmarking is included on the agenda for Committee on 3 October 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			sourcing all survey work, and for progress towards this aim to be included in all future reports on this topic.				
7	09.05.23	<a href="#">Capital Funding Opportunities for Council Housing</a>	1) To request a report in two cycles which includes: <ul style="list-style-type: none"> <li>Analysis and benchmarking of spinal column pay against other local authorities and the private sector workforce in Edinburgh and a review of the level required to enable recruitment and retention of an increased void team.</li> </ul>	Executive Director of Place	31 October 2023		<b>Closed at meeting 03/10/2023</b> A report on Benchmarking is included on the agenda for Committee on 3 October 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<ul style="list-style-type: none"><li>• A detailed plan for voids which sets out timescales for reducing to 'normal turnover'.</li><li>• Details of average void length per property and details of how many properties have been void for over 6 months, over a year, over 2 years and 3 years and longer.</li></ul>				

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To request that the Convener writes to the relevant Scottish Government ministers, setting out the housing needs of all refugee communities in the city and requesting details from the Scottish Government of their long-term plan to support the Council to address this.	Convener			<b>Closed 8 August 2023</b>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			3) To further request that the Convener writes to COSLA to request an update on their work to review guidance for local authorities around no recourse to public funds.	Convener			<p><b>Recommended for closure</b></p> <p>Letter has been issued – response will be circulated when received.</p> <p><b><u>Update October 2023</u></b></p> <p>A letter is currently being drafted</p>
			4) To agree that these letters and their responses will be shared with committee.	Convener			To be circulated on receipt

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			5) To request an update on the national approach to visas and long term planning for Ukrainian people in Scotland once available.	Executive Director of Place / Corporate Services?	Ongoing		<p><b>Update October 2023</b></p> <p>This is ongoing and has been raised with both the Scottish Government Cabinet Secretary Shirley-Ann Sommerville and UK Government Housing Minister Felicity Buchan. A full member briefing will be prepared when an update is received.</p>
			6) To agree the relevant IIAs would be circulated to members.	Executive Director of Place	May 2023		<p><b>Closed at meeting 03/10/2023</b></p> <p>The Integrated Impact Assessment has now been <a href="#">published</a> on the Council website.</p>

8	09.05.23	By Councillor Campbell - Waste and Cleansing Services on Council Housing Estates (see <a href="#">Agenda</a> )	<p>To request a report in two cycles which sets out:</p> <ul style="list-style-type: none"> <li>The detail of payments made to the General Fund from the HRA for waste and cleansing services, including the full amounts and the service that is expected to be delivered for that payment.</li> <li>Details of the contract spend to external organisations for waste and cleansing services on HRA land</li> <li>The waste and cleansing management plan for HRA land included responsibilities for delivering different services (i.e street cleaning, fly tipping etc) and for management and instruction of the</li> </ul>	Executive Director of Place	December 2023		<p><b>Recommended for closure</b></p> <p>This report is included in the papers for Committee on 5 December 2023.</p> <p><b>September 2023 Update</b></p> <p>Report deferred to December committee</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>delivery of those services.</p> <ul style="list-style-type: none"> <li>• A map or access to an interactive, online map which shows the location of HRA land across the city which should also be made available to all councillors for their wards.</li> <li>• Details of the future plans for management of waste and cleansing, including fly tipping, within our council housing estates.</li> </ul>				



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
9	08.08.23	<a href="#">Business Bulletin</a>	1) To agree any upgrades to secure door entry systems which were already in progress would continue while new installations would be paused until a report on the programme is brought to Committee.	Executive Director of Place	October 2023		<b>Closed at meeting 03/10/2023</b> A report on the programme is included on the agenda for Committee on 3 October 2023.
			2) To extend an invitation to members of all political groups to meet to discuss income maximisation and tenant hardship fund.	Executive Director of Place			<b>Recommended for closure</b> This was discussed at the Place Directorate briefing for Committee members on 8 November 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			3) To provide Cllr Dobbin with information on the spread of damp and mould sensors across Almond ward.	Executive Director of Place			<b>Closed at meeting 03/10/2023</b> This information has been shared with Councillor Dobbin.
			4) To note that an update would be provided on void properties contributing to the £800k 'gross rent receivable' loss, the number of homes in this category and the reasons for these being void.	Executive Director of Place			<b>Closed at meeting 03/10/2023</b> An update has been shared with Councillor Parker on this.

10	08.08.23	<a href="#">Rapid Rehousing Transition Plan – Annual Update on Progress</a>	1) To note the high proportion of individuals assessed as homeless reporting mental health challenges and welcome the developing link of social work into the Multi-Disciplinary Team (MDT) as well as the ‘Psychology for Hostels’ pilot. To request exploration of embedding of a social work officer and/or psychologist into the MDT expansion to RSL (once possible as per 2.8.6 in the report), Homelessness to Home, and PRS teams respectively, to the service’s discretion.	Executive Director of Place	27 February 2024		<p><b>Update October 2023</b></p> <p>Officers are currently investigating this request. If the decision is to proceed there will be financial implications. An update will be provided to Committee once the process is complete.</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To note the impact that homelessness has on potentially vulnerable individuals with potentially limited agency such as young people under 17, care-experienced people, and individuals with disabilities outlined in the Equality Act; together with parents, guardians, and carers, and as such requests that additional data is collected under 'Support Needs' for next year's update to include 'Responsible for Dependant'.	Executive Director of Place	August 2024		<b><u>Update – December 2023</u></b> This will be included in the next report to Committee in August 2024.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			3) To agree the statutory return report due to Committee in October would contain information on reasons and trends behind the increase in homelessness resulting from RSL tenancy loss and supported accommodation.	Executive Director of Place	December 2023		<p><b>Update – December 2023</b></p> <p>An update is currently being prepared.</p> <p><b>Update October 2023</b></p> <p>Officers are continuing to investigate this and an update will be provided to Committee in a business bulletin.</p>
			4) To circulate the link to Scottish Government guidance on suitable accommodation.	Executive Director of Place			<p><b>Closed at meeting 03/10/2023</b></p> <p>Link to Scottish Government guidance on the Unsuitable Accommodation Order can be found <a href="#">here</a>.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			5) To send information on the suitability assessments made on PSL properties by the Council before occupation.	Executive Director of Place	October 2023		<p><b>Recommended for closure</b></p> <p>A briefing note on this was circulated on 2 October 2023.</p> <p><b>Update October 2023</b></p> <p>This briefing note will be circulated in advance of Committee on 03.10.2023.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
11	08.08.23	<a href="#">Place Based Investment Programme allocations</a>	To agree that a call for projects to be funded in 2025/26 be issued to all councillors, supplemented by engagement on a locality basis, with the outcome brought back to Committee for a decision on 2025/26 funding	Executive Director of Place	Summer 2024		<p><b>Update – December 2023</b></p> <p>The call for projects has gone out to ward councillors and a closing date for proposals has been set as 31 March 2024. A report to committee will follow as soon as possible thereafter</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
12	08.08.23	<a href="#">UK Shared Prosperity Fund</a>	1) To agree the recommended additional spend, subject to further detailed discussion with group spokespeople, on projects delivering People and Skills Interventions, and feasibility studies under the Regional Prosperity Framework, to ensure that Edinburgh's UK SPF allocation, including Multiply, is fully utilised in 2023/24.	Executive Director of Place	3 October 2023		<p><b>Closed at meeting 03/10/2023</b></p> <p>The requested information was circulated after Committee and, following confirmation that Elected Members were happy with the approach, the recommendations have been implemented.</p>



			<p>2) To request that additional information about the projects proposed for additional funding is shared before a decision to award additional funding is made and that this information includes:</p> <ul style="list-style-type: none"> <li>• what percentage of total project spend the additional funding represents;</li> <li>• a brief description of the performance of projects to date, including how they are currently meeting targets; a brief description of what additional benefits will be realised as a result of the additional funding.</li> </ul>				<p><b>Recommended for closure</b></p> <p>The requested information was circulated after Committee and, following confirmation that Elected Members were happy with the approach, the recommendations have been implemented (the intention was to close 2) and 3) at the October meeting).</p>
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			3) To agree the information requested would be circulated immediately following the meeting.				
13	08.08.23	<a href="#">Fair Work, Gig Economy, and Living Hours City – progress update</a>	1) To note the initial work underway to assess the impact of living hours accreditation on Council services, and that a further report on the findings of this assessment will be available for consideration by Committee in October 2023.	Executive Director of Place	August 2024		<b>Update – December 2023</b> This work will be carried out in conjunction with actions outlined in the Edinburgh Fair Work Charter programme and reported to Committee accordingly.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To note the progress towards other actions recommended by the short-life Gig Economy Task Force and that a further update on progress will be available for consideration by Committee in December 2023.	Executive Director of Place	August 2024		<p><b>Update – December 2023</b></p> <p>This work will be carried out in conjunction with actions outlined in the Edinburgh Fair Work Charter programme and reported to Committee accordingly.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
14	08.08.23	Motion by Councillor Caldwell – Geographic spread of Council Housing in SHIP, Acquisitions & Disposals (see <a href="#">Agenda</a> of 8 August 2023)	1) To request an Acquisition and Disposals update on the business bulletin, within 3 cycles which includes an updated figure of the disposals and acquisitions since the scheme's inception, broken down by ward, and how disposals in these two localities are being offset by Acquisitions in the same localities.	Executive Director of Place	27 February 2024		To be included on Business Bulletin on 27 February 2024.
			2) To request an update to efforts being made to build new Council Housing in the Northeast and Southeast localities to be included in the next Strategic Housing Investment Plan Report.	Executive Director of Place	December 2023		<b>Recommended for closure</b> Update provided as part of the SHIP 24-29 report on the agenda.

15	31.08.23	<p>City of Edinburgh Council</p> <p><b>Motion by Councillor Mattos-Coehlo – Employment Support for Refugees</b></p> <p>(See <a href="#">Agenda</a> of 31 August 2023)</p>	<p>1) To agree that the Housing, Homelessness and Fair Work Committee will receive a report in 3 cycles outlining the direct Council support open to asylum seekers and refugees to access employment and what scope there is for respective Council teams to identify and support refugees and asylum seekers overcome some of the likely barriers faced.</p> <p>2) To request that the report also provides a brief progress and monitoring update on the specific priority activities that were outlined on the framework to reduce digital exclusion for vulnerable</p>	Executive Director of Place	27 February 2024		
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			individuals including refugees.				
16	28.09.23	City of Edinburgh Council <b>Annual Performance Report 2022/23 - referral from the Policy and Sustainability Committee</b>	Council requests that a review is undertaken of the Council apprenticeship scheme with actions being taken to meet or exceed target being reported to the Housing, Homelessness and Fair Work Committee within two cycles.	Executive Director of Place	27 February 2024		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
17	03.10.23	<a href="#">Whole House Retrofit</a>	1) To request a briefing note outlining what training around biodiversity / nature has already been in place for workers in the housing service, and what regular training programme is planned for workers on this going forward to ensure that future works successfully deliver co-benefits for nature / biodiversity.	Executive Director Place			<p><b>Recommended for closure</b></p> <p>A briefing note on this was circulated on 15 November 2023.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To also request that this briefing note includes information about how tenants are kept informed about estate changes relating to biodiversity / nature, and how they are encouraged to participate in this – for example, through citizen science projects and community growing spaces to be circulated.	Executive Director Place			<p><b>Recommended for closure</b></p> <p>A briefing note on this was circulated on 15 November 2023.</p>



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
18	03.10.23	<a href="#">Retrofitting strategy – response to motion by Councillor Watt</a>	To note that a People Strategy and Strategic Workforce Plan is being developed to support recruitment, retention and development of staff and requests that - once this Plan has been completed - a note on how this interacts with the specific challenges outlined in this report is circulated to members of the Housing, Homelessness and Fair Work Committee and the Finance and Resources Committee.	Executive Director Place	Ongoing		<b><u>Update – December 2023</u></b> The Council's People Strategy and Strategic Workforce Plan are currently being developed. The information requested will be prepared following completion of these plans.
19	03.10.23	<a href="#">Housing Revenue Account Budget Strategy 2024/25</a>	Officers to circulate written guidance to all groups regarding how the HRA could be supplemented from the general fund for investments – for example, retrofitting and wider environmental estate improvements.	Executive Director Place			<b>Recommended for closure</b> Briefing note circulated 21 November 2023.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
20	03.10.23	<a href="#">Tenant Participation and Community Engagement 2024/2027</a>	To request a briefing note covering spend and financial commitments of the ETF for every financial quarter of the current funding period and for the future period of funding.	Executive Director Place	December 2023		<b>Recommended for closure</b>  A briefing note on this was circulated on 21 November 2023.
21	03.10.23	<a href="#">Damp, mould and condensation in Council homes update</a>	To request that the Convener write to the UK Department of Levelling Up, Housing and Communities, as well as the Scottish Government's Local Government and Housing Directorate, to express the committee's support for a national programme for home insulation, which may assist with sustainability of the improvement plan and EESSH(2) targets going forward.	Convener			<b>Update – December 2023</b>  This letter is currently being drafted.

22	03.10.23	<a href="#">Capital City Partnership: Progress Update</a>	<p>1) To request that the updated SLA includes an increased and renewed focus on green skills and the green economy so that the work of CCP complements the Council’s climate strategy and helps to answer the workforce needs / skill gaps identified in that strategy. Additionally requests that consideration is given as to how CCP could include a workstream / programme focused on retraining workers in carbon intensive industries to transition into green jobs, in line with a just transition approach, and as a preventative</p>	Executive Director Place	27 February 2024		
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No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>action against unemployment.</p> <p>2) To request that these points are captured in the new SLA objectives and that officers engage with groups in the development of these ahead of the report to committee in January 2024.</p>				
23	03.10.23	<a href="#">Housing Service Improvement Plan – Six-monthly Update</a>	To notes the work ongoing relating to voids and repairs and request information about how circular economy principles are embedded in this work, either through future, routine updates / reporting in the HSIP (and the performance dashboard) or initially via a separate briefing / discussion.	Executive Director of Place	January 2024		<p><b>Update – December 2023</b></p> <p>A meeting is being arranged to discuss this in January 2024.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
24	03.10.23	<a href="#">Family and Household Support Service</a>	To agree that a Member briefing session on the work of the Family and Household Support Service to be arranged.	Executive Director Place			<p><b>Recommended for closure</b></p> <p>This briefing took place on 11 October 2023.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
25	03.10.23	By Councillor Flannery - Student Homelessness Response (see <a href="#">Agenda</a> of 3 October 2023)	1) To request that the Convener write to stakeholders from the recent meeting on Student Homelessness and Housing at the City Chambers between representatives from Council, Student Union, Housing Co-Op, Slurp and the four Edinburgh Universities to agree a partnership-direction and timeframe to support communication, data access, and early interventions to mitigate homelessness potential in the student population.	Convener			<b>1) Recommended for closure</b>  Letter has been issued – response will be circulated when received.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To request that Officers review edinburgh.gov.uk and particularly the 'Report It' page journey to ensure adequate signposting is available to report homelessness or concerns with an HMO property.	Executive Director Place			
26	03.10.23	By Councillor Parker - Temporary accommodation for asylum seekers and 'hotel maximisation' policy change (see <a href="#">Agenda</a> of 3 October 2023)	1) To request that the Convener and Council Leader write to the UK Government outlining opposition to the "hotel maximisation policy" and set out the challenges the local authority will face when implementing it.	Convener / Council Leader			<b>1) and 2) Recommended for closure</b>  Letters have been issued – responses will be circulated when received.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) To request that the Convener and Council Leader write to the relevant Scottish Government ministers seeking funding to mitigate the impact of the changes and raise through the appropriate channels at CoSLA.	Convener / Council Leader			



No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			3) To request that the Convener takes appropriate steps to liaise with both the two hotels and relevant Council departments and seek assurance on how safeguarding and health standards are being met in asylum accommodation in light of the June 2023 UK Government policy update, and that any assurances are reported via a business bulletin update no later than 3 cycles.	Convener / Executive Director of Place			


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# Business Bulletin

## Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

# Housing, Homelessness and Fair Work Committee

Convener:	Members:	Contact:
<p>Convener: Councillor Jane Meagher</p> 	<p>Councillor Graeme Bruce Councillor Jack Caldwell Councillor Stuart Dobbin Councillor Pauline Flannery Councillor Euan Hyslop Councillor David Key Councillor Ben Parker Councillor Tim Pogson Councillor Susan Rae Councillor Iain Whyte</p>	<p>Jamie Macrae Committee Officer 0131 553 8242</p>

### **Regeneration Capital Grant Fund / Vacant and Derelict Land Investment Programme**

As advised on 8 August 2023, the Council made six bids to the Regeneration Capital Grant Fund (RCGF) and five bids to the Vacant and Derelict Land Investment Programme (VDLIP), capital grant funds operated by the Scottish Government. The RCGF provides grants for “locally developed, place-based regeneration projects that involve local communities, helping to tackle inequalities and deliver inclusive growth in deprived, disadvantaged and fragile remote communities”, while the VDLIP provides grants to “transform long-term vacant and derelict sites”. The Council bids into both funds on an annual basis for support with relevant projects.

In September 2023, the Council was advised that the following bids were successful at stage one:

#### **Regeneration Capital Grant Fund**

- Granton Lighthouse
- Spartans Education and Work Building

#### **Vacant and Derelict Land Investment Programme**

- Granton Waterfront Regeneration, Phase 1
- Powderhall Housing-Led Regeneration

The Council has subsequently made stage two bids for the above four projects. Final decisions on the bids are expected in early 2024.

**Contact:** [Kyle Drummond](#),  
Programme Development  
Officer

### **Tenant Hardship Fund**

In recognition of the additional financial burden that that tenants face from the cost-of-living crisis, a Tenant Hardship Fund (THF) was approved to support tenants, including those who cannot access benefits. The THF complements a range of existing support and services available to tenants to help them to maintain rent payments and maximise their income.

**Contact:** [George Norval](#),  
Housing Operations Manager

## Recent News

## Background

A THF award provides financial relief for tenant experiencing financial hardship and has proven to be very popular with 1,337 payments made at a value of £293k since the fund launched in April 2023. The THF remains most beneficial where offered alongside advice and support to maximise income with signposting to services that can provide a range of support.

Come the colder months, and additional expense tenants will experience at this time of year, the THF team expect to be busy as Housing Officers extend offers of support to those tenants whose rent accounts may be affected by additional financial pressures. Given the expectation of increasing numbers of referrals, officers have taken steps to ensure that resources will be available to assist with any administrative pressures that the team may experience.

Housing Officers have been encouraged to complete referrals as early as possible and ensure that tenants also benefit from the range of support options provided by both internal and external partners.

As well as alleviating a critical financial pressure for tenants, positive feedback has been received from Housing Officers who are reporting that having access to the THF is helping strengthen relationships with their tenants.

### **Accessible Housing Update**

#### **Focus on data**

The accessible housing study undertaken by the Housing Service highlighted some gaps and challenges in gathering data and information to inform this area of work and further policy development. The working group has been focused on improving adaptations data in existing homes, as well as broader accessible data on new homes.

As part of the digital improvements under the Council's Housing Service Improvement Plan, new functionality is being implemented onto NEC Housing (Asset Management System) that will enable better management of housing assets for long-term property

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

## Recent News

## Background

maintenance. NEC will hold data about each home in relation to capital work carried out, property and construction type etc. As part of this work, information on adaptations to homes will now be recorded directly onto NEC (for permanent ramps, wet floor showers or adapted kitchens for example). This information has previously been captured separately but not integrated into the asset management system. Where appropriate, historical adaptations will also be uploaded as well, which means officers with access to NEC will be able to make use of this information e.g. when preparing adverts for re-lets. Uploading of information should be completed within the next 12 months.

HARP is the Scottish Government system used to upload and record new development projects and make payments through Transfer of Management Development Funding (TMDF) to the Council and Housing Association partners.

There are data limitations in terms of the level of detail recorded on the HARP system for specialist homes. For example, it is difficult to record detail on specific design features of amenity homes or to get accurate information on the bedroom size of homes. General provision homes with allocations for specialist use are not necessarily recorded in HARP either. A lot of this information has had to be extracted manually and has had to be verified with delivery partners to get more detail on individual developments. Discussions are underway with partners to agree a more robust way of recording information on specialist provision at the application and completion stage of a project, accepting that some of this information will have to be captured out with the HARP system.

### **Update: Capital Funding opportunities for Council housing**

On 9 May 2023 Housing Homelessness and Fair work committee [approved](#) a report on Capital Funding opportunities for Council housing. The report agreed that 100 void Council homes would be made available for housing Ukrainian Displaced People and that officers

**Contact:** [Derek McGowan](#),  
Housing and Homelessness  
Service Director

would continue to work with the Scottish Government and other partners to identify sites where Scottish Government funding could be sought to provide additional long term housing options in the city.

The Council received £1.720m from the Long-Term Ukrainian Resettlement Fund (LTURF) to bring forward up to 100 Council properties that were currently void and required medium to large scale repairs to return them to the lettable standard. This would include up to 30 properties which require more extensive work such as fire and water damaged properties or those requiring structural work in advance of repairs and would otherwise not be prioritised in the short to medium term. This would return them to a lettable standard at no cost to the Council.

To date 37 homes have been brought up to lettable standard and passed to the Ukrainian Support team to let to UDPs. Over half of the homes are expected to be completed by the end of the calendar year (December 23) and all 100 passed over by the end of July 2024.

On [21 September 2023](#), Finance and Resources committee approved the purchase of 20 new build homes (7 two bed, 11 three bed and 2 four bed terrace houses) within the Hawthorn Gardens development in South Queensferry, from Taylor Wimpey, subject to completing due diligence and subject to availability of Scottish Government funding. In October 2023, Scottish Government agreed to provide £3.286m in grant funding to support the purchase. The properties will be handed over in three tranches. 15 homes have been handed over to date with all 20 homes being available to let to UDPs by the end of January 2024.

Taylor Wimpey approached the Council to see if it would be interested in purchasing a second phase of 24 homes (24 two bed terrace houses) at the site. Finance and Resources committee on 21 November 2023 approved the potential purchase subject to due diligence. Unfortunately, following detailed work by officers the Scottish Government have indicated they will not provide funding from the LTURF due to the timing of the completed units. However, officers have been able



**Recent News****Background**

to secure homes through a combination of HRA borrowing, UK Government Tariff and commuted sums.

Council Officers continue to be in dialogue with housebuilders regarding any further opportunities and Scottish Government for additional funding to support these.

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# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## No One Left Behind – Stage 1 Provision 2024-27

Executive/routine  
Wards

Executive  
All

### 1. Recommendations

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- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee:
  - 1.1.1 Note the small grants process which was implemented to meet needs identified for Stage 1 provision for young people across the city;
  - 1.1.2 Approve the award of third-party grants to seven services (detailed in Appendix 3) up to a maximum total cost of £301,000 per annum;
  - 1.1.3 Note that officers will work with the successful applicants to finalise funding agreements to commence delivery of the new No One Left Behind – Stage 1 Provision from 1 April 2024 until 31 March 2027 (subject to annual Scottish Government funding); and
  - 1.1.4 Note the 24 applications not recommended for an award of funding.

**Paul Lawrence**

Executive Director of Place

Contact: Lucy Pearson, Contracts and Programme Manager

E-mail: [lucy.pearson@edinburgh.gov.uk](mailto:lucy.pearson@edinburgh.gov.uk) | Tel: 07834 619 640

## No One Left Behind – Stage 1 Provision 2024-27

### 2. Executive Summary

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- 2.1 Following Committee's [decision](#) on 8 August 2023 to commence an open grants process for No One Left Behind - Stage 1 Provision for delivery over a three-year period from 1 April 2024 until 31 March 2027, this report sets out the recommendations to award grant funding to third party organisations, up to the value of £301,000 per annum, for a maximum of three years, to support young people into positive destinations, and to progress in employment, in the future.

### 3. Background

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- 3.1 No One Left Behind (NOLB) is the Scottish Government strategy for placing people at the centre of the design and delivery of employability services. It promotes a strengthened partnership approach where the Scottish and Local Government work together with public, third, and private sector partners to identify local needs and make informed, evidence-based decisions. NOLB Stage 1, the first implementation phase of this strategy came to Local Authorities for delivery in 2019, with the formal launch in April 2020.
- 3.2 Presently, the NOLB Stage 1 offer in Edinburgh is primarily via Activity Agreement (AA) Hubs. The Hubs aim to support 180 young people each year across the city, with an internal team of staff supporting the management of referrals with schools across Edinburgh.
- 3.3 The AA hubs support the hardest-to-reach young people, predominantly aged 16 - 19, at risk of a negative destination post-school. The current AA Hubs grant agreement is worth £200,000 per annum.
- 3.4 Following a co-production exercise with the Joined Up for Jobs (JUfJ) network and wider stakeholders, the continued need for Stage 1 provision was confirmed with specific requirements highlighted as below:
- 3.4.1 Locality based provision (with specific outreach to premises in smaller geographical areas, to align with the ambition of 20-minute neighbourhoods);
  - 3.4.2 Focus on young people, and especially those residing within Scottish Index of Multiple Deprivation (SIMD) decile 1 and 2 and/or with disabilities;

- 3.4.3 Enhanced referral routes, providing awareness and support for all ages through a coordinator team as well as existing provision;
  - 3.4.4 Trauma informed approach to delivery;
  - 3.4.5 Mental health support alignment and partnership working; and
  - 3.4.6 Links to youth work and Local Area Co-ordinator teams within the Council.
- 3.5 On 8 August 2023, Committee approved commencing an open grants process for NOLB Stage 1 provision, reflecting the requirements outlined above, for delivery over a three-year period from 1 April 2024 until 31 March 2027, at an estimated cost of £300,000 per annum, subject to Scottish Government funding.

## **4. Main report**

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### **Funding Opportunity**

- 4.1 A call for applications was published on 14 August 2023 on the JUfJ and the Council's websites to promote the funding opportunity. Communications were also issued through partner organisations via the Local Employability Partnership (LEP), as well as on social media.
- 4.2 Scoring and Selection Criteria Guidance documents (Appendix 1 and 2) were published on the JUfJ website.
- 4.3 A bidder event was held online on 23 August 2023, with a presentation outlining the process and a Q&A session for potential bidders. An FAQ document was published on the JUfJ website, which was updated with provider questions and answers throughout the application process.
- 4.4 In order to reflect the desire for locality-based provision with specific outreach to premises in smaller geographical areas, and provision no more than a short bus journey away from the participant, bidders were asked to submit applications for activity in clusters, with the following schools making up each cluster:
  - 4.4.1 Cluster 1 – Gorgie Mills; James Gillespie's; St Thomas Acquin's; Tynecastle; Boroughmuir;
  - 4.4.2 Cluster 2 – Craigmount; Queensferry; Royal High School;
  - 4.4.3 Cluster 3 – Craigmount; Forrester; St Augustine's;
  - 4.4.4 Cluster 4 – Firhill; WHEC; Currie; Woodland; Balerno;
  - 4.4.5 Cluster 5 – Gracemount; Liberton; Howdenhall; Kaimes;
  - 4.4.6 Cluster 6 – Castlebrae; Portobello; Holyrood; and
  - 4.4.7 Cluster 7 – Leith; Trinity; Drummond; Broughton; Pilrig Park.
- 4.5 The application process closed at 12 noon on 8 September 2023 with a total of 31 applications received: six applications for Cluster 1, five applications for Cluster 2,

five applications for Cluster 3, two applications for Cluster 4, two applications for Cluster 5, six applications for Cluster 6, and five applications for Cluster 7.

### **Assessment**

- 4.6 Following recommendations from the Council's Contracts and Grants Management Team, seven assessment panels were established, one for each cluster, with representatives from key partners and LEP members.
- 4.7 Applications was scored by the relevant assessment panel on 11,12 or 13 September 2023 and moderated scores with comments were then presented to a panel on 14 September 2023 for moderation and further dialogue on strategic fit.
- 4.8 The projects recommended for an award of funding are provided in Appendix 3.
- 4.9 The panels consider these services most closely meet the requirements of the specifications provided to bidders, which detailed the support required for young people in the specific target groups requested.
- 4.10 The total cost of the grants recommended for award is up to a maximum of £301,000 (with the final sums being agreed with projects when finalising the funding agreements). This is very slightly over the anticipated budget but can be met within the NOLB fund allocation.
- 4.11 A summary of projects not recommended for funding is provided in Appendix 4.

## **5. Next Steps**

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- 5.1 If Committee approves the recommendations of this report, bidders will be informed of the outcome of their application and offered feedback on their applications.
- 5.2 At the time of writing, the Scottish Government has not provided grant offer letters to Local Authorities to confirm their allocation of funding for employability services, including NOLB, for 2024/25. Funding agreements will be confirmed as soon as confirmation of the grant award is received. In the meantime, officers will work with the organisations to finalise the funding agreements and associated conditions.

## **6. Financial impact**

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- 6.1 There is no financial impact to the Council as all estimated costs for the services identified in this report will be fully funded from the NOLB grant award from Scottish Government.
- 6.2 The quantum of total NOLB funding available in 2024/25 and beyond is still to be confirmed but Phase 1 funding has been consistent since 2019 and there is no indication that this will be reduced.

## **7. Equality and Poverty Impact**

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- 7.1 The impact on protected characteristic client groups will be positive as the recommendations outlined in this paper will enable young people at risk of a negative destination to enhance their employability and develop new skills to help them secure or progress in employment.
- 7.2 Partnership working is at the heart of the development of this proposal, both between Council departments and other partners and has been designed to complement the current strategic skills pipeline. This includes undertaking Integrated Impact Assessments to ensure no-one is adversely affected by these proposals and programmes.

## **8. Climate and Nature Emergency Implications**

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- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties requiring public bodies to contribute to climate change mitigation and to climate change adaptation, and to act sustainably. Relevant Council sustainable development policies have also been considered.
- 8.2 The proposals in this report help achieve a sustainable Edinburgh primarily by improving the areas of social justice, economic wellbeing and a just transition to a sustainable economy. By supporting local employment opportunities in local businesses and helping young people into positive destinations there is a positive impact on inclusion, employment and training, and shared prosperity.
- 8.3 There are no direct negative impacts in the effects of climate change or improving the resilience to the effects of climate change as a result of this report.
- 8.4 There are no direct nature emergency implications as a result of this report.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 The current AA Hubs were originally awarded using a co-production methodology. The review and subsequent procurement and award of any replacement service specifications have been co-produced. This was undertaken through a fully consultative process that includes and considers input from key stakeholders, service providers, and service users.
- 9.2 A NOLB Integrated Impact Assessment and Data Protection Impact Assessment is in place and has been reviewed as part of the coproduction exercise for input into service specifications.

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

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- 10.1 Scottish Government: [No One Left Behind: next steps for employability support](#)  
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## **11. Appendices**

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- 11.1 Appendix 1 – NOLB – Stage 1 Specification 2024-27.
- 11.2 Appendix 2 – NOLB Stage 1 Scoring and Assessment Guidance Criteria 2024-27.
- 11.3 Appendix 3 – Applications recommended for an award of 2024-27 NOLB funding.
- 11.4 Appendix 4 – Applications not recommended for an award of 2024-27 NOLB funding.



## **Appendix 1 – NOLB – Stage 1 Specification 2024-27**

### **The City of Edinburgh Council – No One Left Behind (NOLB) Stage 1 Provision Grants Programme**

The City of Edinburgh Council (Business Growth and Inclusion) would like to invite applications for organisations to deliver our No-one Left Behind (NOLB) programme of grant-funded Stage 1 provision in Edinburgh.

#### **1. Invite for applications**

Applications are invited for provision of services in relation to the NOLB funding stream. Applicants are asked to apply to deliver services for the NOLB Stage 1 Provision, which replaces the current Activity Agreement hubs in Edinburgh. This provision will run from April 2024 – March 2027, subject to Scottish Government funding.

Organisations can make several applications to deliver activity in any of the seven clusters (see clusters in Section 3), but each application should detail delivery in one cluster only.

All applications should make reference to the Strategic Skills Pipeline, the Scottish Government's 'No One Left Behind All Age Employability Service - Best Practice' document and Capital City Partnership's 'Grant Management Guide 2023'.

**Applications should be emailed to [contracts@capitalcitypartnership.org](mailto:contracts@capitalcitypartnership.org). The deadline is NOON, Friday 8 September 2023. Late submissions will not be accepted.**

#### **2. Background**

Scottish Government funded Stage 1 employability provision has been delivered in the City of Edinburgh Council area for a number of years. Since 2019, the funding for this support came under the banner of No One Left Behind, with 2019/20 being treated as a transition year prior to the first phase of the NOLB transition.

Currently known as Activity Agreements, provision is delivered across the City in five areas: City Centre; North East; North West; South East and South West. Dedicated staff work with each young person to agree a bespoke package of activity to encourage and support them in taking the next step towards a positive destination.

City of Edinburgh Council have undertaken significant co-production activities to inform the grant making process which will replace the current Activity Agreement programme. This process was overseen by a NOLB Review Group made up of senior officers from The City of Edinburgh Council departments including: Business Growth and Inclusion; Procurement; Communities and Families; Housing and Homelessness; as well as members of the Local Employability Partnership (LEP) including: Skills Development Scotland (SDS), Edinburgh Voluntary Organisations' Council (EVOC), Developing Young Workforce (DYW), Edinburgh Health and Social Care Partnership and Capital City Partnership (CCP).

Broadly summarised, stakeholders (employability providers, partners and users of the services) have told us:

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## **Client Group**

- Stage 1 provision should be aimed at those aged 16-19 (or up to 26 for care-experienced young people or young people with a disability) leaving school and not moving into a positive destination (employment, further education or training).
- There should also be a focus on those residing within Scottish Index of Multiple Deprivation (SIMD) decile 1 and 2, but young people from all areas should also be able to access support.

## **Priorities**

- Early engagement with those at risk of no positive destination, linking with schools and The City of Edinburgh Council core NOLB team.
- Assessment of young people alongside partners to ensure service is reaching those most in need.
- Clients having a “keyworker” as a single point of contact who can be relied on.
- Initial action planning and regular review is essential – aspirational approach.

## **Delivery**

- Person centred, trauma informed approach to delivery.
- Mental health support alignment will be crucial to ensuring sustained engagement.
- Provision should be no more than a short bus journey away from the participant, with specific outreach into community premises aligning to The City of Edinburgh Council’s 20-minute neighbourhood ambition.
- Core staff team within The City of Edinburgh Council is central to delivery process through maintaining relationships with referral sources including schools and wider City of Edinburgh services, for the smooth engagement and transition of young people.
- The expectation is that significant amounts of 1-to-1 work will be required for this client group, including home visits and community outreach.
- Activities for this service should include: vocational training, work experience/placements, life skills, budgeting, employer talks/visits and other opportunities aimed at improving young people’s potential of moving into employment, training or further education.
- Key relationships should be established with Third Sector delivery partners, youth work, Local Area Co-ordinator teams within the City of Edinburgh Council and Community Mental Health organisations.
- Maximum engagement length of 12 months for each young person, subject to annual review.
- All young people supported by this programme will be able to access Education Maintenance Allowance (EMA) if they meet eligibility criteria.

### **3. Service Requirements**

The NOLB Review Group were presented with the key findings from the co-production and agreed the requirements and delivery model for the service. The group recommended key priority areas for support, and this recommendation was ratified at the Housing, Homeless and Fair Work Committee on [8 August 2023](#).

The focus of NOLB Stage 1 Provision should be delivery of services at the earliest stage of the pipeline for clients aged 16-19 (or up to 26 for care experienced young people or young people with a disability). This provision should be an intervention for the city's most vulnerable young people who have left school without a positive destination. Likely outcomes will be progression along the pipeline, support to enter education or training or progression to employment. All provision should be client focused.

Bidders are asked to submit applications for the delivery of NOLB Stage 1 provision. Applications should be for activity in one cluster only and should an organisation wish to deliver in more than one location, multiple applications will be required.

Delivery should be targeted, with the following schools making up each cluster:

- Cluster 1 – Gorgie Mills; James Gillespie's; St Thomas Acquin's; Tynecastle; Boroughmuir.
- Cluster 2 – Craigroyston; Queensferry; Royal High School.
- Cluster 3 – Craigmount; Forrester; St Augustine's.
- Cluster 4 – Firhill; WHEC; Currie; Woodland; Balerno.
- Cluster 5 – Gracemount; Liberton; Howdenhall; Kaimes.
- Cluster 6 – Castlebrae; Portobello; Holyrood.
- Cluster 7 – Leith; Trinity; Drummond; Broughton; Pilrig Park.

The total available fund is £300,000 per annum (split equally between each area), meaning the amount awarded for each cluster will be £43,000 per annum, subject to budget availability. Grants will be awarded for a period of three years.

Partnership bids are welcomed; however a lead partner should complete Part A of the application form. Applicants are advised to consider sustainability of funding after the three-year period (subject to Scottish Government funding), as there can be no certainty of continuation of funding.

Projects should demonstrate knowledge of the Joined up for Jobs (JUfJ) network in Edinburgh and an ability to work with providers to support clients to progress to other funded provision when ready.

### **4. KPIs**

Projects should demonstrate understanding of the Milestones and Outcomes outlined in the NOLB Best Practice Guide, as well as the outcomes and progressions definitions in the CCP Grant Management Guide 2023. Projects should indicate how they will support clients to achieve these.

Bidders will be expected to engage with a minimum number of clients as outlined below. Bidders will also be expected to provide evidence on how engagement targets will be met, and the annual outcomes/progressions expected for clients - to ensure annual caseloads are maintained at the below volumes in their applications:

<b>New engagements per annum</b>	<b>Individuals supported per annum</b>
20	25

## **5. Compliance and Monitoring**

Providers must ensure all activity in relation to client engagement is recorded and tracked by their staff teams on the management information system (Helix), in line with NOLB requirements. This system will also be used to sign-post clients to services within the Strategic Skills Pipeline and to receive referrals from other providers.

Compliance with monitoring systems will be required. This includes facilitating annual visits for audit monitoring by a dedicated contract manager from Capital City Partnership (The City of Edinburgh Council's monitoring arm), use of the management information system Helix, as well as the submission of quarterly qualitative reports.

## **6. Next Steps**

After the deadline for submissions, applications will be reviewed and scored by the NOLB Review Group, with a consensus reached by the group on the which applications should be recommended for funding.

Recommendations will be presented to Housing, Homeless and Fair Work Committee in December 2023. Once committee ratifies recommendations, a three-month transition period with successful providers which will take place. This will include support with monitoring and compliance, relationship building with key partners and transition of clients between new and old services for those still in need of support.

Approved bidders will be expected to commence with service delivery from 1 April 2024 until 31 March 2027, subject to funding and performance.

## **Appendices**

1. CEC NOLB Stage 1 Grant Application Form
2. CEC NOLB Stage 1 Grant Application Scoring and Selection Criteria
3. City of Edinburgh Council Standard Conditions of Grant
4. Edinburgh's Strategic Skills Pipeline
5. No One Left Behind All Age Employability Service - Best Practice
6. City of Edinburgh Council Business Plan 2023-2027
7. Grant Management Guide 2023
8. Edinburgh by Numbers 2022

## Appendix 2 - Council Grant Application Scoring and Selection Criteria

### THE CITY OF EDINBURGH COUNCIL NO ONE LEFT BEHIND (NOLB) STAGE 1 GRANTS – SCORING AND ASSESSMENT CRITERIA

#### INTRODUCTION

This document provides an overview of the assessment system which is applied in respect of projects or services whose main function is to help improve the employability of the clients it serves; together with detailed guidance on the selection criteria which will be applied to applications.

#### ASSESSMENT SYSTEM

- The criteria outlined in this document will be used to assess aspects of all No One Left Behind (NOLB) Stage 1 Grant applications submitted for funding in financial years 2024-27.
- Membership of the Assessment Panel is drawn from the Local Employability Partnership.
- Each application will be scored independently by two members of the Panel, who will then agree a moderated score and funding recommendation.

Once all applications have been scored, the Panel will also take cognisance of the overall fit with the Employability Pipeline in the city and agree overall programme recommendations.

- The maximum score available for each project is 36 points.
- Any question not attempted will be given 0 points.
- There is a quality bar of 50%: applications scoring 17 points or fewer will not be recommended for funding.
- The scores outlined below reflect the emphasis placed on specific criteria. Numbering aligns with question numbers in the application form.
- Projects will be scored on the basis of the Assessment Panel appraisal of the information provided in the submitted application.
- These criteria have been selected to reflect the objectives and emphasis of the *NOLB Stage 1 Grants Specification 2024-27*.

Following the Assessment Panel scoring process, recommendations are referred to *CEC Housing, Homelessness and Fair Work Committee* for approval.

## PROJECT SCORING

### B1.1 Project/programme description

The description should identify specific target group(s) and propose an appropriate programme to move them towards and/or into work. Client engagement, selection, programme delivery and onward referral should be outlined. Proposed staffing of the project should be outlined. Applicants intending to move participants into work should include employer engagement activity; and actions to support people post job-entry. If a qualification is to be delivered, details of accreditation should be noted and explained further in question B4b. Applicants aiming to move people along the pipeline should indicate progression routes. Referral protocols should be agreed with feeder provision and/or progression destinations as appropriate.

#### Points:

- 0 Incoherent account, mismatch of proposed service and target group, lack of relevant detail
- 2 Limited summary, poor match of services to participant needs, inadequate support for participants, appropriate links not made (e.g. to employers, other service providers)
- 4 Adequate summary of proposed project or service, client journey covered, some details omitted
- 6 Full, coherent summary; appropriate services to support participants particularly in stages 1 and 2; client journey clearly articulated; clear referral arrangements

### B1.2 Brief project/programme description

The description should be a very brief summary of the project, which can be used when marketing the project, for example on the Joined Up for Jobs directory or social media channels.

### B2 Relevance to Employability Programme priorities

The application should clearly demonstrate that the proposed project or service addresses the priorities in the *NOLB Stage 1 Grants Specification 2024-27*. In addition, you should show how the proposed service fits with Edinburgh's employability pipeline.

#### Points:

- 0 Proposed project/service not linked to priorities and pipeline
- 2 Limited linkage to the priorities or fit with the pipeline
- 4 Some links to priorities and fit with the pipeline
- 6 Strong links to priorities and fit with the pipeline

### B3 Evidence of demand and/or need

This should include reference to sources of information such as unemployment or deprivation statistics. There should be clear evidence that where appropriate the most relevant and up to date data have been used. In addition, the justification should be consistent with local, regional and national labour market information as appropriate. Your answer should also reflect the extent to which your proposed service enhances rather than

Housing, Homelessness and Fair Work Committee – 5 December 2023 Page 12 of 17

duplicates other provision for the client group. The project score will be based on the strength of the data used; the level of demand demonstrated; and complementarity with other service provision.

**Points:**

- 0 No evidence offered
- 2 Little evidence of demand or need
- 4 Some evidence of demand or need
- 6 Strong evidence of demand or need

**B4 Targets, progressions and/or outcomes**

This relates to the fit with objectives of the specification, and to the targets and impacts offered by the proposed service for 2024-27. The score will reflect the degree to which the project outputs and results are relevant, realistic, achievable and sustainable. Your answer should give the rationale for your targets and or progressions, showing how these are relevant to the target group(s). Qualifications should be commensurate with the stage of the strategic skills pipeline the project is being delivered. The actual numbers for each year should be given in the tables. You will find the definitions of outcomes in the CCP Grant Management Guide 2023 – it is essential that you adhere to these.

**Points:**

- 0 Relevant outputs/outcomes/impacts not clearly identified
- 1 Minimal identification of relevant outputs, outcomes and/or impacts
- 2 Some clear, measurable and realistic targets for outputs, outcomes and/or impacts
- 3 Clear, detailed, measurable and realistic, but challenging targets for outputs, outcomes and/or impacts

**B5 Value for money**

The score given will reflect the value for money of the project by comparing key quantified outputs and impacts against overall project cost. Details of added value such as partnership or colocation may be used as an indicator of value for money, as could the ratio between client-focussed costs and overheads. A coherent justification for cost per client/outcome should be given in the answer.

**Points:**

- 0 Poor value for money
- 1 Reasonable value for money
- 2 Good value for money compared with other project applications/ existing provision
- 3 Very good to excellent value for money

## **B6 Monitoring and evaluation (Quality Assurance)**

The application should give evidence of effective monitoring and evaluation systems used by staff to measure the quality and effectiveness of the intervention. These might include:

- Use of monitoring information (including Helix) to improve procedures, policies etc.
- Service user involvement
- Evidence of independent verification of outcomes
- Accessing a range of information sources for evaluation purposes
- Elements of external scrutiny
- Identification and implementation of good practice

### **Points:**

- 0** No evidence of adequate monitoring and evaluation systems
- 1** Little evidence of adequate monitoring and evaluation systems
- 2** Some evidence of monitoring and evaluation systems above the minimum required and feedback sought from service users; identification of good practice
- 3** Strong evidence that monitoring and evaluation proposals are rigorous, use a variety of information sources and include an element of external scrutiny. Good practice is identified and used to continuously improve service delivery. Service user feedback should be embedded in the evaluation system

## **B7 Partnership working**

The project should demonstrate genuine, realistic and appropriate partnership working with relevant agencies and service users in design and delivery of the service. Factors could include:

- Proper local consultation in assessing demand for project and delivery of the priorities in the Local Improvement Plan
- Practical partnership between agencies in the delivery of the project
- Input from partners and service users to project design and delivery
- Employer engagement where relevant
- Leverage of additional resources from other partners (which may be in kind).

### **Points:**

- 0** No evidence of partnership working
- 1** Limited evidence of partnership working
- 2** Some evidence of involvement of appropriate partners and/or community
- 3** Strong evidence of genuine involvement of appropriate partners, and/or local community, and/or communities of interest, and/or employers

## **B8 Evidence for success / track record**

Where applicants have run previous projects, or this project or a similar project has run elsewhere, the score will reflect these results and the likelihood of replicability of results during the next funding period in terms of delivery, outcomes and spend. Projects with no relevant track record will be given 2 points.



**Points:**

- 0 No evidence
- 1 Limited relevant evidence of success
- 2 Some record of success and reasonable likelihood of results being duplicated.
- 3 Strong record of success and high likelihood of results being duplicated

**B9 Location / environment**

The score should reflect the extent to which the project demonstrates a positive approach to location and environment for clients to be supported. The project should demonstrate that it is accessible by adequate and appropriate public transport services or pedestrian means. Factors could include:

- Suitable opening hours
- Hybrid working (use of online support)
- Premises suited to the needs of the client group
- Safe and accessible location
- Privacy, if relevant
- Good public transport links
- Specific transport provided
- Colocation of services
- Delivery other than in person
- Postcodes of areas of delivery if using outreach

**Points:**

- 0 No or poor consideration of these issues
- 1 Limited accessibility/little consideration of location/environment
- 2 Good consideration of location/environment
- 3 Excellent accessibility and strong rationale for location/environment

**Appendix 3 – Applications recommended for an award of 2024-27 NOLB funding**

<b>Provider</b>	<b>Cluster</b>	<b>Funding Ask</b>
Access to Industry	1	£ 43,000.00
Barnardo's	2	£ 43,000.00
Access to Industry	3	£ 43,000.00
Triage	4	£ 43,000.00
Wheatley Foundation	5	£ 43,000.00
Cyrenians	6	£ 43,000.00
Citadel Youth	7	£ 43,000.00
		<b>£301,000.00</b>

#### Appendix 4 – Applications not recommended for an award of 2024-27 NOLB funding

Provider	Cluster	Funding Ask
Canongate Youth	1	£ 43,000.00
Foursquare	1	£ 43,000.00
Triage	1	£ 43,000.00
Volunteering Matters	1	£ 42,834.00
Wheatley Foundation	1	£ 43,000.00
Move On	2	£ 39,376.00
Triage	2	£ 43,000.00
Volunteer Edinburgh	2	£ 32,516.00
Volunteering Matters	2	£ 42,834.00
Barnardo's	3	£ 43,000.00
Cyrenians	3	£ 43,000.00
Triage	3	£ 43,000.00
Wheatley Foundation	3	£ 43,000.00
Volunteer Edinburgh	4	£ 32,516.00
Volunteer Edinburgh	5	£ 32,516.00
Barnardo's	6	£ 43,000.00
Intowork	6	£ 43,000.00
Link Living	6	£ 44,012.67
Volunteering Matters	6	£ 42,834.00
Wheatley Foundation	6	£ 43,000.00
Impact Arts	7	£ 43,000.00
Intowork	7	£ 43,000.00
Volunteer Edinburgh	7	£ 30,624.00
Volunteering Matters	7	£ 42,834.00
		<b>£984,896.67</b>

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# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## No One Left Behind – Next Phase

Executive/routine  
Wards

Executive  
All

### 1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee:
- 1.1.1 Note the expectation that additional funding of approx. £890,000 will be allocated to the Council for No One Left Behind (NOLB) delivery, to be fully utilised in 2024/25;
  - 1.1.2 Note the urgency in developing and implementing a comprehensive programme to ensure delivery of NOLB Next Phase can take place from 1 April 2024; and
  - 1.1.3 Agree, subject to this additional funding being made available, to allocate:
    - 1.1.3.1 Up to £330,000 on a one-off basis to continue delivery of four projects, currently funded by Young Person’s Guarantee funding, for 12 months from 1 April 2024, pending confirmed outcomes for 2023/24;
    - 1.1.3.2 £50,000 to Capital City Partnership for the creation of employer cultural awareness sessions to enhance in-work support for Black and Asian Minority Ethnicity communities;
    - 1.1.3.3 Up to £90,000 to support current Network of Employability Support and Training providers with rising operation costs due to inflation;

**Paul Lawrence**

Executive Director of Place

Contact: Lucy Pearson, Contracts and Programme Manager

E-mail: [lucy.pearson@edinburgh.gov.uk](mailto:lucy.pearson@edinburgh.gov.uk) | Tel: 07834 619 640

- 1.1.3.4 Up to £250,000 to recruit a team of dedicated Edinburgh Guarantee staff to engage with hard-to-reach communities and signpost to providers across the strategic skills pipeline;
- 1.1.3.5 £100,000 to launch an open grants process to expand the existing NOLB programme with a specific citywide Additional Support Needs Stage 1 provision; and
- 1.1.3.6 The remaining funds, but no more than £100,000, for the creation of a dedicated NOLB transition fund across all NOLB activities to meet increasing client costs.

## No One Left Behind – Next Phase

### 2. Executive Summary

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- 2.1 This report outlines the work undertaken by the City of Edinburgh Council and the Local Employability Partnership (LEP) to put in place additional services funded by Scottish Government, under the No One Left Behind (NOLB) strategy, in anticipation of the award amount for funding for 2024/25 and sets out a recommended funding plan for Committee approval.

### 3. Background

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- 3.1 As [outlined](#) to Committee on 8 August 2023, the Scottish Government have confirmed that Fair Start Scotland (FSS) will end and that funding will be allocated to LEPs, with Local Authorities as the Lead Accountable Body, to utilise the grant funding to deliver the employability support required.
- 3.2 The current FSS contract is valued at £24m in 2023/24 but, due to contingent liabilities under the existing contract, it is likely that only £10m will come to Local Authorities in 2024/25. Based on the assumption that the funding allocation will follow the same methodology as other NOLB funding, Edinburgh is expected to receive approximately £890,000 in 2024/25. Future funding levels will be dependent on the contingent FSS liabilities and whether the Scottish Government decide to repurpose the full FSS allocation to NOLB.
- 3.3 Since 2021, the LEP has conducted consecutive co-production for Scottish and UK Government funds, including Young Person's Guarantee (2021-22), NOLB Phase 2 (2021/22), UK Shared Prosperity Fund (2022/23), Parental Employment Support Fund (2023/24) and NOLB – Stage 1 (2023/24).
- 3.4 Thanks to this continuous co-production and the robust, quantitative frontline data gathered through Edinburgh's Helix information system, the LEP has built up a solid understanding of the offerings and requirements across Edinburgh's Strategic Skills Pipeline.

## 4. Main report

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- 4.1 The Scottish Government has not yet provided a specification for NOLB Next Phase, although they have confirmed that referrals to the FSS service have been extended until 31 March 2024 with participants allowed 12 months of aftercare support. This extension to the referral deadline, and subsequent ongoing support, means only a slight increase is expected in the number of additional people needing employability support services via Edinburgh's Strategic Skills pipeline, which can be absorbed within the existing provision.
- 4.2 In line with Scottish Service Design Principles and given earlier co-production findings, the co-production for NOLB Next Phase has focused extensively on engagement with participants of existing employability programmes, wider poverty prevention citizen groups, and relevant professionals to identify improvements to the current offer.
- 4.3 This has included engagement with;
  - 4.3.1 The Joined Up for Families Citizens Panel to engage with ethnically diverse communities;
  - 4.3.2 Community Link Workers and Thrive/Community Partnership Network staff to engage with the hardest-to-reach citizens who aren't already engaged in employability services but are engaged with health;
  - 4.3.3 Income Maximisation and to identify the impact of the cost-of-living on the hardest-to-reach citizens; and
  - 4.3.4 Over 4,000 Edinburgh Citizen's via the Edinburgh Partnership Survey, with specific data collated around employability support.
- 4.4 Key findings from the above include requirements for:
  - 4.4.1 Dedicated Employability Link Workers engaging with housing, health and advice services and wider communities to signpost and support the hardest-to-reach people to employability services;
  - 4.4.2 Funding for clients to access appropriate training and qualifications, alongside support to remove financial barriers related to gaining employment such as Protecting Vulnerable Groups (PVG) membership costs, English For Speakers of Other Languages (ESOL) for employability support, uniform costs, and initial commuting costs;
  - 4.4.3 A bespoke city-wide Additional Support Need (ASN) Stage 1 provision for young people at risk of a negative destination post-school;
  - 4.4.4 Continuation of existing projects for young people that are in demand, due to the continuous impact of the pandemic on positive destinations for school leavers (expected to increase with the leavers this year who started high school in the pandemic); and



4.4.5 A need to improve in-work support to BAME communities to improve sustained employment.

4.5 Additionally, a Joined Up for Jobs Network Consolidation of Findings Event was held on 9 of November 2023. The session concluded that the providers are in agreement with the key findings from the coproduction outlined above.

#### **Proposed NOLB Next Phase Programme 2024/25**

4.6 In anticipation of the NOLB Next Phase funding, the LEP have considered the co-production and current provision and recommend a programme for funding to meet the requirements set out above (Appendix 1).

4.7 The proposed programme includes an extension of the four programmes currently delivered under the Young Person's Guarantee, including a 10% increase to account for inflation. This is pending the programmes delivering the outcomes as agreed for 2023/24. If any of the programmes are significantly underperforming, the funding may be reallocated to the other providers or officers may bring an alternative proposal to Committee for consideration.

4.8 Other activity proposed includes the establishing of an in-house team to actively promote and integrate employability services across other Council service areas, as well as across external service providers, and a direct award to Capital City Partnership (CCP) to create a programme delivering bespoke employer training around cultural awareness and engagement.

4.9 As the NOLB Stage 1 provision, reported elsewhere to this Committee, does not have specific provision for young people with ASN, it is also proposed to launch a grants process for one provider to deliver city-wide ASN provision for school leavers. The grants process would only launch once funding is confirmed, and the outcome would be reported back to Committee with a recommendation of a provider.

4.10 The proposed programme also includes a 10% uplift for current Network of Employability Support and Training (NEST) providers, to meet increased costs due to inflation.

4.11 The remainder of the funding is recommended to be invested into a Transitions fund for NOLB clients, to support with one-off costs (up to £200) which may otherwise be a barrier to employment.

## **5. Next Steps**

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5.1 If Committee approves the recommendations of this report, officers will continue to engage with the LEP, Scottish Government and CCP to implement the programme.

5.2 Officers will also engage with the LEP as well as the Council's Children, Education and Justice services to develop and implement a specification for the ASN Stage 1 provision, but it is anticipated that this will be to fund one provider to deliver a city-wide service.

## **6. Financial impact**

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- 6.1 There is no financial impact to the Council as all estimated costs for the services identified in this report will be fully funded by the NOLB grant award from the Scottish Government.
- 6.2 The quantum of total NOLB funding available in 2024/25 and beyond is still to be confirmed. The current FSS contract is valued at £24m in 2023/24 but, due to contingent liabilities under the existing contract, it is likely that only £10m will come to Local Authorities in 2024/25. Based on the assumption that the funding allocation will follow the same methodology as other NOLB funding, Edinburgh is expected to receive approximately £890,000 in 2024/25. Future funding levels will be dependent on the contingent FSS liabilities and whether the Scottish Government decide to repurpose the full FSS allocation to NOLB.

## **7. Equality and Poverty Impact**

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- 7.1 The impact on protected characteristic client groups will be positive as the recommendations outlined in this paper will enable them to enhance their employability and develop new skills to help them secure or progress in employment.
- 7.2 Partnership working is at the heart of the development of this proposal, both between Council departments and other partners and has been designed to complement the current strategic skills pipeline. This includes undertaking Integrated Impact Assessments to ensure no one is adversely affected by these proposals and programmes.

## **8. Climate and Nature Emergency Implications**

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- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties requiring public bodies to contribute to climate change mitigation and to climate change adaptation, and to act sustainably. Relevant Council sustainable development policies have also been considered.
- 8.2 The proposals in this report help achieve a sustainable Edinburgh primarily by improving the areas of social justice, economic wellbeing and a just transition to a sustainable economy. By supporting local employment opportunities in local businesses and helping young people into positive destinations there is a positive impact on inclusion, employment and training, and shared prosperity.
- 8.3 There are no direct negative impacts in the effects of climate change or improving the resilience to the effects of climate change as a result of this report.
- 8.4 There are no direct nature emergency implications as a result of this report.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 All previous and current NOLB-funded projects were originally awarded using a co-production methodology. The review and subsequent procurement and award of any replacement service specifications have been co-produced. This was undertaken through a fully consultative process that includes and takes into account input from key stakeholders, service providers, and service users.
- 9.2 A NOLB Integrated Impact Assessment and Data Protection Impact Assessment is in place and has been reviewed as part of the coproduction exercise for input into service specifications.

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

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- 10.1 No One Left Behind.
- 10.2 Fair Start Scotland - Statement.
- 10.3 Fair Start Scotland – Employment Support.
- 10.4 Fair Start Scotland 3 Year Reports and Delivery Stats

## **11. Appendices**

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- 11.1 Appendix 1 – Recommended spend of NOLB Next Phase funds in 2024/25.

## Appendix 1 – Recommended spend of NOLB Next Phase funds in 2024/25

<b>Programme Activity</b>	<b>Proposed Funding Allocation (subject to confirmation of Scottish Government Funding allocation)</b>
12 month's extension of four programmes under Young Person's Guarantee Activity, pending confirmed outcomes of current activity as follows:	£330,000
Foursquare	£82,500
Cyrenians (Keys to College)	£82,500
RUTS (INSPIRE)	£82,500
Impact Arts (Impactful Starts)	£82,500
CEC Employability Link Worker Team	£250,000
NEST Providers 10% Inflation Uplift	£90,000
NOLB BAME Awareness Training and In-Work Support (Direct award to CCP)	£50,000
Stage One Additional Support Needs Provision	£100,000
<b>Total</b>	<b>£820,000</b>
+ NOLB Client Transitions fund	Up to £100,000

# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## UK Shared Prosperity Fund Update

Executive/routine  
Wards

Executive  
All

### 1. Recommendations

1. It is recommended that Committee:
  - 1.1.1 Notes the six-month report provided to the UK Government and the progress made with UK Shared Prosperity Fund (UK SPF) programme delivery in Edinburgh;
  - 1.1.2 Notes that the People and Skills projects which were allocated funding from the underspent 2022/23 Multiply allocation have commenced delivery;
  - 1.1.3 Agrees to allocate £130,415 on five projects under the Regional Prosperity Framework (RPF)'s Visitor Economy & Culture Delivery Programme, as detailed in Appendix 2;
  - 1.1.4 Agrees to reallocate the remaining capital funds which had been earmarked for RPF project delivery to deliver Council-led projects which align with the UK SPF criteria and can be completed within the timescales required;
  - 1.1.5 Agrees to reallocate the remaining revenue funds which had been earmarked for RPF project delivery to boost existing projects delivering under Edinburgh's UK SPF programme; and

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Executive Director of Place

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1.1.6 Notes that a report will be submitted to Committee in February 2024, further detailing recommendations for the spend of the reallocated funds.

## UK Shared Prosperity Fund Update

### 2. Executive Summary

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- 2.1 This report provides a progress summary of projects which are funded through the UK Shared Prosperity Fund (UK SPF). The report covers activity during the period 1 April – 30 September 2023.
- 2.2 This report also makes recommendations for allocation of the funds earmarked for delivering projects aligned with the Regional Prosperity Fund (RPF).

### 3. Background

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- 3.1 The Housing, Homelessness and Fair Work Committee previously agreed the programme of projects delivering the UK SPF in Edinburgh.
- 3.2 On 1 December 2022, Committee [agreed](#) that regular reports would provide an update on the progress of UK SPF delivery.
- 3.3 As [agreed](#) by Committee on 4 August 2022, UK SPF is supporting RPF projects and all unallocated funds in 2024/25 were earmarked for delivery of these. On 8 August 2023, Committee [agreed](#) to fund feasibility studies for a Net Zero Accelerator Hub and a Climate Risk Opportunity Assessment.

### 4. Main report

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- 4.1 The outputs and outcomes of the UK SPF framework have been set out in the [guidance](#) for the programme.
- 4.2 Appendix 1 shows the outputs and outcomes achieved in Edinburgh for the period April to October 2023.
- 4.3 Outputs and outcomes are self-selected by the projects and are chosen to reflect their relevance to the project. The information gathered only reflects the actual outputs and outcomes achieved within the reporting period, therefore these will not reflect the totality of the action progressed in each reporting period. This means that some outputs might be reported once, and then there will be no further updates, e.g. the amount of rehabilitated land might only appear once, if the action was to

create a garden - once the garden has been created, there will be no further activity on this.

- 4.4 Some outputs are only available under certain interventions, according to the UKSPF framework, and will therefore only be reported on by projects delivering under that intervention. For example, 'People Reached' will only be reported on under certain interventions and therefore will only reflect the projects which specifically have a target under this.
- 4.5 The outputs may also vary depending on the type of project. A website or marketing initiative will, naturally, have wider reach than a skills project.
- 4.6 Projects will continue to report quarterly on the outputs and outcomes achieved and these will continue to be monitored throughout the duration of the programme so that the cumulative impact for the three-year Investment Plan is captured.
- 4.7 The cumulative targets for the Investment Plan are also being reviewed in line with the shortened timeline to ensure they reflect the revised programme of delivery.
- 4.8 As UK SPF programme delivery is now properly underway, Capital City Partnership (CCP) has launched [a website](#) to provide further insight into the various projects and an opportunity for providers to showcase their activities.
- 4.9 Expenditure in the first six months of 2023/24 against each theme was:

Priority	Expenditure As at 30 September 2023
<b>Communities and Place</b>	£721,345
<b>Local Business</b>	£291,653
<b>People and Skills</b>	£1,026,996
<b>Multiply</b>	£5,152
<b>Management and Administration</b>	£52,270

- 4.10 Expenditure has been allocated against the lead priority as selected by projects, however activity may span across one, two or all three priorities.
- 4.11 As agreed by Committee on 8 August 2023, the anticipated underspend in the carried forward 2022/23 Multiply allocation has been reallocated to projects delivering interventions within the People and Skills strand and delivery has commenced. The two feasibility studies under RPF have commenced, with the Edinburgh contribution to be made in 2024/25.
- 4.12 Work has been ongoing to develop additional projects under RPF and Appendix 2 details an additional five projects from the Visitor Economy & Culture Delivery Programme which have been put forward for funding. The total cost for these projects would be £400,000 with the contribution from Edinburgh being £130,415.
- 4.13 Two projects decided to withdraw from the programme before commencing delivery, for reasons unrelated to the UKSPF. This means that there is currently, assuming the recommendations in Appendix 2 are agreed, around £560,000 of capital spend



and £230,000 of revenue spend in the 2024/25 allocation of SPF which is not committed.

- 4.14 Given the long lead in time for capital projects, it is unlikely that any RPF projects will be ready in time to commence in 2024/25 and so it is recommended that the capital element of the funding earmarked for RPF projects is dedicated to projects led and driven by the Council's Place Directorate. Work would commence with the different service areas to identify suitable projects that will meet the UK SPF criteria, and can be completed within 2024/25, and bring these back to Committee for approval in February 2024.
- 4.15 As there are currently no other projects being proposed for delivery under RPF, it is recommended that the revenue element earmarked for this is reallocated to boost existing projects who are performing well and have capacity to increase delivery. Officers will review the current projects, including those which were introduced within the People and Skills strand with the reallocated Multiply underspend, and bring a recommendation to Committee for approval in February 2024.

## **5. Next Steps**

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- 5.1 If Committee agree the recommendations in this report, a report will be submitted to Committee in February 2024, making recommendations for the unallocated £560,000 capital funding and £230,000 revenue funding.
- 5.2 The Programme Management Office (PMO) will continue to liaise with projects on the implementation of the Edinburgh programme of delivery, making links across projects, including networking and training sessions.
- 5.3 A further update on progress will be provided to Committee following the next report that is submitted to the UK Government.

## **6. Financial impact**

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- 6.1 All expenditure on this programme has been met by the funding received for UK SPF.

## **7. Equality and Poverty Impact**

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- 7.1 The Shared Prosperity Fund is part of the UK Government's Levelling Up agenda and Edinburgh's Investment Plan was designed specifically to complement the Council's Business Plan priorities of Net Zero, Ending Poverty and Creating good places to live and work.

## **8. Climate and Nature Emergency Implications**

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- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties requiring public bodies to contribute to climate change mitigation and to climate change adaptation, and to act sustainably. Relevant Council sustainable development policies have also been considered.
- 8.2 There are no direct negative impacts in the effects of climate change or improving the resilience to the effects of climate change as a result of this report.
- 8.3 There are no direct nature emergency implications as a result of this report.
- 8.4 In addition to the carbon impact measures in the programme outputs and outcomes, a carbon impact assessment was undertaken by the Council's Sustainability Team. It found that the majority of projects would have a positive environmental impact. The assessment of projects highlights the following key considerations:
- 8.4.1 Capital projects will ensure that any construction has energy efficiency in mind; Projects involving capital works will submit plans to the UK SPF PMO to outline the environmental impact;
- 8.4.2 Projects that are already in design or build phase are very proactive in this area, including the new Bike Station in Gorgie and the new building for the Spartans Community Foundation youth work;
- 8.4.3 The Forever Edinburgh marketing campaign will promote low-carbon transport modes; and
- 8.4.4 The Chamber of Commerce's project is dedicated to supporting businesses towards Net Zero.
- 8.5 The projects delivered in Edinburgh through UK SPF help achieve a sustainable Edinburgh primarily by improving the areas of social justice, economic wellbeing and a just transition to a sustainable economy. By supporting local employment opportunities in local businesses and helping people into positive destinations there is a positive impact on inclusion, employment and training, and shared prosperity.
- 8.6 More broadly, there is an opportunity through UK SPF to promote awareness of environmental issues and carbon impact throughout the strategic themes. As well as being an important focus for the Council, Net Zero and nature recovery is also a cross-cutting theme in the UK SPF framework.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 To support the development of the investment plan, engagement and promotion activities with stakeholders included online sessions with potential applicants attended by almost 100 participants (the majority of which were from Third Sector or community groups); information and engagement sessions with Council elected members, local MPs and MSPs and the Edinburgh Partnership;

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

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10.1 None

## **11. Appendices**

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11.1 Appendix 1 - UKSPF Edinburgh Outputs and Outcomes Delivered April – October 2023.

11.2 Appendix 2 - Regional Prosperity Framework projects recommended for funding.

## Appendix 1: UKSPF Edinburgh Outputs and Outcomes Delivered April – October 2023

UKSPF Output	Delivery
Amount of green or blue space created or improved (m2)	3,471
Amount of land made wheelchair accessible/step free (m2)	1,090
Businesses receiving non-financial support	53
Commercial buildings developed or improved	1
Economically inactive people engaging with keyworker support services	32
Economically inactive people supported to engage with the benefits system	28
Effective working between keyworkers and additional services	7
Events/participatory programmes	164
Facilities supported / created	7
Feasibility studies supported	6
Households receiving support	12,318
Households supported to take up energy efficiency measures	137
Improved engagement numbers	3
Local events or activities supported	710
Low or zero-carbon energy infrastructure installed	2
Neighbourhood improvements undertaken	8
Number of projects	19
Organisations receiving non-financial support	391
People accessing mental and physical health support leading to employment	65
People attending training sessions	230
People reached	176,447
People receiving support to gain a vocational licence	3
People receiving support to gain employment	293
People receiving support to sustain employment	32
People supported onto a course through providing financial support	20
People supported to access basic skills courses	84
People supported to engage in job-searching	153
People supported to engage in life skills	2,202
People supported to gain a qualification or complete a course	1,980
People supported to participate in education	61
People taking part in work experience programmes	19
Potential entrepreneurs provided assistance to be business ready	67
Rehabilitated premises	1
Socially excluded people accessing support	320
Trees planted	5
Volunteering opportunities supported	1,819

<b>UKSPF Outcome</b>	<b>Delivery</b>
Active or sustained participants in community groups as a result of support	5
Businesses adopting new to the firm technologies or processes	3
Community-led arts, cultural, heritage and creative programmes as a result of support	20
Early-stage firms which generate or increase their revenue	4
Economically active individuals engaged in mainstream skills education and training	44
Economically inactive people receiving benefits they are entitled to following support	11
Greenhouse gas reductions (Tonnes of Co2e)	682
Improved engagement numbers	783
Improved perceived/experienced accessibility (number of people)	146
Improved perception of events (number of people)	219
Improved perception of facilities/amenities	247
Increased affordability of events/entry (Affordability in £)	12
Increased number of innovation-active SMEs	2
Increased take-up of energy efficiency measures (number of households)	10
Increased users of facilities/amenities	157
Increased visitor numbers	51
Jobs created	12
New businesses created	16
New or improved community facilities as a result of support	35
Number of businesses adopting new to the firm technologies or processes	3
Number of R&D active businesses	4
Organisations engaged in new knowledge transfer activity	67
People engaged in job-searching following support	18
People engaged in life skills support following interventions	907
People engaging with mainstream healthcare services	30
People experiencing reduced structural barriers into employment and into skills provision	210
People familiarised with employers' expectations, including, standards of behaviour in the workplace	159
People gaining a qualification or completing a course following support	8
People gaining qualifications, licences and skills	36
People in employment, including self-employment, following support	69
People reporting increased employability through development of interpersonal skills funded by UKSPF	29
People sustaining engagement with keyworker support and additional services	13
Projects arising from funded feasibility studies	3
Volunteering numbers as a result of support	673

## Appendix 2: Regional Prosperity Framework projects to be funded under SPF

Project	Lead org.	Studies	Timescale	Cost
<b>Regional Net Zero Accelerator Hub (Agreed)</b>	West Lothian College	This funding is for the delivery of a Net Zero Accelerator Hub (NZAH) feasibility study. The study will undertake the initial preparation, skills mapping, and planning stage in the NZAH development, with supply-side work being undertaken at West Lothian, Borders, Edinburgh, and Fife Colleges. Additionally architectural plans will be produced, and the University of Edinburgh will provide a demand analysis based on the expected Net Zero activity taking place in the six Local Authorities in the ESES City Region Deal area.	Completed by: 31 July 2024	Total cost - £112,650  Edinburgh contribution: <b>£18,775</b>
<b>Regional Climate Risk &amp; Opportunity Assessment (Agreed)</b>	Sniffer	Sniffer will deliver a Climate Risk and Opportunity Assessment for the Edinburgh and South East Scotland City Region. It will provide detailed evidence of climate risks and will include an economic assessment of risks and extensive public engagement. The assessment will enable the six local authority partners to identify priority actions to address climate risks.	Completed by: 31 March 2025	Total cost - £306,000  Edinburgh contribution: <b>£51,000</b>
<b>Visitor Economy &amp; Culture Delivery Programme: <u>Data</u></b>	Visit Scotland	In partnership with DDI Smart Data Foundry, this funding will use a DDI-Led approach to visitor economy destination management. This project will harness detailed data analysis of visitor behaviour during the Edinburgh Festivals season, providing actionable insights to enhance regional infrastructure, policy planning, and economic opportunities, laying a foundational framework for the future establishment of a comprehensive Regional Visitor Economy Data Hub.	Estimated duration: 18 months  Expected start date: Q4 2023	Total cost - £25,000  Edinburgh contribution: <b>£4,166</b>

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<b>Project</b>	<b>Lead org.</b>	<b>Studies</b>	<b>Timescale</b>	<b>Cost</b>
<b>Visitor Economy &amp; Culture Delivery Programme: <u>Culture</u></b>		Through two key workstreams, Creative Ambition and Accessible Arts, this project aims to support and promote the region's cultural assets through the development of a new creative content and touring network for live arts across the ESES region. This project will develop sustainable forms of culture and tourism where more of the benefits are retained and magnified within the region, supporting recovery of the regional creative industries workforce and infrastructure.	Estimated duration: 24 months  Expected start date: Q4 2023	Total cost - £40,000  Edinburgh contribution:  <b>£6,666</b>
<b>Visitor Economy &amp; Culture Delivery Programme: <u>Cycle Tourism</u></b>		This project will develop a cycle tourism strategic vision and undertake a feasibility study on the opportunities for developing cycle tourism in Edinburgh and the South East Scotland region, drawing upon existing plans and research in relation to active travel, mobility, and infrastructure needs. Based upon the outcomes and recommendations, a destination development plan will be developed with associated business cases, and a programme of capital/revenue work undertaken to bring to life the ambitions of becoming a leading destination for cycling holidays.	Estimated duration: 12-18 months  Expected start date: Q4 2023	Total cost - £65,000  Edinburgh contribution: <b>£16,250</b>
<b>Visitor Economy &amp; Culture Delivery Programme: <u>Cruise Management Strategy</u></b>		With an anticipated threefold increase in cruise visitors expected by 2024, totalling over 246,000 passengers, the regional Cruise Management Strategy is an initiative designed to enhance the management of these visitors. Its primary goal is not to attract more cruise ships but rather to implement effective measures for visitor management. By doing so, it aims to maximise the benefits of tourism for the region, ensuring that the influx of cruise passengers contributes positively to the region's economy and culture.	Estimated duration: 12-18 months  Expected start date: Q1 2024	Total cost - £50,000  Edinburgh contribution: <b>£8,333</b>
<b>Visitor Economy &amp; Culture</b>	Fife Council	This project will restore three existing gateway signs as well as see the erection of eight free-standing directional signs and three fence-mounted directional signs across the Forth Bridge corridor.	Completed by 31 March 2025	Total cost - £220,000

<b>Project</b>	<b>Lead org.</b>	<b>Studies</b>	<b>Timescale</b>	<b>Cost</b>
<b>Delivery Programme: Forth Bridges Area Tourism Strategy Delivery</b>		<p>The outcomes of this project are expected to promote sustainable tourism and active travel, improve public transport connectivity, highlight local identity and sense of place, improve the impact and experience of the Forth Bridges Tourism Trail and increase visitor numbers.</p> <p>Due to the location of the signs and the capital nature of the investment, only Fife Council and Edinburgh Council are requested to fund this aspect of the programme.</p>		Edinburgh contribution: <b>£95,000</b>
<b>Total:</b>				Total project costs: £818,650  Edinburgh contribution: <b>£200,190</b>



# Housing, Homelessness, and Fair Work Committee

10.00am, Tuesday 5 December 2023

## Edinburgh Fair Work Charter

Executive/routine  
Wards

### 1. Recommendations

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- 1.1 It is recommended that Committee:
  - 1.1.1 Agrees the planned work programme for development of a city-wide Edinburgh Fair Work Charter.

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## Edinburgh Fair Work Charter

### 2. Executive Summary

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- 2.1 This report provides an update on progress in development of an Edinburgh Fair Work Charter, and a proposed timescale and approach for further engagement, design, and implementation.

### 3. Background

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- 3.1 On [8 August 2023](#) the Housing, Homelessness and Fair Work Committee considered a progress update report on agreed Fair Work, Gig Economy, and Living Hours City actions.
- 3.2 This report noted a draft Edinburgh Fair Work Charter developed for implementation on the Forth Green Freeport, in line with the Council's commitment to ensure that employers who receive incentives and benefits from their investment in that site operate in a way that is consistent with the fair work ambitions of the city, and the proposed plans for its wider development for implementation across the city.
- 3.3 This report provides an update on progress towards development of a city wide Fair Work Charter, and a proposed timescale and work programme for further engagement, development, and implementation.

### 4. Main report

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- 4.1 Appendix 1 provides a draft Edinburgh Fair Work Charter. In line with the recommendations of the Gig Economy Task Force, it is proposed that a period of consultation and engagement with Edinburgh businesses, workers, and trade unions is carried out to develop options for use of the charter across the city as a whole. This consultation will include consideration of how to:
- 4.1.1 Ensure that the commitments outlined in the charter are appropriate and proportionate for businesses of all sectors and sizes in Edinburgh;
  - 4.1.2 Effectively embed the charter within all appropriate Council policy and guidance;

- 4.1.3 Ensure the use of the charter can complement and not complicate existing accreditation schemes and campaign work (including Living Wage, Living Hours, Zero hours justice, Fair Tax, and other campaigns); and
- 4.1.4 Further develop the charter as a useful resource for Edinburgh workers on how to identify employers who provide fair work opportunities.
- 4.2 Work carried out to date in this programme has included:
  - 4.2.1 Establishment of an internal council officer working group to guide and inform further engagement on this project, and to scope options for implementation across all relevant areas of Council policy. Representatives on this group include Corporate Policy and Insight, Employability, Business Gateway, Procurement, Human Resources, Non Domestic Rates, Culture, Licensing and Regulatory services, as well as trade union representatives.
  - 4.2.2 Further engagement and discussion with members of the Edinburgh Living Wage City Action Group, including private and third sector employers, as well as organisations such as Edinburgh Chamber of Commerce, Trade Unions, Living Wage Scotland, and the co-chair of the Fair Work Convention; and
  - 4.2.3 Initial engagement with Scottish Government Fair Work policy leads.
- 4.3 Through this process of engagement a proposed methodology and timescale has been developed to support the next steps of the project towards implementation. This includes:
  - 4.3.1 **Scoping and engagement:** A further period of wider engagement and discussion of the draft charter with employers, workers, trades unions, government and other agencies. This period will run from December 2023 to May 2024 and will include a programme of workshops and focus groups with all stakeholder groups, as well as an online survey designed to gather a broad base of opinion on the contents of a proposed charter, its communication, and its practical implications;
  - 4.3.2 **Design:** Using the findings from this process, a proposed final version of the Edinburgh Fair Work Charter will be designed, with full details on its planned implementation, communication, and use. This proposal will incorporate all of the principles and objectives outlined in paragraph 4.2 of this report, as well as a communication strategy for the project, and an assessment of potential resource implications for the Council associated with its implementation. A full report on this proposal will be prepared for consideration by Committee in August 2024;
  - 4.3.3 **Consultation:** In line with the Council's consultation policy, and subject to agreement by Committee, a final period of consultation on this proposal will then be conducted to ensure that it meets the needs and expectations of stakeholders; and
  - 4.3.4 **Implementation:** A final report with findings from this consultation and associated amendments to the Charter implementation plan will be prepared

for consideration by committee in October 2024 with a view to a potential launch during Living Wage Week in November 2024.

## **5. Next Steps**

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- 5.1 Subject to approval by Committee, officers will:
  - 5.1.1 Proceed with the planned engagement and development programme as outlined above, with a next report planned for consideration by Committee in August 2024.
  - 5.1.2 Throughout the scoping and design phases of the programme, officers will commit to engage with elected members through regular group briefings and other communications. As a part of this process a formal cross party briefing and engagement session will be planned for Spring 2024.

## **6. Financial impact**

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- 6.1 Delivery of actions outlined in this report can be taken forward within agreed Council budgets. Any resource implications for the Council arising from the implementation of a Fair Work Charter will be assessed during the design phase of the project and considered by Committee in the report planned for August 2024.

## **7. Equality and Poverty Impact**

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- 7.1 This project is being taken forward in line with the recommendations of the Edinburgh Poverty Commission to ensure that people in Edinburgh can access Fair work that provides enough to live on. A draft integrated impact assessment is underway and will be used to help engagement and scoping activities capture the diverse range of voices required to ensure the project provides a useful of promoting access to fair work for all Edinburgh's communities.

## **8. Climate and Nature Emergency Implications**

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- 8.1 This report does not itself contain any direct environmental or climate related implications. The aim of the project, to promote and support access to fair work in Edinburgh, is a key part of the city's approach to ensuring a just transition to net zero.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 This report supports delivery of the Council Business Plan commitments to promote access to fair work in Edinburgh, as well as key actions in the Council's End Poverty in Edinburgh Delivery Plan.

- 9.2 The proposed programme of engagement outlined in the report will be carried out in compliance with best practice and the Council’s Consultation Policy, and is designed to ensure that the voices of all communities affected by the project are considered and acted upon.

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

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- 10.1 Housing, Homelessness and Fair Work Committee [8 August 2023](#), Fair Work, Gig Economy and Living Hours.

## **11. Appendices**

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- 11.1 Appendix 1 - Edinburgh’s Fair Work Charter (Draft).

## Appendix 1: Edinburgh's Fair Work Charter (Draft)

### Foreword / Background

Fair work is not just about paying employees a rate of pay which enables them to meet the cost of daily living, it is ensuring that your workers and employees have meaningful employment within a safe, respectful, fair, and healthy workplace while allowing your business to grow from strength to strength.

This charter is based on the principles of the [Scottish Government's Fair Work First](#) guidance and the [Fair Work Convention](#), which sets out Scottish Government's vision to ensure that everyone in Scotland will have 'a world leading working life where Fair Work drives success, wellbeing and prosperity for individuals, businesses, organisations and society'. In doing so more businesses can help to lift those still in low paid and insecure work into fair work, helping them to fulfil their potential and get a home or provide a secure start for their children.

Fair Work not only benefits the individual but also benefits the business. By implementing fair work practices, you can attract a higher standard of applicants into your organisation and create an environment where people want to stay and contribute to the continuing success of your business. A healthier, happier workplace culture can lead to improved productivity and by investing in the upskilling of your staff through training and developing opportunities, you can build the ideal future workforce for your business.

We recognise that not everyone is able to meet all criteria at once, and so the Charter allows businesses to map out their journey to always consider Fair Work First. By working together, we can build on the good practices that are already happening in workplaces and widen these out.

All businesses are encouraged to audit themselves against the requirements of providing Fair Work and to self-assess and record their journey as they continue to improve their delivery in line with this Fair Work Charter. An excellent tool to use can be found on the Fair Work Convention website - [The Fair Work Convention](#)

## Fair

*We commit to treating all our workers Fairly. We will do this by providing each employee and worker with fair pay, at a minimum the rate of the [Real Living Wage](#) or the collectively bargained rate where applicable, and by providing each worker and employee with defined, set hours with **no use of zero hours contracts**, unless requested by the employee.*

### Real Living Wage

Level	Actions
<b>Aspiring</b>	Workers and employees within the organisation who are not currently receiving the Real Living Wage are identified and a plan agreed to move them onto this by a set date. All employees to have access to sick pay from day one of absence.
<b>Achieving</b>	All workers and employees, excluding apprentices, are paid at a minimum the rate of the Real Living Wage or the collectively bargained rate where applicable. All employees to have access to enhanced sick pay from day one of absence for a clearly defined timeframe.
<b>Excelling</b>	All workers and employees, including apprentices, are paid at a minimum the rate of the Real Living Wage or the collectively bargained rate where applicable. Contractors are engaged and achievable actions implemented to pay Real Living Wage for this group. Receive accreditation from <a href="#">Living Wage Foundation</a> as a Real Living Wage employer.

### Living Hour Contracts

Level	Actions
<b>Aspiring</b>	Posts which are not secure contracts, including those without set hours, are identified and a plan developed for these workers to be moved onto secure contracts by an agreed date, unless the worker or employee requests otherwise.
<b>Achieving</b>	All workers, including those requesting an atypical contract, have a contract with agreed set hours, suitable to their lifestyle choices or balances. Regular reviews of non-typical contracts are conducted to ensure they remain relevant and suitable. Notice periods are always given for changes in working hours or shift requirements.
<b>Excelling</b>	Receive accreditation from <a href="#">Living Wage Foundation</a> as a Living Hours employer.

## Secure

We commit to ensuring a **voice** for our workers and employees and **oppose the use of fire and rehire practices**. We will do this by keeping a constructive dialogue between the employer, employees, workers and (where appropriate) a relevant trade union/s to address workplace issues, ensuring fair, transparent and communicative practices if the need to change terms and conditions of employment arises.

### Voice

Level	Actions
<b>Aspiring</b>	Formal and informal arrangements are in place through which meaningful individual and collective dialogue can take place, including one-to-ones between workers, employees and management, appraisal/feedback processes, team/organisation meetings.
<b>Achieving</b>	Formal scheduled arrangements are in place with worker representatives and/or trade unions to discuss key aspects of worker welfare. A structured whistleblowing policy has been implemented.
<b>Excelling</b>	Workers and/or trade unions are represented in key governance and decision-making structures.

### No Fire and Rehire

Level	Actions
<b>Aspiring</b>	Fire and rehire practices are not utilized. Alternative ways are sought to achieve the required goal, such as upskilling and/or retraining workers and employees to meet the current business needs and changes to terms and conditions or redundancies are considered a last resort.
<b>Achieving</b>	Clear and formal redundancy policies and procedures are in place, which includes consulting with workers and employees, and trade unions (if applicable). 'Suitable alternative employment' is always offered if there are roles available elsewhere in the organisation.
<b>Excelling</b>	All workers and employees are supported throughout a redundancy process and time and resource is provided to find alternative employment such as <a href="#">The Partnership Action for Continuing Employment</a> (PACE).



## Respectful

*We commit to respecting our workers' ability to achieve a balance between work and home life that supports their wellbeing. We will do this by supporting **flexible working** within all reasonable boundaries and by ensuring that all workers and employees have **access to training and development opportunities** and create pathways into employment for new workers and employees.*

### Flexible Working

Level	Actions
<b>Aspiring</b>	All employees are aware of how to request flexible working options. Roles within the organisation which can work flexibly, including flexible start/finish times, compressed hours/annual hours, job sharing/part-time are identified and this is communicated as an option to all employees.
<b>Achieving</b>	All employees who can work flexibly are able to and equipped to do so and are not excluded from development opportunities.
<b>Excelling</b>	A suite of flexible working policies are in place and vacancies are advertised with the possibility of flexible working, where suitable.

### Access to training and development opportunities

Level	Actions
<b>Aspiring</b>	Have an established induction programme for all workers and employees that clearly outlines the organisational values and standards of behaviour expected. Agree target for number of apprentices recruited and/or work experience placements that can be provided annually. Actively support new entrants to the workforce.
<b>Achieving</b>	Have a Training and Development policy and performance management process which ensures all workers and employees, including managers, have paid time available to them in supporting their development. Meet target for number of apprentices recruited and/or work experience placements that can be provided annually.

<b>Excelling</b>	Have a clear progression route into substantive employment within the organisation for individuals who successfully complete their apprenticeship/work experience. Have a clear workforce plan in place, identifying future skills need of the organisation. Signed up to <a href="#">Investors in People: We Invest in People</a> or similar national scheme.
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### Inclusive

*We commit to creating an inclusive and diverse workplace. We will do this by having **Diversity, Equality and Inclusion policies and procedures** in place to include recruitment, retention, and upskilling of the workforce, representing all protected characteristics, and by monitoring and reporting on protected characteristics pay gaps within the organisation.*

Level	Actions
<b>Aspiring</b>	Understanding current demographics of existing workforce and looking for ways to improve procedures to make them more inclusive. Have Diversity and Inclusion and Equality policies and procedures in place and create career pathways, and training and development opportunities accessible to all. Signed up to national standard such as <a href="#">Disability Confident</a> Committed stage or the <a href="#">Scottish Union of Supported Employment (SUES) APT service</a> .
<b>Achieving</b>	Engage with local employability partners to provide support and pathways into the organisation for those with barriers to employment. Signed up to national standard such as Disability Confident Employer stage or SUSE's APT. Working towards implementing the UK government's <a href="#">'Positive action in the workplace'</a> guidance.
<b>Excelling</b>	Establish employee network groups such as ethnic minority, women's, LGBT+ or disability networks with clear aims and objectives to provide avenues for employee voice. Signed up to national standard such as Disability Confident Leader stage or SUSE's APT. Embedded the UK government's <a href="#">'Positive action in the workplace'</a> guidance.

Level	Actions
<b>Aspiring</b>	Understanding current demographics of existing workforce and identify possible pay gaps based on gender, ethnicity and disability. Ensure gender pay gap data is reported to UK Government annually (if more than 250 employees). Develop a plan to address the pay gaps.

<b>Achieving</b>	Regularly carry out a diversity, equality and inclusion audit. Have policies and procedures in place and set clear targets and dates to reduce the pay gaps.
<b>Excelling</b>	Achieve or surpass targets within the identified timeframe. Review policies, procedures, targets and dates annually to continually work towards reducing gaps.

## Commit to the Charter

Business Name:

Business Leader:

Date of initial completion:

Commitment	Current Stage	Action Plan to Progress	Target Date
<b>Fair Pay</b>	<input type="checkbox"/> Aspiring <input type="checkbox"/> Achieving <input type="checkbox"/> Excelling		
<b>Fair Hours</b>	<input type="checkbox"/> Aspiring <input type="checkbox"/> Achieving <input type="checkbox"/> Excelling		
<b>Voice for employees</b>	<input type="checkbox"/> Aspiring <input type="checkbox"/> Achieving <input type="checkbox"/> Excelling		
<b>Oppose the use of fire and re-hire practices</b>	<input type="checkbox"/> Aspiring <input type="checkbox"/> Achieving <input type="checkbox"/> Excelling		
<b>Flexible Work</b>	<input type="checkbox"/> Aspiring <input type="checkbox"/> Achieving <input type="checkbox"/> Excelling		
<b>Skills and Development</b>	<input type="checkbox"/> Aspiring <input type="checkbox"/> Achieving <input type="checkbox"/> Excelling		
<b>DEI policies in place</b>	<input type="checkbox"/> Aspiring <input type="checkbox"/> Achieving <input type="checkbox"/> Excelling		
<b>Pay Gap reporting</b>	<input type="checkbox"/> Aspiring <input type="checkbox"/> Achieving <input type="checkbox"/> Excelling		

Date of completion:

Date of next review:

### Paul Lawrence

Executive Director of Place

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# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## Housing and Homelessness and Business Growth and Inclusion: Revenue Budget Monitoring 2023/24 – Month Five position

Executive/routine  
Wards

Routine  
All

### 1. Recommendations

- 1.1 It is recommended that the Housing, Homelessness and Fair Work Committee notes:
- 1.1.1 The Place service area, which includes, Housing and Homelessness, Culture and Wellbeing, Sustainable Development and Operational Services, is forecasting a pressure of £0.71m, as at month five, which is a reduction of £1.24m from the £1.95m forecast at month three;
  - 1.1.2 Housing and Homelessness is forecasting a budget pressure, as at month five, of £1.10m which is a reduction of £0.25m from the £1.35m forecast at month three;
  - 1.1.3 Business Growth and Inclusion is forecasting an underspend, as at month five, of £0.46m which is an increase of £0.06m from the £0.40m underspend forecast at month three;
  - 1.1.4 The Housing Revenue Account (HRA) is forecasting a contribution of £2.724m to the Strategic Housing Investment Fund (SHIF) from revenue

**Paul Lawrence**

Executive Director of Place

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generated in 2023/24, a reduction of £1.596m from the position reported at month three. This is a £4.254m shortfall against the budgeted contribution;

- 1.1.5 Measures will continue to be progressed to offset budget pressures and to deliver approved savings targets to achieve outturn expenditure and income in line with the approved General Fund revenue budget for 2023/24;
- 1.1.6 The ongoing risks to the achievement of a balanced revenue budget for services delivered by the Housing and Homelessness service and to delivering the forecast HRA contribution to the SHIF;
- 1.1.7 The need for all existing pressures, savings delivery shortfalls and risks to be fully and proactively managed within Directorates; and
- 1.1.8 Updates will continue to be provided to members of the Committee during the remainder of the year.

## Housing and Homelessness and Business Growth and Inclusion: Revenue Budget Monitoring 2023/24 – Month Five position

### 2. Executive Summary

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- 2.1 This report summarises the 2023/24 month five revenue forecast for Housing and Homelessness, Business Growth and Inclusion and the Housing Revenue Account (HRA).
- 2.2 The projected Council-wide General Fund revenue budget position, based on month five, was reported to the Finance and Resources Committee on 21 November 2023. At this stage, taking into account the Council's approval of an additional in-year contribution to the Edinburgh Integration Joint Board of up to £14.2m, an overall underspend of £1.88m is being projected, including a forecast overspend of £0.71m for the Place Directorate. There is potential for further risks to emerge during the remainder of the year and the continuing recommendation is that no additional expenditure commitments should be taken on at this time.
- 2.3 The Homelessness and Housing general fund services month five forecast is an overspend of £1.10m, a reduction of £0.25m from the forecast of £1.35m reported at month three. Further information is provided in paragraph 4.1 of this report.
- 2.4 The Business Growth and Inclusion month five forecast is an underspend of £0.46m due to employee budget savings. This is an increase of £0.06m from the £0.4m underspend forecast at month three.
- 2.5 The HRA is forecasting a £2.724m contribution to the Strategic Housing Investment Fund (SHIF) for planned capital investment, a reduction of £1.596m from the month three forecast. This represents a shortfall of £4.254m relative to the approved budget and further detail is provided in paragraphs 4.2 – 4.4 of this report.

### 3. Background

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- 3.1 The Council's Financial Regulations require submission of regular budget monitoring reports to all Executive Committees.

- 3.2 This report provides an update on financial performance for services which report to the Housing, Homelessness and Fair Work Committee – Housing, Homelessness, Family and Household Support, Business Growth and Inclusion and the HRA.
- 3.3 The HRA is a ring-fenced statutory account. The HRA is funded from rents for Council housing and related assets and is used to fund the provision of Council housing in line with tenants' priorities. The annual approved HRA budget is derived from the longer-term strategy approved by Council.

## 4. Main report

### Homelessness Services and Family and Household Support – 2023/24 Month five forecast – variance and risk analysis

- 4.1 The approved budget for 2023/24 contains £10.775m of net additional investment, relative to the equivalent budget for 2022/23, to address the growth in households requiring temporary accommodation, inflation and reduced housing benefit collection that impacted 2022/23. Despite this additional investment, further net pressures totalling £1.10m are being forecast at month five, a reduction of £0.25m from the month three forecast, as set out in the table below:

Description	M5 £m	Movement from M3 £m	Notes on movements
Inflation for temporary accommodation providers	2.30	0.60	Updated assessment of nightly rates
Housing benefit collection	0.20	(0.45)	Improved collection/reduced clawbacks
Tenant recoveries	0.10	(0.10)	Improved collection
Reduced use of B&B/shared accommodation through reduction in long-term voids	0.80	0.50	Increased costs forecast due to delays in void properties providing settled accommodation
Savings from staffing vacancies, commissioned	(2.30)	(0.80)	Delays in recruitment to vacancies



services and legal fees			
<b>Net pressure</b>	<b>1.10</b>	<b>(0.25)</b>	

- 4.2 An updated assessment has been made of inflationary costs for temporary accommodation. Further work is ongoing to quantify the financial implications, and an update will be provided at month seven. Whilst work is ongoing to improve the housing benefit collection rate, an estimated shortfall of £0.2m has been forecast at month five which is a £0.45m improvement from month three. In addition, tenant recoveries are forecast to improve by £0.1m based on income collected at month five.
- 4.3 The 2023/24 budget has an approved saving of £2.325m relating to the positive impact expected to the homelessness service from a reduction in void properties. Progress is behind target and at month five a pressure of £0.8m is being forecast. However, it should be noted that this forecast is heavily dependent on approximately 300 void properties being brought into use for homeless households between October 2023 and March 2024 to mitigate the shortfall in the April to September 2023 period. An updated position, based on the position at the end of October, and expected progress to the end of March 2024, will be included in the month seven report.
- 4.4 The 2023/24 budget has an approved saving of £3.0m related to the reduction in the number of No Recourse to Public Funds (NRPF) cases the Council would have to support following the end of the COVID-19 public health requirements. As at month five the service has delivered the budgeted reduction, and this saving has been achieved.
- 4.5 As at the end of August the number of households in temporary accommodation had increased by 156 since the end of March 2023 to a total of 4,940.
- 4.6 There are mitigating savings from employee costs, commissioned services and legal fees of an estimated £2.30m. This includes £0.25m from vacancy savings within Family and Household Support.
- 4.7 All current and emerging risks will be subject to ongoing tracking, development of mitigation measures where required and review for the remainder of 2023/24.

#### **Housing Revenue Account (HRA) – 2023/24 month five forecast and risks**

- 4.8 The summary variances and risks in respect of HRA income, costs and revenue contribution to SHIF are as follows:
- 4.8.1 **Income** – The income budget is £106.523m and the forecast at month five is a shortfall of £0.896m, an increased shortfall of £0.495m from the position reported at month three. Rent arrears and bad debts are forecast to be £0.474m ahead of budgeted levels, however, income from rents is forecast to

be £1.365m behind target. This relates to the timing of acquisitions and disposals, new build properties coming into use and reductions in void properties. The service is actively taking measures to improve this position and a report will be presented to this Committee in February 2024; and

4.8.2 **Expenditure** – The expenditure budget is £99.545m and at month five the forecast is for an overspend of £3.358m, an increase of £1.101m from the position reported at month three due primarily to inflationary factors related to pay awards. There is a projected overspend in repairs and maintenance of £1.0m, due to the increased activity commissioned to bring void properties to a lettable standard and inflationary factors. This will deliver additional rental income; however, significant benefits will not be delivered until 2024/25. Other significant pressures are primarily related to higher than estimated inflationary factors such as gas contracts of £0.5m, staff pay awards of £0.3m, and £1.017m for higher than initially estimated central support costs reflecting exceptional pay and general inflationary pressures. In addition, there is a forecast pressure of £0.34m on environmental maintenance due to higher than budgeted costs of maintaining neighbourhood estates and open spaces.

4.9 The budgeted contribution to the SHIF is £6.978m. The impact of the above forecast pressures is a £4.254m shortfall in the contribution resulting in a revised contribution of £2.724m. Officers are continuing to work on mitigations to increase the forecast contribution to the SHIF in 2023/24. The HRA Business Plan is updated on an annual basis and the implications of the month five forecast will be reflected in future updates to the Business Plan. A briefing will be arranged with all committee members in January to review the 2024/25 budget proposals and Business Plan.

4.10 Risks, including further inflationary pressures and the outcome of pay negotiations, will be closely monitored and reported as required.

#### **Business Growth and Inclusion – month five forecast 2023/24**

4.11 The service is forecasting an underspend of £0.46m due to employee savings. This is an increased saving of £0.06m from the £0.40m forecast at month three.

## **5. Next Steps**

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5.1 Given the range of pressures outlined in this report and the Council-wide report, Executive Directors will require to bring forward measures to offset residual service pressures and risks within their respective areas of responsibility during 2023/24.

## **6. Financial impact**

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6.1 As of month five, an overall Council-wide underspend of £1.88m is forecast, including a projected overspend of £1.10m for Homelessness and Family and

Household Support (Appendix 1). Failure to break even in 2023/24 reduces the options to address future years' budget gaps and means that existing expenditure is exceeding in-year resources.

- 6.2 This report forecasts a £2.724m contribution to the HRA SHIF which represents a shortfall of £4.254m relative to the approved budget (Appendix 2). Financial planning assumptions will be updated through the annual review of the HRA Business Plan.
- 6.3 This report emphasises the importance of proactive management of pressures and delivery of approved savings in maintaining the integrity of the Council's budget framework and business plan objectives.

## **7. Equality and Poverty Impact**

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- 7.1 There are no equality, human rights (including children's rights) and socio-economic disadvantage implications arising as a consequence of this report.

## **8. Climate and Nature Emergency Implications**

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- 8.1 There are no Climate and Nature Emergency implications arising as a consequence of this report.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 Whilst the report provides forecasts of financial outturn based on financial performance and conditions existing on 31 August 2023, there remains a risk that changing circumstances and events will result in budget pressures.
- 9.2 All current and emerging risks will be subject to ongoing tracking, development of mitigation measures and review for the remainder of 2023/24.
- 9.3 Financial performance will be tracked by Place Senior Management Team and service management teams to identify and mitigate emerging financial risks.
- 9.4 There are no health and safety, governance, compliance or regulatory implications arising from this report.

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

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- 10.1 [Revenue Monitoring 2023/24 - month five report](#)
- 10.2 [Housing, Homelessness and Fair Work 2023/24 - month three report](#)

## 11. Appendices

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11.1 Appendix 1 – General Fund Services – month five forecast 2023/24.

11.2 Appendix 2 – Housing Revenue Account – month five forecast 2023/24.

### Appendix 1

#### General Fund Services – Housing and Homelessness and Business Growth and Inclusion

#### Month Five Forecast 2023/24

Please see details below of all general fund services within the remit of this Committee.

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	
Homelessness	62,633	63,983	1,350	Adv
Family and Household Support, Night Team and Housing Services	(461)	(711)	(250)	Fav
Business Growth and Inclusion	6,546	6,086	(460)	Fav
<b>Total Net Expenditure</b>	<b>68,718</b>	<b>69,358</b>	<b>640</b>	<b>Adv</b>

## Appendix 2

### Housing Revenue Account (HRA)

#### Month Five forecast 2023/24

The annual HRA budget is derived from the longer-term strategy, approved by Council. In 2023/24 it comprises a budgeted revenue income of £106.528m and expenditure of £99.545m; enabling a budgeted contribution of £6.978m to SHIF in accordance with the finance strategy for the capital investment programme and wider HRA business plan. The month five forecast shows a reduced contribution of £2.724m to the SHIF. The budget and forecast variance analysis is shown below.

	Revised Budget	Projected Outturn	Projected Variance	Movement from M3	Adverse / Favourable
	£'000	£'000	£'000	£'000	
Income	(106,523)	(105,627)	896	495	Adv
<b>Expenditure</b>					
Housing Management	37,927	39,945	2,018	1,074	Adv
Repairs and Maintenance	22,384	23,384	1,000	0	Adv
Environmental Maintenance	2,558	2,898	340	27	Adv
Debt Service	36,676	36,676	0	0	-
<b>Total Expenditure</b>	<b>99,545</b>	<b>102,903</b>	<b>3,358</b>	<b>1,101</b>	<b>Adv</b>
Strategic Housing Investment Fund	6,978	2,724	(4,254)	1,596	Adv
<b>Total Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>

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# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## Strategic Housing Investment Plan (SHIP) 2024-29

Executive/routine  
Wards

Executive  
All

### 1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee:
- 1.1.1 Approves the Strategic Housing Investment Plan (SHIP) 2024-29 for submission to the Scottish Government;
  - 1.1.2 Notes the SHIP includes over 9,500 homes that would require grant funding through the Affordable Housing Supply Programme (AHSP). These would require an additional £665 million over five years, almost four times the amount of grant funding set out in current resource planning assumptions;
  - 1.1.3 Notes the key challenges to delivering affordable housing at scale are securing control of sites, availability of grant funding, borrowing capacity of affordable developers (linked to rental income), high development cost, construction industry capacity and reduced private sector housebuilding due to mortgage market instability;
  - 1.1.4 Notes that the SHIP is reviewed annually, and officers will continue to seek opportunities to accelerate delivery of affordable housing and secure more grant funding;
  - 1.1.5 Agree to discharge the action agreed at Housing, Homelessness and Fair Work Committee on [8 August 2023](#) as set out in Appendix 1 of this report;

**Paul Lawrence**  
Executive Director of Place

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- 1.1.6 Agree to approach COSLA regarding the Transfer of Management Development Fund (TMDF) funding to discuss a proportionate allocation of the funding available; and
- 1.1.7 Note that officers will continue discussions with the Scottish Government over increased and innovative funding opportunities to instil confidence in the market and increase the completion rate for approved homes.



## Strategic Housing Investment Plan (SHIP) 2024-29

### 2. Executive Summary

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- 2.1 This Strategic Housing Investment Plan (SHIP) has been developed in one of the most challenging economic climates in recent history. On 2 November 2023, Council declared a Housing Crisis due to the acute nature of Edinburgh's homelessness crisis, coupled with the severe shortage of social rented homes and the increasing pressure within the private rental market.
- 2.2 The SHIP identifies a potential development programme of around 11,000 new affordable homes over a five-year period, with over 9,500 of these requiring grant funding through the Affordable Housing Supply Programme (AHSP). These would require an additional £665 million over five years, almost four times the amount of grant funding set out in current resource planning assumptions. The SHIP provides an estimate, rather than a target, of potential approvals and completions.
- 2.3 This SHIP highlights the challenges faced in delivering a pipeline of affordable homes during a period of economic instability; the continued impact that construction industry capacity, construction materials availability and increased costs, availability of grant funding and borrowing capacity of affordable developers (linked to rental income) will have on the deliverability of the programme.
- 2.4 The SHIP is reviewed annually and sets out a potential pipeline of new homes that could be delivered over the next five years. Officers will continue to seek all opportunities to bring forward projects. However, current grant funding levels for Edinburgh are insufficient, restricting capacity to less than 500 social rented homes a year (both Council and Registered Social Landlord (RSL) combined). Without a substantial uplift in grant funding from the Scottish Government, only around 2,600 affordable homes which require grant subsidy would be able to be taken forward from the potential pipeline of over 9,500.

### 3. Background

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- 3.1 Local authorities are required to submit an annual SHIP to the Scottish Government. The purpose of the SHIP is to:
- 3.1.1 Set out investment priorities for affordable housing;

- 3.1.2 Demonstrate how these will be delivered;
- 3.1.3 Identify the resources required to deliver these priorities; and
- 3.1.4 Enable the involvement of key partners.
- 3.2 AHSP funding for the City of Edinburgh Council and Glasgow City Council is delivered through Transfer of Management Development Fund (TMDF), with Edinburgh and Glasgow being the only two local authorities to receive funding from the Local Government Settlement. The allocation is determined by a formula agreed between Scottish Government and Convention of Scottish Local Authorities (COSLA).
- 3.3 TMDF is a limited annual budget and any additional funding secured for Edinburgh has come through central housing budget. Over the last five years, Glasgow has received more than double from TMDF than Edinburgh. Most affordable housing projects are funded by a combination of private finance and grant funding.
- 3.4 On 8 August 2023, Housing, Homelessness and Fair Work Committee approved an amendment that included '*an update to efforts being made to build new Council Housing in the Northeast and Southeast localities to be included in the next Strategic Housing Investment Plan Report.*' This update is set out in Appendix 1.
- 3.5 On 2 November 2023 Council [declared](#) a Housing Crisis due to the acute nature of Edinburgh's homelessness crisis, coupled with the severe shortage of social rented homes and the increasing pressure within the private rental market.
- 3.6 Since the 20,000 homes commitment made in 2017 and subsequent revised 25,000 target agreed in March 2023, over 9,000 new affordable homes are expected to be approved by 31 March 2024 and over 8,000 completed.

## 4. Main report

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- 4.1 The SHIP sets out a potential pipeline for the delivery of new affordable homes over a five-year period that could be delivered if sites in private ownership are brought forward and sufficient public and private investment is made available. The SHIP would be funded through a mix of grant funding, RSLs' own finance, finance raised by private developers, institutional investment, developer contributions and Housing Revenue Account (HRA) funding.
- 4.2 Since 2009, the Council has delivered affordable homes through partnership working with RSLs, the Council's Limited Liability Partnership (Edinburgh Living) and private developers using a variety of funding mechanisms (including Scottish Government grant funding and Council loans and guarantees for mid rent housing). The full SHIP submission is attached at Appendix 4.
- 4.3 The housing market context in which the Council is seeking to deliver affordable housing is set out in Section 2 of the report. The impact of the war in Ukraine, Brexit, the continuing after-effects of the Covid pandemic and the increases in

interest rates since October 2022 are all contributing to increasing development costs and making viable housebuilding more difficult to achieve.

- 4.4 The average actual cost of building an affordable home increased from just under £158,000 in 2020/21 to almost £200,000 in 2022/23. Since 2020, the average construction cost of an affordable home has increased by almost 30%. During the preceding five years (2016/17 to 2020/21), the average construction cost of an affordable home increased by only 14.5%; less than 3% each year. This is detailed in Appendix 2.
- 4.5 Whilst the level of grant funding benchmarks made available across tenures has increased by 16.9%, the continuing increase in construction costs has meant that it has an impact on the viability of delivering these homes, as it represents around 38% of the cost of an affordable home. Analysis versus previous years is available in Appendix 2.
- 4.6 Inflation hit a 41-year high of 11.1% in October 2022 and mortgage interest rates exceeded 6% for the first time in 14 years. The Bank of England has increased interest rates several times from 2.25% in September 2022 up to 5.25% in August 2023.
- 4.7 The financial viability of projects is closely linked to tenure delivery. The provision of socially rented homes allows for less private financial borrowing based on lower rent levels and as such, these loans take longer to repay and at a less favourable rate. Mid-Market Rent homes (MMR) provide an opportunity to cross subsidise affordable housing delivery as they require less AHSP funding and allow access to more favourable private finance rates due to the higher rental income they can recoup. MMR homes have high occupancy rates and lower turnover than socially rented homes which reduces rent loss.
- 4.8 The increasing inflation rate has impacted the number of mortgage products available, which in turn brings both uncertainty and risk for housebuilders as new market homes go unsold. The knock-on effect for affordable housing is that developments may be delayed or delivered in smaller phases, resulting in homes coming through the Affordable Housing Policy (AHP) taking longer to complete.
- 4.9 A reduction in demand for housing for sale does present opportunities for the affordable housing sector, with increased opportunities for 'off the shelf' bulk purchases. These will undergo rigorous value for money assessments however with increasing development costs the opportunity to purchase completed homes can provide a more immediate solution. Further detail on these types of opportunity is detailed in Section 5 of the main report.
- 4.10 Based on the information received from delivery partners, around 11,000 potential affordable housing approvals for site start and completions have been identified over the next five years. These figures are slightly lower than the five-year projection from the previous SHIP and are indicative of the uncertainty in the housing market.

4.11 Table 1 sets out affordable housing approvals and completions since 2017/18, as well as a potential affordable housing pipeline over the next five years:

**Table 1: Affordable Housing Delivery**

Financial Year	1	2	3	4	5	6	7	8	9	10	11	12	Total
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	
Approvals	1,475	1,626	1,930	1,285	1,251	734	902	1,213	3,094	2,767	2,560	1,472	<b>20,309</b>
Completions	966	1,159	1,443	1,087	1,041	1,215	1,247	1,339	1,199	2,455	2,591	3,220	<b>18,962</b>

4.12 Council officers anticipate that almost 900 new affordable homes will be approved for site start in Edinburgh this financial year (2023/24) and, based on current delivery programmes, around 1,250 affordable homes are expected to be completed. Of these, 350 approvals and over 550 completions will be homes for social rent with 204 approvals and 206 completions being Council homes.

4.13 Approvals for this year are currently below the original target as many house builders and developers are delaying procuring new contracts due to cost inflation, reduced demand, reduced mortgage availability and affordability. Compounding this, uncertainty in the wider market due to rises in interest rates and risks to rental income streams has resulted in house builders, and Build to Rent (BTR) developers not bringing forward projects previously earmarked for approval this financial year.

4.14 Section 4 of the SHIP sets out a programme of over 9,500 social and mid-market rent homes requiring grant funding through the AHSP. Current resource planning assumptions provide the capacity for less than 500 socially rented homes a year over the next five years. A combination of tenures would still only allow 2,620 affordable homes which require grant subsidy would be able to be taken forward from a potential pipeline of 9,544 homes. This would be 1,835 socially rented homes (70%) and 785 Mid-Market Rent Homes (30%).

4.15 The SHIP 2024-29 would therefore require a nearly 300% uplift in grant funding: £894million in total or £178.8 million per year (£132 million per year above current RPAs).

4.16 The SHIP 2024-29 also includes over 1,500 affordable home approvals that may be delivered through innovative funding schemes that require lower levels of grant funding and, in some cases, no grant funding. This includes Edinburgh Living and private sector led BTR.

4.17 If grant funding levels remain static, decreases, or fails to increase in line with inflation over the SHIP period there will be significant pressure on the number of affordable homes that could be approved and the viability of ongoing projects. Coupled with the reduction in the number of non-grant funded approvals forecast in this SHIP there is a significant risk to the ambitions of delivering 25,000 affordable homes.

## 5. Next Steps

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- 5.1 Should Committee approve the recommendation of this report, the SHIP 2024-29 will be submitted to the Scottish Government.
- 5.2 If approved, year one of the SHIP 2024-29 will be used to set approval and completion targets for 2024/25 through monitoring of the Council's Business Plan and Public Performance Scorecard.
- 5.3 The Council will continue to work with RSL partners to stretch available grant funding as far as possible and to maximise the number of social rented homes that can be delivered. However, this proves uniquely challenging in a context of economic instability, market uncertainty and rising inflation.

## 6. Financial impact

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- 6.1 This year's SHIP requires over £180 million more of investment than last year's SHIP. This is a combination of increasing construction and borrowing costs leading to the majority of projects expected to come in over benchmark.
- 6.2 Average estimated development costs for the 2024-29 SHIP programme are £240,000 per unit compared with the projection of £220,000 in the SHIP 2023-28 (a 17% increase). These are working estimates of costs and are likely to be subject to change when development construction works are tendered. The trends in development cost funding are detailed in Appendix 2.
- 6.3 It is estimated that £665 million in grant funding would be required in addition to the £228 million Scottish Government are expected to commit over the five-year period. The average grant amount per home accounts for around 38% of the total development cost. Over the SHIP period, the average grant funding requirement per home is £96,000. It is important to note that most grant funded affordable housing costs do not include a land value, as land is transferred to RSLs at nil cost through the AHP.
- 6.4 There are various sources of funding to support the affordable housing programme. The delivery of over 9,500 new homes identified through the AHSP will cost £2.879 billion in total, of which £1.816 billion is RSL and Council own funding; a mixture of up-front capital (i.e. reserves and bond finance), and private finance (borrowing repaid by rental income).
- 6.5 The Council's affordable house building is principally funded through HRA borrowing. The [HRA Budget Strategy 2023-33](#) approved by the Council on 23 February 2023 includes a draft five-year investment programme of just over £1.6 billion for building new homes (including the upfront capital costs for Edinburgh Living's mid-market and affordable market homes, which will be repaid to the HRA upon completions) and improving existing homes and estates.
- 6.6 On 3 October 2023, Housing Homelessness and Fair Work Committee approved [consultation](#) on the 2024/25 HRA Budget Strategy. The report set out the rent

increases required to mitigate the impact of increases in costs. Three rent options have been proposed as part of a longer-term rent strategy to enable the capacity to fund the delivery of between 2,400 to 5,000 new council social rent homes.

- 6.7 The current levels of Scottish Government funding are such that there are significant risks to the potential deliverability of the ambitions to reach 25,000 affordable homes and making Edinburgh net zero carbon by 2030. Without significant uplift in AHSP funding there is a likelihood that one, if not both, of these ambitions will not be met and decisions will be required on how to prioritise existing stock versus new affordable homes.

## **7. Equality and Poverty Impact**

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- 7.1 The delivery of high quality, affordable homes is essential in helping to end poverty and tackle homelessness. By providing homes that are built to strict energy efficiency standards and building standards, this will help to provide secure, well insulated properties that reduce heating and energy costs for tenants.
- 7.2 The provision of socially rented homes through the SHIP enables households on the lowest incomes to access more settled, long-term accommodation and reduces the risk of homelessness.

## **8. Climate and Nature Emergency Implications**

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- 8.1 The affordable house-building programme seeks to maximise delivery of homes on brownfield sites, reducing pressure on Edinburgh's green belt. Building more homes will inevitably produce more carbon, however, all new developments are required to meet minimum Building Regulations, which contain stringent targets for meeting certain energy efficiency standards. Since November 2020, all new build Council homes have been designed to achieve net zero carbon. These energy efficiency standards are crucial in moving Edinburgh towards a net zero Carbon city by 2030, along with reducing heating and energy costs for tenants.
- 8.2 Council and RSL house building partners are working to sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy. The environmental impact of individual projects is currently assessed through the planning process.
- 8.3 A range of offsite construction methods, from timber frame construction through to fully modular development, are planned and further opportunities will be explored. This has the potential to speed up delivery of affordable homes, reduce waste and achieve the quality of construction needed to support zero emissions homes.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 All projects within the SHIP are subject to consultation with the local community through the Planning process. The delivery of more affordable homes in Edinburgh will have a positive impact on communities.
  - 9.1.1 All developing RSLs have been involved in producing the SHIP and will be prominent in delivering the housing projects contained within;
  - 9.1.2 Local Authorities working across the Edinburgh and South East Scotland City Region all produce SHIPs which outline the collaborative measures being undertaken to accelerate new housing delivery; and
  - 9.1.3 This includes working together to identify and unlock sites suitable for affordable housing development to address the housing crisis facing the region.

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

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- 10.1 [Strategic Housing Investment Plan 2023-28, 1 December 2022](#)
- 10.2 [Affordable Housing Policy Update June 2023](#)
- 10.3 [Strategic Housing Investment Plan: Guidance Note, June 2023](#)

## **11. Appendices**

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- 11.1 Appendix 1 - Council House Building pipeline by locality.
- 11.2 Appendix 2 – Affordable Home cost breakdown.
- 11.3 Appendix 3 - Affordable homes under construction.
- 11.4 Appendix 4 - Strategic Housing Investment Plan 2024/25 – 2028/29.

## Appendix 1 – Council Housebuilding by Locality

### SHIP 2024-29 Approvals

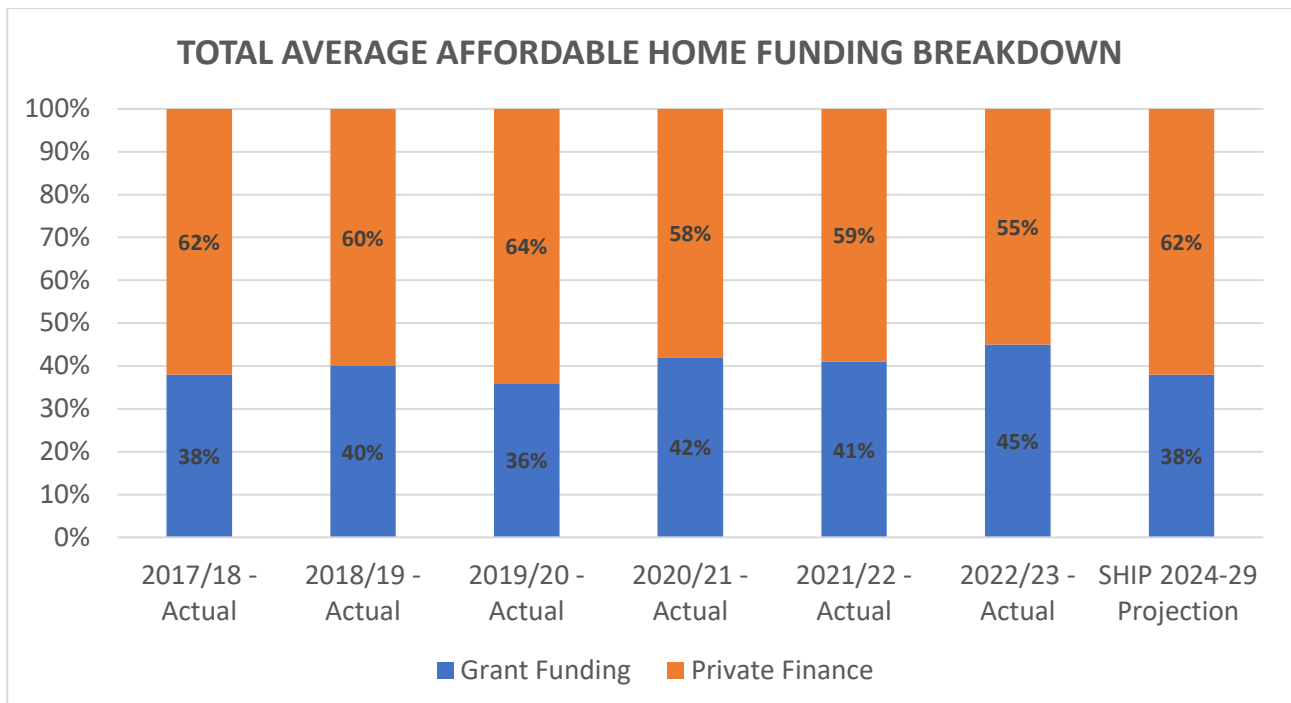
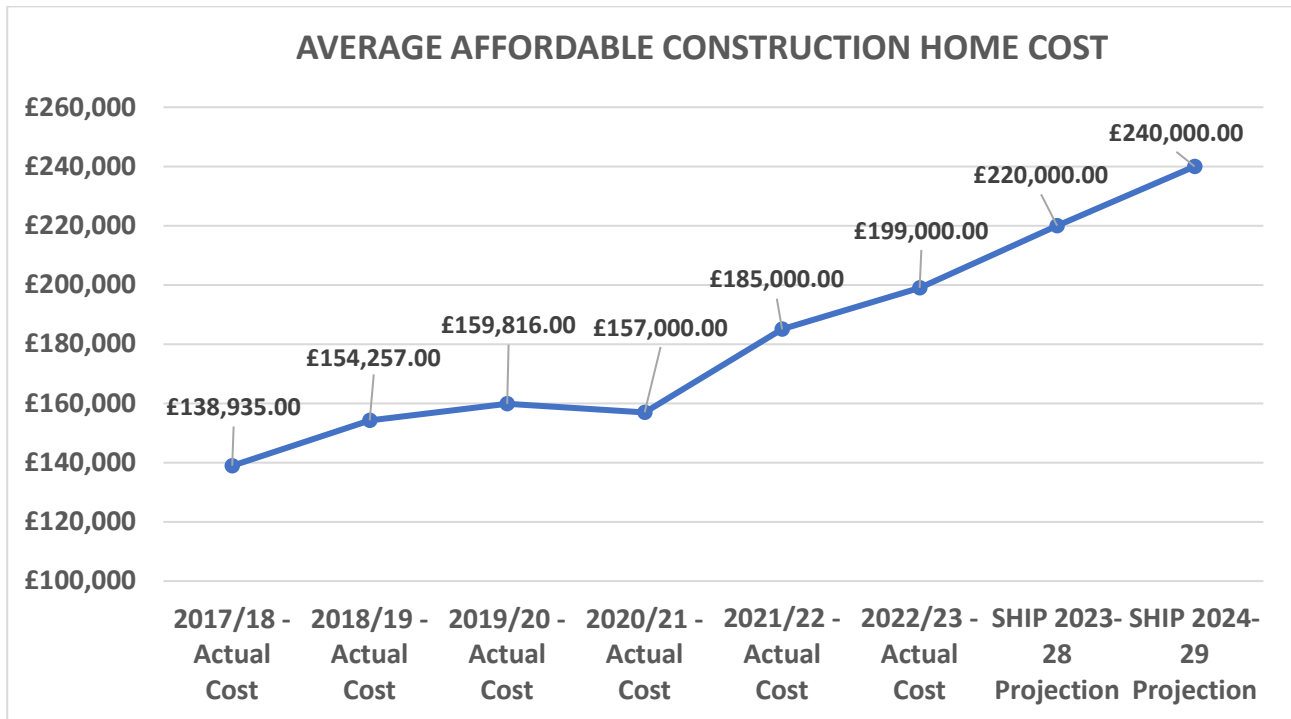
Locality	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Total
North East	29	294	100	106	0	529
South East	66	25	215	315	0	631
North West	83	453	466	233	0	1235
South West	0	180	348	100	22	650

### SHIP 24-29 Completions

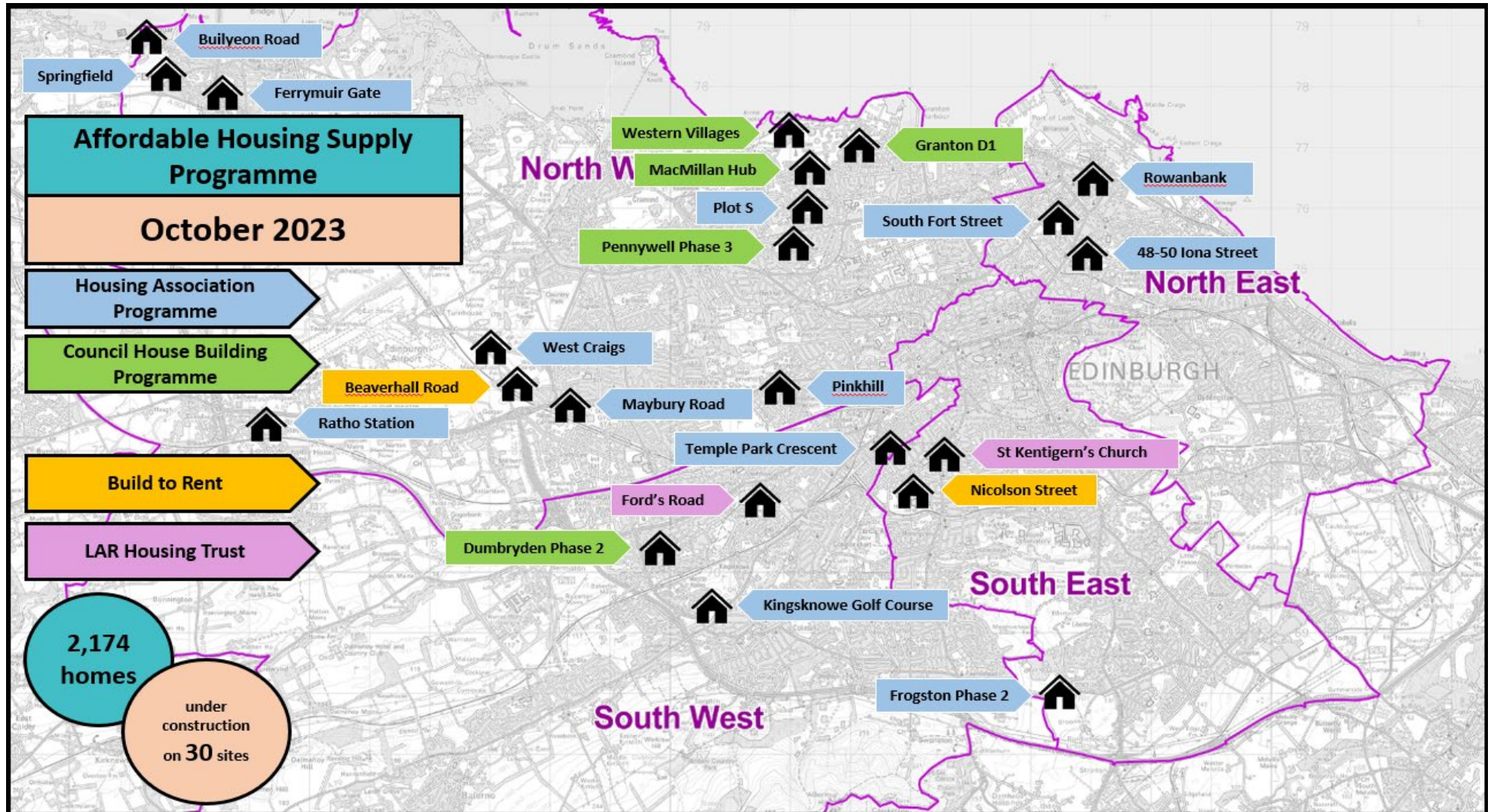
Locality	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Total
North East	0	104	140	403	168	815
South East	0	0	66	59	200	325
North West	326	0	165	183	736	1410
South West	0	73	70	523	0	666



## Appendix 2 – Affordable Home cost breakdown



# Appendix 3 – Affordable homes under construction



# Strategic Housing Investment Plan

## 2024/25 – 2028/29

### Index

1. Summary
2. Strategic Context
3. Current Delivery
4. Outputs of the SHIP
5. Means of Delivery
6. Specialist Housing, Including Wheelchair Accessible Homes
7. Carbon Emissions and Energy Efficiency
8. Rapid Rehousing Transition Plans
9. Empty Homes
10. Child Poverty
11. Gypsy Traveller Sites
12. Town Centres
13. Consultation and engagement
14. Integrated impact assessment
15. Conclusion

## 1. Summary

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- 1.1 The Strategic Housing Investment Plan (SHIP) sets out the approach by the City of Edinburgh Council and our Registered Social Landlord (RSLs) partners to investing in affordable housing in the city over a five-year period.
- 1.2 This SHIP has been developed during a time of continuing economic unpredictability that has significant implications for affordable developers and their ability to afford homes. The uncertainty around when sites will be brought forward, increasing development costs and economic ambiguity (many of which are outside of their control of affordable developers) make it more difficult to accurately predict the viability of the proposed development pipeline.
- 1.3 This SHIP outlines a programme of 11,106 affordable homes which could be approved for site start and 10,804 homes which could complete over the next five years. Of these, there are around 9,500 homes which require around £894m of grant funding through the Scottish Government's Affordable Housing Supply Programme (AHSP). The remaining homes could be delivered through innovative funding schemes which do not require grant.
- 1.4 Officers will continue to seek all opportunities to bring forward projects however without a substantial uplift in grant funding from the Scottish Government only 2,620 affordable homes which require grant subsidy would be able to be taken forward from a potential pipeline of 9,544 homes. This would be 1,835 socially rented homes (70%) and 785 Mid-Market Rent Homes (30%).

## 2. Strategic Context

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- 2.1 Edinburgh is a growing city and one of the most highly pressured housing markets in the country. The latest Housing Need and Demand Assessment (HNDA3), which received robust and credible status in July 2022, shows the need for between 36,000 to 52,000 in Edinburgh between 2021-2040. It is estimated that between 24,000 to 35,000 of those homes should be affordable.
- 2.2 NRS Principal Population Projections (2018 baseline) show a 13% increase in Edinburgh's population over the next 25 years, with the rate of growth in older age groups projected to be significantly higher. The growth expected in older people will have a major impact on the demand for housing, health, and care interventions.
- 2.3 There is a high demand for social rented housing with an average of 197 households bidding for every social rented home that becomes available for let. Edinburgh has one of the lowest proportions of social housing in Scotland with only 13% of homes for social rent compared to the national average of 22%.
- 2.4 Almost one in three families in Edinburgh in poverty are pulled below the line solely due to their housing costs. That compares with one in eight households in poverty across Scotland.

- 2.5 The Council has a target to rehouse homeless households in around 70% of all available social lets and around 50% of lets from RSL partners. Work is underway with partners to seek to increase this percentage in the coming months. In 2022/23, 71% of Council and 36% of RSL homes were let to homeless households, including 48 Edinburgh Living properties. Edinburgh Living has committed to continue to target working homeless households for mid-market rent and to date have helped 164 working homeless households secure a home.
- 2.6 The average advertised monthly private rent in Edinburgh was over £1,477 in the second quarter of 2023, compared to a Scotland average of £1,081 and the next highest city, Glasgow (£1,141). The average Edinburgh house price, as set out in ESPC's House Price Report (April 2023), is £280,629; a fall of 2.6% since last year. Prices across the city vary, however, there are numerous areas within Edinburgh where the average price of a two bed flat exceeds £300,000. Buyers pay on average 3% over the Home Report value.
- 2.7 The mid-market rent (MMR) for a two-bedroom home in the city is around £820 a month, over a third cheaper than the average two-bedroom market rent. The tenure of MMR is aimed at people who cannot afford market rents but would not usually be eligible for social housing. The introduction of mid-market rents since 2010 has aided the Council in driving more value for every pound of Scottish Government grant provided. Higher rents and grant funding for MMR increase borrowing capacity to be able to deliver more homes. Also, MMR is able to cross-subsidize social rent portfolios. Homes receiving help from Scottish Government either through grant or rental guarantees have their rents restricted to a maximum of the Local Housing Allowance LHA. This guarantees long-term affordability for tenants.
- 2.8 Affordable Build to Rent (BTR) or Intermediate rent, is capped at BRMA 30% percentile (the lowest priced third of the rental market in an area) and can provide homes for those people who are in housing need, who cannot afford to access accommodation through the regular functioning of the housing market and earn below average household income. BTR secures affordable rented accommodation at scale and is not dependent on house sales or grant funding.
- 2.9 It is estimated that there has been a loss of around 10% of private rented homes to short term lets (STL) in recent years. The rapid growth in STLs is creating further pressure on supply, rent levels and house prices in some areas. The Council conducted a consultation in autumn 2021 on designating the entire Council area as a STL Control Area. Scottish Ministers issued their decision granting approval for the city to become the first STL Control Area in Scotland in July 2022.
- 2.10 Most affordable rented housing is funded by a combination of RSL private finance or Council borrowing, grant funding and rental income. Finance is usually based on the amount of rent that can be collected to repay the interest and borrowing. Most social rented housing in the city is therefore delivered alongside other tenures. This creates opportunities for cross subsidy, as well as, supporting development of sustainable, mixed tenure communities.

- 2.11 The Scottish Government published “Affordable Housing: Resource Planning Assumptions to Councils 2021-2022 to 2025-2026” in July 2021. The total Resource Planning Assumptions (RPAs) for the 32 Scottish local authorities was just under £3.221 billion. Edinburgh’s RPAs over this period are £233.8 million, 7.3% of the total funding committed. Edinburgh continues to actively engage with the Scottish Government to secure additional funding to support a strong pipeline of potential projects.
- 2.12 In June 2023, benchmark grant funding levels for both RSL and Council homes were increased by 6.9%, however despite this uplift, projects received in 2023/24 are now being submitted above the new higher benchmark levels. The average cost of building an affordable home increased from just under £158,000 in 2020/21 to almost £200,000 in 2022/23. Since 2020, the average construction cost of an affordable home has increased by almost 30%. During the preceding five years (2016/17 to 2020/21), the average construction cost of an affordable home increased by only 14.5%; less than 3% each year.
- 2.13 Average estimated development costs for the 2024-29 ASHP programme are £240,00 per unit compared with the projection of £220,000 in the SHIP 2023-28 (a 17% increase). These are working estimates of costs and are likely to be subject to change when development construction works are tendered.
- 2.14 The Scottish Parliament passed the emergency legislation Cost of Living (Tenant Protection) (Scotland) Bill on 6 October 2022, which froze rents until the end of March 2023 in both social and private rented sectors. In tenancy rent increases continue to be capped at 3% for private landlords until March 2024.
- 2.15 The viability of affordable housing continues to be a challenge due to the ongoing impact of the war in Ukraine and Brexit, as well as the long-term impact of the pandemic has seen costs in the construction sector increase by around 40% in the last year. Global prices for construction materials such as timber, steel and particleboard have increased due to increased demand, rising energy prices, and reduced supply.
- 2.16 Inflation hit a 41-year high of 11.1% in October 2022 and mortgage interest rates exceeded 6% for the first time in 14 years. The Bank of England has increased interest rates several times from 2.25% in September 2022 up to 5.25% in August 2023. The cost of borrowing for affordable housing has been affected; the Scottish Housing Regulator estimates that 27% of RSL loans are on variable interest rates. This will also impact the financial capacity of the HRA to deliver new affordable homes, the ambitious Energy Efficiency Standard for Social Housing 2 (ESSH2) and improvements to neighbourhoods. On 23 February 2023, the Council agreed a 3% rent increase in 2023/24 and noted that based on 3% annual rent increases over the next 10 years (2% p.a. thereafter), around 86% of existing homes could be brought up to ESSH2 over the 30-year business plan and that c.2,400 Council social rented homes could be delivered.

- 2.17 In summary, increased construction costs, increased borrowing costs, marginal increases in grant funding and limited rent increases in recent years have impacted on the viability of affordable housing developments for RSLs and on the Council's ability to meet its core commitments of building new social rented homes, meeting EESSH2 standards, improving existing blocks and neighbourhoods and supporting large scale regeneration in the city. There is an increased risk of insolvencies and developers may choose to delay site starts or sell sites, all of which will impact on the viability of delivering affordable housing.

### **3. Current delivery**

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- 3.1 From April 2017 and up to 31 March 2024, it is anticipated that 9,203 new affordable homes will be approved and 8,158 completed. Social rent makes up almost 3,300 of the homes that have been approved to date by the Council and RSL partners through the grant funded programme.
- 3.2 Almost 900 new affordable homes are expected to be approved for site start in Edinburgh this financial year (2023/24) and based on current delivery programmes, an additional 1,250 affordable homes should be completed. Of these, around 360 approvals and 530 completions will be homes for social rent; with c.200 approvals and 200 completions being for Council social rent. There are currently over 2,100 affordable homes under construction on 30 sites across the city.
- 3.3 The SHIP 2023-28 included an estimated pipeline of 1,994 approvals and 1,324 completed homes in 2023/24. The delays are the result of a combination of factors (including house builders and development partners delaying procuring new contracts due to cost inflation and delays in planning applications being taken forward) has meant some projects will now not be approved until next financial year. There is uncertainty in the wider market due to rises in interest rates. There are also risks to rental income, due to the wider cost of living crisis, which have resulted in BTR developers not bringing forward projects previously expected for approval this financial year. The impact on mortgage products has resulted in limited uptake of low-cost home ownership. An impact felt nationally.

### **4. Key Outputs of the SHIP**

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- 4.1 The SHIP identifies a potential development programme of around 11,000 new affordable homes over a five-year period and over 9,500 of these affordable homes require grant funding through the Affordable Housing Supply Programme (AHSP). These would require an additional £665 million over five years, almost four times the amount of grant funding set out in current resource planning assumptions.
- 4.2 Projects selected for inclusion to the SHIP align with the Council's Local Development Plan and support the delivery of key strategic priorities of the Council, including the Council's Business Plan and Rapid Rehousing Transition Plan.
- 4.3 Projects which are included in the SHIP are mainly proposed by RSLs and are subject to final agreement with Scottish Government. Projects are selected and

prioritised within the SHIP based on deliverability, value for money, housing need and strategic alignment with the Council’s priorities.

- 4.4 Projects within the SHIP can be subject to change; for example, many of the projects identified are yet to achieve a planning consent. The Council monitors the affordable housing programme and is in constant communication with delivery partners.

### Key Outputs

- 4.5 The SHIP 2024-2029 has identified a pipeline of 11,106 affordable homes that could be approved for site start and 10,804 potential completions. The approvals are split into two categories:
- 4.5.1 9,554 homes could be approved through the grant funded AHSP; and
- 4.5.2 1,562 homes could be approved through innovative funding mechanisms, requiring little or no grant funding.
- 4.6 The 9,554 homes that have been identified to be approved through the AHSP require grant of £894m over the SHIP period, or £178.8m per year on average.
- 4.7 Grant funding benchmarks are set by the Scottish Government and the levels are dependent on tenure type and delivery partner. The benchmark figure can be increased if Additional Quality Measures (AQMs) apply, these are applicable design features that improve the energy efficiency, amenity, and safety of the homes. These range from £68,153 for a Council MMR property to £102,054 for an RSL social rent property.
- 4.8 The majority of the AHSP approvals are for social rent (63%), with most of the remaining homes being for mid-market rent. This is broadly in line with the Scottish Government’s 70% social rent target.
- 4.9 The table below provides a summary of the projected outputs and funding requirements of the AHSP projects identified in the SHIP. The five-year Resource Planning Assumptions published in July 2021 are also set out below.

**Table 1: Summary – AHSP**

YEAR	HOMES APPROVED	HOMES STARTED	HOMES COMPLETED	GRANT REQUIREMENT (£M)	SG RESOURCE PLANNING ASSUMPTIONS (£M)
2024/25	976	1,232	1,014	72.456	45.053
2025/26	2,869	2,206	465	185.920	45.211
2026/27	2,467	2,714	1,989	190.136	45.960*
2027/28	2,210	1,747	2,241	195.100	45.960*
2028/29	1,022	1,551	2,770	250.409	45.960*
<b>TOTAL</b>	<b>9,544</b>	<b>9,450</b>	<b>8,479</b>	<b>894.021</b>	<b>228.144</b>

*\* RPAs only known until 2025/26; This assumes grant funding remaining static between 2026/27 and 2028/29*



- 4.10 Table 1 identifies a shortfall of £665.877m in grant funding over the next five years. Edinburgh’s carry forward commitment is around £65m and is based on a high number of approvals over the past few years. Project approvals require grant payments to be provided in stages over two or three years.
- 4.11 Based on current resource planning assumptions only 2,620 homes (based on current maximum benchmarks) could be delivered over the next five years, against a potential pipeline of 9,544 homes. The SHIP 2024-29 would require a nearly 300% uplift in grant funding: £894million in total or £178.8 million per year (£132 million per year above current RPAs). The Council will continue to work with RSL partners to stretch available grant funding as far as possible and to maximise the number of social rented homes that can be delivered with available grant funding.
- 4.12 The remaining 1,562 homes could be delivered through the Private Sector led BTR, Open Market Shared Equity and other forms of Low-Cost Home Ownership. A more comprehensive breakdown of innovative funding mechanisms is set out in 5.1 below.
- 4.13 A total of 106 sites are included in the SHIP. Over a third of the AHSP funded programme (38%) is forecast to be delivered by the Council’s own house building programme. Most of the sites taken forward by RSL partners are in the control of the private sector as they are being delivered through the AHP.
- 4.14 Table 2 below sets out delivery to date as well as the potential pipeline of sites that could be brought forward for development over the next five years.

**Table 2: Actual Approvals and Completions (2018/19 to 2022/23) and Forward Projections**

Financial Year	1	2	3	4	5	6	7	8	9	10	11	12	Total
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	
Approvals	1,475	1,626	1,930	1,285	1,251	734	902	1,213	3,094	2,767	2,560	1,472	<b>20,309</b>
Completions	966	1,159	1,443	1,087	1,041	1,215	1,247	1,339	1,199	2,455	2,591	3,220	<b>18,962</b>

- 4.15 This ambitious programme is contingent on the sites being within affordable developer control, being brought forward by landowners and developers in a timely manner, the necessary funding being in place (both grant funding and private finance) and construction sector capacity to deliver at scale. As the market begins to stabilise, developers will be better able to plan, and risk appetite will increase.

## 5. Means of Delivery

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- 5.1 The majority of affordable housing in Edinburgh is delivered by Registered Social Landlords (RSLs) or the Council with the support of grant funding through the

AHSP. The South East Scotland region undertook a Housing Need and Demand Assessment which was certified by Scottish Government in July 2022. The assessment identified that the highest level of housing need in Edinburgh is for social and affordable rented tenures. A summary of affordable tenures and their delivery routes are set out below.

### **Affordable Tenures – Social Rent**

- 5.2 Social rented homes are delivered by the Council and Registered Social Landlord. Tenants enter into a Scottish Secure Tenancy Agreement (SST). Social rents are the lower than all affordable tenures. Rent levels are regulated by the Scottish Housing Regulator. The delivery of social rented homes is not limited to new build developments but can also be supported by the following means:
- 5.2.1 **Acquisitions Programme** - The City of Edinburgh Council aims to consolidate its housing stock with an overarching objective to increase supply and reduce ongoing management and maintenance costs. This strategy seeks to purchase homes where full block consolidation could be achieved over 25 years and divest from blocks where the Council is the minority owner. This approach to managing the Council's housing assets was agreed at Health, Social Care and Housing Committee on 26 January 2016.
- 5.2.2 In September 2021, Housing, Homelessness and Fair Work Committee approved the expansion of the Acquisitions and Disposals purchase criteria to include the purchase of homes in blocks where the Council owns 50% or more.
- 5.2.3 In March 2022, Finance and Resources Committee agreed to expand tenanted acquisitions to cover all Housing Revenue Account led mixed tenure improvement projects undertaken in the city. This included the option for tenanted acquisitions. Owners can request to sell their home back to the Council and are granted a SST.
- 5.2.4 Since the implementation of the policy in 2015, 298 homes have been purchased and 165 homes have been sold. This has led to 75 blocks becoming fully Council owned, 123 blocks where the Council has divested its interest and 210 blocks where the Council has further consolidated its majority ownership.
- 5.2.5 **Off The Shelf Purchases** - Council officers continue to seek new opportunities to secure homes and are actively engaging with developers to explore potential 'off the shelf' purchases.
- 5.2.6 On [1 December 2022](#), Housing, Homelessness and Fair Work Committee approved the Housing Land Strategy Report. This set out a revised approach to securing land whereby, for suitable opportunities, the Council would offer to either buy land, completed homes, or work in partnership with the landowners and RSL partners to develop sites for additional affordable housing.

- 5.2.7 On [21 September 2023](#) Finance Resources committee approved the purchase of 20 off the shelf homes at the Hawthorn Gardens development in South Queensferry. The purchase will be funded through a combination of the Scottish Government funding available to support Ukrainian Displaced Persons (UDP) (£3.140m), HRA borrowing, to be repaid through the collection of rent (£1.743m), and available Commuted Sums within the Ward (£0.347m). Homes will be let for up to three years, in line with current visa requirements. Homes will thereafter be used as part of the Council's housing stock and let as Social Rented homes to those in housing need.
- 5.2.8 The use of UDP funding and the availability of Commuted sums reduces the financial impact on the delivery of the Council's own housebuilding programme and does not affect resource planning assumptions in relation to this year's AHSP. Any proposals coming forward will be carefully assessed to ensure they are financially viable and can be accommodated within the HRA budget and offer value for money.

### **Affordable Tenures – Mid Market Rents (MMR)**

- 5.3 Most MMR homes are provided by housing associations and their subsidiaries, and rents are set significantly below market rents. Tenants enter into a Private Rented Tenancy. MMR homes require less grant subsidy than social rent because rents are higher. Those higher rents can also sustain a higher level of borrowing, which in turn can help deliver onsite affordable housing where social rent alone would not be viable. MMR is often used to cross subsidise and enable social rented homes within the same development, supporting onsite delivery and minimising the need for offsite affordable housing contributions or commuted sums.
- 5.4 The Council also works with partners to deliver affordable housing without grant funding. These funding models are described below:
- 5.4.1 **Scottish Government Mid-Market Rent Invitation (MMR Invitation)** – Scottish Government supported the delivery of mid-rent homes on private sector sites through the Scottish Government MMR invitation. Places for People Capital secured £47.5m in loan funding through the scheme and levered in additional private finance. Around 500 new affordable homes are being delivered across four sites and are all due to complete by the end of 2023.
- 5.4.2 **Local Affordable Rented (LAR) Housing Trust** – LAR is a Scottish Charity set up in 2015 to provide long-term, MMR housing in Scotland. LAR launched with a £55m loan from the Scottish Government to build MMR homes across Scotland. Two developments have been completed in Edinburgh on Gorgie Road and in Niddrie, with a further two sites are under construction at Fountainbridge and Fords Road which are due for completion in 2024.
- 5.4.3 In March 2021, 89 homes in the National Housing Trust Telford North LLP were purchased by LAR following Finance and Resources committee

approval in October 2020. Under the terms of the sale, tenants wishing to become owners will be given enhanced timescales to maximise their ability to purchase. Those tenants who are unable to purchase will be able to continue to rent their MMR homes, with rent increases capped at CPI.

5.4.4 **Build to Rent (BTR)** - On 20 January 2020 Committee approved the recommendations of the report 'Support for Build to Rent'. The report highlighted that BTR developments can accelerate housing development, regeneration and placemaking. BTR can bring institutional investment to the city and secures affordable housing without the need for grant subsidy. Intermediate Rent is an affordable rented tenure which caps rents at Broad Rental Market 30<sup>th</sup> Percentile (the lower third of the rental market), and which is published by Scottish Government each year.

5.4.5 However, increasing construction costs and interest rates, static rents and a weaker pound have affected the viability of BTR projects. Discussions with BTR developers, operators and investors are ongoing to support delivery of the current pipeline and identify affordable BTR homes that can be delivered without grant funding.

#### **Affordable Tenures – Low-Cost Home Ownership**

5.5 Low-Cost Home Ownership (LCHO) tenures such as Shared Equity can help families purchase an equity stake in a property, with the remaining equity owned by Scottish Government or RSLs. RSL can access low levels of grant funding for LCHO. Golden Share is another form of LCHO where homes are sold at 80% of market value. Less than 12% of all approvals in the SHIP are for LCHO.

## **6. Specialist Housing, Including Wheelchair Accessible Homes**

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### **Delivery of Specialist Housing in the Affordable Sector**

6.1 The Housing Service commissioned a study on accessible housing in 2021 to provide a greater insight into the need for accessible and adapted homes across the city now and in the future. The study was informed by partners, stakeholders, service user interviews and telephone and online surveys, with findings demonstrating a need and demand for accessible housing overall. The study also highlighted challenges in obtaining robust data on accessible housing, particularly in the private sector, as well as challenges in delivering accessible homes in the context of Edinburgh's housing stock profile and market conditions.

6.2 A report on the Accessible Housing Study was considered by the Council's [Housing, Homelessness and Fair Work Committee in December 2022](#) and an Accessible Housing Sounding Board has been set up to take forward work to address the study findings. Regular updates are provided to HH&FW committee.

6.3 The Accessible Housing Study findings were used to inform an indicative, cross tenure wheelchair accessible homes target of 7% annually for all completions. The current, long-standing, target of 10% for affordable housing has been retained as

this is well understood by partners and reflects the fact that the affordable sector currently delivers more wheelchair housing than the private sector.

- 6.4 The SHIP pipeline includes 6% fully wheelchair accessible homes (7% of the grant funded programme) that could be approved over the next five years. These figures can change as detailed site proposals are developed. Some sites or locations may not be suitable for fully wheelchair accessible housing and in most developments the wheelchair homes will be limited to ground floor properties. Challenges in delivering affordable housing at scale, with additional costs for wheelchair housing due to larger space requirements, need to be considered in terms of overall deliverability.
- 6.5 The Scottish Government consultation *on Enhancing the accessibility, adaptability and usability of Scotland's homes* includes indicative additional costings of key updates proposed in the Housing for Varying Needs Design Guidance. These range from around £2,500 per home for general needs, older people or ambulant disabled persons homes and around £10,000 for a two-bed, four-person ground floor flat designed for wheelchair users (with even higher costs for larger wheelchair homes). The actual costs could be higher as they do not include costings for proposals to provide space for home working or study or private or communal outdoor space for example.
- 6.6 Extra funding is available through the AHSP for additional quality measures. If we want to achieve our targets and ensure cost is not a barrier to affordable housing developers providing wheelchair accessible homes, we might need to give grant funding above benchmark. With a finite pot that means less homes overall. RSL partners have also noted that they may have limited influence on the design of sites provided through the AHP, which can be a barrier to providing more specialist homes.
- 6.7 There is an acknowledgment that additional costs to the private sector would result from the implementation of the Scottish Accessible Homes Standard, but these have not been estimated in the consultation document. There are challenges in implementing and monitoring delivery of a target for private sector housing. These include difficulties in holding private developers to a target without specific planning or legislative mechanisms being in place. Planning colleagues are now recording wheelchair units in Planning Applications which will help with monitoring going forward.
- 6.8 The proposed introduction of a new Scottish Accessible Homes Standard could help to streamline accessibility standards across tenures, although it would not necessarily lead to an increase in the provision of wheelchair homes in the private sector.

### **Adaptations**

- 6.9 In addition to building new homes to meet changing and varying needs, the SHIP includes grant funding for RSLs to carry out adaptations to homes. This enables people to remain in their own homes and live independently. Adaptations continue

to be a strategic housing investment priority. Each year a budget in the region of £900,000 supports over 400 adaptations within RSL homes. Adaptations to Council homes are funded from the Housing Revenue Account.

## **7. Carbon Emissions and Energy Efficiency**

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- 7.1 On the 14 May 2019, the Corporate Policy and Strategy Committee approved the Council's Sustainability Approach, which included Edinburgh working towards a net zero carbon target by 2030. On 20 January 2020, the Housing, Homelessness and Fair Work Committee approved the Housing Sustainability approach, which outlined the future approach to reducing emissions across existing homes and the new build housing programme. A further update on progress was provided to the Housing, Homelessness and Fair Work Committee on 5 November 2020, 3 June 2021 and 22 March 2022 (as part of the 2022/23 Capital Programme).
- 7.2 The Council's declaration of a Climate Emergency has placed sustainability and climate change at the centre of strategic and policy discussions. Energy efficiency standards are already in place for new affordable housing in Scotland. All new developments are required to meet minimum Building Regulations, which contain stringent targets for meeting certain energy efficiency standards. The Council's own house building programme is leading by example in terms of sustainable development. A design brief has been produced that will ensure all new build homes are designed to achieve net zero carbon. The net zero carbon design brief has been in place since November 2020 and follows a fabric first approach, allowing the design and construction to be tailored to meet the requirements of the site and to select the most appropriate low carbon heating solution.
- 7.3 Council and RSL house building partners are working to sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy. The environmental impact of individual projects is currently assessed through the planning process.
- 7.4 The outcome of the review in benchmark levels included additional funding for sustainability standards, including Delivering homes to Section 7, Silver Level, of the 2019 Building Regulations, heating systems which produce zero direct emissions at the point of use and electric vehicle charge point connectors.
- 7.5 The Scottish Government already supports delivery of homes across Scotland using a range of offsite methods, from timber frame construction through to fully modular development, and will continue to do so through the AHSP. This has the potential to speed up delivery of affordable homes, reduce waste and achieve the quality of construction needed to support zero emissions homes, and it offers opportunities to improve productivity and attract a more diverse workforce.

## **8. Rapid Rehousing Transition Plan (RRTP)**

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- 8.1 The second iteration of the RRTP was agreed by the Housing, Homelessness & Fair Work Committee on 18 September 2020 and submitted to Scottish Government. The annual update on progress was recently agreed at Committee on 8 August 2023.
- 8.2 The RRTP is aligned around four key objectives, focusing on both prevention and increasing accommodation options (both temporary and settled):
  - 8.2.1 preventing homelessness in the first place;
  - 8.2.2 where temporary accommodation is required, this will meet the needs of the household;
  - 8.2.3 supporting people to access settled accommodation as quickly as possible; and
  - 8.2.4 reducing the number of people sleeping rough.
- 8.3 A PRS Team was established by the Council to reduce the number of people becoming homeless from the private rented sector and to work with private landlords and lettings agents to establish the PRS as a housing option for homeless households. This was in response to a growing number of homeless presentations from the PRS.
- 8.4 In 2022/23, the PRS team prevented homelessness for 302 households by helping them to remain in their current PRS tenancy or by supporting them into a new PRS or Mid-Market Rent (MMR) tenancy. A further 43 households, assessed as homeless prior to the PRS team having contact, were supported by the team to access either PRS or MMR tenancies. The financial inclusion officer within the team has also supported households to access £549,593 of financial gains in the last year.
- 8.5 A multi-disciplinary team for Council tenants who are at serious risk of court/eviction action and are not engaging with their locality Housing Officer have continued to develop this year. The aim of the team is to actively reach out to the tenant, offering joined up support, with the aim of keeping tenant in their home. Referrals to the service are received from locality housing teams.
- 8.6 The team initially consisted of a dedicated housing /homelessness specialist, a debt advisor and an income maximisation officer supervised by a team leader, with support from adult and children's social work and family and household support. Of the 178 cases closed by the team 56% of households engaged with the team or another agency; 85% of those who engaged remain in their home. The team are currently working with 26 households. The team is in the process of expanding to include officers from family and household support and to explore further opportunities to intervene earlier to prevent homelessness. Annual updates on progress of the RRTP will be provided to both Committee and the Scottish Government.
- 8.7 There continues to be a commitment to a rehousing target for a minimum of 70% of Council social housing (across existing and new build homes) being allocated to

homeless households and 50% for lets from RSL's in Edinburgh. These targets take account of the significant demand for social housing and the requirements to provide housing to meet other priority/urgent housing need. During 2022/23 RSL's let 49% of homes to homeless households with 71% of Council social rented homes let to homeless households. The small drop in the number of RSL homes let to homeless households is most likely due to recording of data. The type of properties that become available for let will also impact on number of lets to homeless households.

## 9. Empty Homes

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- 9.1 The Council's strategic approach to private sector empty homes is largely focused on longer-term empty homes which are often having a detrimental impact on neighbours or the wider community.
- 9.2 A dedicated Empty Homes Officer works closely with other Council service areas to resolve issues around repairs and maintenance or environmental health impacts of empty homes, and with colleagues in Revenues and Benefits teams on debt recovery and Council Tax issues.
- 9.3 The focus is on providing advice and information to owners to help them deal with issues, supporting them to bring their home back into use. Over the last three years, the Empty Homes Officer has enabled over 150 homes to be brought back into use. Over half had been empty between 1-5 years. The vast majority of these empty homes were brought back into use for owner occupation or for private rent. There were a few that became holiday lets and some are now let through the Private Sector Leasing Scheme.
- 9.4 The Empty Homes Officer also works with colleagues who manage the Council's Acquisition and Disposal Programme to check whether empty homes would meet the criteria for acquisition and could potentially be purchased for social rent. In the last three years there have not been any purchased through this Programme.

## 10. Child Poverty

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- 10.1 On [5 October 2021](#), the Council's Policy and Sustainability Committee considered the first annual progress report against the Council's End Poverty in Edinburgh Delivery Plan, developed in response to the Edinburgh Poverty Commission's calls to action. The latest annual update report was considered by Policy and Sustainability Committee on [24 October 2023](#).
- 10.2 The latest available data show that an estimated 17% of people in Edinburgh were living in poverty in the period to spring 2022, accounting for over 80,000 individuals. This included over 17,000 children, or 20% of all children in the city. 12% of all Edinburgh residents had been living in poverty for three of the past four years.



- 10.3 More than 80% of all children in poverty in Scotland come from households in Scottish Government identified priority groups which include: lone parents, people from certain minority ethnic groups, young mothers, disabled adults of child and large households. Such families are at a far higher risk of poverty than the population at large – with poverty rates in some cases more than double the average for all household types.
- 10.4 The update report emphasises that, although city partners have many levers they can use to alleviate and prevent poverty in Edinburgh, the headline targets set for the city cannot be met without significant national policy intervention by the Scottish and UK Governments on social security, tax and regulatory powers, as well as funding to support the delivery of new affordable and social rented homes.
- 10.5 Priority actions for the coming year include:
- 10.5.1 Further development of Community Wealth Building in Edinburgh, including actions to further promote fair work and just labour markets;
  - 10.5.2 Helping parents to access and progress in work, and improve access to affordable childcare;
  - 10.5.3 Setting up the Joined up for Advice Network and delivering a targeted outreach programme of communication and support activities to promote uptake of benefits entitlements;
  - 10.5.4 Continued delivery of the Rapid Rehousing Transition Plan alongside ongoing work with partners to prepare for potential forthcoming homelessness prevention duties for public sector bodies;
  - 10.5.5 Continued dialogue with Scottish Government to reinforce the need for additional funding and to inform the approach taken to introducing rent control; and
  - 10.5.6 Improving processes to make empty homes available to new tenants more quickly.

## **11. Gypsy Travellers site**

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- 11.1 The Council currently owns and manages one site in Edinburgh, known as the North Cairntow Travellers Site in the north east of the city. The Housing Service has been working with the residents of the North Cairntow Travelling Peoples Site to improve the site since 2017. This has taken the form of a comprehensive programme of community engagement to co-design site improvements in partnership with the community, addressing fuel poverty, mainstreaming equalities, and harnessing lived experience of tenants, culminating in an improved understanding of the needs of the community.
- 11.2 The final design of the redevelopment of the site was agreed with residents and contractor for the re-development was appointed following the approval by Finance and Resources Committee on 4 March 2021. The redevelopment has received

£90,660 of Scottish Government funding as part of the joint action plan 'Improving the lives of Gypsy/Travellers: 2019-2021' by the Scottish Government and Convention of Scottish Local Authorities (COSLA).

- 11.3 North Cairntow residents have returned to the site and are settling into their new accommodation. Residents are experiencing improvements that include choice of utility provider, reduced fuel costs, improved broadband connection and can self-serve through access to online services and are transitioning to a Scottish Secure Tenancy.
- 11.4 The on-site Community Hub programme is progressing with a Food Hub and access to affordable/seasonal food and nutritional advice. Income Maximisation surgeries have been held on site to access financial advice and to identify underlying benefit entitlement. Plans are underway to reintroduce health screening and life-long learning service outreach services on site.
- 11.5 Council officers are seeking to build capacity through development of a Registered Tenants Organisation (RTO), enabling access to wider funding. Officers are keen to develop community growing space on site and explore potential for renewable energy opportunities.

## **12. Town Centres**

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- 12.1 The Council's vision is to enable a net zero Edinburgh where everyone can live well locally. By working in partnership with local communities, the aim is to create places where most of people's daily needs can be met within a 20-minute round trip.
- 12.2 The 20-minute neighbourhood concept is about creating healthier and greener communities and thriving and more inclusive neighbourhoods. This concept is already embedded within the Council's housing led mixed-use developments in areas such as Muirhouse/Pennywell, Granton, Wester Hailes, Craigmillar, Fountainbridge, Meadowbank and Powderhall. Housing plays a key role alongside access to essential local services, facilities, open spaces, transport, and active travel links in creating inclusive town and local centres that advance equality and promote diversity.
- 12.3 This 20-Minute Neighbourhood strategy supports the core priorities of making Edinburgh a good place to live and work, ending poverty in the city and for Edinburgh to become net zero by 2030.

## **13. Consultation and engagement**

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- 13.1 There is a strong partnership approach to delivering new build affordable housing in the city. This is evidenced by the joint commitment to increase supply of affordable housing with an ambition to reach 25,000 new affordable homes. To ensure delivery of this pipeline of projects the SHIP is kept under constant review through continuous discussion with partners at regular meetings, working groups and

forums. Regular meetings are held with RSL development directors and chief executives to ensure the efficient and effective delivery of the programme and alignment of strategic objectives.

- 13.2 The Edinburgh Affordable Housing Partnership (EAHP) brings together affordable housing providers in Edinburgh (comprising housing associations, housing co-ops, other charitable housing providers and the City of Edinburgh Council).
- 13.3 Over recent months, representatives of EAHP have been meeting with senior Council officers, the Convenor of Housing, Homelessness and Fair Work Committee and the Council Leader to discuss housing pressures, funding for affordable housing and collaborative working to meet these challenges. All of which support the delivery of the Council's Business Plan and Housing to 2040.
- 13.4 The output of those discussions has been the development of "Our Commitments for Edinburgh" with EAHP aiming to be a partnership that:
  - 13.4.1 Creates and manages good places to live and provides targeted care and support where needed;
  - 13.4.2 Contributes to ending poverty and homelessness with an increase in affordable homes and financial inclusion and welfare advice; and
  - 13.4.3 Will work together to deliver the net zero targets for our homes.
- 13.5 Over the coming months, EAHP representatives will be engaging with stakeholders and Scottish Government to build support for "Our Commitments for Edinburgh".

## **14. Integrated impact Assessment**

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- 14.1 The Integrated Impact Assessment (IIA) concludes that the SHIP should have a positive impact on tackling inequality through investment in new affordable homes for people on low to medium incomes.
- 14.2 The SHIP contributes to the public sector equality duty and advances equality of opportunity. It will increase access to affordable housing and well-designed, safer, and cleaner communities. It will contribute to improved health by increasing the supply of good quality homes, reducing fuel poverty, and providing homes which meet varying needs.
- 14.3 The affordable house-building programme seeks to maximise delivery of homes on brownfield sites, reducing pressure on Edinburgh's green belt. Building more homes will inevitably produce more carbon, however, all new developments are required to meet minimum Building Regulations, which contain stringent targets for meeting certain energy efficiency standards. Since November 2020, all new build Council homes have been designed to achieve net zero carbon.

## 15. Conclusion

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- 15.1 This SHIP has been developed in one of the most challenging economic climates in recent history. The information collated in discussions with RSL partners and developers sets out an ambitious development pipeline over the next five years. However, there is considerable uncertainty regarding the timescales of when sites will be brought forward (most of which are not within the control of affordable developers) due to high development costs and economic uncertainties.
- 15.2 The pandemic continues to impact on development and construction of affordable housing across Scotland. In addition to this, Brexit, the war in Ukraine and the cost-of-living crisis has had a major impact both on in-year delivery of current projects and delays in projects being brought forward for approval. Construction industry capacity, construction materials availability and costs, availability of grant funding and borrowing capacity of affordable developers (linked to rental income) will all impact on the delivery of the programme.
- 15.3 The SHIP sets out a potential pipeline of 11,106 affordable homes approved for site start and 10,804 potential completions over the next five years through a mix of grant funding, RSL's own finance, finance raised by private developers, institutional investment, developer contributions and HRA funding.
- 15.4 Based on current resource planning assumptions, less than a third of the potential pipeline (9,554 homes) could be delivered through the grant funded AHSP. This SHIP would require a nearly 300% uplift in grant funding. Delivery of social rented and mid rent housing is currently not viable without grant funding or other support from Scottish Government.
- 15.5 The SHIP is reviewed annually. As the market begins to stabilise, developers will be better able to plan, and appetite for risk should increase. Officers will continue to explore off the shelf opportunities to maximise delivery over the short to medium term.

# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## Housing Emergency Action Plan

Executive/routine Wards	Routine All
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### 1. Recommendations

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- 1.1 It is recommended that Committee:
- 1.1.1 Notes that, on 2 November 2023, the Council agreed to declare a Housing Emergency;
  - 1.1.2 Notes the draft Council wide action plan outlined in Appendix 1;
  - 1.1.3 Agrees that these actions should form the basis of a programme plan that will be developed and presented to the Housing, Homelessness and Fair Work Committee on the 27 February 2024;
  - 1.1.4 Notes that meetings have been held with partner agencies including Registered Social Landlords, SHAPE, Shelter and Cyrenians to agree a partnership response to the housing emergency; and
  - 1.1.5 Notes that financial projections based on these actions will be presented to Finance and Resources Committee on the 6 February 2024 to inform the Council's budget setting process; and
  - 1.1.6 Agrees to refer this report to the Edinburgh Integration Joint Board and to Education, Children and Families Committee for further discussion and debate.

**Paul Lawrence**

Executive Director of Place

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## Housing Emergency Action Plan

### 2. Executive Summary

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- 2.1 This report sets out the high-level actions proposed in response to the Council's declaration of a housing emergency on 2 November 2023.
- 2.2 These actions are Council wide, covering housing management practice, homelessness prevention, housebuilding and purchase, funding, social care and children's services.
- 2.3 The action plan will be developed into a programme plan for delivery and presented to the Housing, Homelessness and Fair Work Committee on 27 February 2024, with financial projections factored into the Council's budget process.

### 3. Background

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- 3.1 On 2 November 2023, following a motion by Councillor Meagher, the Council voted unanimously to declare a housing emergency in the city.
- 3.2 Edinburgh has one of the lowest proportions of social housing in Scotland with 16% of homes being social rent (compared to the national average of 24%). Demand for social rented homes in the city is high, with an average of 197 bids received for every home that becomes available for let via EdIndex. Edinburgh has the highest cost private rents in Scotland at an average advertised monthly rent of £1,477 (in the second quarter of 2023).
- 3.3 Edinburgh is also a growing city, with the most recent National Records of Scotland Principal Populations Projections (2018) anticipating a 13% population rise over the next 25 years to [584,900](#).
- 3.4 Edinburgh currently has the highest number of homeless households in Scotland, with 4,920 households in temporary accommodation on 24 November 2023. The average length of stay in 2022/23 was 429 days (the second highest in Scotland), with an average case length of 654 days. There are currently 1,360 void homes across the Council's stock.

## 4. Main report

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- 4.1 The latest Housing Need and Demand Assessment 3 shows the need for between 36,000 to 52,000 homes in Edinburgh between 2021 and 2040. It is estimated that between 24,000 to 35,000 of those homes should be affordable. The Strategic Housing Investment Plan (SHIP) presented at this Committee details the specific sites and numbers of houses projected over the next five years.
- 4.2 The Housing service is currently purchasing homes through its acquisition and disposals policy, as part of a long-term asset management strategy that seeks to consolidate Council ownership in mixed tenure blocks. The acquisition and disposal policy was updated and approved by Committee in [September 2021](#).
- 4.3 Committee will also consider an update today on the Council's strategy for purchasing land and homes to meet the challenges of affordable housing. The strategy in 2023/24 will continue to focus on seeking land opportunities for building directly, purchasing suitable completed new build homes from the private sector and to work with landowners on partnering opportunities on strategic sites.
- 4.4 On the 3 October 2023, Committee received a [report](#) on the work of the Family and Household Support service. This showed many areas of successful delivery, including the prevention of over 400 homeless presentations since April 2022, representing an estimated avoided cost of £6.3m in temporary accommodation costs. Housing Officers across the city work to prevent homelessness and sustain tenancies every day. This will remain an integral part of service delivery by maintaining a strong focus on supporting householders to sustain their tenancy, and ensuring effective tenancy pre-termination procedures are in place.
- 4.5 Despite this effort, current data shows that homeless presentations are rising with 1,401 presentations between April 2023 and August 2023 (up from 1,363 at the same time last year).
- 4.6 The Council works in close partnership with other social landlords in the city, developers and the Scottish Government to achieve the targets set, as demonstrated in the SHIP report. This partnership work covers different tenures of accommodation including Social and Mid Market rent, and Private Sector Leasing (PSL).
- 4.7 The Council's partnership with Link Housing Group to deliver the PSL scheme provides security of accommodation provision, in suitable accommodation, at significantly less cost than unsuitable Bed and Breakfast (B&B) style accommodation. The Council is actively seeking to increase this provision in order to reduce the social, compliance and financial risks and issues associated with unsuitable accommodation.
- 4.8 Discussions have taken place with Registered Social Landlords (RSLs) asking them to review the number of lets to homeless households and will continue through existing forums. There is strong commitment from RSL partners, and a formal written request has been circulated seeking an increase in lets for homeless households, with responses expected by 1 December 2023.

- 4.9 Meetings are continuing with partner agencies including SHAPE, Shelter and Cyrenians to agree a partnership response to the housing emergency.
- 4.10 Appendix 1 sets out a draft Housing Emergency Action Plan, which consolidates identified actions to be delivered by the Council to improve the supply of housing and prevent homelessness.

## **5. Next Steps**

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- 5.1 A whole Council approach is being developed to address the housing emergency, working closely in partnership with other social landlords in the city (including RSL and PSL providers), developers and the Scottish Government.
- 5.2 As agreed by the Council, a workshop will take place with Committee members to agree the structure and reporting schedule for the Action Plan. The workshop will also discuss the draft action plan as set out in Appendix 1.
- 5.3 Where appropriate, input from the Planning Convener and Planning Committee will also be sought.
- 5.4 Following the workshop, the actions agreed will be developed into a costed programme delivery plan and will be presented to Committee on 27 February 2024.
- 5.5 The financial projections for this plan will be developed and factored into the Council's budget setting process and presented to Finance and Resources Committee on 6 February 2024.
- 5.6 In addition to the actions above, the Council also agreed that the Leader would write to the Scottish Government explaining the actions the Council is taking to address the housing emergency and to seek additional resources to help meet the severe challenges.
- 5.7 It was also requested that the Council Leader should ask for guaranteed resources to accommodate the current unfunded consequences of UK/Scottish Government immigration and asylum policy and to outline the need for a coherent partnership approach to be taken to manage humanitarian programmes going forward. Once received, the responses will be shared with Committee members.

## **6. Financial impact**

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- 6.1 The financial projections for this plan will be developed and factored into the Council's budget setting process and presented to Finance and Resources Committee on 6 February 2024.

## **7. Equality and Poverty Impact**

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- 7.1 Across the city, it is estimated that 1 in 5 children and young people are in poverty. Poverty and homelessness are often linked, and there are currently around 1200



children and young people in temporary and unsuitable accommodation. This action plan has a focus on preventing homelessness occurring, providing secure permanent accommodation timeously where homelessness can't be avoided, and ultimately supporting and enabling families and households to thrive.

- 7.2 It is acknowledged that people with a range of protected characteristics are currently seeking a Council home, through EdIndex or having presented as homeless and currently being supported in temporary accommodation. This action plan will help us target more effectively the support available, for example through moving children and young people out of unsuitable accommodation or ensuring that older people have access to suitable housing when leaving hospital.
- 7.3 Work on the standard of Council property, the time it takes to allocate and move someone in to their new home, and on tenant satisfaction in general will help us address some issues of poverty, for example fuel poverty and food poverty.
- 7.4 These issues will be addressed fully in the report being presented to the February Committee.

## **8. Climate and Nature Emergency Implications**

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- 8.1 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

*“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”*

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

*“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”*

(Nature Conservation (Scotland) Act 2004)

- 8.2 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions, and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.
- 8.3 As new sites and development opportunities become available, the impacts of those schemes will be assessed and reported as required to the appropriate Committee.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 Risks related to this report are primarily economic, social, legal and reputational. The Council has declared a Housing Emergency and it is clear that investment is needed in both current and new housing stock. The wider economic and social

impacts of homelessness are considerable and assessed as life changing, especially for children and young people. As homelessness and poverty are so heavily linked, it is clear that risk here lies in the immediate, medium and long term disadvantage faced by households unable to secure permanent accommodation.

- 9.2 There is risk to this programme from UK and Scottish Government policy on asylum and refugee, with potential that Edinburgh will see a significant number of homeless presentations linked to these schemes in the near future. This would negatively impact our proposals to reduce the use of expensive unsuitable accommodation and reduce the number of homeless people in the city.
- 9.3 Consequently, despite our aim to reduce exposure to compliance risk in unsuitable accommodation, our reality may continue to be that a significant number of households, including children and young people, will spend time in accommodation that breaches legislation setting out criteria for suitability.
- 9.4 A full risk assessment will be provided in the report being presented to Committee in February 2024.

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

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- 10.1 None

## **11. Appendices**

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- 11.1 Appendix 1 – Housing Emergency Action Plan: list of identified actions.

## Appendix 1

### Draft Housing Emergency Action Plan

The following action areas will require a cross Council partnership-based approach.

Each Directorate of the Council will be involved in development these areas, and a deepening of partnership across the sector will be put in place.

1. Increase the return rate of void Council property to lettable standard and allocate them, bringing a significant number of Council homes back in to use.
2. Secure additional 'off the shelf' Council homes available through the Council's acquisitions policy.
3. Increase the number of empty homes brought into use and allocated to homeless people through the Empty Homes Partnership.
4. Continue to focus on seeking land opportunities for direct development, purchase suitable completed new build homes from the private sector and work with landowners on partnering opportunities on strategic sites.
5. Continue working towards the Strategic Housing Investment Plan target of over 9,500 new homes in the city by 2029.
6. Work with partners and with COSLA to investigate funding solutions to meet the identified funding gap of £665m to deliver the Strategic Housing Investment Plan.
7. Purchase additional properties for use as temporary accommodation, with a corresponding reduction in B&B use.
8. Increase the number of Private Sector Leasing properties available to the Council.
9. Ensure the availability of additional supported accommodation bed spaces for homeless people.
10. Accelerate purchase of existing homes aligned to the Council's asset management strategy.
11. Significantly reduce the use of unsuitable accommodation by March 2025.
12. Develop targeted approaches to prioritise permanent housing for those in unsuitable accommodation, recognising the correlation between unsuitable accommodation and children placed on the child protection register and becoming Looked After.
13. Make a minimum 70% of housing allocations to homeless applicants.

14. Target interventions to prevent homeless presentations, using data to support those with protected characteristics, and families supported by protective services.
15. Delivery of the Rapid Rehousing Transition Plan.
16. Continue delivery of the Housing First model to reduce repeat homelessness.
17. Reduce the average time taken for a new tenant to move into their home.
18. Reduce the average time to complete emergency and non-emergency repairs.
19. Improve tenant satisfaction with their Council home.
20. Optimise the role of the voluntary and community sectors in delivering and sustaining tenancies.
21. Identify dedicated resource to consider the needs of Unaccompanied Asylum Seeking Children and children and families with No Recourse to Public Funds.
22. Put in place dedicated resource to work across housing and children and justice services to prevent homelessness and ensure the principles of The Promise are incorporated into the approach, recognising the discreet needs of families, individual adults and young people, including access to the exceptional housing award for Care Leavers.
23. Develop amended models to finance housing delivery utilising all powers available to the Council.
24. Work with the Integrated Joint Board (IJB) to reduce incidences of delayed discharge due to unsuitable or unavailable housing through improved preventative and discharge planning.
25. Work with IJB to address housing needs of older people.

### **Actions needed as part of partnership approach**

1. Work with other local authorities within COSLA to agree temporary reforms in resource allocation policy to ensure Edinburgh receives an appropriate level of funding through the Affordable Housing Supply Programme.
2. **The Edinburgh Housing Partnership Compact:** Work with RSLs and other key third sector agencies across all ages on:
  - a. Tenancy readiness
  - b. Allocations policy
  - c. Investment policy
  - d. Homelessness prevention
  - e. Family and household support

3. Work with COSLA to raise the rate at which local authorities are entitled to claim housing benefit for temporary accommodation with the Department of Work and Pensions and seek to ensure that payment is made in line with current LHA rates in future.
4. **A new deal for housing in Edinburgh:** a partnership between the Council and Scottish Government to deliver sufficient, long term resourcing for homelessness, new build and acquisitions.

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# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## Strategy for purchasing land and homes to meet affordable housing need

Executive/routine  
Wards

Routine  
All

### 1. Recommendations

- 1.1 Housing Homelessness and Fair Work Committee is asked to note:
  - 1.1.1 The progress made towards delivering the strategy to increase land and housing supply agreed by this Committee in December 2022;
  - 1.1.2 That the strategy for the coming year will continue to focus on seeking land opportunities for building directly, purchase suitable completed new build homes from the private sector and work with landowners on partnering opportunities on strategic sites;
  - 1.1.3 That approval will be sought from Finance and Resources Committee for bulk purchase of homes or sites with progress reported to this Committee via briefings and Business Bulletin updates; and
  - 1.1.4 That officers will also be seeking to accelerate purchase of second-hand homes aligned to our asset management strategy. Delegated authority is in place for the Executive Director of Place to purchase homes up to £250,000 per property.

**Paul Lawrence**

Executive Director of Place

Contact: David Cooper, Head of Development and Regeneration

E-mail: David.Cooper@edinburgh.gov.uk

## Strategy for purchasing land and homes to meet affordable housing need

### 2. Executive Summary

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- 2.1 This report reviews progress with Council's Housing Land Delivery Strategy as agreed by Committee in [December 2022](#). The strategy is now renamed the 'Strategy for purchasing land and homes to meet affordable housing need' to better reflect what it actually entails.
- 2.2 It focuses on increasing affordable housing supply by four routes – building directly, working on strategic sites with development partners, purchasing completed new build homes, and purchasing second hand homes.
- 2.3 The findings of this report are that the strategy is sound and has allowed the Council to identify and secure numerous opportunities to increase supply, although there is considerable pressure on the funding available to move forward with any of these opportunities, particularly new build development where construction costs are exceptionally high.

### 3. Background

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- 3.1 Edinburgh needs more homes of all tenures, with the greatest demand being for affordable homes. The latest Housing Need and Demand Assessment (HNDA3) states that there is demand for between 36,000 and 52,000 new homes in Edinburgh between 2021 to 2040; between 24,000 to 35,000 of these homes need to be affordable. Lack of affordable housing is impacting on the ability of the city to address homelessness and is also a barrier to economic growth.
- 3.2 Market engagement took place across 2021 and 2022 to examine opportunities to access private sector land for affordable housing and secure long-term supply. The outcome of this exercise formed the Housing Land Strategy, which was agreed by Committee in December 2022.
- 3.3 The land strategy focussed on working directly with landowners to purchase both land and completed homes, particularly where there was an opportunity to increase the level of on-site affordable housing provision to above policy levels. It also promoted close working arrangements with Registered Social Landlords (RSLs) to



ensure a collaborative approach, rather than one of competition, with the objective to maximise delivery of affordable housing and make effective use of the funding that is available to all partners.

3.4 The strategy is divided into distinct themes of:

- Buildings Direct;
- Working with landowners on strategic sites as a development partner; and
- Purchase of completed and/or second hand homes.

3.5 This report provides Committee with an update on the strategy.

## 4. Main Report

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### **Building Direct**

- 4.1 The Council has a strong pipeline of homes under construction and in design development. Since 2011, there have been 1,425 new affordable homes completed for the Council and Edinburgh Living. There are currently 508 homes under construction and there is a pipeline of approximately 1,355 homes in detailed design development on land under the control of the Council. The figures in the SHIP report are higher as they also include Registered Social Landlord (RSL) delivery and project pipeline.
- 4.2 Due to the higher values of private housing for sale it has always be challenging to secure land on the open market, particularly when the market is buoyant. Nonetheless, the Council has had success in doing so. The Council has also managed to assemble a significant pipeline of sites through the purchase of publicly owned assets, for example, in March 2023, the Council completed the purchase of Liberton Hospital from the NHS.
- 4.3 Direct Council housebuilding remains the primary route to delivery of affordable homes and brings significant advantages with the ability to delivery purpose-built homes that are designed to the specification the Council requires in terms of space standards, net zero requirements and as part of mixed use developments with 20-minute neighbourhood principles imbedded.
- 4.4 The figures provided indicate that the Council has been successful in building a considerable number of homes through this route and has now a very strong pipeline of further opportunities.
- 4.5 Over the past year, however, more and more projects have become difficult to deliver as the cost estimates and tenders are well above benchmark funding levels and, in many cases, additional funding and/or revisions to the design of projects are required to bring them within funding parameters.
- 4.6 This has created a very challenging environment to meet delivery timescales with the principal issues as follow:-

- 4.6.1 Increase in specifications relating to net zero carbon targets and changes to building standards, i.e., the higher specification costs more to design and build;
  - 4.6.2 Increase in costs over the last year including, section 75 costs, costs of borrowing, construction inflation and insufficient competition within the contracting market, for example, the construction cost of a two bedroom flat has raised by 20% in the past year alone;
  - 4.6.3 Delay due to statutory consents and/or utility diversion and commissioning;
  - 4.6.4 Increasing insurance requirements influencing design;
  - 4.6.5 Availability of adequate levels of grant funding; and
  - 4.6.6 Rent volatility, i.e., there is a direct relationship between future rental levels and the amount that the Council can borrow to facilitate housing development.
- 4.7 While delivering housing directly under current conditions is exceptionally challenging, it remains the key route to increasing supply and, importantly, delivering homes that are purpose built in line with wider Council objectives.
- 4.8 An exercise is currently underway to prioritise key projects and ensure that funding is available, and construction is commenced. Options to mitigate the issues above are also being explored, including:
- 4.8.1 Review of specifications and density of development – the Council could seek to deliver more homes per site and seek to maximise efficiencies to achieve the best possible cost per unit figure although this could mean some deviation from current design standards;
  - 4.8.2 Alternative approaches to Statutory Consents – there are permitted development rights available to the Council that allows house building in certain circumstances without the need for a planning application to be made. This could lead to some benefits in terms of time savings but would need to be considered against wider objectives such as public consultation;
  - 4.8.3 Increasing use of off-site construction to drive efficiency throughout the development process – there are already a number of sites where this is being trialled and expanding this programme may give economies of scale;
  - 4.8.4 Dialogue with Scottish Government on grant levels – discussion is ongoing and there is recognition of the challenges around construction costs;
  - 4.8.5 Rent consultations – rent setting is a fundamental part of the HRA business plan although careful consideration of the impact on tenants is required;
  - 4.8.6 Assessment of the current borrowing and financial assumptions used in relation to borrowing – exploring whether borrowing could be pushed out over a longer time frame or whether certain development costs could be funded in different ways in order to achieve project viability; and

4.8.7 Considering ways of generating funding through selective sales of high value sites and/or bringing higher value uses, such as Purpose Built Student Accommodation or commercial uses, into projects to subsidise the delivery of affordable homes.

#### **Working with landowners on strategic sites as a development partner**

- 4.9 The Council is working with landowners on the Strategic Sites identified within City Plan 2030. These represent opportunities for delivery at scale, place making and developing of sustainable communities and regeneration.
- 4.10 Working with RSL partners there is the opportunity to deliver policy level or higher levels of affordable housing in addition to taking an active role in coordination of infrastructure delivery and use of grant monies to secure maximum value.
- 4.11 Assessment of sites is being undertaken across much of West Edinburgh, including West Town and Edinburgh Park where the Council is looking at the procurement route to the delivery of early phases. A strategic business case providing terms of reference for delivery, funding and priorities is being developed. Individual business cases and reporting will be required as each development is taken forward and approval sought as required.
- 4.12 While there is considerable work to do in developing these business cases, and it is not yet clear whether they will be viable delivery options, they do represent an ability to deliver at scale and make a significant contribution to the Council's affordable housing targets. The opportunities being explored would offer additional housing numbers, in the region of 4,000 homes, above and beyond the pipeline figure stated in paragraph 4.1.

#### **Purchase of completed homes**

- 4.13 The purchase of completed homes (also known as 'off the shelf') is a growing area as wider market conditions for house builders and the domestic mortgage market becomes more challenging. An indication of current opportunities under consideration can be found at Appendix 1.
- 4.14 These opportunities provide a good option for quick delivery and an opportunity to increase on-site affordable provision. Homes can be purchased for both social rent and mid-market rent, meeting both areas of housing need, with mid-market homes to be let and managed through Edinburgh Living.
- 4.15 However, there is an opportunity cost to purchasing homes off the shelf now and each opportunity needs to be assessed on a case-by-case basis against the available resources. While homes will be completed to modern building standards with a high level of sustainability, they will not be completed in line with the Council's specification and the cost of any future retrofit will need to be taken into account.
- 4.16 Approval to purchase 20 homes for social rent at Hawthorn Gardens from Taylor Wimpey was granted by Finance and Resources Committee on [21 September](#)

[2023](#). To progress this opportunity officers sought funds from the Ukraine Fund and were able to make use of available Commuted Sums from that Ward.

- 4.17 This funding package mitigates any risk to committed grant resources across this year and next and limits the impact on the housebuilding programme which has assumed the use of reserves and Council Tax Discount Fund (CTDF).

Currently, opportunities for up to 400 new build homes under construction, to be purchased on completion from the private sector, are being reviewed by the Council. If successful, affordable homes can be added to the supply quickly. In addition to the legal, property and financial checks, due diligence includes assessing suitability against existing policies and strategies, funding opportunities and business plan assumptions.

### **Accelerating the purchase of Second Hand Homes**

- 4.18 The Council's A&D policy seeks to increase supply and reduce ongoing management and maintenance costs by consolidating HRA assets.
- 4.19 Tenancy Management Scheme legislation allows the Council to complete repairs and maintenance in minority owned blocks only where there is an emergency. Where the Council own over 50% of homes in a block, it can complete repairs through majority agreement and recover costs from the remaining owners.
- 4.20 Where block improvements are proposed there must be consent from all owners prior to commencement. Tenants in blocks where the Council is a minority owner can therefore often be disadvantaged in terms of quality. This strategy seeks to purchase homes where full block consolidation could be achieved over 25 years and divest from blocks where the Council is the minority owner.
- 4.21 Currently homes are purchased in blocks where the Council owns at least 50% of the homes. Delegated authority limits each purchase to £250k. Homes are either bid for on the open market or through private sale (owners getting in contact with the Council directly or as part of the Mixed Tenure Improvement Service). Homes are funded through borrowing serviced by rents and grant funding, as well as capital receipts from the disposal of homes in minority owned blocks. The majority of acquisitions come through direct sale (57%). There is also a small number (12) of standalone homes (with no common maintenance obligations) which have been purchased through the policy in areas of the city where the Council already has a presence.
- 4.22 To date, target offers to owners in suitable blocks has not been carried out. There is currently approx. 2,700 privately owned homes in 50% or above in Council owned blocks.
- 4.23 There is a risk that target offers could result in landlords seeking to evict tenants in order to take up the Council's offer to purchase which could lead to more homeless presentations and reputational damage to the Council. It is also unclear what number of homes could become available through this targeted approach. As set out in the Financial Impact section below, increasing the number of second-hand

purchases could have an impact on the number of new homes that could be built if reserves have to be used to top up the purchase price. Whole house retrofit of second-hand homes is also more expensive and challenging than retrofit of homes that meet current Building Standards. Significant investment can also be required to bring homes up to a lettable standard.

- 4.24 Since the introduction of the Council's A&D policy in 2015, 288 homes have been purchased (purchased on open market or off-market when approached) and 154 homes have been sold. This has led to 72 blocks becoming fully Council owned, 117 blocks where the Council has divested its interest and 203 blocks where the Council has further consolidated its majority ownership.

### **Conclusion**

- 4.25 While there are a number of areas of positive progress, the challenge of delivering affordable homes at the level required for this city is significant. The strategy is considered to be working well on the basis that includes a range of delivery routes and allows the Council to take advantage of different opportunities that may arise at different points in the economic cycle. The strategy is sound and has been successful in securing numerous opportunities. The primary challenge with delivery relates to cost and the availability of funding and the Council will continue to seek to mitigate these risks through measures identified in paragraph 4.8.

## **5. Next Steps**

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- 5.1 New opportunities to secure land and the delivery of affordable homes in line with the Housing Land Strategy while also having regard to the challenges regarding budget constraints will continue to be sought.
- 5.2 Any new proposals to acquire land or take forward new projects will be considered on their own merits and taken to the Finance and Resources Committee for approval as is current practice.
- 5.3 Dialogue will continue with housebuilders and developers to source opportunities for the acquisition of completed homes.

## **6. Financial impact**

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- 6.1 There is no direct financial impact arising from this report. The recommendations are in relation to a strategic approach that will sit within the wider budget strategy that will be considered separately by this Committee.
- 6.2 Note that housing purchases and development will be funded through an appropriate combination of the following funding sources:
- 6.2.1 Affordable Housing Supply Programme grant funding, which covers around a third of the costs;

- 6.2.2 An element of HRA revenue funding, which includes reserves drawdown and ringfenced in-year surpluses;
  - 6.2.3 An element of Council Tax Discount Funding from long term empty homes;
  - 6.2.4 Private developer contributions (as part of mixed tenure regeneration development);
  - 6.2.5 Prudential borrowing which is repaid by rental income; and
  - 6.2.6 Support from the General Fund or other Scottish Government funds for purchase of land that cannot be developed for affordable housing.
- 6.3 As stated above, any new proposals will be reported to the Finance and Resources Committee where the direct financial impacts can be fully assessed. As can be seen above, there are different delivery options available under the current strategy and these each come with benefits and challenges depending on the particular project in question and the economic conditions at any given time. The value for money of any opportunity will be considered, including the opportunity cost, as a decision to buy 'off the shelf homes' will impact on the overall ability to deliver 'new build homes' and vice versa.
- 6.4 It is important to note if homes are purchased for temporary accommodation grant funding cannot be claimed, as this is only for long term settled accommodation.
- 6.5 It is also important to note that Resource Planning Assumptions for the Affordable Housing Supply Programme (AHSP) are significantly below requirements. Based on the SHIP 2023-28 it is estimated that an additional £218 million in grant funding is required. An additional £12 million has been requested in year from Scottish Government, however this has yet to materialise.

## **7. Equality and Poverty Impact**

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- 7.1 The delivery of the affordable housing program will have a positive impact on equality and poverty through the provisions of good quality, energy efficient affordable housing.
- 7.2 It is considered that this decision does not meet the requirements to undertake a full Integrated Impact Assessment.

## **8. Climate and Nature Emergency Implications**

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- 8.1 There are environmental implications to all construction. The environmental impact, including the ability to meet Net Zero Carbon aspirations, would be considered within any report seeking approval to purchase or enter into contracts.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 The strategy to deliver homes through this route was originally agreed by the Housing, Homelessness and Fair Work Committee in December 2022 with progress reported through Business Bulletins.
- 9.2 Public consultation will take place on individual opportunities as part of the planning process, with elected member and wider engagement taking place as a key element of the development process.
- 9.3 The Council is seeking to develop sustainable communities and places which deliver a positive impact beyond the built environment.

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

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- 10.1 Housing Land Strategy Report – Report to Housing Homelessness and Fair Work Committee 1 December 2022.

## **11. Appendices**

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- 11.1 Appendix 1 – Private sector purchase opportunities

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by virtue of paragraph(s) 8 of Part 1 of Schedule 7A  
of the Local Government(Scotland) Act 1973.

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# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## Waste and Cleansing Services on Housing Land

Executive/routine  
Wards

Routine  
All

### 1. Recommendations

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1.1 Committee is asked to note the contents of the report.

**Paul Lawrence**

Executive Director of Place

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## Waste and Cleansing Services on Housing Land

### 2. Executive Summary

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- 2.1 This report sets out the range of services provided by Waste and Cleansing on the Council's housing estates in response to a Motion to Committee on [9 May 2023](#) by Councillor Campbell.

### 3. Background

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- 3.1 This report is provided to Committee in response to Councillor Campbell's Motion on 9 May 2023 relating to the provision of Waste and Cleansing services on Council housing estates.
- 3.2 Waste and Cleansing services are general fund services and cover adopted, public land. This will include roads and footways and some green or open space areas.
- 3.3 Land that is a Housing Revenue Account (HRA) asset is maintained from HRA funds and paragraph 4.1 outlines the existing funding transfer arrangements for certain services. Where work is required on HRA land that is not covered by the work outlined in paragraph 3.6, the Housing and Homelessness service will arrange work directly through third party contractors or concierge services.
- 3.4 The Key Performance Indicator for the cleansing service is the Local Environmental Audit and Management System (LEAMS). The Code of Practice on Litter and Refuse (CoPLAR) is a statutory guidance document for organisations to keep their land clear of litter and refuse.
- 3.5 All Council land, including HRA land, is zoned for cleansing routines according to footfall levels. Subject to whichever zone a piece of land falls within, the response time to standards of cleanliness differ. The CoPLAR zoning map is available on the Council's website (<https://www.edinburgh.gov.uk/litter-flytipping/litter-zones>). Given the changes in behaviour that have developed as a result of COVID-19, zoning for the city does need to be updated. Although it has not yet been possible to complete this it is expected to be completed before the end of this financial year 2023/24).
- 3.6 The approved motion called for access to an interactive map detailing housing land. This is not currently available but will be developed for circulation to all Elected Members.

## 4. Main report

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- 4.1 The Waste and Cleansing service sits within the Council's wider Neighbourhood Environmental Services area, which delivers a range of services to Housing and for which an annual recharge is made to the HRA. The services provided and the most recent recharges are:

<b>Service Provided</b>	<b>2022/23 Recharge Value to HRA</b>
Grounds Maintenance	£1,725,880
Forestry	£124,959
Bulk uplifts from bin stores	£162,901
Pest Control	£335,055
Garden Aid	£399,137
<b>Total</b>	<b>£2,747,932</b>

- 4.2 As noted in this table, the only payment received for Waste and Cleansing relates to the bulk uplift of waste from bin stores. In 2022/23, this amounted to £162,901 and provides for dedicated resources on planned routes.
- 4.3 The payment for grounds maintenance services covers a range of activities. In the peak summer months this includes grass cutting, weed treatment, and path edging work. In the winter months work will focus on hedge cutting, cutting back overgrowth, pruning, and flower bed maintenance and preparation.
- 4.4 The Garden Aid payment is largely a pass-through cost. The internal charges cover the service payments to the contractor and one member of staff who oversees and administers the service and is based with the parks service.
- 4.5 Payments made to external contractors from the HRA amounted to £514,071 in 2022/23. The works carried out typically comprise a mix of environmental improvement/project works and more general clean up works (for example: clearing out dumping in back plots and dealing with dumping/fly tipping and overgrown housing land) and are commissioned directly by the Housing and Homelessness service.
- 4.6 Housing concierge staff also provide services in respect of general litter picking and uplift of dumped items. This is being reviewed to ensure consistency across the city.
- 4.7 For cleansing purposes, as outlined in paragraph 3.5, all Council land is zoned in respect of CoPLAR. Some of these areas include restricted access areas (drying greens) and open space, grassed areas. When grass cutting is taking place on the latter, a pre litter pick will take place.

- 4.8 Currently cleansing staff work on pre-defined routes however, work is underway to review these routes with a view to providing an increased service to areas of higher deprivation, to reflect CoPLAR zoning and recognising that these areas will have a history of lower LEAMS scores. The data gathering for this is now complete, and it is anticipated that new routes will be introduced around the turn of the calendar year. This however will focus largely on the adopted road and pavement network, (as it has previously) and will not address land that is an HRA asset for the reasons set out in paragraph 3.3.
- 4.9 There are occasions that one off, significant, deep cleans are arranged. These are typically multi-service involving Housing, Waste Collection, Waste Disposal and Street Cleansing. The most recent examples were carried out in West Pilton Crossway where shared common spaces were prone to significant dumping, general waste and litter issues. Where a job is significant and may impact upon core services this will be undertaken on overtime with a recharge made to the HRA.
- 4.10 In 2022/23 funding was made available within the Council's budget for a deep clean of the city. The funding was initially made available for a one-year period, although a proportion was carried forward into 2023/24. Officers from Neighbourhood Environmental Services and Housing and Homelessness have been working together to identify areas within each Locality that require significant intervention. This includes grass cutting, hedge and overgrowth removal, removal of dumped items and general tidy up. Once completed, these areas are intended to become part of the normal maintenance regime where appropriate.
- 4.11 These projects are resourced as a result of the additional funding provided by the Council and are replacing some of the services provided by external contractors. Should the Council wish to deliver these services 'in-house' on a longer-term basis, a full financial assessment of resourcing would be required but may present an opportunity to transfer HRA expenditure from external contractors to another Council service.

## **5. Next Steps**

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- 5.1 The impact and reach of the projects outlined in 4.9 will be reported back to Committee. This will include a longer-term assessment of the implications of insourcing these types of works in future years.

## **6. Financial impact**

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- 6.1 At this stage there is not deemed to be a financial impact. The activities referred to in 4.9 are contained within one-off Council funding. If successful, future activities would need to be funded by the HRA. As noted above, an assessment of the cost of insourcing this activity (which is generally delivered by external contractors) will be undertaken.

## **7. Equality and Poverty Impact**

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- 7.1 It is recognised that areas of higher deprivation will also have a history of lower LEAMS scores. The Council is currently reviewing its cleansing routes in recognition of this.
- 7.2 In addition, targeted deep clean activities are being progressed following discussion with Housing officers to improve areas which are prone to dumping, general waste and litter issues.

## **8. Climate and Nature Emergency Implications**

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- 8.1 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

*“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”*

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

*“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”*

(Nature Conservation (Scotland) Act 2004)

- 8.2 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions, and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 There has not been any consultation with the public on the contents of this report.
- 9.2 There are no key risks anticipated for the Council in noting the contents of this report.

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

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- 10.1 None.

## **11. Appendices**

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- 11.1 None.

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# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## Tenant Participation and Community Engagement 2024/27

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

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- 1.1 Housing, Homelessness and Fair Work Committee is asked to:
  - 1.1.1 Agree to fund Edinburgh Tenants' Federation (ETF) for a further two years to 31 March 2026, on a maximum standstill budget of £241,083 per annum; and
  - 1.1.2 Agree to fund the Neighbourhood Alliance from one year to March 2025 on a maximum standstill budget of £70,940

**Paul Lawrence**

Executive Director of Place

Sarah Burns, Head of Housing Operations

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## Tenant Participation and Community Engagement 2024/27

### 2. Executive Summary

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- 2.1 The report provides an update on tenant participation activities in 2023/24, the development of a new Tenant Participation Strategy (TPS) and seeks agreement of funding for Edinburgh Tenants' Federation (ETF) for a further two years from 1 April 2024 - 31 March 2026 to support tenant participation and engagement.
- 2.2 The report also provides information on the future work of the Neighbourhood Alliance and seeks 12 months funding to support tenant participation, community engagement and placemaking initiatives.

### 3. Background

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- 3.1 The Housing (Scotland) Act 2001 requires social landlords to 'consult tenants on proposals that affect them and take account of their views'. All social landlords must also have a TPS which sets out the support, resources and actions to enable tenants to participate.
- 3.2 On [20 January 2022](#), Committee agreed to fund ETF up to 31 March 2024 on a maximum standstill budget of £241,083 per annum. The Neighbourhood Alliance (NA) was funded for a further year up to 31 March 2023 on a maximum standstill budget of £67,200 per annum. As per the report recommendations, the funding was subject to delivery against priorities and outcomes set in Service Level Agreements (SLAs).
- 3.3 The Scottish Housing Regulator monitors tenant participation, emphasising the importance of tenants and social landlords scrutinising services together to improve performance and ensure value for money. This now also forms part of the Annual Assurance Statement for the Housing Service.
- 3.4 Committee also approved the Tenant Participation Strategy 2020/23 as part of the report in January 2022. The strategy was shaped through consultation and input from tenants, resident groups and ETF. The strategy focused on making sure that tenants know the different ways they can become involved; can take part and

influence decisions if they want to; have the support and resources they need to take part; and can help to develop quality services.

- 3.5 To support the delivery of the TPS, a Tenant Scrutiny Framework has been developed in consultation with ETF and tenants and with independent support from the Tenant Information Service (TIS), to ensure that tenants can continue to participate and scrutinise Council services effectively. Implementation of the framework is a priority of the current SLA.

## 4. Main report

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### Edinburgh Tenants Federation

- 4.1 Since 1990, ETF has played an important role in representing tenants and supporting local residents and Registered Tenants' Organisations (RTOs) to participate and influence decisions. ETF have strong links with communities across the city and are respected as an independent voice for tenants. Over the last thirty-three years, ETF has played a vital role working with the Council and tenants to improve outcomes for those most in need and driving positive change.
- 4.2 A variety of models are used by local authorities across Scotland to support tenants to have their say on housing services including:
- Contracting independent tenant support organisations to provide ongoing support to tenants and tenants' groups (e.g. City of Edinburgh Council and ETF);
  - In-house support from Council staff (North Lanarkshire Council);
  - Buying in independent advice or training support as required (e.g. East Ayrshire Council); and
  - A combination of inhouse and project support (e.g. East Lothian).
- 4.3 In the latest Annual Returns on the Charter 2022/23, 99% of Council tenants were satisfied with the opportunities to participate. This was significantly higher than the local authority average of 76.5% and the second highest in Scotland. North Lanarkshire Council narrowly came first with 99.1% satisfaction. East Ayrshire Council reported satisfaction levels of 76.3% and East Lothian 80.2%.
- 4.4 The current funding for ETF was approved for a two-year period up until 31 March 2024. The provision of funding was, and will continue to be, subject to delivery of initiatives and areas for improvement that are jointly developed and agreed with ETF and set out in an SLA. The SLA is covered by the standard Council terms and conditions and sets out expected outputs and the long-term outcomes. Ongoing reviews and regular meetings with officers are required, with evidence provided of the progress and delivery against the agreed SLA.

- 4.5 Areas of work taken forward by ETF includes:
- 4.5.1 Building on opportunities created by the Covid-19 pandemic and developing innovative ways to engage with tenants. This included making best use of digital media to engage with more tenants and greater use of telephone/video conferencing to enable all tenants to take part. New ways of communicating and engaging with tenants are also being developed, such as the creation of a new comic which will use tenants' experiences to explore issues such as tackling stigmas and their sense of community;
  - 4.5.2 Fully implementing the recommendations of the Tenant Scrutiny Framework. The Housing Repairs Scrutiny Group and Sheltered Housing Scrutiny Group have already begun meeting and agreed new remits. Priorities raised by tenants will focus on communications regarding the use of community rooms and first time right repairs performance. A new Tenant Scrutiny Group, to help coordinate tenant activities and scrutiny, will be formed by the end of the year;
  - 4.5.3 Supporting RTOs which may have stopped meeting as a result of the pandemic and the formation of new groups. ETF have continued to maintain strong links to groups, making sure they have the skills, knowledge and resources to provide a local voice for tenants. Examples of groups which have been supported include: the Calder's Sheltered Housing Group, the Craigmillar/Oxcars Regeneration Group and Hailesland Park Neighbourhood Council. ETF works in partnership to ensure the views and priorities of tenants are taken into account in the decision-making process and shares regular advice and information within its quarterly Tenant's Voice publication.
  - 4.5.4 ETF play an important role in independent advocacy, particularly for those more vulnerable tenants who often raise confidential issues with members of the Executive Committee and staff members following public meetings or directly at their offices. These often sensitive issues are then discussed with TP Council staff or locality operations managers;
  - 4.5.5 Supporting the development of a new TPS 2024/27;
  - 4.5.6 Providing feedback on the new TPS and supporting engagement with tenants and RTOs so that tenants can set out their priorities, consider emerging issues agree their participation preferences. An Integrated Impact Assessment (IIA) will be completed with ETF to inform the development of the strategy; and
  - 4.5.7 Focusing on a comprehensive and innovative approach to tenant engagement, embracing traditional methods but embracing digital opportunities, video conferencing, focus groups and membership of estate improvement groups. Appendix 1 highlights early measures, actions and initiatives to support the SLA and review of the TPS. Other areas of discussion include:

- Online platforms for surveys, discussions and feedback collection, including as an important partner in utilising the Council's forthcoming CX engagement platform;
- Ongoing schedule of clear communication to keep tenants informed, engaged and with opportunities for input;
- Inclusive events, collaborative projects and mobile alerts to gain ideas to improve shared space within HRA land assets;
- Multilingual materials to ensure all tenants can understand and engage; and
- Clear objectives that define the purpose and goals.

- 4.6 ETF have continued to work closely with the Tenant Information Service (TIS), who provide support to the ETF Board, to complete the improvements agreed in the SLA and to take on board advice on strengthening governance and conduct within the organisation. TIS will continue to provide support to ETFs volunteer members in staff management and development and help ETF continue to adapt as an organisation and future proof their services to deliver the priorities for the organisation and the SLA requirements.
- 4.7 Officers are satisfied that ETF has been able to evidence delivery against the SLA objectives to date and recommend that Committee agrees to fund ETF for a further two years to 31 March 2026, on a maximum standstill budget of £241,083 per annum. Annual audited accounts provide a detailed outline of ETF's expenditure. Staffing costs, TIS support fees and operating costs, such as premise and printing costs, are the highest area of expenditure.
- 4.8 ETF will use existing reserves of £199k to meet financial responsibilities to 31 March 2024, and with no further drawdown of remaining standstill budget. A further spend review following successful funding for the next 2 years will take place prior to 2025/26.
- 4.9 ETF reserves have been built up over the last few years due to covid prohibitions, staff vacancies and lower costs around event hire, catering, travel costs, training, and development.
- 4.10 Following successful funding approval, ETF will undertake the following actions to meet their strategic objectives during 2024-26.
- 4.10.1 Recruit to the vacant post of Development Officer to expand the capacity of the team to strengthen and develop grassroots groups to drive tenant participation forward;
- 4.10.2 ETF will ensure that their executive committee has IT equipment, training, and support is in place to ensure committee members can participate in a blended way to meet both face to face and digital needs of tenants and stakeholders.

- 4.10.3 ETF will invest to ensure that their IT infrastructure is in place to provide a combined approach to learning and development;
- 4.10.4 ETF will carry out a review of all its communications to meet future needs of all tenants and service users; and
- 4.10.5 A cost-of-living increase to reflect ongoing TIS service is required.

### **Neighbourhood Alliance**

- 4.11 The NA has historically provided a range of advocacy support for tenants, residents and community groups/initiatives in the North East Locality, focusing on community engagement and playing a significant role in the Craigmillar regeneration of the last 20 years.
- 4.12 The NA has and continues to promote tenant participation on CEC strategies at the core of their work e.g, the ongoing work to refurbish Niddrie House and support with the Magdalene Matters project. The NA also supports neighbourhood groups in areas where there is a significant number of council houses i.e., Bingham, Magdalene and Niddrie House and continues to offer individual tenants advocacy support for unresolved issue(s) where specific support and intervention is required with Council staff to address the problem.
- 4.13 Examples include literacy issues where the tenant uses the NA as a conduit for discussion with Council staff and uncertainty or process or procedure within Council services.
- 4.14 The current funding for the NA was approved for a one-year period up until 31 March 2023.
- 4.15 An SLA was drafted, focusing on supporting the delivery of TPS objectives and for the NA to look at innovative ways to engage with tenants and increase local involvement. Actions were agreed and completed to finalise the changing governance arrangements for the NA Management Committee and the Community Alliance Trust Board.
- 4.16 Unfortunately, 2022/23 was a particularly difficult year for the NA with the passing of four long term Directors. This left a large gap in management support, knowledge, and guidance of the service as a whole, and made more difficult by ongoing efforts to re-establish tenant's groups during the period of Covid recovery. The NA has now recruited six new Directors who have experience of local management committees and the wider community in general. The NA have employed a training consultant to support new Directors and the NA Manager has deferred retirement for the time being to ensure transition.
- 4.17 Due to the above difficulties, the draft SLA was not finalised, and no funding has been provided by the Council in 2023/24. However, Officers are currently working with NA members to review a draft SLA for 2024/25 and agree a number of initiatives that will significantly benefit local tenants and residents. Examples of these include:

- 4.17.1. Responding to the issues highlighted from their Changing Craigmillar thesis of 2020 which used the Placemaking Standard Tool to better understand community views and aspirations in the period following significant physical regeneration. Edinburgh Council's Transport team has also been using this information to help support a Sustrans application for an improved cycle network in the area;
  - 4.17.2 Establishing further social regeneration and community connections involving local social landlords and tenants;
  - 4.17.3 Supporting residents with food poverty pressures, energy efficiency, community growing, improved greening and local estates investment;
  - 4.17.4 Improved recycling and waste options; and
  - 4.17.5 Advocacy, community support for Craigmillar's diverse neighbourhoods and maximising the opportunities within existing community assets.
- 4.18 In recognition of the NA's changing role to also include work around community empowerment and placemaking, a funding application has been made to EVOCs Community Connections fund for three years financial support within a health and wellbeing framework. Two applications to the North East's Community Grant Fund will also be made to assist with local community projects.
- 4.19 Any funding success for these three applications will reduce drawdown on the Council's maximum TP grant to the NA of £70940

## **5 Next Steps**

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- 5.1 The SLA with ETF will be updated for 2024/25 to focus on building on the progress that has been made on actions during the period of the current SLA and to support the development and delivery of the new TPS 2024/27.
- 5.2 Funding for ETF will be transferred in six monthly blocks and, subject to delivery against the SLA, evidence of the ETF's expenditure each period and copies of annual accounts being provided.
- 5.3 Funding for the NA will be made quarterly with drawdown reviewed against other successful funding streams which will support essential project work.

## **6 Financial impact**

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- 6.1 The cost to the Housing Revenue Account (HRA) of extending ETF funding from 1 April 2024 to 31 March 2026 would be £482,166 (£241,083 per annum). Payments will be released in six-monthly blocks, subject to the conditions set out in paragraph 5.2.

- 6.2 Social landlords are required to make resources available to support tenant participation and engagement. Provision for the funding being recommended of £482,166 is included within the HRA Business Plan.
- 6.3 Funding for tenant participation and engagement ensures that tenants' views continue to inform and influence the Council's approach to delivering services and make sure they deliver value for money.

## **7 Equality and Poverty Impact**

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- 7.1 ETF provide support and advice services for tenants and other RTOs. They also support the delivery of the TPS and ensure that all tenants have an opportunity to participate and influence services. Implementation of the Scrutiny Framework will ensure that tenants and social landlords are scrutinising services together to improve performance and ensure value for money.
- 7.2 An IIA will be completed at part of the development of the TPS 2024/27.

## **8 Climate and Nature Emergency Implications**

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- 8.1 There are no adverse environmental implications arising from this report. Digital and innovative ways of engaging may reduce carbon emissions by removing unnecessary travel. Work is ongoing to support more tenants and other residents to engage actively in the development of policies and practices that support sustainable living, e.g. community gardens.

## **9 Risk, policy, compliance, governance and community impact**

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- 9.1 This report has been informed by ongoing discussions with stakeholders and the services involved to ensure that the approach taken by the organisations through these SLA supports the implementation of the TPS, the revised Tenant Scrutiny Framework, the HSIP and ensures effective community engagement in areas of the city where there is ongoing development and regeneration.
- 9.2 Consultations and discussions with stakeholders will inform the development of the TPS 2024/27. An IIA will be completed as part of the development of a new strategy with the support of ETF.
- 9.3 Funding is subject to delivery against the SLA, evidence of spend each period and copies of annual accounts being provided. Regular meetings take place with ETF to ensure that the requirements of the SLA are being delivered. ETF will continue to work with TIS to strengthening the governance and conduct practices of members within the organisation.



## **10 Background reading/external references**

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- 10.1 Tenant Participation and Community Engagement, Monday 20 January 2020

## **11 Appendices**

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- 11.1 Appendix 1 - Initiatives and measures to support delivery of the 2023/24 SLA outcomes and the TPS 2023/27.
- 11.2 Appendix 2 – ETF Accounts to March 2023.
- 11.3 Appendix 3 – ETF Budget Spend March – September 2023.
- 11.4 Appendix 4- Progress Reporting information April – September 2023.

## Appendix 1

### Initiatives and measures to support delivery of 2023/24 SLA outcomes and the Tenant Participation Strategy 2023/27

Initiative	Key output measures	Long-term outcome measures
Engage with and support the Council to develop a new Tenant Participation 2024-27, including an Integrated Impact Assessment (IIA).	<ul style="list-style-type: none"> <li>- Input into consultation place and process to gather tenants' views.</li> <li>- Promote consultation with tenants and ETF members.</li> <li>- Evidence that ETF are involved in informing the IIA and supporting any relevant actions identified.</li> </ul>	Tenants are satisfied with the opportunities given to them to take part in their landlord's decision-making processes. (Tenant Survey reported to the Scottish Housing Regulator at minimum every three years).
Develop innovative ways to engage with tenants, including making best use of digital media, including greater use of telephone/video conferencing to enable all tenants to continue to be able to take part.	<ul style="list-style-type: none"> <li>- Work plan includes a range of innovative engagement and digital initiatives.</li> <li>- ETF's digital platform is strengthened.</li> <li>- Traditional measures will be used to continue dialogue with those who are unable to take part digitally (post/phone).</li> </ul>	Evidence of a range of innovative engagement approaches being used indicate that tenants are satisfied with the opportunities given to them to take part in their landlord's decision-making processes. (Tenant Survey).
Tenant Scrutiny Framework to be fully implemented by CEC and ETF jointly to support the delivery of the Tenant Participation Strategy and the Housing Service Improvement Plan	<ul style="list-style-type: none"> <li>- Remits of the Sheltered Housing Scrutiny Group (SHSG) and Housing Repairs Scrutiny Group (HRSG) agreed by 30 June 2023.</li> <li>- Remit and the formation of a new Tenants Scrutiny Group (TSG) by 31 August 2023.</li> <li>- All groups agree standard terms and conditions.</li> </ul>	Tenants are satisfied with the opportunities given to them to take part in their landlord's decision-making processes. (Tenant Survey). Any negative impacts of the TPS have been mitigated.
Quarterly video conferencing meetings with senior managers to assist with prioritising work and preparatory business planning meetings as required.	<ul style="list-style-type: none"> <li>- Meetings have taken place and actions are being progressed.</li> <li>- Tenant Participation Strategy Action Plan regularly reviewed and updated.</li> </ul>	Evidence of a more streamlined and coherent approach to tenant participation and engagement work.

CEC and ETF to jointly review actions agreed following the completion of the rent collection tenant led inspection.	<ul style="list-style-type: none"> <li>- Review report produced by 30 November 2023.</li> </ul>	More tenants will be satisfied with services (Tenant Survey).
Progress a mini tenant led inspection of a service area to be agreed. Develop methods that can be used safely and mitigate any tenant concerns, e.g. telephone surveys.	<ul style="list-style-type: none"> <li>- Approach developed and inspectors recruited by 30 June 2023.</li> <li>- Inspection completed by 30 November 2023.</li> </ul>	Recommendations from the tenant led inspection will be helping to improve the service provided to tenants.
Continue with proactive work in the localities on housing and with other key service areas such as the Contact Centre to inform and improve the front facing customer service that tenants experience. This may be digital/telephone/socially distant contact.	<ul style="list-style-type: none"> <li>- ETF will update on EC member liaison in each of the localities by 30 September 2023.</li> <li>- Joint actions agreed with each locality and updates will continue to be reported to regular ETF meeting with CEC senior Managers</li> </ul>	More tenants will be satisfied with services (Tenant Survey)
Support ongoing tenant participation in a range of policy initiatives, including, rents, allocations and other strategic work such as the Housing service Improvement Plan (HSIP), e.g. repairs, tenant participation, stair-cleaning and work on mixed tenure initiatives (ongoing)	<ul style="list-style-type: none"> <li>- Evidence that ETF is supporting tenants on the Housing Service Improvement Group (HSIG).</li> <li>- Evidence that ETF is supporting a wide range of tenants to take part in ongoing strategic work</li> </ul>	Tenants will be satisfied with their opportunities to take part (Tenants' Survey). Assessed as part of ongoing joint evaluation of initiatives and the annual review and impact assessment
Jointly with the housing service, promote the Neighbourhood Networks to tenants to strengthen the tenant voice in the localities (ongoing)	<ul style="list-style-type: none"> <li>- Promotional material circulated to tenants via CEC and ETF communications, including on ways to become involved and feedback on impact of tenant contribution.</li> </ul>	More tenants will be influencing local work (evidence of tenant input)
Support tenants to form new Registered Tenant Organisation and help groups which may want to re-register as RTOs.	<ul style="list-style-type: none"> <li>- Information is provided to CEC to update the Register of RTOs, evidencing increased number of groups operating and meeting regularly agreed by 30 September 2023</li> </ul>	Tenants will be satisfied with their opportunities to take part (Tenants' Survey).
Complete a joint mid-point review with CEC on progress with delivery of the 2023/24 SLA outputs and outcomes and the IIA (midpoint year 1)	<ul style="list-style-type: none"> <li>- Review completed and evaluation report agreed by 30 November 2023</li> <li>- Actions for improvement added to future SLAs as appropriate</li> </ul>	Future SLAs strengthened.

## Improvement actions to be delivered by ETF

Action	Output measure	Outcome measure
<i>Strengthen the ETF Executive Committee (EC)</i>		
Secure the involvement of a range of people with diverse backgrounds and skills	Promotional material	Increased membership
Effective induction and ongoing learning and development are essential.	Learning plan and event summaries	Strengthened EC (EC survey, membership and stakeholder views)
<i>Shared understanding of views and data</i>		
Clear understanding from EC members on their representative role for ETF and their personal views/circumstances. This is particularly important in accurately representing the work and priorities for ETF/membership in meetings with external parties, elected members etc	ETF EC demonstrate this understanding through their actions.	
<i>Strategic focus and planning of priorities</i>		
ETF work plan to ensure clear strategic direction and focus on members' priorities	Updated work plan developed and agreed with the membership by 30 September 2023	Member satisfaction with ETF Ongoing review and regular reporting
Value for money to be ensured for the Housing Revenue Account.	ETF to provide six monthly financial reports to CEC: 30 Sept 2023 and 31 March 2024	SLA delivered within budget
<i>Monitoring and review</i>		
Complete a joint mid-point review with CEC on progress with delivering the specific actions set out in this Table B	<ul style="list-style-type: none"> <li>- Review complete and evaluation report agreed by 31 October 2023</li> <li>- Any further improvement actions required to be added future SLAs as appropriate</li> </ul>	Future SLAs are strengthened and delivered effectively

**EDINBURGH TENANTS FEDERATION SCIO**

**Report and Financial Statements  
Year ended 31 March 2022**

**Scottish Charity Number: SC048236**

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**Edinburgh Tenants Federation SCIO**  
**Year ended 31 March 2022**

**Legal and administrative information**

Edinburgh Tenants Federation SCIO was incorporated as a Scottish Charitable Incorporated Organisation on 22 March 2018, charity number SC048236. All assets and liabilities from Edinburgh Tenants Federation, an unincorporated organisation, were transferred to Edinburgh Tenants Federation SCIO on 1 April 2019.

**Trustees**

John Aitken  
Christine Hudson  
Nicol Johnstone (resigned 5 July 2021)  
Robyn Kane (appointed 16 November 2021)  
Terry Kirby (appointed 29 October 2021)  
Irina Lazarenko  
Damien May  
Barbara Stark (resigned 29 October 2021)  
Betty Stone  
Susan Taylor (resigned 29 October 2021)  
David Thomson  
Paul Vaughan  
Maud Wylie (passed away January 2022)

**Principal Office**

Norton Park  
57 Albion Road  
Edinburgh  
EH7 5QY

**Independent Examiner**

Jaslin Bhagrath CA  
Partner  
Henderson Loggie LLP  
11 -15 Thistle Street  
Edinburgh  
EH2 1DF

**Bankers**

Unity Trust Bank  
PO Box 7193  
Planetary Road  
Willenhall  
WV1 9DG

## **Report of the Trustees**

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 31 March 2022.

ETF was successfully registered as a Scottish Charitable Incorporated Organisation (SCIO) in 2019 and commenced activities on 1 April 2019.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Constitution, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees can confirm they have taken into regard the Charity Commission's guidance on public benefit.

### **ETF Objectives and Activities**

Edinburgh Tenants Federation (ETF) was established in 1990 and represents over 19,000 tenants in the social rented sector in Edinburgh. It is the longest established Federation of its kind in Scotland and works in partnership with the City of Edinburgh Council (CEC) to represent tenants' views across the city.

The SCIO is run by a voluntary Executive Committee (EC) of tenant representatives who are elected to serve for three years by members at the Annual General Meeting (AGM).

The organisation's main objectives are:

- To advance citizenship and community development to safeguard and promote the rights of tenants of rented accommodation (local authority, co-operative, housing associations and private) and in particular of those at risk of discrimination or social exclusion in Edinburgh.
- To promote the rights of individuals and associations by providing opportunities for advice and information about the maintenance and improvement of their housing conditions, environment, and communities.
- To provide opportunities for individuals and associations to influence and participate fully in decisions that affect their housing conditions, environment, and communities.
- To support the development of associations and providing opportunities for them to work together on matters of common interest for the benefit of their members.
- Promoting the improvement of the quality of life of residents and the housing conditions of all tenants of rented accommodation.
- To empower and give tenants throughout Edinburgh their voice. We work in partnership with the City of Edinburgh Council to improve housing services across the city.



## **Report of the Trustees (continued)**

### **ETF Objectives and Activities (continued)**

ETF has an excellent partnership relationship with the City of Edinburgh Council to represent the views of tenants across the city at a strategic and local level. ETF provides a range of bespoke training and development opportunities to support local tenants' and residents' groups to participate fully. ETF is funded by the City of Edinburgh Council through an annual Service Level Agreement (SLA) and a detailed annual work plan is produced to outline key activities:

- Provide independent advice, information and learning opportunities for tenants.
- Provide information, advice and support to tenants' and residents' organisations to assist them develop and achieve their goals.
- Networking opportunities bringing local organisations together to work on issues of collective interest.
- Events to assist people to participate individually and through their groups in decision making about their homes, locality and environment.
- Work in partnership with CEC to implement the Tenant Participation Strategy.
- A regular training programme is provided to increase tenants' skills and knowledge to participate fully.
- Outreach support to existing and new tenants' groups to participate fully.
- Support to get involved digitally.

ETF directly employs staff to support the development of ETF and local tenant and resident groups to have the skills, training, and information to participate fully. The staff team are working in a hybrid way with a combination of home working and working in the ETF office in Norton Park Business Centre.

ETF continues to be committed to working in partnership with statutory agencies and other voluntary organisations throughout Edinburgh.

### **ETF Achievements and Performance**

ETF have had a successful year in adapting its services to provide online information, training, and support to empower and give tenants throughout Edinburgh their voice. Our work has a positive and lasting impact on the lives of tenants in Edinburgh. In particular:

- ETF services support over 19,000 tenants in the social rented sector in Edinburgh.
- ETF has supported local tenants' and residents' groups to participate online during Covid-19 safety restrictions.

### **Building our Organisation**

In 2021 the Tenants Information Service (TIS) completed an independent Governance Review on behalf of ETF to ensure our constitution, policies, procedures, and practices are "fit for purpose" and will assist us develop and thrive in the coming years. Over 2021-22 the EC have implemented the majority of the recommendations from the governance review.

## **Report of the Trustees (continued)**

### **Building our Organisation (continued)**

Our members meetings, both in person and on-line have ensured tenants are at the heart of everything we do. This year we have hosted members' meetings and events to find out our members' views to enable ETF to review, develop and respond to proposals including:

- The Scottish Government's consultation on the rented sector strategy;
- The Scottish Government's consultation on Housing to 2040;
- Rent affordability and ensuring tenants struggling to pay their rent have support measures in place.
- Approaching net zero by 2045.

ETF have also worked in partnership with the following organisations to develop effective tenant participation practice:

- The Scottish Government
- Poverty Alliance
- Scottish Housing Regulator
- Shelter Scotland
- Scottish Government Regional Networks
- The Tenants Information Service

### **Supporting Tenant Influence Across the City**

ETF have been working in partnership with CEC Senior Managers to discuss key issues and ensure tenants have a say on service delivery and standards. Our representatives played a key role in influencing:

- Rent consultation
- CEC's Housing Service Improvement Plan
- The framework for Tenant Participation and Scrutiny across the city of Edinburgh.

The ETF High Flats Sub-Group have worked with CEC to ensure Fire Safety in High Flats is a priority.

The ETF Repairs Sub-Group has worked in partnership with CEC to monitor the Council's Responsive Repairs Budget, the performance targets for Housing Property and tenant satisfaction levels.

ETF's Sheltered Housing Liaison Group is currently undergoing a review to ensure the structure of the group is fit for the future.

## **Report of the Trustees (continued)**

### **Financial Review**

ETF acknowledges the assistance of continued funding from The City of Edinburgh Council to fund the full project costs.

The Trustees are satisfied with the financial performance of ETF for the year ended 31 March 2022.

The Federation currently has total available funds of £178,550 which is made up of £509 restricted funds and £178,041 unrestricted funds, of which £21,224 is allocated to the pension reserve.

We continue to monitor our cost base closely — although total costs decreased slightly on last year due to the extended lockdown for the Coronavirus pandemic. Staff costs are by far our largest single cost representing around 32% of total revenue.

### **Reserves Policy**

The Executive Committee of ETF has ultimate responsibility for the charity, its assets, and activities. All funds of the organisation are held for the purpose of carrying out its mission and charitable activities.

Reserves are held for four main purposes:

- To meet the financial obligations arising in the event of ETF ceasing to operate and allow the organisation to wind up in an orderly manner;
- To fund working capital;
- To ensure adequate liquidity;
- To manage potential risks and contingencies that may arise from time to time.

To meet these objectives, it is considered necessary to have general reserves of approximately three months running costs which equates to approximately £45,379 based on expenditure levels and pension deficit payment requirements at the time of approving this report.

When non-current liabilities relating to the pension deficit are excluded, ETF currently has unrestricted reserves of £199,265 which is equivalent to c13 months running costs. On this basis ETF has sufficient reserves to meet its objectives.

### **Coronavirus and Going Concern**

The Trustees have considered going concern in the context of economic uncertainty caused by COVID-19. The staff team have made a seamless transition to working in a hybrid way and have successfully adapted all of its services digitally to meet its work plan objectives in line with its Service Level Agreement with the City of Edinburgh Council.

ETF have successfully adapted its services to provide a range of digital participation and training opportunities. The Executive Committee (EC) of ETF has continued its regular monthly meetings using the Zoom platform to monitor and forward plan its activities. The staffing and finance subgroups have continued to meet virtually to monitor the organisation's finances and support to staff. The Federation has continued to host its working groups and members' meetings online with good turnouts at these digital events.

## **Report of the Trustees (continued)**

### **Coronavirus and Going Concern (continued)**

Funding has been guaranteed by the City of Edinburgh Council to 31 March 2024 for £241,083 per annum and the Federation received the first tranche for 22/23 of £120,542 on 28 April 2022. This is the primary source of funds for the Federation and facilitates the organisation's charitable activities. The Trustees ensure that the Federation's costs each year do not exceed this funding to ensure that the Federation is sustainable.

The Trustees remain confident that there are no reasonably foreseeable circumstances under which the Federation cannot continue to operate on a going concern basis. Accordingly, the financial statements have been prepared on a going concern basis.

### **Plans for the Future**

In a challenging climate and with an increasing demand for our service, we must ensure continued focus on delivering and extending the reach of our service so that we can continue to fulfil the critical role and impact we have in the life of tenants throughout Edinburgh. In the year ahead we also focus on the following objectives and deliverables in our strategic plan for 2022-23:

- To increase our capacity to support local tenants and residents' groups and to develop participation in areas where tenants are currently not involved.
- We will work in partnership with the City of Edinburgh Council, the Scottish Government and other agencies to inform and implement the new framework for tenant participation and scrutiny in Edinburgh.
- Grow and expand our digital presence by creating an accessible website and appropriate social media channels.
- Build upon the recommendations of our independent Governance Review.
- Continue to build a well-structured, fit for purpose operational infrastructure which fulfils the current and future needs of our service, where workers are valued, empowered and motivated to deliver services for tenants.
- Identify a range of opportunities to work in partnership with statutory and voluntary agencies.

ETF have a number of plans to ensure it meets the above objectives;

- A new post of Development Officer is to be recruited to expand the capacity of the team to strengthen and develop grassroot groups to drive tenant participation forward.
- 
- ETF will ensure that the EC has IT equipment, training and support in place to ensure EC members can participate in a blended way.
- 
- ETF to invest to ensure that the IT infrastructure is in place to provide a blended approach to learning and development

**Edinburgh Tenants Federation SCIO**  
**Year ended 31 March 2022**

**Report of the Trustees (continued)**

**Reference and Administrative Details**

Edinburgh Tenants Federation is a Scottish Charitable Incorporated Organisation (SCIO) SC048236 regulated by the Scottish Charity Regulator (OSCR).

Our advisors include:

- Edinburgh Voluntary Organisations Council.
- Henderson Loggie;
- Scottish Council for Voluntary Organisations;
- Tenants Information Service;
- WorkNest.

**Executive Committee**

The Executive Committee of the SCIO are its trustees for the purpose of charity law. The trustees serving during the year and since the year end were as follows:

John Aitken	North Sighthill Residents Association	
Christine Hudson	Laichfield Community Association	
Nicol Johnstone	Magdalene Residents Association	Resigned 5/7/21
Robyn Kane	Appointee	Appointed 16/11/21
Terry Kirby	Wharton Square	Elected 29/10/21
Irina Lazarenko	Minorities Initiative Residents Association	
Damien May	West Cromwell, Persevere & Citadel Courts Residents Association	
Barbara Stark	Ratho Station Residents Association	Resigned 29/10/21
Betty Stone	Birnies Court Residents Association	
Susan Taylor	Willowbrae and Duddingston Residents Association	Resigned 29/10/21
David Thomson	Redbraes Residents Association	
Paul Vaughan	Gateside Residents Association	
Maud Wylie	Hailesland Park Neighbourhood Council	Passed away Jan 22

**Structure, Governance and Management**

ETF is registered as a Scottish Charitable Incorporated Organisation (SCIO) with the Office of Scottish Charities Regulator. There are four classes of membership of the SCIO as follows: Ordinary Membership, Corporate Membership, Non-Voting Individual Membership and Non-Voting Associate Membership.

The constitution states the minimum number of EC members to be five and the maximum to be thirteen.

Ordinary members elect an Executive Committee annually to run the business of ETF to meet its Service Level Agreement with CEC.

The SCIO has nine EC members at the year end.

## **Report of the Trustees (continued)**

### **Induction for EC**

All new EC members receive a full induction to the organisation and the governance role which includes obligations under charity law and an introduction to ETF's structure and services, our plans and financial status.

### **Organisational Structure**

The EC can have a minimum of five and a maximum of thirteen members, administer the SCIO. The EC meets every month and there are sub-committees covering:

- Budget Subgroup
- Staff Subgroup
- Complaints Subgroup
- Appeals Subgroup.

ETF currently employs the Tenants Information Service (TIS) to provide the Co-ordinator and Outreach Officer roles to manage the day-to-day operations of the charity. To facilitate effective operations, the Co-ordinator has delegated authority, within terms of delegation approved by the EC for operational matters including finance, employment, and service delivery.

The EC elect the offices of Convenor, Vice-Convenor, Treasurer, Secretary, and such other office bearers (if any) as they consider appropriate. These appointments are made by the EC following the AGM. All office bearers shall cease to hold office at the conclusion of each AGM but shall then be eligible for re-election.

### **Related Parties**

None of our EC receive remuneration or other benefit from their work with the SCIO. In the current year no related party transactions were reported.

### **Pay Policy for Senior Staff**

The pay of staff is based on the local authority national pay awards. All EC members give their time freely and do not receive any remuneration in the year. The practice of the SCIO is that EC members are reimbursed for work related expenses.

### **Risk Management**

The EC have a risk management strategy which comprises:

- A quarterly and annual review of the principal risks the SCIO may face;
- The establishment of policies, systems and procedures to mitigate those risks identified, and
- The implementation of procedures designed to manage any potential impact on the SCIO should any of these risks materialise.

This work has identified that sustaining core funding is the major risk for the SCIO.

## **Report of the Trustees (continued)**

### **Statement of Trustee Responsibilities**

The EC (who are also the Trustees of the SCIO) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

In preparing financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charity SORP.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the SCIO. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Provision of Information to Independent Examiners**

The trustees at the date of approval of this trustees' report confirm that, so far as they are individually aware, there is no relevant audit information of which the independent examiners are unaware; and each trustee has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's independent examiner is aware of that information.



Betty Stone  
Convenor  
Edinburgh Tenants Federation

11/9/2022

## **Independent Examiner's report to Trustees of Edinburgh Tenants Federation SCIO**

I report on the financial statements of the charity for the year ended 31 March 2022 which are set out on pages 11 to 24.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion set out below and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the trustees, as a body, for my work or for this report.

### **Respective responsibilities of the Trustees and Examiner**

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

### **Basis of Independent Examiner's Statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

### **Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended); and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended);

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Jaslin Bhagrath CA  
Partner  
For and on behalf of Henderson Loggie LLP  
Chartered Accountants  
11 -15 Thistle Street  
Edinburgh  
EH2 1DF

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**Edinburgh Tenants Federation SCIO**  
Year ended 31 March 2022

**Statement of financial activities**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
<b>Income from:</b>	3						
Donations		-	-	-	-	547	547
Charitable activities		<b>241,083</b>	-	<b>241,083</b>	252,736	-	252,736
<b>Total</b>		<b>241,083</b>	-	<b>241,083</b>	252,736	547	253,283
<b>Expenditure on:</b>	4						
Charitable activities		<b>(181,516)</b>	-	<b>(181,516)</b>	(193,143)	(580)	(193,723)
<b>Total</b>		<b>(181,516)</b>	-	<b>(181,516)</b>	(193,143)	(580)	(193,723)
<b>Net income</b>		<b>59,567</b>	-	<b>59,567</b>	59,593	(33)	59,560
Actuarial gain/(loss) on pension scheme	10	<b>36,703</b>	-	<b>36,703</b>	(3,127)	-	(3,127)
Transfer between funds	11,12	-	-	-	(33)	33	-
<b>Net movement in funds</b>		<b>96,270</b>	-	<b>96,270</b>	56,433	-	56,433
<b>Reconciliation of funds</b>	11, 12						
Total funds at 31 March 2021		<b>81,771</b>	<b>509</b>	<b>82,280</b>	25,338	509	25,847
<b>Total funds at 31 March 2022</b>		<b>178,041</b>	<b>509</b>	<b>178,550</b>	81,771	509	82,280

The statement of financial activities includes all gains and losses in the year.

The notes on pages 13 to 24 form part of these financial statements.

**Edinburgh Tenants Federation SCIO**  
Year ended 31 March 2022

**Balance sheet**

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	6		<b>2,506</b>		3,390
<b>Current assets</b>					
Debtors	7	<b>577</b>		917	
Cash at bank and in hand		<b>227,029</b>		161,381	
			<b>227,606</b>	162,298	
<b>Current liabilities</b>					
Creditors due within one year	8	<b>(40,187)</b>		(26,027)	
<b>Net current assets</b>			<b>187,419</b>		136,271
<b>Creditors</b>					
Due greater than one year	9		<b>(11,375)</b>		(57,381)
Net assets			<b>178,550</b>		82,280
<b>Represented by</b>					
Restricted funds	11	<b>509</b>		509	
Unrestricted funds	12				
General funds		<b>199,265</b>		151,231	
Pension reserve		<b>(21,224)</b>		(69,460)	
Total funds			<b>178,550</b>		82,280

Approved by the Trustees and signed on their behalf



**Betty Stone**

Trustee

11/9/2022

The notes on pages 13 to 24 form part of these financial statements.

## **Notes to the financial statements**

### **1 Accounting policies**

#### **1.1 Basis of accounting**

The Edinburgh Tenants Federation SCIO ("The Federation") is a Scottish Charitable Incorporated Organisation limited by guarantee. It is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC048236.

The address of the registered office is Norton Park, 57 Albion Road, Edinburgh EH7 5QY.

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies as detailed in note 2.

The Federation is a public benefit entity as defined by FRS102.

The presentation currency of these financial statements is GBP with rounding to the nearest GBP.

#### **Going concern**

The Trustees have considered going concern in the context of economic uncertainty caused by COVID-19. The staff team have made a seamless transition to working in a hybrid way and have successfully adapted all of its services digitally to meet its work plan objectives in line with its Service Level Agreement with the City of Edinburgh Council.

ETF have successfully adapted its services to provide a range of digital participation and training opportunities. The Executive Committee (EC) of ETF has continued its regular monthly meetings using the Zoom platform to monitor and forward plan its activities. The staffing and finance subgroups have continued to meet virtually to monitor the organisation's finances and support to staff. The Federation has continued to host its working groups and members' meetings online with good turnouts at these digital events.

Funding has been guaranteed by the City of Edinburgh Council to 31 March 2024 for £241,083 per annum and the Federation received the first tranche for 22/23 of £120,542 on 28th April 2022. This is the primary source of funds for the Federation and facilitates the organisation's charitable activities. The Trustees ensure that the Federation's costs each year do not exceed this funding to ensure that the Federation is sustainable.

The Trustees remain confident that there are no reasonably foreseeable circumstances under which the Federation cannot continue to operate on a going concern basis. Accordingly, the financial statements have been prepared on a going concern basis.

## **Notes to the financial statements (continued)**

### **1. Accounting policies (continued)**

#### **1.2 Depreciation**

Depreciation is provided using the following rates to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Computer equipment	33.3% reducing balance
Office equipment	25% reducing balance

#### **1.3 Operating leases**

Operating lease rentals are charged in the income and expenditure account on a straight line basis over the lease term.

#### **1.4 Pension**

The Federation participates in a multi-employer defined benefit pension scheme. The information on the assets and liabilities attributable to individual employers within this scheme are not able to be independently identified by the scheme actuary and so the costs of the scheme are recognised as and when they arise. The assets of the scheme are held separately from those of the Federation in an independently administered fund. The Federation has agreed to a deficit funding agreement and recognises a liability for this obligation.

The amount recognised the net present value of the deficit reduction contributions payable under the agreement and is calculated using the discount rate of 2.3% (2021: 0.86%). More details are contained in note 10.

Contributions to the Federation's defined contribution pension scheme are charged to the income and expenditure account in the year in which they become payable.

#### **1.5 Income**

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

#### **1.6 Expenditure**

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and, accordingly, expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the charity's programmes and activities. These costs include the expenses of the statutory accounts and legal and professional fees.

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

#### 1.7 Financial instruments

The Federation's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less subject to insignificant risk of changes in value.

#### 1.9 Fund accounting

Unrestricted funds are incoming resources generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds that have been earmarked by the trustees for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with a fair allocation of management and support costs.

### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the executive committee have had to make the following judgements:

- Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.
- The actuarial assumptions used in calculating the present value of deficit funding on the pension scheme requires judgement on the part of the Trustees. In making these assumptions, advice has been taken from an independent qualified actuary. The assumptions are all shown in note 10.

### 3. Income

Donations	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Donations	-	-	-	547
	=====	=====	=====	=====

**Notes to the financial statements (continued)**

**3. Income (continued)**

Charitable activities	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
City of Edinburgh Council SLA	241,083	-	241,083	241,083
Community Jobs Scotland income	-	-	-	11,499
Training funding	-	-	-	154
	<u>241,083</u>	<u>-</u>	<u>241,083</u>	<u>252,736</u>

**4. Expenditure**

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Charitable expenditure	125,223	-	125,223	142,593
Support costs	51,349	-	51,349	46,791
Governance costs	4,944	-	4,944	4,339
	<u>181,516</u>	<u>-</u>	<u>181,516</u>	<u>193,723</u>

There was £nil of restricted expenditure during the year ended 31 March 2022 under support costs (2021: £580).

**Charitable expenditure**

	Total 2022 £	Total 2021 £
Wages and salaries	62,275	77,110
Social security costs	2,024	3,060
Pension contributions	7,818	7,538
Pension interest expense defined benefit (note 10)	546	1,797
Pension scheme expenses	1,777	1,726
Staff training	1,675	2,116
Staff travel & subsistence	76	94
Payroll processing costs	456	651
DIS staff insurance	576	501
Tenants Information Services	48,000	48,000
	<u>125,223</u>	<u>142,593</u>

**Notes to the financial statements (continued)**

**4. Expenditure (continued)**

**Support costs**

	<b>Total 2022 £</b>	Total 2021 £
Rent, service charge and rates	<b>20,548</b>	19,370
Insurance	<b>1,243</b>	1,151
Equipment and repairs	<b>263</b>	436
POL IT fund	-	580
Stationery and postage	<b>4,361</b>	4,235
Telephone and internet	<b>1,161</b>	1,297
Photocopier costs	<b>1,686</b>	2,532
Legal and professional fees	<b>2,808</b>	2,769
Training & conferences	<b>2,744</b>	909
Travel & subsistence	<b>466</b>	150
Room hire & catering	<b>(124)</b>	216
Printing & publicity	<b>7,059</b>	4,612
Computer	<b>5,136</b>	4,758
Membership and subscriptions	<b>505</b>	402
Bank charges	<b>301</b>	306
Miscellaneous	<b>360</b>	62
Donation	<b>100</b>	1,000
Website	<b>1,490</b>	325
Depreciation	<b>1,242</b>	1,681
	<hr/> <b>51,349</b> <hr/>	<hr/> 46,791 <hr/>

**Governance costs**

	<b>Total 2022 £</b>	Total 2021 £
Audit fees	-	180
Other fees paid to auditor	<b>1,537</b>	1,043
Independent examiner fees	<b>3,150</b>	3,000
Other accounting fees	<b>72</b>	-
Trustee expenses	<b>185</b>	116
	<hr/> <b>4,944</b> <hr/>	<hr/> 4,339 <hr/>

**5. Staff numbers and costs**

The average number of employees (excluding trustees) during the year was 2 (2021: 3). The average number of Trustees for the year was 10 (2021: 10). No employee received salary and benefits of more than £60,000 per annum (2021: £60,000).

Key management personnel included employees who are involved in planning, directing and controlling the activities of the charity. The total paid to key management for services in the year was £73,501 (2021: £77,496).

No remuneration was paid to any Trustee (2021: Nil). A total of 3 Trustees (2021: 2) were reimbursed expenses of £185 (2021: £116).

**Notes to the financial statements (continued)**

**6. Tangible fixed assets**

	Computer equipment £	Office equipment £	Total £
Cost			
At 31 March 2021	5,619	154	5,773
Additions	358	-	358
	<hr/>	<hr/>	<hr/>
At 31 March 2022	5,977	154	6,131
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 31 March 2021	2,315	68	2,383
Charge for year	1,220	22	1,242
	<hr/>	<hr/>	<hr/>
At 31 March 2022	3,535	90	3,625
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2022	2,442	64	2,506
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2021	3,304	86	3,390
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**7. Debtors**

	Total 2022 £	Total 2021 £
Prepayments and accrued income	577	917
	<hr/>	<hr/>

**8. Creditors: Amounts falling due within one year**

	Total 2022 £	Total 2021 £
Accruals and deferred income	28,373	12,386
Taxation and social security	1,202	1,562
Other creditors	763	-
Pension deficit (note 10)	9,849	12,079
	<hr/>	<hr/>
	40,187	26,027
	<hr/> <hr/>	<hr/> <hr/>

**9. Creditors: Amounts falling due in more than one year**

	Total 2022 £	Total 2021 £
Pension deficit (note 10)	11,375	57,381
	<hr/> <hr/>	<hr/> <hr/>



## Notes to the financial statements (continued)

### 10. Pension

Edinburgh Tenants Federation participates in Scottish Voluntary Sector Pension Scheme. The Pension Scheme is a multi-employer defined benefit scheme. The scheme is funded and is contracted out of the state scheme. The Trustees closed the pension scheme for future accrual with effect from 31 March 2010. The Executive Committee has decided to pay an annual amount to the scheme as calculated by the scheme actuary to meet their share of the deficit.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate, to September 2007. From October 2007 there were two benefit structures available. These were a final salary with a 1/60th accrual rate and final salary with a 1/80th accrual rate. Participating employers chose which benefit structure that they wished to offer their employees.

Edinburgh Tenants Federation decided to continue to offer the 1/60th accrual benefit structure to employees from October 2007.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future investment returns.

At the balance sheet date there were no active members of the Scheme employed by the Federation. It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 Section 28 represents the employer contribution payable. Employer contributions to the deficit in the year were £12,079 (2021: £11,727).

The last formal valuation of the Scheme was performed as at 30 September 2020 by a professionally qualified actuary using the "projected unit credit" method.

The market value of the Scheme's assets at the valuation date was £153.3 million, liabilities of £160.0 million and a deficit of £6.7 million.

To eliminate this funding deficit, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 October 2026	£1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2019 to 30 September 2027:	£136,701 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

**Notes to the financial statements (continued)**

**10. Pension (continued)**

Where the scheme is in deficit and where the entity has agreed to a deficit funding arrangement the entity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buyout debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Edinburgh Tenants Federation has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Scheme as at 30 September 2017. As of this date the estimated employer debt for the Federation was £566,103. It is not provided for in these financial statements because it is contingent on a future event which is in the control of the entity.

**Reconciliation of opening and closing provisions**

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Provision at start of year/period	69,460	76,263
Unwinding of the discount factor (interest expense)	546	1,797
Deficit contribution paid	(12,079)	(11,727)
Remeasurements - impact of any change in assumptions	(317)	3,127
Remeasurements – amendments to the contribution schedule	(36,386)	Nil
Provision at end of year/period	21,224	69,460

**Notes to the financial statements (continued)**

**10. Pension (continued)**

**Income and expenditure impact**

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Interest expense	546	1,797
Remeasurements – impact of any change in assumptions	(317)	3,127
Remeasurements – amendments to the contribution schedule	(36,386)	Nil

**Assumptions**

	31 March 2022 % per annum
Rate of discount	2.30

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**Deficit contributions schedule**

Year ended	31 March 2022 (£)
Year 1	9,849
Year 2	10,145
Year 3	1,741

The Federation must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the Federation's balance sheet liability.

The Executive Committee has also set up a new defined contribution scheme to provide future benefits from 1 April 2010. During the accounting period the Federation paid contributions to this scheme at the rate of 10%. At the balance sheet date there were 2 (2021: 2) active members of the scheme employed by the Federation.

**Notes to the financial statements (continued)**

**11. Restricted funds**

<b>2022</b>	<b>At 1 April 2021</b>	<b>Transfer from Edinburgh Tenants Federation</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer Between Funds</b>	<b>At 31 March 2022</b>
	£	£	£	£	£	£
Start-up grants	509	-	-	-	-	509
	<u>509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>509</u>
	<u><u>509</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>509</u></u>
<b>2021</b>	<b>At 1 April 2020</b>	<b>Transfer from Edinburgh Tenants Federation</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer Between Funds</b>	<b>At 31 March 2021</b>
	£	£	£	£	£	£
Start-up grants	509	-	-	-	-	509
Port of Leith	-	-	547	(580)	33	-
	<u>509</u>	<u>-</u>	<u>547</u>	<u>(580)</u>	<u>33</u>	<u>-</u>
	<u><u>509</u></u>	<u><u>-</u></u>	<u><u>547</u></u>	<u><u>(580)</u></u>	<u><u>33</u></u>	<u><u>-</u></u>

Start-up grants are for new Residents' and Tenants' groups to fund their set-up costs.

Port of Leith Housing Association Supporting Communities Funding awarded the organisation £547 to purchase multiple tablets and a smartphone for distributing to four tenant groups. There was a minor overspend which was transferred to general unrestricted funds during the year ended 31 March 2021.

**12. Unrestricted funds**

<b>2022</b>	<b>At 1 April 2021</b>	<b>Transfer from Edinburgh Tenants Federation</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer Between Funds</b>	<b>At 31 March 2022</b>
<b>Designated funds</b>	£	£	£	£	£	£
ETF Development	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**Notes to the financial statements (continued)**

**12. Unrestricted funds (continued)**

2021	At 1 April 2020	Transfer from Edinburgh Tenants Federation	Income	Expenditure	Transfer Between Funds	At 31 March 2021
Designated funds	£	£	£	£	£	£
ETF Development	2,302	-	-	-	(2,302)	-
	<u>2,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,302)</u>	<u>-</u>

The ETF Development fund was to assist in the transfer to becoming a SCIO and for further organisational development work. With the transfer to a SCIO complete, the funds were released back to general unrestricted funds during the year ended 31 March 2021.

2022	At 1 April 2021	Income	Expenditure	Actuarial Gains/ (losses)	Transfer Between Funds	At 31 March 2022
General funds	£	£	£	£	£	£
General funds	151,231	241,083	(180,970)	-	(12,079)	199,265
Pension reserve	(69,460)	-	(546)	36,703	12,079	(21,224)
	<u>81,771</u>	<u>241,083</u>	<u>(181,516)</u>	<u>36,703</u>	<u>-</u>	<u>178,041</u>

2021	At 1 April 2020	Income	Expenditure	Actuarial Gains/ (losses)	Transfer Between Funds	At 31 March 2021
General funds	£	£	£	£	£	£
General funds	99,299	252,736	(191,346)	-	(9,458)	151,231
Pension reserve	(76,263)	-	(1,797)	(3,127)	11,727	(69,460)
	<u>23,036</u>	<u>252,736</u>	<u>(193,143)</u>	<u>(3,127)</u>	<u>2,269</u>	<u>81,771</u>

**Notes to the financial statements (continued)**

**13. Analysis of assets between funds**

2022	<u>Unrestricted funds</u>			Total funds 2022 £
	General funds £	Pension reserve £	Restricted funds £	
	Fixed assets	2,506	-	
Net current assets	196,759	(9,849)	509	187,419
Creditors falling due greater than one year	-	(11,375)	-	(11,375)
	<u>199,265</u>	<u>(21,224)</u>	<u>509</u>	<u>178,550</u>

2021	<u>Unrestricted funds</u>			Total funds 2021 £
	General funds £	Pension reserve £	Restricted funds £	
	Fixed assets	3,390	-	
Net current assets	147,841	(12,079)	509	136,271
Creditors falling due greater than one year	-	(57,381)	-	(57,381)
	<u>151,231</u>	<u>(69,460)</u>	<u>509</u>	<u>82,280</u>

**14. Other commitments**

At 31 March 2022 the SCIO had total commitments under operating leases as follows:

	2022 £	2021 £
Due within 1 year	8,090	8,758
Due within 2-5 years	6,862	8,578
	<u>14,952</u>	<u>17,336</u>

**Draft Spend to 31st August 2023**  
for financial year 1 Apr 2023 to 31 Mar 2024

**ITEM 7a)**

	SLA allocation	spend to 30/09/23	using reserves	spend to 30/9/23
<b>Income</b>				
Employment Allowance	£5,000	£3,172		
Service Level Agreement	£241,083	£120,542		
<b>Total Income to date</b>	<b>£246,083</b>	<b>£123,714</b>		
<hr/>				
<b>Gross Profit</b>	<b>£246,083</b>			
<hr/>				
<b>Event Costs</b>				
Room Hire & Catering	£4,000	£834		
Training & Conferences	£10,000	£7,288		
Travel & Subsistence	£9,636	£2,318		
<b>Total Event Costs</b>	<b>£23,636</b>	<b>£10,440</b>	<b>£0</b>	<b>£0</b>
<hr/>				
<b>Office Costs</b>				
Computer	£8,187	£2,232	£4,200	
Equipment	£496	£232		
Insurance	£1,424	£1,588		
Photocopying costs	£3,000	£792		
Postage	£6,061	£1,737		
Rent	£13,740	£6,870		
Repairs	£268	£26		
Stationery	£1,228	£162		
Telephone	£1,057	£517		
Water Rates	£200			
<b>Total Office Costs</b>	<b>£35,661</b>	<b>£14,156</b>	<b>£4,200</b>	<b>£0</b>
<hr/>				
<b>Organisational Costs</b>				
Bank Charges	£326	£162		
Childcare	£244			
Donations			£1,300	
Internet Charges	£470			
Membership	£671	£411		
Miscellaneous	£300	£110		
Printing & Publicity	£9,450	£2,449		
Professional Fees	£56,656	£21,145		
Website - reserves	£3,150	£840		
<b>Total Organisational Costs</b>	<b>£71,266</b>	<b>£25,117</b>	<b>£1,300</b>	<b>£0</b>
<hr/>				
<b>Project Costs</b>				
Rebranding			£25,000	
Comic Project			£3,000	£71
Study Visits			£5,000	
Scrutiny Work	£5,000			
<b>Total Project Costs</b>	<b>£5,000</b>	<b>£0</b>	<b>£33,000</b>	<b>£71</b>
<hr/>				
<b>Staff Costs</b>				
DIS staff insurance	£790	£774		
Payroll Processing Costs	£677	£168		
Pension Advice	£420			
Salary cost	£113,128	£46,475	£11,865	5932.68
Staff Recruitment	£2,447			
Staff Training	£2,205	-£90		
Staff Travel & Subsistence	£2,147	368.28		
<b>Total Staff Costs</b>	<b>£121,814</b>	<b>£47,327</b>	<b>£11,865</b>	<b>£5,933</b>

<b>Total Expenses</b>	<b>£257,377</b>	<b>£97,039</b>	<b>£50,365</b>	<b>£6,003</b>
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underbudget by approx £26,000





## Progress Report April – June 2023

### Introduction

This Progress Report provides information on the work carried out by the Federation's Executive Committee (EC) and staff between April and June 2023 to meet the aims, objectives, and priorities of the Federation's Work Plan.



<b>Objective 1</b>
<b>Tenants are working with CEC to develop housing and related services citywide</b>
<b>Key Achievements</b>
<p><b>Hybrid working</b> ETF staff continued to work in a hybrid manner, working at home and in the office. This way of working is very positive, and it is hoped it will continue in the future.</p>
<p><b>ETF High Flats Group</b> A meeting of the ETF High Flats Group was held, with reps discussing the pertinent issues for tenants living in such properties across the city.</p>
<p><b>City of Edinburgh Council High Flats Investment Strategy</b> Regular meetings continue to be held with ETF's Convenor, ETF staff and City of Edinburgh Council (CEC) Officers to discuss the Council's plans for investment in high rise blocks at Craigmillar/Peffermill Court and Oxcars/Inchmickory Court.</p>
<p><b>Tenant Participation and Scrutiny Framework Review</b> The new Sheltered Housing and Repairs Subgroups have been established and terms of reference for both have now been agreed and are in place.</p>
<p><b>Repairs Contact Centre</b> ETF EC members and ETF staff attended a quarterly meeting with the repairs centre staff to get an update on their services including waiting times, and to feedback on any issues reported by tenants to ETF or any TARAs affiliated with ETF.</p>
<p><b>Convenor of Housing, Homelessness and Fair Work Committee</b> ETF's Convenor and Vice-Convenor have held regular meetings with the Convenor of the Housing, Homelessness and Fair Work Committee. These meetings enable the Convenor to learn more about the work of the Federation and ETF representatives are finding out about CEC initiatives.</p>

<p><b>Business Planning Meeting</b></p> <p>ETF's Convenor and staff continue to participate in Business Planning meetings with CEC officers. CEC continues to be pleased with the progress of the Federation in its delivery of the Service Level Agreement.</p>
<p><b>Stair Cleaning Project Board</b></p> <p>The Stair Cleaning Project Board Meeting took place on 11th April. ISS representatives were in attendance during the first part of the meeting to give an update on recruitment and dealing with tenant complaints. Staffing levels are still a major factor in issues with ISS meeting the service requirements. Two sessions of stair cleaning inspections were planned for April but were cancelled due to EC availability and will be rescheduled later in the year.</p>
<p><b>Locality Meetings</b></p> <p>EC members continued to hold face-to-face meetings with senior housing staff in their respective localities. This included Estate Walkabouts and a collective sharing of ideas and information.</p>
<p><b>Key Challenges</b></p>
<p><b>Tenant Participation and Scrutiny Framework</b></p> <p>There have been no further meetings to discuss the Tenant Participation and Scrutiny Framework, however the repairs and sheltered housing groups have now been established.</p>
<p><b>Next Steps</b></p> <p>Work will continue to ensure ETF representatives remain involved in all aspects of housing policy and service delivery. Key priorities identified by the EC and ETF members include:</p> <ul style="list-style-type: none"> <li>• Further development of the Repairs and Sheltered Housing Liaison Groups respectively.</li> <li>• Further discussions with Councillors, Council Officers and MSPs re affordability of rents for CEC tenants.</li> <li>• ETF High Flats Group Meeting.</li> <li>• Further discussions with the Convenor of the Housing, Homelessness and Fair Work Committee.</li> <li>• Stair Cleaning Project Board Meeting.</li> <li>• Face-to-face Locality Meetings.</li> <li>• Development of tenant scrutiny projects and recruitment of new tenants as per the TP and Scrutiny Framework recommendations.</li> </ul>

<p><b>Objective 2</b></p> <p><b>Tenants are working to improve housing and related services on a national level</b></p>
<p><b>Key Achievements</b></p>
<p><b>Seminars</b></p> <p>ETF hosted a national tenant and landlord gathering on Tenant Participation and Scrutiny challenges and successes in partnership with TIS. ETF reps delivered a session on ETF and local group achievements.</p> <p>ETF reps attended a TIS Tenant Member Online session to share good practice.</p>
<p><b>Key Challenges</b></p>
<p><b>Seminars</b></p> <p>There have been no challenges in this area during this quarter.</p>
<p><b>Next Steps</b></p>
<p><b>National housing agenda</b></p> <p>ETF staff and members will continue to help to shape the national housing agenda and take part in both online and face-to-face seminars, workshops, and conferences where possible.</p>

<p><b>Objective 3</b></p> <p><b>Tenants' and residents' organisations are more vibrant and effective and are helping CEC to shape housing localities and neighbourhood services</b></p>
<p><b>Key Achievements</b></p>
<p><b>Support to existing groups</b></p> <p>ETF and TIS staff provided assistance to:</p> <ul style="list-style-type: none"> <li>• Hailesland Park Neighbourhood Council <ul style="list-style-type: none"> <li>○ Support is being provided to the new committee to plan meetings and agree priorities.</li> </ul> </li> <li>• Moredun Multis and Maisonettes Residents Association (MMMRA) <ul style="list-style-type: none"> <li>○ Staff continue to support the group to meet with CEC Officers to advise of housing improvements required and develop plans for the outdoor spaces.</li> </ul> </li> <li>○ Laichfield Community Association <ul style="list-style-type: none"> <li>○ Support is being provided to assist the new committee agree priorities and actions.</li> </ul> </li> <li>• Willowbrae/Duddingston Residents' Association <ul style="list-style-type: none"> <li>○ Support is being provided to the group now that meetings have recommenced in the summer house. The main support is to assist the group as the number of committee members is low due to illness.</li> </ul> </li> </ul>

<b>Key Challenges</b>
<b>Developing New / Supporting Existing Groups</b> Some of the groups based in sheltered housing complexes are struggling for members.
<b>Next Steps</b>
<b>Developing New / Supporting Existing Groups</b> ETF and TIS will continue to support groups to hold face-to-face meetings. The following groups will hold face-to-face meetings over the coming months: <ul style="list-style-type: none"> <li>• MMMRA</li> <li>• Hailesland Park Neighbourhood Council</li> <li>• Calders Sheltered Housing Residents Association</li> <li>• Laichfield Community Association.</li> </ul> Staff plan to discuss ways to further support sheltered housing-based groups. ETF will keep in touch with RTOs who require assistance.

<b>Objective 4</b> <b>Effective communication with individuals, member associations and all tenants and residents</b>
<b>Key Achievements</b>
<b>Communicate with tenants</b> ETF produced and circulated the following: <ul style="list-style-type: none"> <li>• <i>Tenants Voice</i></li> <li>• <i>Federation Matters</i></li> <li>• E-Newsletters.</li> </ul>
<b>ETF Social Media Platforms</b> ETF's Facebook and Twitter pages were updated on a daily basis.
<b>Key Challenges</b>
<b>ETF's Communications Strategy</b> There has been no further work carried out with regards to updating ETF's Communications Strategy, due to competing priorities.
<b>ETF's website</b> Plans for a review of ETF's website is on hold as per review of the overall communications strategy.
<b>Next Steps</b>
<b>Communicate with tenants</b> The following ETF publicity will be produced: <ul style="list-style-type: none"> <li>• <i>Federation Matters</i></li> <li>• E-Newsletters.</li> </ul>

<p><b>ETF Communications Strategy</b> ETF's updated Communications Strategy will be progressed.</p>
<p><b>ETF social media</b> ETF's Facebook and Twitter pages will continue to be updated on a regular basis. ETF will look at using other social media platforms to promote the work of the Federation.</p>

<p><b>Objective 5</b> <b>Ensure effective organisation, strong governance and member participation make ETF strong and successful</b></p>
<p><b>Key Achievements</b></p>
<p><b>Federation Meeting</b> ETF held an in-person open meeting to raise awareness of and discuss issues relating to damp and mould in social housing.</p>
<p><b>Staff Development</b> Staff team meetings take place on a frequent basis and regular support and supervision sessions take place. The new development officer induction is continuing.</p>
<p><b>Equalities</b> ETF's EC and staff ensure equalities considerations are an integral part of all work.</p>
<p><b>Key Challenges</b></p>
<p><b>Financial Management</b> Online banking has yet to be finalised.</p>
<p><b>Next Steps</b></p>
<p>Work will progress on the following priorities:</p> <ul style="list-style-type: none"> <li>• Handbooks will be finalised for EC members and staff.</li> <li>• ETF will finalise Online Banking for the Federation</li> <li>• ETF's Membership Survey Report will be written and issued.</li> </ul>

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# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday 5 December 2023

## Affordable Housing Commuted Sums – referral from the Planning Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Planning Committee has referred a report on the Affordable Housing Commuted Sums to the Housing, Homelessness and Fair Work Committee for information.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Taylor Ward, Committee Services  
Legal and Assurance Division, Corporate Services  
E-mail: [taylor.ward@edinburgh.gov.uk](mailto:taylor.ward@edinburgh.gov.uk)

# Referral Report

## Affordable Housing Policy Update 2023 – referral from the Planning Committee

### 2. Terms of Referral

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2.1 On 15 November 2023, the Planning Committee considered a report which provided an update on commuted sums being used in lieu of onsite affordable housing and how they were used to build affordable homes in Edinburgh.

2.2 The Planning Committee agreed:

#### **Motion**

- 1) To agree to discharge the motion approved by Planning Committee on 14 June.
- 2) To note that onsite affordable housing was required for applications of 20 homes or more and officers continued to advise on measures that may help to enable onsite affordable housing.
- 3) To note that 451 social rented homes were completed in 2022/23. However, the combination of low rents, limited grant funding and limited private borrowing for social rent does mean that in some higher cost developments, social rented homes may not always be practical.

- moved by Councillor Dalgleish, seconded by Councillor Cameron

#### **Amendment**

- 1) To note that onsite affordable housing was required for applications of 20 homes or more and officers continued to advise on measures that may help to enable onsite affordable housing.
- 2) To note that 451 social rented homes were completed in 2022/23. However, the combination of low rents, limited grant funding and limited private borrowing for social rent does mean that in some higher cost developments, social rented homes may not always be practical.
- 3) To note the Council's recent declaration of a housing emergency; and to note that a key barrier to the delivery of more social rented homes is insufficient grant funding from the Scottish Government; notes that additional barriers include Brexit-related workforce pressures, construction sector inflation and



other challenges facing the construction pipeline of affordable homes in the city, and notes that the Council Leader was writing to Scottish Ministers to highlight this and press for increased funding.

- 4) To note the decision of Committee on 14 June 2023 that reports presented to Committee as part of the preparation of guidance once City Plan 2030 had been approved should include consideration of focussing affordable housing policy on tenures which best delivered affordable rented accommodation, and agreed to add this action to the Committee's rolling action log.
- 5) To agree, at the latest, as part of the next report on the Affordable Housing Policy Update due in Autumn 2024 that options would be presented to maximise the effective use of commuted sums, including, but not limited to, exploring the potential to use some of the commuted sums fund to bring existing empty affordable homes back into use; and an overview of the calculation methodology and process utilised in determining commuted sums in collaboration with the Royal Institute of Chartered Surveyors Scotland.
- 6) To refer the report to Housing, Homelessness and Fair Work Committee for information.
- 7) To agree to discharge the motion approved by Planning Committee on the 14 June 2023.

- moved by Councillor Booth, seconded by Councillor Staniforth

In accordance with Standing Order 22(13), the amendment was adjusted and accepted as an amendment to the motion.

### **Decision**

To approve the following adjusted motion by Councillor Dalglish:

- 1) To note that onsite affordable housing was required for applications of 20 homes or more and officers continued to advise on measures that may help to enable onsite affordable housing.
- 2) To note that 451 social rented homes were completed in 2022/23. However, the combination of low rents, limited grant funding and limited private borrowing for social rent does mean that in some higher cost developments, social rented homes may not always be practical.
- 3) To note the Council's recent declaration of a housing emergency; and to note that a key barrier to the delivery of more social rented homes is insufficient grant funding from the Scottish Government; notes that additional barriers include Brexit-related workforce pressures, construction sector inflation and other challenges facing the construction pipeline of affordable homes in the city, and notes that the Council Leader was writing to Scottish Ministers to highlight this and press for increased funding.
- 4) To note the decision of Committee on 14 June 2023 that reports presented to Committee as part of the preparation of guidance once City Plan 2030 had

been approved should include consideration of focussing affordable housing policy on tenures which best delivered affordable rented accommodation, and agreed to add this action to the Committee's rolling action log.

- 5) To agree, at the latest, as part of the next report on the Affordable Housing Policy Update due in Autumn 2024 that options would be presented to maximise the effective use of commuted sums, including, but not limited to, exploring the potential to use some of the commuted sums fund to bring existing empty affordable homes back into use; and an overview of the calculation methodology and process utilised in determining commuted sums in collaboration with the Royal Institute of Chartered Surveyors Scotland.
- 6) To refer the report to Housing, Homelessness and Fair Work Committee for information.
- 7) To agree to discharge the motion approved by Planning Committee on the 14 June 2023.
- 8) To ask Officers to check how many Affordable Housing Commuted sums were received and used came from the immediate ward.
- 9) To include the length of time, barriers faced, and other ways of delivering affordable housing in the next report to Planning Committee.

### **3. Background Reading/ External References**

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- 3.1 Minute of the Planning Committee – 15 November 2023
- 3.2 [Planning Committee – 15 November 2023 – Webcast](#)

### **4. Appendices**

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Appendix 1 – Report by the Executive Director of Place

# Planning Committee

**2.00pm, Wednesday, 15 November 2023**

## Affordable Housing Commuted Sums

### 1. Recommendations

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- 1.1 It is recommended that Planning Committee:
  - 1.1.1 Agrees to discharge the motion approved by Planning Committee on [14 June 2023](#) to report back in two cycles on the use of commuted sums to deliver affordable homes;
  - 1.1.2 Notes that onsite affordable housing is required for applications of 20 homes or more and officers continue to advise on measures that may help to enable onsite affordable housing; and
  - 1.1.3 Notes that 451 social rented homes completed in 2022/23. However, the combination of low rents, limited grant funding and limited private borrowing for social rent does mean that in some higher cost developments, social rented homes may not always be practical.

**Paul Lawrence**

Executive Director of Place

Contact: Lisa Mallon, Housing Manger

E-mail: [Lisa.mallon@edinburgh.gov.uk](mailto:Lisa.mallon@edinburgh.gov.uk) | Tel: number 0131 529 6291

# Planning Committee

## Affordable Housing Commuted Sums

### 2. Executive Summary

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- 2.1 Over the last three years, onsite affordable housing was secured for 85% of applications of 20 homes or more. However, there are specific situations when a commuted sum may be acceptable in lieu of onsite affordable housing.
- 2.2 In the last five years, £2.818 million of commuted sums funding has been used to support the development of 675 new affordable homes at 12 locations in Edinburgh. The Affordable Housing Policy (AHP) directly enabled almost 2,500 affordable homes, delivered on site, and completed during the same period.
- 2.3 All sums have been paid out within the timescales (10 years from the date the payment is received by the Council) set out in the Section 75 Legal Agreement as part of the planning consent process.

### 3. Background

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- 3.1 [Affordable Housing guidance](#) was approved by Planning Committee on 3 December 2015, as part of “Developer Contributions and Affordable Housing”. The Affordable Housing guidance was approved as a [stand-alone document](#) on 30 March 2017, and subsequent updates have been approved through the “Annual Updates to Planning Guidance” reports. The last [updates](#) to Affordable Housing guidance were approved by Planning Committee on 3 February 2021 and are included in the current published guidance.
- 3.2 On 14 June 2023, Planning Committee considered the recommendations of the report [“Affordable Housing Policy Update 2023”](#). The following motion was approved. This report seeks to discharge the motion.
- 3.3 Delete recommendations and insert: “Planning Committee:
  - 3.3.1 To note the extremely challenging circumstances for delivery of affordable homes, through the war in Ukraine, Brexit and a number of other factors leading to significant increases in prices and added pressure to the sector, as set out in the report by the Executive Director of Place.”

- 3.3.2 To note that the Affordable Housing Policy (AHP) was nonetheless consistently delivering onsite affordable homes for more than 85% of sites of 20 homes or more.
- 3.3.3 To note that almost 1,050 new affordable homes were completed through 2021/22 and 2022/23 and almost 1,000 new affordable homes were approved on sites secured through the AHP.
- 3.3.4 To note the use of commuted sums, as set out in paragraph 4.16 of the report by the Executive Director of Place, to support delivery of 216 new affordable homes on three sites, and to further note that only around one fifth of the £2.662 million received in commuted sums over 2021-23 was used to support the delivery of affordable homes; and further notes that the report set out that there would be “ample opportunities” to allocate these commuted sums.
- 3.3.5 To agree to receive a detailed report within two cycles on the use of commuted sums to deliver affordable homes, and that this report would include, but not be limited to, the following:
  - 3.3.5.1 In what circumstances commuted sums were considered a reasonable alternative to on-site affordable housing;
  - 3.3.5.2 A detailed breakdown of the use to which commuted sums had been used over the last five years;
  - 3.3.5.3 A detailed analysis of how long the Council had held on to commuted sums before they were used; and
  - 3.3.5.4 In what circumstances, and within which thresholds, it was considered reasonable to offer to contribute commuted sums to deliver on-site affordable housing, and that, should any of the above information be considered commercially confidential, the information should be provided to members of Planning Committee and Housing, Homelessness and Fair Work Committee in the form of a confidential members’ briefing rather than a report to Committee.
- 3.3.6 To note that there were no new planning approvals for Golden Share in 2021-23 and that no changes to Golden Share policy would be considered while City Plan 2030 was being considered by Scottish Ministers, but that the affordability of Golden Share continued to be monitored.
- 3.3.7 To note the affordability of Mid Market Rent (MMR) and Intermediate Rent (IR) homes as set out in previous reports to this Committee, and to further note the Council’s affordable housing guidance set out the affordable housing tenures in priority order, with social rented housing as the highest priority need, and to further note that IR could sometimes be time-limited.
- 3.3.8 To note that the overwhelming need for affordable housing identified in both HoNDA2 and HoNDS3 was for affordable rented accommodation.

- 3.3.9 To note that any significant changes to the affordable housing policy would be subject to consultation.
- 3.3.10 To therefore agree that reports presented to Committee as part of the preparation of guidance to support relevant policies once the City Plan 2030 had been approved would give consideration to consulting on changes to the affordable housing policy which focused on those tenures which best delivered affordable rented accommodation, and which considered limited or an end to the use of those tenures which supported low-cost home ownership or more expensive rental tenures, including, but not limited to, consideration of ending the use of Golden Share, and removing the time-limited aspect of Intermediate Rent.
- 3.3.11 To refer the report to Housing, Homelessness and Fair Work Committee for information.
- 3.3.12 To discuss with Officers if further advice could be given to applicants to ensure affordable housing.
- 3.3.13 To discuss with Officers the options to ensure social housing was delivered.

## 4. Main report

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- 4.1 The AHP is a national planning policy which secures:
- 4.1.1 Land for affordable housing; or
  - 4.1.2 An equivalent number of affordable homes (25% of residential units); or
  - 4.1.3 A financial contribution equal to the land value of the affordable homes.
- 4.2 The AHP does not cover the full build cost of homes, only the land value for the required number of affordable homes, or a discount taking into account development costs and developer profit.
- 4.3 The [Affordable Housing guidance](#) sets out the Council's requirements and expectations in relation to affordable housing, including the circumstances in which a commuted sum may be considered in lieu of onsite affordable housing.
- Commuted Sums as reasonable alternative to onsite affordable housing**
- 4.4 Between 2021/22 to 2022/23 onsite affordable housing was secured for 85% of applications of 20 homes or more. However, there are specific situations when a commuted sum may be acceptable in lieu of onsite affordable housing, and this is set out in the Council's published Affordable Housing Guidance. The guidance sets out that:
- 4.4.1 The payment of commuted sums in lieu of on-site provision will only be acceptable where the total number of dwellings is below 20, or all of the following criteria are met:

- 4.4.1.1 There are exceptional reasons to avoid on-site provision, such as the site being poorly located for affordable provision, where conversions do not lend themselves to affordable provision, where it is evidenced to be unviable or unfeasible or where there are other advantages to the Council in accepting a commuted sum such as achieving more, higher quality or better-located affordable units elsewhere;
  - 4.4.1.2 The Council is confident that that the commuted payments can be spent on providing affordable units within the same area of the city within ten years of the payment being made; and
  - 4.4.1.3 The proposal is for less than 50 dwellings or is for a conversion.
- 4.5 It is only in these circumstances that a recommendation for commuted sum would be supported. If a commuted sum is being considered for development viability reasons, a number of checks will be carried out. In this situation, the applicant will be required to provide details of all development costs, which are checked and assessed by an independent surveyor on behalf of the Council.
- 4.6 National planning guidance sets out that *“Best practice is that the value (of the commuted sum) should be independently determined by the District Valuer”*, and this is also set out in the Council’s Affordable Housing guidance.
- 4.7 The District Valuer calculates the commuted sum by establishing the value of the land required for the affordable homes. National guidance sets out the principles for establishing affordable housing land value. This calculation is based on the gross development value (market values of the completed homes) minus the development costs (including finance costs) and developer profit which equals the associated land value.
- 4.8 The affordable housing land value (and therefore the affordable housing commuted sum value) is 25% of total development land value.
- 4.9 From 2017 onwards, every application which proposed commuted sums for affordable housing was considered by Development Management Sub Committee, with one exception. This was a commuted sum for one additional affordable housing unit, with the other 40 affordable housing units to be provided onsite. This sum for a single unit was within the delegated authority approval limits.
- 4.10 Commuted sums are used to support on-site affordable housing when a registered social landlord provides a justification for the use. If a funding shortfall is identified, commuted sums funding may be used alongside other means, such as Registered Social Landlords own financial reserves, funding from sales of existing stock or increased grant funding. All of these means are limited. Registered Social Landlords are charitable organisations, with finances monitored by their board of management, and within the regulatory framework of the Scottish Housing Regulator.

### **A detailed breakdown commuted sums use**

- 4.11 In total over the last five years, £2.818 million has been used to support 675 affordable homes at 12 locations. The average amount of commuted sums funding committed over the period is just under £4,200 per home. A breakdown of the use by site is set out in Appendix 1. During that time, the AHP directly enabled over 3,300 affordable homes to be approved for site start and almost 2,500 affordable homes, delivered on site through the AHP, were completed.
- 4.12 The use of commuted sums is regularly reported to Planning Committee. The Affordable Housing Policy Delivery considered by Planning Committee on [7 August 2019](#) sets out commuted sum use up to the end of 2018/19.
- 4.13 The Affordable Housing Policy Update considered by Planning Committee on [19 May 2021](#) sets out commuted sums use for the period 2019/20 to 2020/21.
- 4.14 The Affordable Housing Policy Update 2023 considered by Planning Committee on [14 June 2023](#) sets out commuted sums use for the period 2021/22 to 2022/23.
- 4.15 Developer contributions, including affordable housing contributions, are secured through a Section 75 Legal Agreement as part of the planning consent process. The length of time to use sums is set out in these agreements and is currently ten years from the date the payment is received by the Council. If a commuted sum is not used within the agreed timescale then the planning applicant can request that the sums are repaid. However, all sums have been used within the agreed timescales and no requests for sums to be returned have been made.
- 4.16 Appendix 1 contains information on when the sums used between 2017 and 2022 were received by the Council and when they were used to support on site affordable housing.

### **Advice to applicants to achieve affordable housing on site**

- 4.17 The Council's published Affordable Housing guidance sets out the expectation that applicants engage early with the Council on affordable housing and that for applications of 20 or more units, on site affordable housing is expected. Officers will advise applicants on any measures that may help to enable onsite affordable housing.
- 4.18 If an applicant has not engaged, then this is reported to Committee through the Affordable Housing consultee response and the application may not be supported. However, most applicants do engage and the majority of applications of 20 or more homes deliver onsite affordable housing.
- 4.19 If on site affordable housing cannot be achieved, the applicant needs to evidence why not, and independent checks are carried out. Only after all on-site options have been explored in detail with applicants, and if the evidence and independent checks further show that on site affordable housing is not practical, only then would commuted sums be considered.



## Ensuring Social Rent Delivery

- 4.20 The Council's published Affordable Housing guidance sets out the expectation that 70% of affordable housing should be for social rent; the . Affordable housing tenures are ranked in order of priority. Social rent is the highest priority tenure with the highest level of need.
- 4.21 Social rent providers (registered social landlords) are charitable organisations with limited access to funds, who are reliant on grant funding to deliver affordable homes. In 2022/23, the average development cost of an affordable home was around £200,000 of which around 45% of cost is met through grant funding and 55% is private finance or borrowing raised by the registered social landlord.
- 4.22 Social rents are low to keep them affordable. However, the low rents limit the amount of borrowing that RSLs can obtain. Interest on loans is paid from rents, as is management and maintenance of properties and any upgrades for existing social rented stock. The combination of low rents, limited grant funding and limited private borrowing does mean that for some higher cost developments, social rented homes may not always be practical. Where social rents are not practical, other tenures are considered in the priority order set out in Affordable Housing guidance. There were 451 social rented homes in Edinburgh that were completed in 2022/23 and prior performance in relation to social rented homes is set out in the report Affordable Housing Tenures, considered by Planning Committee on [1 December 2021](#).
- 4.23 The Strategic Housing Investment Plan (SHIP) 2023-28 was approved by Housing, Homelessness and Far Work Committee on [1 December 2022](#) and set out a programme of 9,473 affordable homes which require grant funding and 64% of these are for social rent. However, to deliver this programme Edinburgh's grant funding allocation would need to increase from £45 million a year to over £142 million a year.

## 5. Next Steps

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- 5.1 Performance in relation to the Affordable Housing Policy is reported annually to Planning committee. The next update will be brought to committee in Autumn 2024.
- 5.2 Further changes to AHP may be considered as part of the preparation of future guidance to support relevant policies in the City Plan 2030. As set out in national Planning Policy Guidance, any significant changes to the AHP would be subject to consultation and committee approval.

## 6. Financial impact

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- 6.1 Between 2021/22 to 2022/23 onsite affordable housing was secured for 85% of applications of 20 homes or more. Without the AHP, affordable housing providers would not have been able to afford the land required for these homes.
- 6.2 Where onsite affordable housing delivery has not been possible, commuted sums have been sought. In the last five years, £2.818 million of commuted sums funding

has been used to support the delivery 675 affordable homes at twelve locations in Edinburgh.

## **7. Equality and Poverty Impact**

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- 7.1 The AHP secured over 2,200 affordable homes over the last five years on private land. These homes are affordable and increase the housing options of people on low to moderate incomes. Affordable homes are built to be more energy efficient and more easily adaptable than private homes and are therefore more affordable to heat and meet the long term needs of tenants.

## **8. Climate and Nature Emergency Implications**

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- 8.1 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.
- 8.2 Affordable Housing Commuted Sums are used to support new build affordable housing. New affordable homes are constructed to high standards in terms of energy efficiency and sustainability.
- 8.3 There is a lower energy demand to heat the homes, with low or zero emissions heating systems required. This means they will minimise the amount of carbon emissions to aid with the city's ambition to be net zero carbon.
- 8.4 There are no adverse environmental implications arising from this report.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 The AHP has been successful in delivering mixed tenure communities and providing affordable housing in diverse areas across the city. The AHP secures 25% of residential homes for affordable housing. However, increased mortgage rates have meant private housing is less affordable and the sector has responded by offering incentives to buyer and reducing output to match demand. Reduced numbers of private homes are likely to mean reduced numbers of affordable homes, with sites being phased over a longer period or delays in construction.
- 9.2 Commuted sums policy is set out in the published Affordable Housing guidance, and performance of the AHP is regularly reported to Planning Committee.
- 9.3 The impact of development is assessed as part of the Planning process.

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

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- 10.1 Affordable Housing Policy Delivery, Planning Committee on [7 August 2019](#).
- 10.2 Affordable Housing Policy Update, Planning Committee on [19 May 2021](#).
- 10.3 Affordable Housing Policy Update 2023, Planning Committee on [14 June 2023](#).
- 10.4 [Affordable Housing guidance](#).

## 11. Appendices

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11.1 Appendix 1 - Affordable Housing Commuted Sums received and used.

## Appendix 1: Affordable Housing Commuted Sums received and used

Committed sums used to support affordable homes at:	Number of homes	Committed sums contribution	Sum per home	Sum originally received	Sum used
Small Sites Programme (Clermiston)	44	£202,182	£4,595	May 2013	Apr 2018
Fountainbridge Block L	19	£400,250	£21,066	Nov 2014	Mar 2021
Pennywell Phase 4	8	£56,007	£7,001	Sep 2013	Sep 2018
St Nicolas Court	12	£40,000	£3,333	Oct 2015	Apr 2018
Salamander Place	200	£606,356	£3,032	May 2013	Mar 2018
Ford's Road	14	£147,000	£10,500	Jan 2015	Jan 2020
Fountainbridge	113	£349,000	£3,088	Mar 2016	Aug 2020
Ferrymuir Gait	32	£270,000	£8,438	Nov 2015	Mar 2021
Viewforth (Former Boroughmuir High School)	17	£204,000	£12,000	Jul 2015	Aug 2020
Shrubhill	25	£344,045	£13,762	Dec 2015	Aug 2021
Rowanbank	33	£100,000	£3,030	Nov 2016	Mar 2022
West Craigs	158	£100,000	£633	Nov 2016	Mar 2022

# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 5 December 2023

## The EDI Group – annual update for the year ending 31 December 2022

Executive/routine  
Wards

Executive  
All

### 1. Recommendations

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- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee:
  - 1.1.1 Notes the report; and
  - 1.1.2 Refers the report to the Governance, Risk and Best Value Committee.

**Paul Lawrence**

Executive Director of Place

Contact: David Cooper, Head of Development and Regeneration

E-mail: [david.cooper@edinburgh.gov.uk](mailto:david.cooper@edinburgh.gov.uk) | Tel: 0131 529 6233

## The EDI Group – annual update for the year ending 31 December 2022

### 2. Executive Summary

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- 2.1 This report updates members on the progress of the transition strategy for The EDI Group Limited, which aims to close it and its subsidiary companies.

### 3. Background

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- 3.1 The EDI Group Limited (EDI) is an arm's length company of the Council.
- 3.2 On [7 February 2017](#) and [23 February 2017](#), the Economy Committee and the Finance and Resources Committee respectively agreed to close EDI and its subsidiaries and bring certain activities and assets in-house. On [2 November 2017](#), the Housing and Economy Committee agreed a transition strategy for the closure.

### 4. Main report

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- 4.1 The transition strategy continues to be implemented. All ongoing projects are now delivered by Council officers and the majority of EDI assets have transferred to the Council or otherwise disposed of. Most group companies are now in liquidation.
- 4.2 The EDI Board, comprising two elected members, continues to meet quarterly. A scheme of delegation has been agreed which enables minor and routine decisions to be taken by Council officers.
- 4.3 Appendix 1 provides an update on each remaining project and Appendix 2 sets out the residual property assets held by the EDI group.
- 4.4 The audited consolidated financial statements for The EDI Group Limited, for the year ending 31 December 2022, were approved by the EDI Board on 17 August 2023. The overall financial performance was a net loss of £0.655m (compared to a restated net profit of £0.818m in the year ending 31 December 2021) and retained earnings of negative £2.348m (compared to negative £1.693m in the year ending 31 December 2021). The cash balance was £4.317m as of 31 December 2022 (compared to £3.235m in the year ending 31 December 2021).

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

## **5. Next Steps**

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

## **6. Financial impact**

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- 6.1 The projected special dividend to the Council from closing EDI is currently forecast to be no less than £8.0m. This is a reduction on the original forecast figure of £8.5m, reflecting the loss sustained by EDI on the Market Street hotel development, write-downs on property valuations associated with COVID-19, and higher than anticipated tax liabilities on the sale of land at Brunstane East.

## **7. Equality and Poverty Impact**

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- 7.1 N/A.

## **8. Climate and Nature Emergency Implications**

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- 8.1 N/A.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 N/A.

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

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- 10.1 N/A

## **11. Appendices**

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- 11.1 Appendix 1 – Project updates.
- 11.2 Appendix 2 – Residual property assets held by EDI.
- 11.3 Appendix 3 – The EDI Group Limited: Directors' report and consolidated financial statements for the year ended 31 December 2022.

## Appendix 1 – Project updates

<b>Market Street (EDI Market Street Limited)</b>	
<b>Description</b> Subsidiary company of EDI set up to take forward a hotel development on Market Street.	
<b>Position as of Q4 2023</b> The Market Street hotel achieved practical completion in November 2018. Council officers acting on behalf of EDI have settled financial claims with the purchaser and the contractor. All transactions have been completed and this company is no longer needed. This company is now in liquidation.	
<b>RAG status</b>	Green
<b>Granton Waterfront (Waterfront Edinburgh Limited; Waterfront Edinburgh (Management) Limited; Caledonia Waterfront (Harbour Road) Limited)</b>	
<b>Description</b> (Formerly) land and buildings at Granton Waterfront	
<b>Position as of Q4 2023</b> The land and buildings wholly owned by Waterfront Edinburgh have been transferred to the Council and now form part of the wider Granton Waterfront regeneration project led by the Housing and Regeneration service. Waterfront Edinburgh (Management) Limited has now been dissolved while Waterfront Edinburgh Limited is in liquidation. A residual land interest has been identified which is in the process of being resolved.  Caledonia Waterfront (Harbour Road) Limited is a joint venture in which The EDI Group Limited owns a 42.5% stake. The company cannot be wound-up until an agreement has been reached with the joint venture partner. It has been agreed in principle that, if an agreement cannot be reached timeously, EDI will seek to transfer its interest in the joint venture to C. E. C. Holdings Limited to allow EDI to be wound-up. Tax advice has been taken on the optimal approach to executing this transfer.	
<b>RAG status</b>	Amber
<b>Craigmillar (PARC Craigmillar Limited; PARC Craigmillar Developments Limited)</b>	
<b>Description</b> Land and buildings at Craigmillar.	
<b>Position as of Q4 2023</b> PARC Craigmillar holds two residual assets: the White House and the South Park at Greendykes. Legal agreements to which PARC Craigmillar was a party have been novated to the Council. It is now anticipated that the remaining assets will transfer to the Council in early-2024, following which the Board will be requested to approve the closure of PARC Craigmillar Limited. PARC Craigmillar Developments Limited is now in liquidation.	
<b>RAG status</b>	Green
<b>Brunstane (The EDI Group Limited)</b>	
<b>Description</b> A housing development site with planning permission in place on land owned by EDI and option agreement in place with adjoining landowner. The Council also has an entitlement for profit share in relation to access rights.	
<b>Position as of Q4 2023</b> The sale of the west field at New Brunstane concluded missives in mid-2021. The east field at New Brunstane is currently being sold. Following the sale of the east field, the closure of EDI can begin.	
<b>RAG status</b>	Green



<b>Fountainbridge (EDI Fountainbridge Limited)</b>	
<b>Description</b> EDI Fountainbridge formerly took forward the development of a site at Fountainbridge.	
<b>Position as of Q4 2023</b> The Council has now appointed Cruden Homes as the pre-development partner for the redevelopment of the site. The work in progress held by EDI Fountainbridge was not of value to the Council and was written off. All transactions have been completed and this company is no longer needed. The company is now in liquidation.	
<b>RAG status</b>	Green
<b>Castle Terrace car park (EDI Central Limited)</b>	
<b>Description</b> EDI Central was formerly entitled to payments in connection with a lease arrangement at the Castle Terrace car park.	
<b>Position as of Q4 2023</b> All payments due to EDI Central have been received and paid up to The EDI Group. All transactions have been completed and this company is no longer needed. The company is now in liquidation.	
<b>RAG status</b>	Green
<b>Shawfair (Shawfair Land Limited)</b>	
<b>Description</b> Shawfair Land formerly held a security over land at the South East Wedge.	
<b>Position as of Q4 2023</b> Shawfair Land has released the security in return for a cash payment which has been paid up to The EDI Group. All transactions have been completed and this company is no longer needed. The company is now in liquidation.	
<b>RAG status</b>	Green
<b>Joint ventures (Buredi Limited, New Laurieston (Glasgow) Limited)</b>	
<b>Description</b> Inactive joint venture companies.	
<b>Position as of Q4 2023</b> Agreement has been reached with joint venture partners to close the two companies. Buredi Limited has been struck-off. The striking-off of New Laurieston (Glasgow) Limited, which is being taken forward by The Miller Group, is ongoing.	
<b>RAG status</b>	Green
<b>Dormant subsidiaries (EDI (Industrial) Limited, Edinburgh Retail Investments Limited))</b>	
<b>Description</b> Dormant subsidiary companies.	
<b>Position as of Q4 2023</b> Both companies were struck-off in 2019.	
<b>RAG status</b>	Green
<b>The EDI Group Limited (remainder of company)</b>	
<b>Description</b> The parent company of all subsidiaries.	
<b>Position as of Q4 2023</b> Other than New Brunstane and shares in the joint venture company Caledonia Waterfront (Harbour Road) Limited, no projects sit directly within the parent company. The projected company closure date is now expected to be 2024 as some transactions will now complete during 2023.	
<b>RAG status</b>	Amber

## Appendix 2 – Residual property assets held by EDI

Asset	Owner	Status
South Park, Greendykes (MID168446)	PARC Craigmillar Limited	Land at Greendykes, Craigmillar on which the South Park (a new park with SUDS infrastructure beneath it) has been developed. The land is planned to be sold to the Council in 2024 once long-term maintenance arrangements have been agreed. It is assumed to have nil value.
White House, 70 Niddrie Mains Road (MID2609)	PARC Craigmillar Limited	A historic former roadhouse in Craigmillar, currently leased to Community Alliance Trading Enterprises Limited which operates as a restaurant and function space. On 27 April 2022, the Board approved in principle the transfer of the asset to the Council. Council officers are now negotiating a new lease with the sale to the Council expected to be executed in early-2024.
Land at New Brunstane (MID92904)	The EDI Group Limited	Greenfield development land at Brunstane owned by The EDI Group Limited. The West Field (25 hectares) has been sold to Dandara East Scotland Limited for a housing development of 641 to 676 units. The sale of the East Field (14 hectares of developable land, with an estimated capacity of 464+ units), is underway, with a preferred bidder selected.
West Harbour Road, plots D & E (MID120543)	The EDI Group Limited	Brownfield development land at West Harbour Road in Granton Waterfront owned by the joint venture company Caledonia Waterfront (Harbour Road) Limited in which The EDI Group Limited (WEL) owns a 42.5% interest with the remainder being owned by Caledonian Regeneration Investments Limited (CRIL).
Land at West Shore Road (MID108695)	Waterfront Edinburgh Limited	A small plot of land south of West Shore Road, ultimately subleased to SP Energy Networks for a substation.

# Appendix 3

## Financial Statements

31 December 2022



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**THE EDI GROUP LIMITED**  
**Consolidated financial statements**  
**For the year ended 31 December 2022**

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**THE EDI GROUP LIMITED**

**Company Information**

**For the year ended 31 December 2022**

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<b>Board of Directors</b>	I Whyte J Meagher
<b>Company secretary</b>	MacRoberts LLP
<b>Company registration</b>	<i>Registered office:</i> Waverley Court 4 East Market Street Edinburgh EH8 8BG
	<i>Registered number:</i> SC110956
<b>Bankers</b>	The Royal Bank of Scotland plc Bank of Scotland plc
<b>Auditor</b>	Azets Audit Services Statutory Auditor Exchange Place 3 Semple Street Edinburgh EH3 8BL

# THE EDI GROUP LIMITED

## Strategic Report

For the year ended 31 December 2022

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The Directors present their strategic report and audited financial statements for the 2022 financial year.

### Principal activities, business review and future developments

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

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

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

### Current development activity

The sale of land at Brunstane West is expected to complete in 2023, while land at Brunstane East is currently being marketed.

### Our performance

The financial performance of the group in 2022 was a net loss of £655k compared to a profit of £818k in 2021. Retained earnings decreased from negative £1.7m to negative £2.3m. The major factor influencing the year's results has been administrative expenses with no sales.

The group had a cash balance of £4.3m (2021: £3.3m). The sales expected in 2023 will be profitable and will bring retained earnings into a positive position which would enable a dividend to be declared subject to Board approval, in line with the transition strategy.

### Risks and environment

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

This report was approved by the board on 15 August 2023 and signed on its behalf by:

**J Meagher**  
**Director**  
4 East Market Street  
Edinburgh  
EH8 8BG

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# THE EDI GROUP LIMITED

## Directors' Report

For the year ended 31 December 2022

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The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

### Principal activities and business review

Details of principal activities, market circumstances and risk and performance indicator are included in the Strategic Report. The results for the year are set out on page 9.

There were no dividends paid during the financial year (2021: nil).

### Directors

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

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

### Political and charitable contributions

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

### Going concern

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

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

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

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

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

### Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and parent company financial statements in accordance with UK adopted International Accounting Standards and the requirements of the Companies Act 2006.

# THE EDI GROUP LIMITED

## Directors' Report (continued)

For the year ended 31 December 2022

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### Directors' responsibilities statement (continued)

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing these financial statements, the Directors are required to:

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

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

### Disclosure of information to the auditor

We, the Directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

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

This report was approved by the board on 15 August 2023 and signed on its behalf by:

**J Meagher**  
**Director**  
4 East Market Street  
Edinburgh  
EH8 8BG

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## THE EDI GROUP LIMITED

### Independent Auditor's Report to the Members of The EDI Group Limited

For the year ended 31 December 2022

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#### Opinion

We have audited the financial statements of The EDI Group Limited for the year ended 31 December 2022 which comprise Consolidated and Parent Company Statement of Profit or Loss, Consolidated and Parent Company Statement of Financial Position, Consolidated and Parent Company Statement of Changes in Equity, Consolidated and Parent Company Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion:

- the financial statements give a true and fair view of the state of the group and parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Emphasis of matter – Basis of preparation

We draw attention to note 2b in the financial statements, which describe the basis of preparation. The Directors have prepared the financial statements on a basis other than going concern as the group has begun a process of closure and ceased all development activities other than the sale of remaining land.

## THE EDI GROUP LIMITED

### Independent Auditor's Report to the Members of The EDI Group Limited (continued)

For the year ended 31 December 2022

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#### Other information

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

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

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

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

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

#### Responsibilities of Directors

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

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

## THE EDI GROUP LIMITED

### Independent Auditor's Report to the Members of The EDI Group Limited (continued)

For the year ended 31 December 2022

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#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

**THE EDI GROUP LIMITED**

**Independent Auditor's Report to the Members of The EDI Group Limited  
(continued)**

**For the year ended 31 December 2022**

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**Use of our report**

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

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

**Date:**

THE EDI GROUP LIMITED

Consolidated and Parent Company Statement of Profit or Loss  
For the year ended 31 December 2022

	Note	Consolidated Group		Parent Entity	
		2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
<b>Continuing Operations</b>					
Revenue	3	-	2,660	-	-
Cost of sales		74	-	-	-
Gross profit		74	2,660	-	-
Administrative expenses		(692)	(280)	(196)	(3,259)
Work in progress written off		-	(1,194)	-	-
<b>Profit/(loss) from operations</b>	4	(618)	1,186	(196)	(3,259)
Finance income	6	36	4	1	1
Finance costs	7	(81)	(101)	(81)	(101)
Other income	5	8	5	460	-
<b>Profit/(loss) before income tax expense</b>		(655)	1,094	184	(3,359)
Income tax (charge)/credit	8	-	(276)	-	-
<b>Profit/ (loss) for the year from continuing operations</b>		(655)	818	184	(3,359)
<b>Net profit/(loss) for the year</b>		(655)	818	184	(3,359)
Attributable to:					
Equity holders of the parent		(655)	818	184	(3,359)

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

The accompanying notes form part of these financial statements.

**THE EDI GROUP LIMITED**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2022**

		<b>Consolidated Group</b>	
	<b>Note</b>	<b>2022</b>	<b>Restated</b>
		<b>£'000</b>	<b>2021</b>
			<b>£'000</b>
<b>Non-current assets</b>			
Investment property	9	248	248
Investments in joint ventures and associates	10	268	268
<b>Total non-current assets</b>		516	516
<b>Current assets</b>			
Cash and cash equivalents	16	4,317	3,254
Trade and other receivables	12	183	2,776
Inventories	11	4,267	5,262
<b>Total current assets</b>		8,767	11,292
<b>TOTAL ASSETS</b>		9,283	11,808
<b>Equity and Liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity	17	8,500	8,500
Retained earnings	18	(2,348)	(1,693)
<b>Total equity</b>		6,152	6,807
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	511	1,653
Other financial liabilities	14	2,240	2,240
Provisions	15	380	1,108
<b>Total current liabilities</b>		3,131	5,001
<b>Total liabilities</b>		3,131	5,001
<b>TOTAL EQUITY AND LIABILITIES</b>		9,283	11,808

The financial statements were approved by the board of Directors and authorised for issue on 15 August 2023 and are signed on its behalf by:

J Meagher, Director

I Whyte, Director

**Company number: SC110956**

The accompanying notes form part of these financial statements.

THE EDI GROUP LIMITED

Company Statement of Financial Position

As at 31 December 2022

	Note	Parent Entity	
		2022 £'000	2021 £'000
<b>Non-current assets</b>			
Investments in subsidiaries, joint ventures and associates	10	7,653	7,415
<b>Total non-current assets</b>		<u>7,653</u>	<u>7,415</u>
<b>Current assets</b>			
Cash and cash equivalents	16	71	267
Trade and other receivables	12	271	142
Inventories	11	4,267	4,240
<b>Total current assets</b>		<u>4,609</u>	<u>4,649</u>
<b>TOTAL ASSETS</b>		<u><u>12,262</u></u>	<u><u>12,064</u></u>
<b>Equity and Liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity	17	8,500	8,500
Retained earnings	18	(2,595)	(2,809)
Capital contribution reserve		-	30
<b>Total equity</b>		<u>5,905</u>	<u>5,721</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	4,117	4,103
Other financial liabilities	14	2,240	2,240
<b>Total current liabilities</b>		<u>6,357</u>	<u>6,343</u>
<b>Total liabilities</b>		<u>6,357</u>	<u>6,343</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>12,262</u></u>	<u><u>12,064</u></u>

The financial statements were approved by the board of Directors and authorised for issue on 15 August 2023 and are signed on its behalf by:

J Meagher, Director

I Whyte, Director

Company number: SC110956

The accompanying notes form part of these financial statements.

THE EDI GROUP LIMITED

Consolidated and Parent Company Statement of Changes in Equity

As at 31 December 2022

Group	Capital contribution reserve £'000	Contributed equity £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 January 2021</b>	-	8,500	(2,511)	5,989
Profit from continuing operations - restated	-	-	818	818
<b>Balance at 31 December 2021 - restated</b>	-	8,500	(1,693)	6,807
<b>Balance at 1 January 2022 - restated</b>	-	8,500	(1,693)	6,807
Loss from continuing operations	-	-	(655)	(655)
<b>Balance at 31 December 2022</b>	-	8,500	(2,348)	6,152
<b>Company</b>	<b>Capital contribution reserve £'000</b>	<b>Contributed equity £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
<b>Balance at 1 January 2021</b>	30	8,500	550	9,080
Loss from continuing operations	-	-	(3,359)	(3,359)
<b>Balance at 31 December 2021</b>	30	8,500	(2,809)	5,721
<b>Balance at 1 January 2022</b>	30	8,500	(2,809)	5,721
Profit from continuing operations	-	-	184	184
Transfer from capital contribution reserve	(30)	-	30	-
<b>Balance at 31 December 2022</b>	-	8,500	(2,595)	5,905

The capital contribution reserve represents the excess of fair value over the amount paid for the shareholdings either gifted or sold to the group. Following the liquidation of the relevant shareholdings during the year, a transfer has been made from the capital contribution reserve to retained earnings.

The accompanying notes form part of these financial statements.



THE EDI GROUP LIMITED

Consolidated and Parent Company Statement of Cash Flows

For the year ended 31 December 2022

	Note	Consolidated Group		Parent Entity	
		2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
<b>Cash flow from operating activities</b>					
<b>Total comprehensive profit/(loss) for year</b>		(655)	818	184	(3,359)
<i>Adjustments for:</i>					
Taxation charge/(credit)		-	(2)		
Interest received		(36)	(4)	(1)	(1)
Interest paid		81	101	81	101
(Increase)/decrease in inventories		995	4,059	(27)	(27)
(Increase)/decrease in receivables		2,593	61	(129)	2,925
Increase/(decrease) in payables		(1,870)	(5,177)	14	165
Disposal of investments in subsidiaries, joint ventures and associates		-	-	(238)	-
Taxation paid		-	2	-	
<b>Net cash flows from operating activities</b>		<u>1,108</u>	<u>(142)</u>	<u>(116)</u>	<u>(196)</u>
<b>Cash flow from investing activities</b>					
Interest received		<u>36</u>	<u>4</u>	<u>1</u>	<u>1</u>
<b>Net cash flows from investing activities</b>		<u>36</u>	<u>4</u>	<u>1</u>	<u>1</u>
<b>Cash flow from financing activities</b>					
Increase/(decrease) in loan stock borrowings		-	(2,559)		
Interest paid		(81)	(101)	(81)	(101)
<b>Net cash flows used in financing activities</b>		<u>(81)</u>	<u>(2,660)</u>	<u>(81)</u>	<u>(101)</u>
Net increase/(decrease) in cash and cash equivalents		1,063	(2,798)	(196)	(296)
Cash and cash equivalents at beginning of year		3,254	6,052	267	563
<b>Cash and cash equivalents at end of year</b>	16	<u><u>4,317</u></u>	<u><u>3,254</u></u>	<u><u>71</u></u>	<u><u>267</u></u>

The accompanying notes form part of these financial statements.

# THE EDI GROUP LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Presentation of financial statements

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

#### New accounting standards adopted during the year

##### Adoption of new and revised standards

The Group has adopted, where applicable, the following new and amended IFRSs as of 1 January 2022:

- Annual Improvements to IFRS: 2018 – 2020 Cycle
- IFRS 3; Business Combinations (Amendment – Conceptual Framework)
- IAS 37; Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)
- IAS 16; Property, Plant and Equipment (Amendment – Proceeds before Intended Use)

Other new standards, amendments to standards and interpretations that are mandatory for the first time in 2022 are considered to have no significant or material effect on the Group's financial statements.

##### Guidance in issue but not in force

IAS 8 requires disclosure of guidance in issue but not in force. The minimum disclosure relates to guidance issued by 31 December 2022, and with potential effect.

<b>Effective for periods beginning on or after</b>	<b>Effective for periods beginning on or after</b>
IFRS 17; Insurance Contracts (including amendments issued on 25 June 2020)	1 January 2023
IAS 1; Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current, including deferral or effective date)	1 January 2023
IAS 1; Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies) (issued on 12 February 2021)	1 January 2023
IAS 8; Accounting Policies (Amendment – Changes in Accounting Estimates and Errors; Definition of Accounting Estimates) (issued on 12 February 2021)	1 January 2023
IAS 12; Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a single transaction) (issued on 7 May 2021)	1 January 2023
Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)	1 January 2024

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

## 2. Statement of significant accounting policies

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

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

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

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

### a. Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being the company (the Parent Company) and its controlled entities as defined in accounting standard IAS 27 "Consolidated and Separate Financial Statements". A list of controlled entities appears in note 10 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

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

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

### b. Going concern

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

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

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

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

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

**c. Investments in associates and joint ventures**

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

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

In the case of New Laurieston (Glasgow) Limited, The EDI Group's share of losses exceed the value of its interest in the company, therefore no further losses have been recognised.

In the case of Caledonia Waterfront (Harbour Road) Limited, the investment is exempt from being consolidated using the equity accounting method as permitted by paragraph 17 of IAS 28 "Investments in Associates and Joint Ventures". Instead, the investment is accounted for at cost less provision for permanent impairment in the financial statements.

**d. Income tax**

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

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

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

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

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

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

**d. Income tax (cont'd)**

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

**e. Inventories**

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

**f. Borrowing costs**

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

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

**g. Impairment**

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

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

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

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

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

### **h. Financial instruments**

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

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

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

#### ***Trade and other receivables***

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

#### ***Cash and cash equivalents***

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

#### ***Trade and other payables***

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

### **i. Investment property**

Investment property is property held to generate rental income and/or for capital appreciation.

The value at the balance sheet date reflects the net realisable of this property.

### **j. Investments**

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

### **k. Revenue**

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

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

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

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

### I. Critical accounting estimates and judgements

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

#### Key estimates:

- i. *Investment property valuation* – the Directors assess the valuation of the investment property at each reporting date by evaluating conditions specific to the Group that may lead to a revaluation of the asset.
- ii. *Provisions* – provisions are based on estimated costs provided by external professionals. The Directors review provisions regularly to assess how reasonable and accurate they are.

### m. Provisions

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

Further details of the provisions recognised in the year can be found at Note 15.

### n. Value added tax

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

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

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

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

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3. Revenue

An analysis of revenue is as follows:

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Property sales	-	2,660	-	-
	<u>-</u>	<u>2,660</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>2,660</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

4. Profit from operations

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>After charging</b>				
Auditor's remuneration:				
Audit	26	37	18	13
Non-Audit	3	6	2	2
	<u>3</u>	<u>6</u>	<u>2</u>	<u>2</u>
	<u><u>3</u></u>	<u><u>6</u></u>	<u><u>2</u></u>	<u><u>2</u></u>



THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

5. Other income

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Rental income	5	5	-	-
Distributions received	-	-	460	-
Other income	3	-	-	-
	<u>8</u>	<u>5</u>	<u>460</u>	<u>-</u>

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

Distributions received relate to the available funds from subsidiaries liquidated during the year (see Note 10).

6. Finance income

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Other interest received	36	4	1	1
	<u>36</u>	<u>4</u>	<u>1</u>	<u>1</u>

7. Finance costs

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
On secured loan stock held by the City of Edinburgh Council	81	101	81	101
	<u>81</u>	<u>101</u>	<u>81</u>	<u>101</u>

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

8. Income tax expense

	Consolidated Group		Parent Entity	
	2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
Current tax:				
- Domestic	-	-	-	-
- Tax adjustments, reliefs and transfers	-	276	-	-
	<u>-</u>	<u>276</u>	<u>-</u>	<u>-</u>

The tax charge is allocated in the financial statements as follows:

Statement of Profit and Loss	-	276	-	-
Statement of Changes in Equity	-	-	-	-
	<u>-</u>	<u>276</u>	<u>-</u>	<u>-</u>

The effective tax rate for the year ended 31 December 2022 is calculated at 19% (2021: 19%) of the estimated assessable (loss)/profit for the year.

The group and company have trade losses carried forward of £1,355,588 and £1,072,005 (2021: £738,845 and £738,845) respectively which has prudently not been recognised in the accounts.

The charge/(credit) for the year can be reconciled to the (loss)/profit per the income statement as follows:

	Consolidated Group		Parent Entity	
	2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
Profit /(Loss) on ordinary activities before tax	(655)	818	184	(3,359)
Tax on (loss)/profit at the effective rate of corporation tax of 19% (2021: 19%)	(124)	208	35	(638)
Effects of:				
Expenses not deductible for tax purposes	11	4	18	578
Income not taxable for tax purposes	(3)	-	(115)	-
Movement in deferred tax not recognised	116	(533)	62	107
Losses which cannot be utilised	-	3	-	-
Adjustments in respect of prior periods	-	(444)	-	-
Remeasurement of deferred tax for changes in tax rate	-	807	-	(47)
Adjust deferred tax to average rate	-	(47)	-	-
Group relief surrendered	-	-	-	-
Group relief claimed	-	278	-	-
	<u>-</u>	<u>276</u>	<u>-</u>	<u>-</u>
Current tax (credit)/charge for year attributable to the company and its subsidiaries	-	276	-	-

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

**9. Investment property**

	<b>Investment property £'000</b>
<b>Group</b>	
<i>Valuation</i>	
At 1 January 2022	248
Increase/(decrease) in fair value	-
	<hr/>
At 31 December 2022	248
	<hr/>
Net book value	
At 31 December 2022	248
	<hr/>
At 31 December 2021	248
	<hr/> <hr/>

An investment property owned by the company was valued at £247,934 at 31 December 2021 by an internal Chartered Surveyor on the basis of open market value for existing use. The valuation was carried out in accordance with the Practice Statement in RICS Appraisal and Valuation Manual.

The value at the balance sheet date reflects the net realisable of this property.

The related rental income recognised in the Statement of Profit or Loss and Other Comprehensive Income was £nil (2021: £nil) along with direct operating expenses of £nil (2021: £nil).

The Scottish Ministers hold a standard security on a development property in respect of any amounts due to them by the company. The carrying value of this at the year-end is £nil (2021: £nil).

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

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

10. Fixed asset investments

Group

	Joint Ventures & Associated Undertakings 2022 £'000	Joint Ventures & Associated Undertakings 2021 £'000
<i>Post-acquisition reserves</i>		
At 1 January and 31 December	268	268
<i>Net book value</i>		
Loans to and share of net assets in joint ventures and associated undertakings	268	268

Company

	Joint Ventures & Associated Undertakings £'000	Subsidiary undertakings £'000	Total £'000
<i>Cost</i>			
At 1 January 2022	-	7,415	7,415
Acquisition	268	-	268
Disposals	-	(30)	(30)
At 31 December 2022	268	7,385	7,653
<i>Net book value</i>			
At 31 December 2022	268	7,385	7,653
At 31 December 2021	-	7,415	7,415

The Directors assessed the recoverability of the investments in subsidiary undertakings and considered an impairment charge of £nil (2021: £nil) was appropriate to write down the value of the investments in subsidiary undertakings.

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

	Principal Activity	Country of Registration	Percentage of Ordinary Share Capital Held
Parc Craigmillar Limited	Regeneration	Waverley Court, 4 East Market Street, Edinburgh, Scotland, EH8 8BG	100%
Caledonia Waterfront (Harbour Road) Limited	Property development and letting of properties	Caledonia House, Lawmoor Street, Glasgow, Scotland, G5 0US	42.5%
New Laurieston (Glasgow) Limited	Property development	Miller House, 2 Lochside View, Edinburgh, Scotland, EH12 9DH	45%

**THE EDI GROUP LIMITED**

**Notes to the Financial Statements (continued)**

**For the year ended 31 December 2022**

**10. Fixed asset investments (continued)**

As EDI Group has greater than 50% of the share capital in Parc Craigmillar Limited, it has been consolidated. Parc Craigmillar Limited made a loss of £483k (2021: profit of £1m) for the period ended 31 December 2022 and its aggregate capital and reserves at 31 December 2022 amounted to £7.6m (2021: £8m).

Where 50% or less of the share capital is held, the companies have been consolidated using the equity accounting method.

In the case of New Laurieston (Glasgow) Limited, The EDI Group's share of losses exceed the value of its interest in the company, therefore no further losses have been recognised.

In the case of Caledonia Waterfront (Harbour Road) Limited, the investment is exempt from being consolidated using the equity accounting method as permitted by paragraph 17 of IAS 28 "Investments in Associates and Joint Ventures". Instead, the investment is accounted for at cost less provision for permanent impairment in the financial statements. Caledonia Waterfront (Harbour Road) Limited was transferred from Waterfront Edinburgh Limited to The EDI Group Limited before the year-end.

During the year, the following investments were liquidated of which the company owed 100% of the share capital:

	<b>Principal Activity</b>	<b>Country of Registration</b>	<b>Percentage of Ordinary Share Capital Held</b>
EDI Central Limited	Property development	Scotland	100%
Shawfair Land Limited	Property development	Scotland	100%
Parc Craigmillar Developments Limited	Property development	Scotland	100%
Waterfront Edinburgh Limited	Property development	Scotland	100%
EDI Market Street Limited	Property development	Scotland	100%
EDI Fountainbridge Limited	Property development	Scotland	100%

**11. Inventories**

	<b>Consolidated Group</b>		<b>Parent Entity</b>	
	<b>2022 £'000</b>	<b>2021 £'000</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Development properties and associated costs	<u>4,267</u>	<u>5,262</u>	<u>4,267</u>	<u>4,240</u>

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

12. Trade and other receivables

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade receivables	88	80	-	-
Amounts owed by group & associated undertakings	27	37	5	44
Other debtors	-	2,591	200	30
Prepayments and accrued income	68	68	66	68
	<u>183</u>	<u>2,776</u>	<u>271</u>	<u>142</u>

All trade and other receivable balances are considered to be recoverable within one year.

13. Trade and other payables

	Consolidated Group		Parent Entity	
	2022 £'000	Restated 2021 £'000	2022 £'000	2021 £'000
Trade and other payables	39	-	25	-
Amounts due to group & associated undertakings	248	1,128	3,881	3,880
Accruals and deferred income	224	247	211	223
Corporation tax		278		
	<u>511</u>	<u>1,653</u>	<u>4,117</u>	<u>4,103</u>

14. Other financial liabilities

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

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Unsecured convertible loan stock	2,240	2,240	2,240	2,240
	<u>2,240</u>	<u>2,240</u>	<u>2,240</u>	<u>2,240</u>

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

15. Provisions

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<i>Remedial works</i>				
Balance brought forward	-	-	-	-
Provision recognised in year	380	-	-	-
Provision released in year	-	-	-	-
Balance carried forward	380	-	-	-
<i>Infrastructure expenditure</i>				
Balance brought forward	1,108	1,108	-	-
Provision recognised in year	-	-	-	-
Provision released in year	(1,108)	-	-	-
Balance carried forward	-	1,108	-	-
<i>Work in progress</i>				
Balance brought forward	-	2,898	-	-
Provision recognised in year	-	-	-	-
Provision released in year	-	(2,898)	-	-
Balance carried forward	-	-	-	-
Balance carried forward	380	1,108	-	-

Infrastructure expenditure

Provisions for infrastructure expenditure required for completed projects in Parc Craigmillar Limited have been released in the year.

Work in progress

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

Remedial works

In the year it was agreed between the City of Edinburgh Council and Parc Craigmillar Limited, that Parc Craigmillar Limited would make a contribution of £380,000 to allow for remedial works to be carried out on roads within its historical scope. A provision has therefore been recognised during the year.

THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

16. Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash at bank and in hand	4,317	3,254	71	267

17. Contributed equity

	Consolidated Group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<i>Allotted, called up and fully paid</i> Ordinary shares of £1 each	8,500	8,500	8,500	8,500

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

18. Retained earnings

	Consolidated Group £'000	Parent Entity £'000
At 31 December 2020	(2,511)	550
Profit(loss) for the year - restated	818	(3,359)
At 31 December 2021	(1,693)	(2,809)
(Loss)/profit for the year	(655)	184
Transfer from capital contribution reserve	-	30
At 31 December 2022	(2,348)	(2,595)



THE EDI GROUP LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

**19. Related party transactions**

The key management personnel of the company are considered to be the Directors. No Director receives remuneration (2021: nil). During the year group companies carried out the following transactions with related parties:

Related Party	Relationship	Group Company	Nature of Transaction	Value of transactions during year £	Amount owed from/(to) at year end £
City of Edinburgh Council	Ultimate holding organization	The EDI Group Ltd	Loan stock	-	(2,240,000)
			Interest on loan	(80,698)	(94,781)
			Staff recharge	(99,898)	(87,398)
City of Edinburgh Council	Ultimate holding organisation	Parc Craigmillar Ltd	Loan for infrastructure works	870,729	(247,934)

**20. Ultimate parent undertaking**

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

**21. Financial risk management**

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

	Consolidated group		Parent Entity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<u>Financial assets</u>				
Financial assets measured at amortised cost	4,405	5,993	271	365
<u>Financial liabilities</u>				
Financial liabilities measured at amortised cost	2,503	3,595	236	2,463

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

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

## 21. Financial risk management (continued)

### Capital risk management

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

### Risk management objectives

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

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

#### Market risk

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

#### Credit risk

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

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

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

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

#### Liquidity risk

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

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

**21. Financial risk management (continued)**

**Fair values**

In these accounts each asset and liability is valued to reflect its net recoverable value in line with the closure strategy in Note 2b.

**22. Prior year restatement**

The prior year consolidated figures reflected the elimination of group tax relief. However, the group tax relief was subsequently claimed out with the group.

A prior year restatement has therefore been processed to increase the income tax charge in the Consolidated Statement of Profit and Loss by £278k, resulting in a net tax charge of £276k. A corporation tax creditor of £278k has been recognised in the Consolidated Statement of Financial Position, reducing net assets by £278k.

**23. Post balance sheet events**

The sale of land at Brunstane West is expected to complete in 2023, while land at Brunstane East is currently being marketed.

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