

# Notice of meeting and agenda

## City of Edinburgh Council

**10.05 am Thursday, 28th September, 2023**

(or at the conclusion of the Special Meeting of the City of Edinburgh Council called for 10.00am, whichever is the later)

Main Council Chamber - City Chambers

This is a public meeting and members of the public are welcome to attend.

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 Any items under “Private Business” will not be published, although the decisions will be recorded in the minute.

### Contacts

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## **1. Order of business**

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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 The City of Edinburgh Council of 31 August 2023 – submitted for approval as a correct record 23 - 160

## **5. Leader's Report**

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- 5.1 Leader's report 161 - 164

## **6. Appointments**

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- 6.1 If any

## **7. Reports**

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- 7.1 Governance Documentation – Report by the Executive Director of Corporate Services 165 - 190

<b>7.2</b>	Independent Inquiry and Whistleblowing Culture Review Update – Report by the Chief Executive	191 - 218
<b>7.3</b>	Resource to Appoint Interim Service Director Operations – Report by the Interim Chief Officer, Edinburgh Health and Social Care Partnership	219 - 224
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<b>7.5</b>	Annual Performance Report 2022/23 - referral from the Policy and Sustainability Committee	229 - 284
<b>7.6</b>	Connected Communities Edinburgh 2024-27 Grants Programme - referral from the Education, Children and Families Committee	285 - 314
<b>7.7</b>	2022-23 Capital Outturn, Month 3 Capital Monitoring and Revised 2023-33 Capital Budget Strategy - referral from the Finance and Resources Committee	315 - 340
<b>7.8</b>	City of Edinburgh Council - Yearly Annual Audit Report to the Council and the Controller of Audit (Audited Annual Accounts ISA260) – referral from the Finance and Resources Committee	341 - 522
<b>7.9</b>	Treasury Management Annual Report 2022/23 - referral from the Finance and Resources Committee	523 - 546
<b>7.10</b>	Edinburgh Living – Acquisition of Homes 2023/2024 - referral from the Finance and Resources Committee	547 - 558

## **8. Motions**

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## **8.1** By Councillor Day - RAAC in the Council Estate

“Recognises the swift response from Council officers to investigate the risks to the council estate and where appropriate initiate action.

Notes that the Council Leader has already written to the Scottish and UK Governments and to COSLA, for additional funding as the RAAC issue is likely to affect not just housing stock but schools, community centres and other buildings across the Council estate and our ALEOs.

Further notes the use of RAAC in local authority buildings across the whole UK.

Instructs a report back to the Finance and Resources Committee in 2 cycles on the timescale for any remedial work, and in the interim to provide any updates in the Business Bulletin and/or Member’s Briefing where appropriate.”

## **8.2** By Councillor Campbell - Labour Campaign Event

- “1) Council notes an electoral campaign event for the Edinburgh East and Edinburgh North and Leith Labour election campaigns took place in City Chambers on September 7<sup>th</sup> 2023.
- 2) Council notes the use of Council facilities in this way is likely to be contrary to the Councillors’ Code of Conduct as set out by the Chief Executive on September 11<sup>th</sup> 2023 in writing stating that Councillors should not use Council resources “for any party political or campaigning activities or matters relating to these”. Further notes this could be a potential breach of the Local Government Act 1986.
- 3) Further recognises this also could constitute an impermissible donation to the respective campaigns of the candidates present under the Political Parties, Elections and Referendums Act 2000.
- 4) Council agrees this brings the council into disrepute and therefore requests that the Chief Executive refers all councillors present to the Commissioner for Ethical

Standards on behalf of the Council in order for this to be investigated fully.

- 5) Council further agrees the Chief Executive refer all evidence held by the Council (including diary records and emails) to the Commissioner for Ethical Standards.
- 6) The Chief Executive should also refer evidence to the Electoral Commission and the Police in order that they may investigate further, as appropriate, whether electoral law has been breached in relation to the two parliamentary campaigns.”

### 8.3 By Councillor Davidson - Edinburgh Safe Consumption Room

“Council,

Recognises the critical importance of addressing the ongoing public health crisis of drug deaths in light of recent figures showing increased deaths in Edinburgh. At the same time, Scotland overall had seen a decrease in fatalities.

Welcomes the recent advice published by the Lord Advocate regarding the legal status of Safe Consumption Rooms, wherein she stated she ‘would be prepared to publish a prosecution policy that it would not be in the public interest to prosecute drug users for simple possession offences committed within a pilot safer drugs consumption facility.’

Notes the guarantee given by the Secretary of State for Scotland, Alister Jack, who stated ‘if the Scottish Government and the Lord Advocate decide to proceed with a pilot and on DCRs, drugs consumption rooms, the UK Government will not intervene.’

Therefore, this council:

- 1) Reaffirms its commitment in June 2022 to support the principle of a safe consumption room for Edinburgh.
- 2) Commits to support rapid action on the feasibility study that is due to the next Policy and Sustainability Committee
- 3) Commits to working with the Alcohol and Drugs Partnership and IJB to ensure that any such facility has a sound financial footing.

- 4) Requests the council leader to write to the Scottish Government requesting their support for an Edinburgh Safe Consumption Room,”

**8.4** By Councillor Davidson - Sexual Health Services in Edinburgh  
“Council

**Notes:**

- 1) In response to Question 25 at the meeting of the Council on 31 August 2023 it was confirmed that only 11-13% of online requests for sexual health testing kits were met by Lothian Sexual & Reproductive Health Services (LSRHS).
- 2) LSRHS have resumed face to face testing for those without symptoms in response to these concerning figures.
- 3) That the online ordering was part of a national pilot which ended in August.

**Agrees**

- 4) Access to sexual health testing should be available and accessible to everyone that wants it within a short period of time.
- 5) That ideally online ordering of tests will continue but this option should only be pursued if it is properly resourced and available.

**Requests:**

- 6) That in light of the review following the end of the national pilot a briefing note should be provided to council IJB representatives and members of policy and sustainability within the next three months on the availability of tests and appointments within Lothian Sexual & Reproductive Health Services (LSRHS).”

**8.5** By Councillor McKenzie - Retail, Trades and Business Parking Permits - Places of Worship

“Council -

Notes:

- 1) The vital role that places of worship play in our communities, not just for their own members, but frequently in the provision of space and support for the wider community.
- 2) The challenges experienced by places of worship in the face of ongoing reductions in regular attendance, and the consequent requirement for those who manage places of worship to travel between multiple venues as part of their working day.
- 3) That the Strategic Parking Review is introducing Controlled Parking Zones into areas of the city where places of worship are among the only community spaces available.
- 4) The Retail, Trades and Business Parking Permits policy excludes places of worship from access to parking permits.
- 5) This means, for example, that Tobacconists, Letting Agents and Clairvoyants qualify for parking permits, but Church Ministers do not.

Agrees:

- 6) That a report be presented to the Transport and Environment Committee on 16th November 2023 on amending the Retail, Trades and Business Parking Permits policy for all Peripheral and Extended Zones to include places of worship.”

## **8.6** By Councillor McKenzie - Early Years

“Council –

Notes:

- 1) The Business Bulletin presented to the Education, Children and Families Committee on 5<sup>th</sup> September 2023 contains an item titled ‘Early Years Change Programme’ which states, in full:

*“In order to achieve best value and the highest quality of*

*service delivery, the model for provision of early learning and childcare is due to be submitted to the council's change programme to be included as one of the key portfolios for change."*

- 2) The 'Revenue Monitoring 2023/24 – month three report', presented to the same committee meeting states:  
*"A further reduction of £6.0m in ringfenced Scottish Government funding for Early Years following the transition to a fully needs-based allocation methodology has contributed to in-year pressure of £3.5m".*
- 3) That no further details of either the proposed changes to delivery of early learning and childcare, or the reduction in funding to Early Years have been provided to Committee.

Agrees:

- 4) That the development of the changes to the delivery of early learning and childcare alongside substantial cuts to the budget of the service requires close scrutiny from elected members.
- 5) That a report will be presented to the Education, Children and Families Committee of 7<sup>th</sup> November 2023 which will include:
  - a) Details of changes to the model for provision of early learning and childcare being submitted to the Council's 'change programme', along with an outline of the engagement that led to the proposals and a schedule for the process of assessing the potential impacts of these changes.
  - b) Further information on the reduction in ringfenced Scottish Government funding for Early Years, including details of when and how this reduction was communicated to the Council, and an outline of the specific steps being proposed to bridge the resulting funding gap.
  - c) Further information on changes to the allocation of discretionary early years places, including on how the decision was made to change the allocation process and how the impacts of the change are



being assessed.”

**8.7** By Councillor Day - Tram Inquiry

“Council:

Notes Lord Hardie has published his Tram Inquiry findings.

Notes its extensive nature, cost and lengthy timescale.

Requests a report on these findings and implications to the November Transport and Environment Committee, then to the December Full Council meeting as a matter of urgency.”

**8.8** By Councillor Macinnes - Devolution of Workers Rights

“Council welcomes the Unite motion at the recent Trades Union Congress which supported the devolution of employment law to the Scottish Parliament.

Council notes the TUC General Council has agreed to campaign for devolution of employment law as well as repealing all Tory anti-trade union laws including the Strikes Bill and the Trade Union Act 2016.

Council further notes comments of the STUC General Secretary, Roz Foyer: 'It's clear, especially to any incoming UK Labour government, that the voices of workers across the country now support the Scottish Parliament having full autonomy over labour and employment rights.'

Therefore, requests that the Council Leader writes to the leaders of all parties at Holyrood and the four main parties in Westminster expressing Edinburgh council's support for the STUC position, explicitly supporting the devolution of employment law to the Scottish Parliament. This would allow the Scottish Government to make further progress, in collaboration with the trade unions, in overcoming the current lack of current powers in these areas.”

**8.9** By Councillor Mowat - Digital Connectivity Old Town

“Council notes that certain areas of the Old Town do not have

access to fibre broadband from any provider (Openreach, City Fibre, Virgin Media and Hyperoptic) and are left to rely on single digit standard broadband that requires a phone line and is below the USO\*:

(\*"Universal Service Obligation: A Universal Service Obligation for broadband was launched in 2020. Regulated by Ofcom, everyone in the UK has a legal right to request a broadband connection of at least 10Mbps.")

That We Link was providing broadband services until they withdrew in August 2023 leaving large areas to rely on single digit broadband and inadequate mobile data coverage which struggles to provide a service when the Old Town is busy;

That reliable and affordable broadband or fibre is a necessary utility for residents and businesses who struggle to serve customers during busy peaks and that there was very poor data coverage during the Festival which impacts negatively on residents, businesses and visitors despite data boosters being put in place;

Requests a report in two cycles to GRBV on:

- 1) the withdrawal of We Link;
- 2) information on provision of broadband/fibre given UK and Scottish Government commitments to provide full fibre coverage and the governance on delivering this; and
- 3) Information on whether there is a role for the Council to work with fibre and broadband providers and telecoms companies to improve coverage."

#### **8.10** By Councillor Jones - More Public Toilets for Portobello

"Council

Notes that Portobello is one of the most popular destinations for the city of Edinburgh residents and for tourists and attracts large numbers of visitors each year, especially in the summer months. In very good weather the beach and the Promenade are extremely crowded, and it is estimated that on any given day there could be many thousands of visitors.

Notes that there are only two sets of public toilets, one in Bath Street, which is not on the Promenade and visitors have to travel the full length of the street to access them. The other is at the far end of the Promenade past the Tower Amusements.

Notes that the public toilet facilities in Bath Street, which are in need of upgrading, fall far short of the facilities required to cope with such large numbers of visitors.

Notes that owners of cafes and restaurants on the Promenade are usually full to capacity during the summer months and that for visitors to ask to use their facilities puts an impossible strain on these businesses.

Notes that businesses have refused entry to visitors who are not customers, and this has sometimes resulted in anti-social behaviour and some members of the public urinating in public spaces.

Council, therefore, requests that a report be submitted in one cycle to examine the feasibility and cost of building new public toilets and shower facilities in a location which is situated in a central position on the Promenade and close to the beach.”

#### **8.11 By Councillor Munro - Pancreatic Cancer Awareness Month**

“Council Notes that November is Pancreatic Cancer Awareness Month.

Pancreatic cancer is often discovered at an advanced stage, making it one of the deadliest cancers. While survival rates have improved enormously for most cancers. Sadly, for pancreatic cancer, this is not the case. Currently, more than half of people diagnosed with pancreatic cancer die within three months.

Council notes that Pancreatic cancer can be difficult to diagnose because it doesn't usually cause many specific [symptoms](#) in the early stages, and symptoms can be quite vague.

Council agrees there is a need to improve survival rates of pancreatic cancer by ensuring more people are diagnosed early and that everyone has access to effective treatments, support, information, and care.

Council further agrees to highlight Pancreatic Cancer Awareness Month throughout our public buildings through signage, leaflets, and information. The aim being to improve survival rates from pancreatic cancer by ensuring more people are diagnosed early and that everyone has access to effective treatments, support, information, and care.“

**8.12** By Councillor Arthur - City Chambers Quadrangle Operations

“Council:

Notes and welcomes the increased use of the City Chambers Quadrangle for public events, not least weddings.

Agrees, however, that this adds to the risk of injury due to the number of drivers entering the Quadrangle.

Reminds Councillors & Staff that City Chambers car parking is for essential users only, and that taxis should normally be called to the High Street unless the user has a mobility problem.

Notes that the City Chambers bike racks are often full and do not accommodate non-standard bikes.

Notes the lack of changing facilities in the City Chambers.

Agrees that options to improve pedestrian safety & cycling parking at the City Chambers, and the surrounding area, including appropriate facilities, should be reported to the Finance and Revenue Committee by March 2024

Agrees that any options should not result in the loss of pedestrian space and must respect the civic use of the City Chambers and heritage value of the area.”

**8.13** By Councillor Faccenda - Edinburgh School Uniform Bank

“Council notes and congratulates the invaluable work being carried out by the Edinburgh School uniform Bank which was established in 2015 as the Edinburgh Back to School Bank.

Council recognises the essential role the Edinburgh School Uniform Bank serves in ensuring that all Edinburgh school pupils have access to new and good as new school clothes and the

uniform packs they provide help give children the dignity to attend school without being self-conscious and that this makes an enormous difference to their inclusion in school life and that in providing this help the ESUB are collecting essential data on families in Edinburgh and the impact of the cost of living crisis.

Council recognises that although some families qualify for the School Clothing Grant the application process is complicated and some families remain unaware of its existence and of their eligibility to both this and holiday payments and that many families are failing to qualify for School Clothing Grants by as little as £20 and that although we welcome the provision of free school meals for all P1-5 and would like to see this extended to all school children, there are some families who do not realise they still have to apply so they will receive their clothing grant and holiday payments.

Council requests that a report should be brought to Education, Children and Families Committee in two cycles detailing:

- How many families in P1-5 are eligible but are not receiving their clothing grant and/or holiday payments
- How earlier opening of the application process can help families get everything ready for the new school term
- How we can ensure families with NRPF are aware of the ESUB and that they can use its services.
- How the application for the School clothing Grant can be simplified and made more accessible including running sessions in schools prior to the end of term.
- Where schools already have uniform banks and how those can work in partnership with ESUB and have access to more stock.”

**8.14** By Councillor O'Neill - Gaelic Medium Education Secondary School - Potential Use of Police Scotland Site

“Council:

- 1) notes that in a report to Education, Children and Families Committee on 20 September 2022, the potential to use the

Police Scotland headquarters at Fettes for a possible future Gaelic Medium Education (GME) high school was ruled out, on the basis that Police Scotland were still using the site;

- 2) notes comments by James Gray, Police Scotland's Chief Financial Officer, in evidence to the Scottish Parliament's Criminal Justice Committee on 13 September 2023 stating that reinforced autoclaved aerated concrete (RAAC) had been found in the Police Headquarters building at Fettes, and that Police Scotland were therefore looking to start a consultation on "exiting" Fettes;
- 3) believes that, while it is likely Police Scotland will be expecting a capital receipt for the site, nonetheless the potential for assistance from the Scottish Government in exploring the feasibility of transferring part of the Police Scotland HQ to the council to be used as a future GME secondary should be further explored;
- 4) therefore agrees that the council leader will write to the Cabinet Secretary for Education and the Chief Constable of Police Scotland seeking an urgent discussion on the feasibility of using part of the Fettes site for a future GME High School for the capital."

## 9. Congratulatory Motions

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### 9.1 By Councillor Cowdy - Josh Kerr

"Council notes:

Britain's Josh Kerr produced a stunning run to take 1,500m gold at the World Championships in Budapest.

Council further notes Josh's early membership of Edinburgh Athletics Club and his proven commitment to promoting athletics in the city through recent visits supporting various local clubs.

In what was an incredible race that replicated the success of another Edinburgh runner at last year's World Championships in Oregon, the 25-year-old produced a brilliant final burst to pass Olympic champion Jakob Ingebrigtsen and clinch the title in 3

minutes 29.38 seconds.

He is now the second Edinburgh man to win the world 1,500m title for Great Britain in as many years and comes on the back of his bronze medal in the Tokyo Olympics in 2021.

Council acknowledges the incredible athletic performance of yet another Edinburgh runner and asks that the Lord Provost celebrates this world champion in an appropriate manner.”

## **9.2** By Councillor Arthur - Scotland's Best Bus Drivers

“Notes that Gary Black (Lothian Buses) and Thomas Gilhooley (East Coast Buses) finished second and third respectively out of 119 entries at the 55th National Final of the UK Bus Driver of the Year Competition which took place in Blackpool on Sunday 3 September.

Notes that Gary also won prizes for Best Driver from a Scottish Depot and Best Placed Finisher by an Association of Local Bus Company Managers Member.

Notes that this follows Lothian bus driver, Adam Stitt, winning the UK Bus Driver of the Year at the 53rd National Final in 2019.

Congratulates Gary & Thomas for the skill and commitment they have shown to be ranked so highly in such a fiercely contested competition which fundamentally focuses on running a safe and accessible bus service and commends Lothian Buses for running their award winning fleet.

Asks that the Lord Provost finds an appropriate way to congratulate Gary & Thomas for being recognised as Scotland's best bus drivers.”

## **9.3** By Councillor Lezley Marion Cameron - International Day of the Girl

“Council:

Notes the 11th anniversary of the United Nations International Day of the Girl takes place on 11th October 2023;

Agrees that achieving gender equality and the empowerment of

women and girls is integral to each of the 17 UN Sustainable Development Goals; and only by securing the rights of women and girls across all goals can justice and inclusion, economies which work for all, and the sustaining of our shared environment now and for future generations be achieved.

Supports efforts which highlight and address issues affecting girls such as gender inequality, education, nutrition, and medical care; and the provision of more opportunities for girls to have their voices heard locally, nationally and on the global stage.

Recognises that given the skills and opportunities, girls can drive progress to make communities stronger for everyone, including women, boys, and men.

Commends the work of organisations like SHE Scotland which support girls and young women to become more empowered, supported, aspirational and improve their life chances.

Asks that awareness of the UN International Day of the Girl be promoted and raised through Council channels.”

#### **9.4** By Councillor Munro - Opening of the Eric Liddell Gym

“That Edinburgh City Council congratulates the opening of The Eric Liddell Gym at the University of Edinburgh Pleasance Sports Complex named in honour of Eric Liddell, Paris 1924 Olympic gold medallist and University of Edinburgh alumnus.

Notes the refurbishment coincides with the beginning of a new awareness drive launched by The Eric Liddell Community – a group set up to celebrate the athlete. Called Eric Liddell 100 – and timed to coincide with the 100th anniversary of his medal winning run in Paris – the campaign brings together a programme of events and activities to recognise and celebrate his life and achievements.

Track athlete Liddell, whose life was celebrated in the film *Chariots of Fire*, set a British sprint record in 1923 that stood for 35 years. A sporting all-rounder, he also played rugby for Scotland.

He became a missionary in China in 1925, following his Olympic



success.

The new gym was opened by Liddell's niece, Sue Caton.”

## 10. Questions

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| <b>10.1</b> | By Councillor Ross - Parking Attendants and Parking Regulations – for answer by the Convener of the Transport and Environment Committee                                   | 559 - 560 |
| <b>10.2</b> | By Councillor Ross - 20MPH Speed Limit Implementation – for answer by the Convener of the Transport and Environment Committee   | 561 - 562 |
| <b>10.3</b> | By Councillor Lang - Improve Bus Services in Edinburgh – for answer by the Convener of the Transport and Environment Committee  | 563 - 564 |
| <b>10.4</b> | By Councillor Young - Play Parks for answer by the Convener of the Culture and Communities Committee  | 565 - 566 |
| <b>10.5</b> | By Councillor Beal - Corstorphine Connections Data – for answer by the Convener of the Transport and Environment Committee  | 567 - 568 |
| <b>10.6</b> | By Councillor Dijkstra-Downie - Repeat Surface Treatment Following Use of Defective Micro-asphalt – for answer by the Convener of the Transport and Environment Committee | 569 - 570 |
| <b>10.7</b> | By Councillor Dijkstra-Downie -School Crossing Patrol Vacancies – for answer by the Convener of the Transport and Environment Committee                                   | 571 - 572 |

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| <b>10.8</b>  | By Councillor Kumar - Additional Support Needs – for answer by the Convener of the Education, Children and Families Committee                     | 573 - 574 |
| <b>10.9</b>  | By Councillor Kumar - Connected Edinburgh Grants Programme – for answer by the Convener of the Education, Children and Families Committee         | 575 - 576 |
| <b>10.10</b> | By Councillor Campbell - Edinburgh Leisure Real Living Wage – for answer by the Leader of the Council   | 577 - 578 |
| <b>10.11</b> | By Councillor Aston - Empty Council Houses North East Edinburgh – for answer by the Convener of the Housing, Homelessness and Fair Work Committee | 579 - 580 |
| <b>10.12</b> | By Councillor Aston - Hovercraft Service between Leith and Kirkcaldy – for answer by the Convener of the Transport and Environment Committee      | 581 - 582 |
| <b>10.13</b> | By Councillor McFarlane - Labour Campaign Event – for answer by the Convener of the Culture and Communities Committee                             | 583 - 584 |
| <b>10.14</b> | By Councillor McNeese-Mechan - Labour Campaign Event – for answer by the Depute Convener  | 585 - 586 |
| <b>10.15</b> | By Councillor Kumar - Labour Campaign Event – for answer by the Convener of the Education, Children and Families Committee                        | 587 - 588 |
| <b>10.16</b> | By Councillor Nicolson - Labour Campaign Event – for answer by the Vice Chair of the Edinburgh Integration Joint Board                            | 589 - 590 |

<b>10.17</b>	By Councillor Macinnes - Labour Campaign Event – for answer by the Convener of the Finance and Resources Committee	591 - 592
<b>10.18</b>	By Councillor Key - Labour Campaign Event – for answer by the Convener of the Housing, Homelessness and Fair Work Committee	593 - 594
<b>10.19</b>	By Councillor Aston - Labour Campaign Event – for answer by the Convener of the Planning Committee	595 - 596
<b>10.20</b>	By Councillor Aston - Labour Campaign Event – for answer by the Convener of the Transport and Environment Committee	597 - 598
<b>10.21</b>	By Councillor Dobbin - Labour Campaign Event – for answer by the Leader of the Council	599 - 600
<b>10.22</b>	By Councillor Aston - Marionville Road Speed Reduction Measures – for answer by the Convener of the Transport and Environment Committee	601 - 602
<b>10.23</b>	By Councillor Campbell - School Equipment – for answer by the Convener of the Education, Children and Families Committee	603 - 604
<b>10.24</b>	By Councillor Dobbin - Taiwan Costs – for answer by the Leader of the Council	605 - 606
<b>10.25</b>	By Councillor Rust - Road Safety Team – for answer by the Convener of the Transport and Environment Committee	607 - 608

<b>10.26</b>	By Councillor Bruce - Ratho Bus Subsidies – for answer by the Convener of the Transport and Environment Committee	609 - 610
<b>10.27</b>	By Councillor Mitchell - Zone 5 (344) – for answer by the Convener of the Transport and Environment Committee	611 - 612
<b>10.28</b>	By Councillor Mumford - Connected Community Grants Fund – for answer by the Convener of the Education, Children and Families Committee	613 - 614
<b>10.29</b>	By Councillor O'Neill - Gender Split – for answer by the Convener of the Policy and Sustainability Committee	615 - 616

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

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**11.1** The Sub-Committee, is requested under Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting for the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Paragraph 6 of Part 1 of Schedule 7A of the Act.

## **12. Private Reports**

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<b>12.1</b>	Connected Communities Edinburgh 2024-27 Grants Programme - referral from the Education, Children and Families Committee	617 - 646
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### **Nick Smith**

Service Director, Legal and Assurance

## **Information about the City of Edinburgh Council**

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The City of Edinburgh Council consists of 63 Councillors and is elected under proportional representation. The City of Edinburgh Council usually meets once a month and the Lord Provost is the Convener when it meets.

The City of Edinburgh Council usually meets in the Council Chamber in the City Chambers on the High Street in Edinburgh. There is a seated public gallery and the Council 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 Gavin King, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4239, email [gavin.king@edinburgh.gov.uk](mailto:gavin.king@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/>.

## **Webcasting of Council meetings**

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Any information presented by individuals to the Council at a meeting, in a deputation or otherwise, in addition to forming part of a webcast that will be held as a historical record, will also be held and used by the Council in connection with the relevant matter until that matter is decided or otherwise resolved (including any potential appeals and

other connected processes). Thereafter, that information will continue to be held as part of the historical record in accordance with the paragraphs above.

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

# Minutes

## The City of Edinburgh Council

Edinburgh, Thursday 31 August 2023

Present:

### LORD PROVOST

The Right Honourable Robert Aldridge

### COUNCILLORS

Scott Arthur  
Danny Aston  
Jule Bandel  
Alan C Beal  
Fiona Bennett  
Marco Biagi  
Chas Booth  
Graeme Bruce  
Steve Burgess  
Jack Caldwell  
Lezley Marion Cameron  
Kate Campbell  
Christopher Cowdy  
James Dalgleish  
Euan R Davidson  
Cammy Day  
Sanne Dijkstra-Downie  
Denis Dixon  
Stuart Dobbin  
Phil Doggart  
Katrina Faccenda  
Pauline Flannery  
Catherine Fullerton  
Neil Gardiner  
Fiona Glasgow  
Margaret A Graham  
Joan Griffiths  
Dan Heap  
Euan Hyslop  
Stephen P Jenkinson  
Tim Jones

David Key  
Simita Kumar  
Kevin Lang  
Lesley Macinnes  
Martha Mattos Coelho  
Finlay McFarlane  
Ross McKenzie  
Amy McNeese-Mechan  
Jane E Meagher  
Claire Miller  
Max Mitchell  
Jo Mowat  
Alys Mumford  
Marie-Clair Munro  
Vicky Nicolson  
Adam Nols-McVey  
Hal Osler  
Ben Parker  
Tim Pogson  
Susan Rae  
Neil J Ross  
Jason Rust  
Alex Staniforth  
Edward J Thornley  
Val Walker  
Mandy H Watt  
Iain Whyte  
Norman J Work  
Louise Young  
Lewis J Younie

## 1 Emergency Motion by Councillor Cowdy – Josh Kerr

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The Lord Provost ruled that the emergency motion submitted by Councillor Cowdy in terms of Standing Order 17 not be considered as a matter of urgency and submitted to the next meeting of the Council for consideration.

## 2 Point of Order – Standing Order 22.15 (40 Minute Rule)

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### Motion

To suspend Standing Order 22.15 (40 minute rule) during consideration of Item 7.1 on the Agenda (Religious Representatives – Voting Rights).

- moved by Councillor Whyte, seconded by Councillor Rust

### Amendment

To not suspend Standing Order 22.15 (40 minute rule) during consideration of Item 7.1 on the Agenda (Religious Representatives – Voting Rights).

- moved by Councillor Lang, seconded by Councillor Nols-McVey

### Voting

The voting was as follows:

For the motion (to suspend Standing order 22.15)	-	13 votes
For the amendment (not to suspend Standing Order 22.15)	-	48 votes
Abstentions	-	1

(For the motion (to suspend Standing order 22.15): Councillors Arthur, Bruce, Lezley Marion Cameron, Cowdy, Doggart, Graham, Jenkinson, Jones, Mitchell, Mowat, Munro, Rust and Whyte.

For the amendment (not to suspend Standing Order 22.15): Lord Provost, Councillors Aston, Bandel, Beal, Bennett, Biagi, Booth, Burgess, Caldwell, Campbell, Dalglish, Davidson, Day, Dijkstra-Downie, Dixon, Dobbin, Flannery, Fullerton, Gardiner, Glasgow, Griffiths, Heap, Hyslop, ,Key, Kumar, Lang, Macinnes, Mattos Coelho, McKenzie, McFarlane, McNeese-Meechan, Meagher, Miller, Mumford, Nicolson, Nols-McVey, Osler, Parker, Pogson, Rae, Ross, Staniforth, Thornley, Walker, Watt, Work, Young and Younie.

Abstentions: Councillor Faccenda.)



## Decision

To approve the amendment not to suspend Standing Order 22.15 and that the 40 minute rule would apply.

### 3 Deputations

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**a) School Pupils for St Peter’s RC Primary School and St Thomas of Aquins RC High School  
(in relation to item 7.1 on the agenda – Religious Representatives – Voting Rights )**

The deputation disagreed with the proposal to remove the vote for religious representatives on the Education, Children and Families Committee and indicated that they felt privileged to be able to attend a school that had pupils from a wide range of faiths. They felt that there had been no reasonable explanation as to why the vote should be removed and that having the right to vote was crucial as it enabled individuals on the Committee to have a say in matters that could affect them.

The deputation stressed that denying the votes to religious representatives diminished the significance of the catholic community’s voice and it was therefore essential to ensure fair representation on the Council.

(see item 7 below)

**b) Church of Scotland  
(in relation to item 7.1 on the agenda – Religious Representatives – Voting Rights )**

The deputation indicated that faith communities in the city covered a wide range of people and communities who had had a long interest in, and involvement with, the education of young people which was something that they had cherished and appreciated. They felt that it was a privilege that was deeply valued as a sign that the contribution faith communities had made, were making and would make was not only respected and trusted, but also valued by the city.

The deputation stressed that their perception was that this was not a voting rights issue that was underlying here but the place of religious representation in its entirety across the church. They felt that to remove representation altogether. was likely to damage significantly the relationship and respect, which they believed was important on several ecumenical and interfaith fronts across the city.

(see item 7 below)

**c) The Archdiocese of St Andrews and Edinburgh  
(in relation to item 7.1 on the agenda – Religious Representatives –  
Voting Rights)**

The deputation indicated that church representatives had had the right to vote in Council until now and had remained a remarked and unremarkable for many years because it was an expression of democracy. They felt that our democracy had found various solutions in its search for participative government. and they believed that church representatives vote as an example of that, and it's a good one.

The deputation stressed the presence or voting of church representatives in Council had not given any motive for concern that they were aware of and that their schools had been entrusted to the Council for the benefit of a portion of the community. They felt that it was only right and just that they retained not a veto, not a special voice, not special treatment, but simply an active voice in Council over the governance of part of their heritage that was presently in the care of the Council.

(see item 7 below)

**d) Edinburgh Interfaith Association  
(in relation to item 7.1 on the agenda – Religious Representatives –  
Voting Rights)**

The deputation were very concerned at the plan to take away the voting rights of faith community representatives on the 'Education, Children and Families Committee and were concerned to promote respect and understanding for the different faith groups and their contributions to Edinburgh. They indicated that no faith representative would want to be on the committee unless they were a full member with voting rights.

The deputation stressed that faith communities all made a significant contribution to the city including through charitable work and felt that through this latest proposal there was an attempt to devalue the importance, value and significance of the faith communities and to take some of their rights away.

(see item 7 below)

**e) Edinburgh Sikh Community  
(in relation to item 7.1 on the agenda – Religious Representatives –  
Voting Rights )**

The deputation were concerned about the possibility that the religious voting rights from the Education Board in Edinburgh may be removed. They

indicated that across Edinburgh many families, including many families from the Sikh community chose to send their children to faith schools as they believed their children would benefit from the moral values taught in faith schools as they were similar to their own beliefs and faith.

They felt that to deprive Faith Representatives of voting rights on the 'Education, Children and Families Committee' where they sat on behalf of parents, children and young people, cast into serious doubt the commitment of some of the elected representatives to the future of faith schools in Edinburgh and urged the Council to support the request that these voting rights be retained.

(see item 7 below)

**f) Muslim Community  
(in relation to item 7.1 on the agenda – Religious Representatives – Voting Rights )**

The deputation urged the Council for the preservation of what they felt was a cornerstone of the democratic process as they served as the conduit through which a tapestry of diverse voices, including those rooted in religious beliefs, collectively contributed to shaping the educational landscape of the city.

They indicated that they championed values of respect, inclusivity, and understanding and acknowledged that approximately half of Scotland's population shared this recognition of religion's pivotal role in their lives—an intricate source of ethical guidance, moral compass, and an essential framework for navigating the intricacies of existence. This commitment to their beliefs existed harmoniously alongside their active participation in secular society and relentless pursuit of prosperity.

The deputation urged the Council to thoughtfully weigh the potential consequences of a decision that might inadvertently marginalise the voices of faith communities and retain the role of faith representatives as advocates for parents, children, and young individuals, thereby contributing to a comprehensive and enriching educational experience.

(see item 7 below)

**g) Scottish Hindu Foundation  
(in relation to item 7.1 on the agenda – Religious Representatives – Voting Rights )**

The deputation expressed concern at the proposal to deprive faith representatives of voting rights on the Education, Children and Families Committee. They indicated that the Hindu community valued education

deeply and placed great importance on nurturing the spiritual and cultural aspects of our children's development and that the participation of faith representatives in committee decisions was essential for safeguarding the rights and interests of parents, children, and young people who were part of faith-based schools.

The deputation urged the Council to retain the voting rights for religious representatives on the Education, Children and Families Committee.

(see item 7 below)

**h) The Archdiocese of St Andrews and Edinburgh – Church Representative (in relation to item 7.1 on the agenda – Religious Representatives – Voting Rights)**

The deputation indicated that, as the church representative for the Diocese of St Andrews and Edinburgh, the role was to ensure that the faith community had a say in decisions which affected their schools, and removing the right to vote meant this could not be done effectively.

The deputation urged the Council to listen to their constituents who were speaking out loudly and clearly to retain the voting rights.

(see item 7 below)

**i) UNISON (in relation to Items 7.3 and 7.4 on the agenda –**

**Castlegreen and North Merchiston Care Homes Capital Works – Corporate Leadership Team Urgency Decision – Report by the Interim Chief Officer, Edinburgh Health and Social Care Partnership**

**Castlegreen and North Merchiston Care Homes – Transfer Update - referral from the Policy and Sustainability Committee )**

The deputation thanked the lead officer for the smooth transfer of staff and premises which had provided a more enlightened way of working, a workforce that would go above and beyond for their new employer. They indicated that this hands-on approach had not just given a new motivation to staff, but had revitalised residents and given their families confidence that their loved ones were now being better looked after which they felt had been a real achievement.

The deputation felt that, regardless of costs, investment in these properties would be a real boon for the city which could provide older people with a safe and comfortable environment to live in but also stressed that there was a

problem recruiting in this area. They urged the Council to ensure that their employees were properly and meaningfully supported during this difficult time.

(see items 9 and 10 below)

**j) Keep Edinburgh Childcare 4 All  
(in relation to item 8.1 on the agenda – Motion by Councillor Griffiths –  
Childcare 4 All)**

The deputation indicated that they had been advised at the beginning of the month that the funds that were enabling children to go to after-school care was being taken away. They had tried to challenge this decision as they knew how important this fund was and presented a petition to the Lord Provost.

The deputation asked the Council to respect the special children, with fairness and dignity, and respect that their help and support looked different to that of other children. They stressed that it wasn't something that they should have to fight for or should be grateful for. They urged the Council to listen to children and young people who were also their constituents and to families who were advocating for them and protect this vital service, not just for their children, but for the children that would follow them and really benefit from the support that was available.

(see item 16 below)

**k) Maryhill Integration Network  
(in relation to item 8.7 on the agenda – Motion by Councillor Mattos  
Coelho - Employment Support for Refugees)**

The deputation indicated that they had been campaigning for the Right to Work for people seeking asylum in our communities and had been a member of the Lift the Ban coalition since 2019. They recognised and understood the significance of providing the right to work for people seeking asylum which would allow people to become part of the community, use their skills, contribute to the economy and pay their taxes. They stressed that having the Right to Work would have a positive impact for people seeking asylum, for the community and for society.

(see item 22 below)

## 4 Minutes

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### Decision

To approve the minute of the Council of 22 June 2023 as a correct record.

## 5 Leader's Report

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The Leader presented his report to the Council. He commented on:

- Short Term Lets Legislation
- Edinburgh Festival - success
- Brunstane Primary School update
- Filmhouse Edinburgh Ltd
- Review Group – Slavery and Colonialism
- Ukraine Independence Day
- Congratulations – Councillor Nols-McVey

The following questions/comments were made:

Councillor Nols-McVey	-	Risk assessment of schools and displacement of pupils
Councillor Lang	-	Short Term Lets Licensing
Councillor Rae	-	Short Term Lets Licensing – Scottish Government
Councillor Whyte	-	Street cleanliness
Councillor McKenzie	-	Short Term Lets Licensing
Councillor Jenkinson	-	Fair Pay Award – Strikes in schools
Councillor Campbell	-	Pay Award
Councillor Ross	-	Short Term Lets Licensing - applications
Councillor Parker	-	Portraits of Charles Windsor to hang in public buildings - costs
Councillor Bruce	-	Noise levels at music events at Ingliston showground
Councillor Lezley Marion Cameron	-	Organ donation week

Councillor Dobbin	-	Housing crisis – affordable homes pipeline, council build programme and increase in void property numbers
Councillor Dijkstra-Downie	-	Low emissions zone in Glasgow – legal challenge – minimum standards
Councillor Bandel	-	Edinburgh Military Tattoo – fly past
Councillor Cowdy	-	City fibre project – suspension of fibre network rollout
Councillor Nicolson	-	Welfare Benefit advice - access
Councillor Davidson	-	International Overdose Prevention Day – overdose prevention centre
Councillor Mumford	-	Childcare 4 All – lack of communications
Councillor Aston	-	Freeport, Budget, Short Term Lets and Leadership
Councillor Faccenda	-	Chilean Community – extending solidarity for those involved
Councillor Gardiner	-	DM Sub – financial costs of running recent planning hearing
Councillor McFarlane		Taking festivals into schools - continued funding

## 6 Appointment to Committees etc

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### Decision

- 1) To appoint Councillor Kumar to the Committee on Pupil Student Support in place of Councillor Key.
- 2) To appoint Councillor Glasgow to the Consultative Committee with Parents in place of Councillor Key.
- 3) To appoint Councillor Hyslop to the Gaelic Implementation Steering Group in place of Councillor Key.

## 7 Religious Representative – Voting Rights

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Details were provided on the outcome of discussions which had taken place with the faith community and other stakeholders which had resulted in an Integrated Impact Assessment being carried out on the removal of voting rights for religious representatives.

The Council had heard several deputations on this issue (see items 3(a) – 3 (h) above).

### **Motion**

Council notes the report from the Education, Children and Families Committee.

Council agrees that no decision on changing the status of religious representatives on the Education Committee should be made until such time as the Scottish Government either issues clear guidance to local authorities or makes any changes to education legislation.

Council agrees to reconsider this issue when the Scottish Government clarifies its position.

- moved by Councillor Griffiths, seconded by Councillor Jenkinson

### **Amendment 1**

- 1) To note the integrated impact assessment.
- 2) welcomes the contribution made by religious representatives to relevant discussion on the Education, Children and Families Committee, as it does for parent representatives.
- 3) notes that the review of committee decisions over 2021-2023 showed only three instances of religious representatives voting on motions, none of which related to religious matters in education.
- 4) believes that those deciding on council policy should be elected by the public to ensure democratic accountability and representation, and that this extends to decisions taken by the Education, Children and Families Committee.
- 5) agrees that voting rights be solely reserved to elected councillors serving on the Education, Children and Families Committee.
- 6) therefore agrees to amend the Committee Terms of Reference and Delegated Functions by adding in Part B at the end of 3.1.6 the words “(non-voting)”.



- 7) agrees that officers should review the ways religious representatives can engage with officers and elected members in advance of committee meetings in order to facilitate greater discussion on priority educational issues, and agrees that the outcome of this review should be reported back to the committee.

- moved by Councillor Lang, seconded by Councillor Kumar

### **Amendment 2**

Council;

- 1) Notes the consultation and impact assessment report on religious representative voting rights;
- 2) Believes that those who take decisions over council Education services should be those who have been elected by the voters of Edinburgh and who are directly accountable to those voters;
- 3) Notes from the integrated impact assessment that whilst there have been no issues of religious education before the Education, Children & Families committee in recent times, religious representatives have voted several times on non-religious matters;
- 4) Notes that religious representatives would continue to have places on the Education committee and be able to take an active part in discussion and decision making – something not open to other education stakeholder groups;
- 5) Therefore, agrees that in future voting on matters before the Education, Children and Families committee should be carried out by elected members only and requests that committee services actions this change in council standing orders.

- moved by Councillor Burgess, seconded by Councillor Rae

### **Amendment 3**

Council notes the Report by the Executive Director of Children, Education and Justice Services and accompanying Equality Impact Assessment and agrees to maintain the current position which is to retain the Voting Rights for Religious Representatives.

- moved by Councillor Jones, seconded by Councillor Munro

At this point in the proceedings, Amendment 2 was withdrawn.

## **Voting**

The voting was as follows:

For the Motion	-	12 votes
For Amendment 1	-	40 votes
For Amendment 3	-	9 votes

(For the Motion: Councillors Arthur, Lezley Marion Cameron, Dalgleish, Day, Faccenda, Graham, Griffiths, Jenkinson, Meagher, Pogson, Walker and Watt.

For Amendment 1: Lord Provost, Councillors Aston, Bandel, Beal, Biagi, Bennett, Booth, Burgess, Caldwell, Campbell, Davidson, Dijkstra-Downie, Dixon, Dobbin, Flannery, Fullerton, Gardiner, Glasgow, Heap, Hyslop, Key, Kumar, Lang, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Meechan, McVey, Miller, Mumford, Nicolson, Osler, Parker, Rae, Ross, Staniforth, Thornley, Work, and Younie.

For Amendment 3: Councillors Bruce, Cowdy, Doggart, Jones, Mitchell, Mowat, Munro, Rust and Whyte.)

## **Decision**

To approve Amendment 1 by Councillor Lang.

(References – Act of Council No 4 of 2 May 2019; Act of Council No 7 of 30 May 2019; Act of Council No 1 of 22 August 2019; report by the Executive Director of Children, Education and Justice Services, submitted)

## **Declaration of Interests**

The Lord Provost made a transparency statement as a Trustee of the Edinburgh Interfaith Association.

Councillor Beal made a transparency statement as a member of the Church of serving on a voluntary work team with one of the existing religious representatives.

Councillor Lezley Marion Cameron and Graham made transparency statements as members of the Church of Scotland.

Councillors McFarlane and Munro made transparency statements as members of the Archdiocese of St Andrews and Edinburgh.

Councillor Ross made a transparency statement as a member and elder of the Church of Scotland.

Councillor Jones made a transparency statement as a members of the Scottish Episcopalian Church

Councillor Young declared a financial interest as a celebrant of the Humanist Society of Scotland and left the meeting during consideration of the above item.

## 8 Rolling Actions Log – May 2015 – June 2023

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### Decision

- 1) To agree to close the following actions:
  - **Action 1(b)** – Added Members and Voting Rights on the Education, Children and Families Committee – Legal Opinion
  - **Action 2** - Added Members and Voting Rights on the Education, Children and Families Committee
  - **Action 4** - Champion Roles - Motion by Councillor Fullerton
  - **Action 6** - Motion by Councillor Nicolson – Self-Directed Support
  - **Action 7** - Appointment to Working Groups
  - **Action 8** - Decision Making Framework 2023
  - **Action 9** - Drumbrae Care Home
  - **Action 10** - Drug and Alcohol Recovery Services in Niddrie and Craigmillar - Motion by Councillor Campbell
  - **Action 11** – Drumbrae Care Home - Status Report
  - **Action 12** - Improving the Budget Process – Motion by Councillor Staniforth
  - **Action 13** - Charging for Visitor Access to St Giles' Cathedral
  - **Action 14** - Tourism Tax – Motion by Councillor Day
  - **Action 15** - Heathervale Care Home Service – Motion by Councillor Key
  - **Action 16** - Special Needs Swimming Sessions in Braidburn School Pool - Emergency Motion by Councillor Arthur
  - **Action 17(2)** – Scheme of Delegation

- **Action 20** - Consideration of Private Business – Motion by Councillor Lang
- **Action 21** - EDI Training – Motion by Councillor Kumar
- **Action 22** - Lifelong Learning Review – Motion by Councillor Campbell
- **Action 23** - Heathervale Children’s House
- **Action 24** - Family Swim Sessions in Braidburn Pool

2) To otherwise note the remaining outstanding actions.

(Reference: Rolling Actions Log – May 2015 – June 2023, submitted)

## 9 Castlegreen and North Merchiston Care Homes Capital Works – Corporate Leadership Team Urgency Decision

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Details were provided on a decision of the Corporate Leadership Team to progress capital works in Castlegreen and North Merchiston care homes under urgency.

The Council had heard a deputation from UNISON on this issue (see item 3(i) above).

### **Motion**

To note the urgency decision made by the Council corporate Leadership Team to progress urgent capital works at Castlegreen and North Merchiston care homes, which were transferred from Four Seasons Healthcare to the City of Edinburgh Council on 22 May 2023, and were being managed through the Edinburgh Health and Social Care Partnership.

- moved by Councillor Watt, seconded by Councillor Pogson

### **Amendment**

- 1) To note the urgency decision made by the Council corporate Leadership Team to progress urgent capital works at Castlegreen and North Merchiston care homes, which were transferred from Four Seasons Healthcare to the City of Edinburgh Council on 22 May 2023, and were being managed through the Edinburgh Health and Social Care Partnership.
- 2) Thanks employees at Castlegreen and North Merchiston care homes for their work and their commitment to residents, and reaffirms the terms agreed with them during the process to transfer both care homes into the Council.

- 3) Thanks officers for preparing and circulating a confidential briefing note to the Policy and Sustainability Committee members after questions were raised regarding visa sponsorship which could not be fully discussed in public session at the committee meeting on 22 August.
- 4) Notes that a number of issues regarding the Council's policy on visa sponsorship remain outstanding and asks that the upcoming report to Policy & Sustainability Committee include:
  - a) Detailed information on the number of Council employees by visa status, noting any gaps or uncertainty in our information.
  - b) Details of any current support and/or signposting provided to our employees regarding visas, and consideration of how support might be provided to any employee concerned about visa related issues.
  - c) Noting the challenging recruitment environment, in particular within the care sector, consideration of options and approaches towards international recruitment and visa sponsorship.
  - d) In relation to private sector providers commissioned by the Council, a summary of their visa sponsorship policies and any conditions or standards set by the Council regarding their support or treatment of employees with visas.

- moved by Councillor Miller, seconded by Councillor McKenzie

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 Watt:

- 1) To note the urgency decision made by the Council corporate Leadership Team to progress urgent capital works at Castlegreen and North Merchiston care homes, which were transferred from Four Seasons Healthcare to the City of Edinburgh Council on 22 May 2023, and were being managed through the Edinburgh Health and Social Care Partnership.
- 2) To thank employees at Castlegreen and North Merchiston care homes for their work and their commitment to residents, and reaffirm the terms agreed with them during the process to transfer both care homes into the Council.
- 3) To thank officers for preparing and circulating a confidential briefing note to the Policy and Sustainability Committee members after questions were raised

regarding visa sponsorship which could not be fully discussed in public session at the committee meeting on 22 August.

- 4) To note that a number of issues regarding the Council's policy on visa sponsorship remained outstanding and ask that the upcoming report to Policy and Sustainability Committee include:
  - a) Detailed information on the number of Council employees by visa status, noting any gaps or uncertainty in our information.
  - b) Details of any current support and/or signposting provided to our employees regarding visas, and consideration of how support might be provided to any employee concerned about visa related issues.
  - c) Noting the challenging recruitment environment, in particular within the care sector, consideration of options and approaches towards international recruitment and visa sponsorship.
  - d) In relation to private sector providers commissioned by the Council, a summary of their visa sponsorship policies and any conditions or standards set by the Council regarding their support or treatment of employees with visas.

(References: report by the Interim Chief Officer, Edinburgh Health and Social Care Partnership, submitted)

## **10 Castlegreen and North Merchiston Care Homes – Transfer Update - referral from the Policy and Sustainability Committee**

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The Policy and Sustainability Committee had referred a report on the on the current position with the Castlegreen and North Merchiston Care Homes which were transferred from Four Seasons Healthcare (FSHC) to the City of Edinburgh Council on the 22 May 2023, and managed by Edinburgh Health and Social Care Partnership, to the Council for decision.

The Council had heard a deputation from UNISON on this issue (see item 3(i) above).

### **Motion**

- 1) To note the report by the Interim Chief Officer, Edinburgh /health and Social Care Partnership and the latest position of the Castlegreen and North Merchiston Care Homes, which were transferred from Four Seasons Healthcare to the City of Edinburgh Council on 22 May 2023, and were being managed through the Edinburgh Health and Social Care Partnership.

- 2) To note the update associated with the request to highlight any challenges associated with the presumption of the care homes being maintained internally.
- 3) To note the progress made on pursuing funding associated with dilapidations, under and overpayment.

- moved by Councillor Watt, seconded by Councillor Pogson

### **Amendment**

- 1) To note the report by the Interim Chief Officer, Edinburgh /health and Social Care Partnership and the latest position of the Castlegreen and North Merchiston Care Homes, which were transferred from Four Seasons Healthcare to the City of Edinburgh Council on 22 May 2023, and were being managed through the Edinburgh Health and Social Care Partnership.
- 2) To note the update associated with the request to highlight any challenges associated with the presumption of the care homes being maintained internally.
- 3) To note the progress made on pursuing funding associated with dilapidations, under and overpayment and requests that the upcoming report to the Finance and Resources Committee will include a detailed explanation of the difference between the overpayment amount reported to members in previous reports and briefings versus £87k which has been agreed and paid to the Council.

- moved by Councillor Miller, seconded by Councillor Staniforth

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 Watt:

- 1) To note the report by the Interim Chief Officer, Edinburgh /health and Social Care Partnership and the latest position of the Castlegreen and North Merchiston Care Homes, which were transferred from Four Seasons Healthcare to the City of Edinburgh Council on 22 May 2023, and were being managed through the Edinburgh Health and Social Care Partnership.
- 2) To note the update associated with the request to highlight any challenges associated with the presumption of the care homes being maintained internally.

- 3) To note the progress made on pursuing funding associated with dilapidations, under and overpayment and requests that the upcoming report to the Finance and Resources Committee will include a detailed explanation of the difference between the overpayment amount reported to members in previous reports and briefings versus £87k which has been agreed and paid to the Council.

(References: Policy and Sustainability Committee of 22 August 2023 (item 12); referral from the Policy and Sustainability Committee, submitted.)

## **11 Response to Critical Risk Motion**

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In response to a motion by Councillor Mowat, details were provided on the City of Edinburgh Council's response to the critical risk categories (Workforce and Service Delivery) as reported to the Governance Risk and Best value Committee on 2 May 2023.

### **Motion**

To note the response to the motion on Critical Risks (16) raised at the meeting of Full Council on 1 June 2023.

- moved by Councillor Day, seconded by Councillor Pogson

### **Amendment 1**

- 1) To note the response to the motion on Critical Risks (16) raised at the meeting of Full Council on 1 June 2023.
- 2) Council thanks Officers for the Report and notes that the plan is focussed on a strategic response to recruitment challenges with references to the refreshed People and Workforce Strategic Workforce Plan for 2024 – 2029 and, whilst recognising this will form part of the solution, is concerned that any actions will only deliver over the long term.
- 3) Council recognises that a critical risk requires immediate actions to provide mitigation and risk reduction and asks officers to detail what work is ongoing to reduce the pressures on staff in the short term, this being the purpose of asking Councillors to exercise restraint in their questions and motions to officers.



- 4) Council agrees that, given there is little evidence of such restraint by Councillors to date, officers should prepare a report for the next Full council detailing how much officer time is taken in responding to questions from Councillors and how many additional reports have had to be prepared in response to motions.

- moved by Councillor Mowat, seconded by Councillor Doggart

### **Amendment 2**

- 1) To note the response to the motion on Critical Risks (16) raised at the meeting of Full Council on 1 June 2023.
- 2) Council thanks Officers for the Report and notes that the plan is focussed on a strategic response to recruitment challenges with references to the refreshed People and Workforce Strategic Workforce Plan for 2024 – 2029 and, whilst recognising this will form part of the solution, is concerned that any actions will only deliver over the long term.
- 3) Council recognises that a critical risk requires immediate actions to provide mitigation and risk reduction and asks officers to detail what work is ongoing to reduce the pressures on staff in the short term, and that details of how much officer time is taken responding to questions from Councillors be provided in the next risk report to the Governance, Risk and Best Value Committee.

- moved by Councillor Campbell, seconded by Councillor Nols-McVey

### **Decision**

To approve Amendment 2 by Councillor Campbell.

(References: Act of Council No 16 of 1 June 2023; report by the Executive Director of Corporate Services, submitted.)

## **12 The Edinburgh Award**

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Details were provided on the nomination criteria for the Edinburgh Award which had been reviewed by the Panel chaired by the Lord Provost and proposed the extension of the pool of potential awardees by including individuals who had 'a substantial association with Edinburgh'.

## **Motion**

To agree the amendment to the Edinburgh Award nomination criteria as set out in paragraph 4.5 in the report by the Executive Director of Corporate Services.

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

## **Amendment**

- 1) To agree the amendment to the Edinburgh Award nomination criteria as set out in paragraph 4.5 in the report by the Executive Director of Corporate Services.
- 2) Revises the membership of the award panel to be chaired by the Lord Provost and made up of the Leader of each political group on the Council, or their substitute, as well as the Chief Executive of the Chamber of Commerce and the Chief Executive of the Edinburgh Voluntary Organisation Council.
- 3) Notes the severe gender imbalance and overall diversity deficit of previous Edinburgh Award Winners and therefore adds criteria that:

“The Edinburgh Award Panel pay due consideration to the diversity of the present makeup Edinburgh Award Alumni as part of the criteria when considering future recipients, including but not limited to the gender of the previous year’s winner.”

- moved by Councillor McFarlane, seconded by Councillor Work

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

## **Voting**

The voting was as follows:

For the motion (as adjusted)	-	34 votes
For the amendment	-	27 votes
Abstentions	-	1

(For the Motion: Lord Provost, Councillors. Arthur, Beal, Bennett, Bruce, Caldwell, Lezley Marion Cameron, Cowdy, Dalgleish, Davidson, Day, Dijkstra-Downie, Duggart, Faccenda, Flannery, Graham, Griffiths, Jenkinson, Jones, Lang, Meagher, Mitchell, Mowat, Munro, Osler, Pogson, Ross, Rust, Thornley, Walker, Watt, Whyte, Young and Younie.

For Amendment 2 (as adjusted): Councillors Aston, Bandel, Biagi, Booth, Burgess, Campbell, Dixon, Dobbin, Fullerton, Gardiner, Glasgow, Heap, Hyslop, Key, Kumar,

Macinnes, Mattos Coelho, McFarlane, McNeese-Meechan, Miller, Mumford, Nicolson, Nols-McVey, Parker, Rae, Staniforth and Work.

Abstentions: Councillor McKenzie.)

## Decision

To approve the following adjusted motion by the Lord Provost:

- 1) To agree the amendment to the Edinburgh Award nomination criteria as set out in paragraph 4.5 in the report by the Executive Director of Corporate Services.
- 2) To note the severe gender imbalance and overall diversity deficit of previous Edinburgh Award Winners and therefore adds criteria that:

“The Edinburgh Award Panel pay due consideration to the diversity of the present makeup Edinburgh Award Alumni as part of the criteria when considering future recipients, including but not limited to the gender of the previous year’s winner.”

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

## 13 Lauriston Castle Trust – referral from the Finance and Resources Committee

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The Finance and Resources Committee had a referred a report on the approach of applying to the Court of Session to use the *nobile officium* to approve the winding up of the Lauriston Castle Trust and the transfer of assets to the council to the City of Edinburgh Council for approval.

## Decision

To agree to the approach of applying to the Court of Session to use the *nobile officium* to approve the winding up of the Lauriston Castle Trust and the transfer of assets to the council.

(References: Finance and Resources Committee of 20 June 2023 (item 41); referral from the Finance and Resources Committee, submitted.).

## Declaration of Interests

Councillor Staniforth declared a financial interest as a performer at Lauriston Castle and left the meeting during consideration of the above item.

## 14 Update regarding Community Council Scheme and Boundary Review 2023 and Community Council Elections 2024

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An update was provided on the Community Council Scheme and boundary review which was being progressed during 2023 and Community Council elections which were intended to occur in summer 2024 (unless a national election is announced for May 2024 in which case the Community Council elections would be rescheduled to later in the year).

### Decision

- 1) To note the update and timescales for the Community Council Scheme and Boundary Review which had commenced and would progress throughout 2023.
- 2) To agree the timescale for Community Council elections to be held in 2024 and that this timescale could change if a national election was announced.

(Reference: report by the Executive Director of Corporate Service, submitted.)

## 15 Chief Officer Appointments

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The Lord Provost ruled that the following item, notice of which had been given at the start of the meeting, be considered as a matter of urgency to allow the Council to give early consideration to this matter.

Details were provided on the outcome of the recruitment processes in respect of the roles of Chief Officer, Edinburgh Health and Social Care Partnership and Integration Joint Board and Service Director, Performance, Quality, Governance and Improvement and Chief Social Work Officer(CSWO)

### Motion

- 1) To approve Pat Togher as the permanent appointment made by the IJB Recruitment Panel to the role of Chief Officer, Edinburgh Health and Social Care Partnership and Integration Joint Board.
- 2) To appoint Rose Howley to the role of Service Director, Performance, Quality, Governance and Improvement and Chief Social Work Officer.

- moved by Councillor Day, seconded by Councillor Watt

## **Amendment**

- 1) To approve Pat Togher as the permanent appointment made by the IJB Recruitment Panel to the role of Chief Officer, Edinburgh Health and Social Care Partnership and Integration Joint Board.
- 2) To appoint Rose Howley to the role of Service Director, Performance, Quality, Governance and Improvement and Chief Social Work Officer.
- 3) Regrets that the Recruitment Committee were not afforded a choice of candidates and notes panel members raised concerns through the process about the limited options being progressed.
- 4) Notes the work being progressed in the refresh of People Strategy and requests this has an additional focus on succession within the Workforce Plan to enable internal applicants to be in a position to compete for senior roles and requests this work is prioritised by the Chief Executive.
- 5) Notes the Recruitment Committee has requested a review of the process of senior officer recruitment to ensure issues such as interviewing only 1 candidate is addressed and agrees this review will come to Council within 2 cycles.
- 6) Agrees to receive a briefing to elected members to provide assurance that the recruitment process is being applied fairly and consistently for all chief officer candidates.

- moved by Councillor Nols-McVey, seconded by Councillor Dobbin

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

## **Decision**

To approve the following adjusted motion by Councillor Day:

- 1) To approve Pat Togher as the permanent appointment made by the IJB Recruitment Panel to the role of Chief Officer, Edinburgh Health and Social Care Partnership and Integration Joint Board.
- 2) To appoint Rose Howley to the role of Service Director, Performance, Quality, Governance and Improvement and Chief Social Work Officer.

- 3) To note the work being progressed in the refresh of People Strategy and requests this had an additional focus on succession within the Workforce Plan to enable internal applicants to be in a position to compete for senior roles and request this work be prioritised by the Chief Executive.

(References: report by the Chief Executive, submitted.).

## **16 Childcare 4 All – Motion by Councillor Griffiths ASN Childcare Provision – Motion by Councillor Davidson After School Care Funding – Motion by Councillor Jones**

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### **Point of Order**

Councillor Nols-McVey raised a point of Order under Standing Order 18.1, requesting that the members be allowed to refer to information provided in the confidential briefing note on this item which had been circulated to members at the start of the meeting.

The Lord Provost ruled that reference could not be made to information provided in the confidential briefing note.

### **Motions**

Motions on the provision of After School Care Funding had been submitted by Councillors Griffiths, Davidson and Jones in terms of Standing Order 17.

The Council had heard a deputation from Keep Edinburgh Childcare 4 All and Edinburgh Community Climate Network (see item 3(j) above).

### **Motion**

“Council:

Requests an urgent report on the needs of the families who were receiving support and how these needs can now be supported.”

- moved by Councillor Griffiths, seconded by Councillor Graham

### **Amendment 1**

“Council: deletes all of the motion by Councillor Griffiths and replaces with:

Notes:

- 1) An operational decision was made to discontinue contract for providers of after school support for children with additional support needs.

- 2) Regret delay in communication with parents, carers, and families came approximately two weeks before new school term starts causing a lot of worry and stress for vulnerable families. Further regrets that elected members were not made aware of this decision in a timeous manner.
- 3) Some provision has been reinstated for pupils who were in receipt of support will now get this from Council in-house resource for the next year.

Agrees:

- 4) This is a vital service and makes a commitment to continue to provide this ASN support, both as one to one provision for individual children, and through capacity building for after school clubs and childcare providers for this financial year at the financial level provided in previous financial years.
- 5) All existing support arrangements will be honoured within the existing budget.
- 6) That the scheme will continue to be open to new applicants within existing budget.
- 7) That although this amount of spending falls within delegated authority for officers it is clearly of strategic importance for some of the most vulnerable children in the city and therefore is politically sensitive, and any future decision about funding of this scheme must be explicitly brought in front of councillors by a report to ECF committee.
- 8) To provide an update (verbally or in Business Bulletin) from the service director to next week's Education, Children and Families committee updating members on provision for affected families with a full report to come to the following meeting detailing:
  - a) Number of pupils impacted by the removal of this service (including new starts).
  - b) Outline of KPIs and outcomes detailed in service provider contracts and to explain how Council ensured that public funds delivered best value.
  - c) Detail of how decisions were made culminating into service withdrawal including a timeline and any engagement and support offered to service providers.
  - d) What assurances have parents, carers, and families received around continuity of support and alternative arrangements.
  - e) How this programme can be reinstated, including timelines to ensure provision is in place for all children and young people affected.

- f) To request what advice, training, and support is in place and will be shared with providers to enable them to offer a full service for all families.
  - g) Include a copy of equalities impact assessment.
  - h) Review of lessons learnt to protect future provisions.
- 9) Agrees to provide a further report to Governance, Risk and Best Value by the end of the year examining the various governance and best value issues surrounding this contract and the decision to end it.

- moved by Councillor Kumar, seconded by Councillor Campbell

## **Amendment 2**

“Council

Notes that:

- 1) The contract with Capability Scotland for additional ASN after school care provision was ended by officers on 31 July due to concerns that it was not delivering value for money. This followed two previous contract extensions.
- 2) Despite repeated extensions to the contract due to limited information being provided no update was provided to members of the Education, Children and Families Committee before the decision to end the provision was taken.
- 3) At the point of the contract ending the council did not have a list of families in receipt of support via the contract therefore many of the service users were not notified before the decision to end the contract was taken.
- 4) That the decision to end this support represents a significant change in service delivery and therefore committee members should have been brought into the discussion before a decision was taken.
- 5) That families of children with ASN often face multiple challenges and have complex lives therefore any changes to services supporting them should be communicated clearly and efficiently.
- 6) That the council has a duty to ensure that taxpayers’ money is being spent efficiently therefore external contracts should always be scrutinised regularly to ensure value for money



Therefore requests:

- 7) A verbal update from the service director to next week's Education, Children and Families committee updating members on provision for affected families with a full report to come to the following meeting.
- 8) A further report to Governance, Risk and Best Value by the end of the year examining the various governance and best value issues surrounding this contract and the decision to end it."

- moved by Councillor Davidson, seconded by Councillor Young

### **Amendment 3**

"Council notes:

- The local authority entered into a contract with Capability Scotland in 2009 to support children with ASN (Additional Support Needs).
- The annual cost of this contract was £190,000.
- This contract was renewed every 3 years and the end date of the most recent contract was 31 March 2022
- The contract was extended to 30/06/23 and again to 31/07/23.
- The contract with Capability Scotland has not now been renewed and this has impacted adversely on a number of families.

Council regrets that those families affected only found out that the service is no longer available at a very late stage, leaving them unable to make alternative childcare arrangements in time for the beginning of the school year and causing great anxiety.

Council requests a Report in one cycle –

- 1) to explain why the contract with Capability Scotland was terminated and why officers took so long to inform families.
- 2) to explain how the monies allocated to Capability Scotland were spent over each three-year period from the start date of the contract being awarded.
- 3) to detail what specific outcomes were achieved from the funding allocated to Capability Scotland.
- 4) to explain how Council ensured that public funds delivered best value.

- 5) to recommend what actions Council can take to help families access alternative services to provide their childcare needs.
- 6) to request what advice, training, and support is in place and will be shared with providers to enable them to offer a full service for all families.”

- moved by Councillor Jones, seconded by Councillor Cowdy

### **Point of Order**

At this stage in the proceedings, Councillor Jones apologised and withdrew his remarks regarding officers of the Council.

Following further discussions, the Motion by Councillor Griffiths, and Amendment 2 by Councillor Davidson were withdrawn.

### **Voting**

The voting was as follows:

For Amendment 1	-	53 votes
For Amendment 3	-	9 votes

(For Amendment 1: Lord Provost, Councillors Arthur, Aston, Bandel, Beal, Bennett, Biagi, Booth, Burgess, Caldwell, Lezley Marion Cameron, Campbell, Dalgleish, Davidson, Day, Dijkstra-Downie, Dixon, Dobbin, Faccenda, Flannery, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Heap, Hyslop, Jenkinson, Key, Kumar, Lang, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Meechan, McVey, Meagher, Miller, Mumford, Nicolson, Osler, Parker, Pogson, Rae, Ross, Staniforth, Thornley, Walker, Watt, Work, Young and Younie

For Amendment 3: Councillors Bruce, Cowdy, Doggart, Jones, Mitchell, Mowat, Munro, Rust and Whyte.)

### **Decision**

To approve Amendment 1 by Councillor Kumar.

## 17 Co-operative Council – Motion by Councillor Day

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The following motion by Councillor Day was submitted in terms of Standing Order 17 and verbally adjusted in terms of Standing Order 22(5):

“Council:

notes that the Co-operative Councils’ Innovation Network is a collaboration between local authorities who are committed to finding better ways of working for, and with, local people for the benefit of their local community.

Further notes that this is a non-party political association of likeminded local authorities focused on policy development, innovation and advocacy.

Understands that the network acts as vehicle for helping councils translate co-operative policy and principles into practice existing documentation; is funded by modest membership subscriptions from its member councils; is open to all UK Councils with a shared belief that working co-operatively with communities holds the key to tackling today’s challenges; and is a Special Interest Group registered with the Local Government Association, to promote innovation in local government.

Council believes that as the lowest per head funded local authority in Scotland and at a time of reduced funding from the Scottish Government, that being a Co-operative Council would help maximise our impact to improve services for the residents and the city.

Council agrees to ask the Chief Executive to bring forward a report in two cycles with a detailed breakdown of the specific actions necessary to realise this aspiration. This report will include what actions will be necessary to:

- a) Ensure that future procurement practices confirm to the ethical commitments contained in the membership of the network and
- b) Align the priorities of the Council to those of the network, plus any other germane considerations.

Arrange for a briefing to elected members on the principles of the Co-operative Councils Innovation Network.”

### **Motion**

To approve the motion by Councillor Day

- moved by Councillor Lezley Marion Cameron, seconded by Councillor Dalgleish

### **Amendment 1**

Delete all of the motion by Councillor Day and replace with:

“Notes that on the website of the Co-operative Councils’ Innovation Network it is clear that the City of Edinburgh Council is already listed as a full member.

Reaffirms support for its aims, in particular regarding community wealth building, and affirms support for maintaining the current position.”

- moved by Councillor Campbell, seconded by Councillor Biagi

### **Amendment 2**

Inserts in the motion by Councillor Day, after b)

“c) join the network in terms of costings and officer time. Should also include an estimate of any travel time and costs.”

- moved by Councillor Beal, seconded by Councillor Bennett

### **Amendment 3**

Council agrees the motion by Councillor Day, subject to the following changes:

1) At the start inserts:

“Council notes that the City of Edinburgh Council joined the Co-operative Councils Network in 2016 and remains listed as a Full Member on the Network’s website.

2) In the fifth paragraph delete the words:

“agrees in a shared aspiration to become a Co-operative Council and”

as it is premature to make this commitment pending the detail of the report called for in that paragraph.

And adds at the end of the paragraph:

“c) the report should detail the current and projected costs of membership of the Network, the costs expended on membership since 2016 and outline the benefits achieved for Edinburgh residents at taxpayers’ expense since 2016, should any exist.”

- moved by Councillor Whyte, seconded by Councillor Doggart

In accordance with Standing Order 22(12), Amendments 3 and 3 were adjusted and accepted as addendums to the motion.

## **Voting**

The voting was as follows:

For the Motion (as adjusted)	-	44 votes
For Amendment 1	-	18 votes

(For the Motion (as adjusted): Lord Provost, Councillors Arthur, Bandel, Beal, Bennett, Booth, Bruce, Burgess, Caldwell, Lezley Marion Cameron, Cowdy, Dalgleish, Davidson, Day, Dijkstra-Downie, Doggart, Faccenda, Flannery, Graham, Griffiths, Heap, Jenkinson, Jones, Lang, McKenzie, Meagher, Miller, Mitchell, Mowat, Mumford, Munro, Osler, Parker, Pogson, Rae, Ross, Rust, Staniforth, Thornley, Walker, Watt, Whyte, Young and Younie.)

For Amendment 1: Councillors Aston, Biagi, Campbell, Dixon, Dobbin, Fullerton, Gardiner, Glasgow, Hyslop, Key, Kumar, Macinnes, Mattos Coelho, McFarlane, McNeese-Meechan, McVey, Nicolson, and Work.)

## **Decision**

To approve the following adjusted motion by Councillor Lezley Marion Cameron

- 1) To note that the Co-operative Councils' Innovation Network was a collaboration between local authorities who were committed to finding better ways of working for, and with, local people for the benefit of their local community.
- 2) To further note that this was a non-party political association of likeminded local authorities focused on policy development, innovation and advocacy.
- 3) To understand that the network acted as vehicle for helping councils translate co-operative policy and principles into practice existing documentation; was funded by modest membership subscriptions from its member councils; was open to all UK Councils with a shared belief that working co-operatively with communities held the key to tackling today's challenges; and was a Special Interest Group registered with the Local Government Association, to promote innovation in local government.
- 4) To believe that as the lowest per head funded local authority in Scotland and at a time of reduced funding from the Scottish Government, that being a Co-operative Council would help maximise the impact to improve services for the residents and the city.

- 5) To agree to ask the Chief Executive to bring forward a report in two cycles with a detailed breakdown of the specific actions necessary to realise this aspiration. This report would include what actions would be necessary to:
  - a) Ensure that future procurement practices confirm to the ethical commitments contained in the membership of the network and
  - b) Align the priorities of the Council to those of the network, plus any other germane considerations.
  - c) join the network in terms of costings and officer time. Should also include an estimate of any travel time and costs.
  - d) the report should detail the current and projected costs of membership of the Network, the costs expended on membership since 2016 and outline the benefits achieved for Edinburgh residents at taxpayers' expense since 2016, should any exist.
- 6) To arrange for a briefing to elected members on the principles of the Co-operative Councils Innovation Network.

## **18 Edinburgh Leisure Must Pay the Real Living Wage – Motion by Councillor Campbell**

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

“Notes that Edinburgh is a Living Wage City.

Further notes, with sadness, that Edinburgh Leisure, an arm's length external organisation (ALEO) of the council, is no longer paying the real living wage to all staff.

Council agrees that this is unacceptable and resolves to take action so that every member of staff working for an organisation owned by the council is paid at least the real living wage as agreed by the Living Wage Foundation.

Council therefore asks the Chief Executive to bring forward a proposed route by which the council can, as shareholder, instruct Edinburgh Leisure to pay the real living wage to all staff, backdated to the start of this financial year. This should be reported to the next Policy and Sustainability committee for ratification.

Council further instructs the chief executive to bring a report in two cycles to Policy and Sustainability which sets out the levers available to the council currently to ensure that all ALEOs pay the real living wage, and a plan for how this can be

embedded in shareholder agreements as these are updated through the governance work being done on ALEO reform.”

### **Motion**

To approve the motion by Councillor Campbell.

- moved by Councillor Campbell, seconded by Councillor Kumar

### **Amendment 1**

To add to the motion by Councillor Campbell:

“Council notes that, since May 2022, the Real Living Wage Foundation has accredited four Edinburgh Council ALEOS as Real Living Wage employers, namely Edinburgh Trams, Capital Theatres, Transport for Edinburgh, and Edinburgh International Conference Centre.

Further notes that as of August 2023, all but 2 of the Council’s ALEOs are accredited, one of which, Lothian Buses, does pay the living wage to its own staff but is in discussion with the Living Wage Foundation on potential future full accreditation.”

- moved by Councillor Meacher, seconded by Councillor Lezley Marion Cameron

### **Amendment 2**

To delete from “Council agrees” to the end of the motion by Councillor Campbell and insert:

“Council recognises how this decision was taken as a result of a major funding shortfall at Edinburgh Leisure, and concern at the cuts which would be required to services if the organisation paid the real living wage to all staff.

“Council notes the substantial shareholder representation on the Board of Edinburgh Leisure in the form of five elected councillors who, together with other Board members, are tasked each year with considering and agreeing the company’s pay structure and budget. Council believes it is best for it to use its influence on Edinburgh Leisure through this representation on the Board.

“Council requests a report to the December 2023 meeting of the Culture & Communities Committee which sets out:

- a) The additional funding which would be necessary to allow Edinburgh Leisure to pay the real living wage to all staff without impacting on service delivery.

- b) The detail of what services would need to be cut if Edinburgh Leisure was required to pay the living wage to all staff without any additional funding.”

- moved by Councillor Osler, seconded by Councillor Thornley

### **Amendment 3**

In the motion by Councillor Campbell:

- 1) After ‘backdated to the start of this financial year’ add:

“while ensuring that all venues remain open.”

- 2) after ‘ALEO reform’ add:

“Additionally, this report should set out the levers available to the council to ensure that ALEOs are in line with other key council commitments including those around equality and access, workers’ rights, and the climate and nature emergencies.”

- moved by Councillor Mumford, seconded by Councillor Staniforth

### **Amendment 4**

To delete all of the motion by Councillor Campbell and replace with:

“Council notes that Edinburgh is a Living Wage City and committed to paying the Scottish Local Government Living Wage as agreed by COSLA.

Further notes:

- That Edinburgh Leisure (EL), an Arm’s Length External Organisation (ALEO) of the council, is no longer paying the Real Living Wage (RLW) to all staff.
- That EL’s Board state an aspiration and desire to pay the Real Living Wage (RLW) and did pay the RLW in 2021/22 and 2022/23.
- The EL Board agreed a deficit budget of £736,000 for 2023/24 and a pay award of 4%. The full year cost of paying the RLW for 2023/24 is an additional £473K and would require a deficit budget of over £1m.
- The cost of paying the RLW for 1 year equates to closing three of the Victorian Swim Centres or substantial job losses.
- Paying the RLW is not a one-year liability and will require funding every year.

Council acknowledges:

- That EL’s annual funding from CEC has reduced year on year from 2015/16 to 2020/21 and has remained at the same level since 2021/22 to 2023/24 (excluding Covid support funding).
- To date there have been no reductions to services or closure of venues.



- The organisation is facing financial challenges from high energy costs, inflation, reduction in consumers' disposable income, and changes in consumer behaviour.

That charges for the majority of EL's services increased by circa 10% in 2023/24 but there was no increase to those services targeting low-income household and people experiencing health inequalities.

Council recognises that all employers are bound to pay the statutory minimum wage, that paying the Real Living Wage is a voluntary decision for employers, and that Arm's Length External Organisations are, by definition, independent bodies that need to be in control of their own decision making, including terms of employment.

Council resolves to take action to help organisations, owned by the council, pay at least the Scottish Local Government living wage as agreed by COSLA.

Council therefore asks the Chief Executive to bring a report, in one cycle, to Policy and Sustainability Committee setting out:

- 1) How the Council could help Edinburgh Leisure pay at least the Scottish Local Government Living Wage to all staff without them suffering job losses or leading to cuts in services.
- 2) What impact this would have on future Council Revenue Budgets.
- 3) How these options could be funded.

Council further instructs the chief executive to bring a report in two cycles to Policy and Sustainability which sets out the levers available to the council currently to help ALEO's pay the Scottish Local Government Living Wage, and whether it would be feasible to embed these in shareholder agreements as these are updated through the governance work being done on ALEO reform. Together with the impact this would have on Future Council Revenue Budgets and how these options could be funded."

- moved by Councillor Cowdy, seconded by Councillor Bruce

In accordance with Standing Order 22(12), Amendments 1 and 3 were accepted as addendums to the motion.

## **Voting**

The voting was as follows:

For the Motion (as adjusted)	-	39 votes
For Amendment 2	-	12 votes
For Amendment 4	-	9 votes

(For the Motion (as adjusted): Councillors Arthur, Aston, Bandel, Biagi, Booth, Burgess, Lezley Marion Cameron, Campbell, Dalgleish, Day, Dobbin, Faccenda, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Heap, Hyslop, Jenkinson, Key, Kumar, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Mechan, Meagher, Miller, Mumford, Nicolson, Nols-McVey, Parker, Pogson, Rae, Staniforth, Walker, Watt and Work.

For Amendment 2: Councillors Lord Provost, Councillors Beal, Bennett, Caldwell, Davidson, Flannery, Lang, Osler, Ross, Thornley, Young and Younie.

For Amendment 4: Councillors Bruce, Cowdy, Doggart, Jones, Mitchell, Mowat, Munro, Rust and Whyte.)

## **Decision**

To approve the following adjusted Motion by Councillor Campbell:

- 1) To note that Edinburgh was a Living Wage City.
- 2) To further notes with sadness, that Edinburgh Leisure, an arm's length external organisation (ALEO) of the council, was no longer paying the real living wage to all staff.
- 3) To agree that this was unacceptable and resolve to take action so that every member of staff working for an organisation owned by the council was paid at least the real living wage as agreed by the Living Wage Foundation.
- 4) To therefore asks the Chief Executive to bring forward a proposed route by which the council could, as shareholder, instruct Edinburgh Leisure to pay the real living wage to all staff, backdated to the start of this financial year while ensuring that all venues remained open. This should be reported to the next Policy and Sustainability Committee for ratification.
- 5) To further instruct the Chief Executive to bring a report in two cycles to the Policy and Sustainability Committee which set out the levers available to the council currently to ensure that all ALEOs paid the real living wage, and a plan for how this could be embedded in shareholder agreements as these were updated through the governance work being done on ALEO reform. Additionally, this report should set out the levers available to the council to ensure that ALEOs were in line with other key council commitments including those around equality and access, workers' rights, and the climate and nature emergencies.
- 6) To note that, since May 2022, the Real Living Wage Foundation had accredited four Edinburgh Council ALEOS as Real Living Wage employers,

namely Edinburgh Trams, Capital Theatres, Transport for Edinburgh, and Edinburgh International Conference Centre.

- 7) To further note that as of August 2023, all but 2 of the Council's ALEOs were accredited, one of which, Lothian Buses, did pay the living wage to its own staff but was in discussion with the Living Wage Foundation on potential future full accreditation.

### **Declaration of Interests**

Councillors Dikstra-Downie and Dixon declared a non-financial interest as members of Edinburgh Leisure and left the meeting during consideration of the above item.

Councillor Lezley Marion Cameron made a transparency statement as a member of Edinburgh Leisure.

## **19 Council Tax – Motion by Councillor Lang**

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The following motion by Councillor Lang was submitted in terms of Standing Order 17 and verbally adjusted in terms of Standing Order 22(5):

“Council

- 1) notes that the SNP was first elected to government in 2007 on a pledge of ‘scrapping the unfair council tax’ but, 16 years on and despite holding a working majority in the Scottish Parliament for over half of its time in office, it has failed to deliver on this promise.
- 2) notes the new consultation from the SNP / Green coalition government on changes which, rather than scrapping council tax, would further embed council tax through an increase on bands E-H.
- 3) notes that, if implemented, people living in four in ten households in Edinburgh would see a rise in their council tax bills, some by as much as £800 every year.
- 4) notes how national policy means Edinburgh would only retain 55% of the additional money raised from these changes and that further ongoing cuts to the Council's central grant means Edinburgh is unlikely to be any better off financially.
- 5) therefore calls on SNP and Green Party Ministers to scrap their proposals and instead respect the important role of local councils in delivering key services by ruling out any further cuts to local council grant funding, and begin a process of reversing the cuts they have chosen to impose on Edinburgh and other councils over recent years.”

## **Motion**

To approve the motion by Councillor Lang.

- moved by Councillor Lang, seconded by Councillor Younie

## **Amendment 1**

To delete all of the motion by Councillor Lang and replace with:

“Notes that the Liberal Democrats, alongside their Conservative coalition partners who formed the UK government in 2010, were the architects of austerity which continues to this day.

Notes that on July 9th 2023 the UK Labour Party has pledged to continue the Conservative party’s spending plans offering Edinburgh no hope to reverse this damage while staying within the UK.

Recognises that the Liberal Democrat Edinburgh Council budget has resulted in some of the worst cuts this Council has ever seen including cuts to education welfare officers, as agreed by the administration parties, and stealth cuts like the reduction in support for disabled children and young people.

Agrees the Council Leader should use his leverage with his Conservative and Labour colleagues to call for an end to austerity at Westminster which is the single biggest determinant of how much money can be spent on public services in Scotland, until Scotland becomes an independent country.”

- moved by Councillor Nols-McVey, seconded by Councillor Campbell

## **Amendment 2**

Deletes all and replaces with:

- 1) Notes that the SNP was first elected to government in 2007 on a pledge of ‘scrapping the unfair council tax’, and believes that this should remain a goal for all political parties;
- 2) Believes that Council Tax is regressive, and supports its replacement with a new residential property tax that is related to actual value rather than outdated valuations;
- 3) Notes that work is underway, both nationally through the *Joint Working Group on Sources of Local Government Funding and Council Tax Reform* and within Edinburgh Council following a Green amendment at Finance & Resources Committee, to explore alternatives to Council Tax as well as immediate changes which can achieve improvements in the shorter term;

- 4) Nevertheless, believes that all possible opportunities should be taken to redistribute wealth within the city and that the joint consultation from the Scottish Government and CoSLA on Fairer Council Tax represents one such opportunity to tackle inequality and redistribute wealth for the good of everyone in Edinburgh by proposing increases in Council Tax payable by those in the most valuable properties;
- 5) Notes that there are options available to people to challenge and mitigate increases where there is good reason, including revaluation requests, reductions and exemptions, and notes that, as above, options are being explored for mitigations at a local level too, and encourages all Parties to engage with this in the run up to the Council's budget process;
- 6) Therefore, Edinburgh Council supports the proposed changes in the Fairer Tax Consultation;
- 7) Additionally, Council instructs the Council Leader to write to CoSLA and the Scottish Government communicating Edinburgh Council's support for an alternative system to Council Tax which ensures fair redistribution of wealth and maximises the revenue raising powers of local government;
- 8) Finally, calls on the UK and Scottish Governments to provide fair funding for Edinburgh in line with the demands of the joint Trade Union pledge, as supported by the Labour, Green and SNP groups in this Council."

- moved by Councillor Mumford, seconded by Councillor Parker

### **Amendment 3**

To delete Paragraphs 2, 3, 4 and 5 in the motion by Councillor Lang and replace with:

- "2) Agrees that Council Tax is a regressive instrument which should be replaced with a tax that redistributes wealth and urges the Scottish Government to expedite the process of "deliberative engagement on sources of local government funding, including Council Tax, that culminate in a citizens' assembly" as agreed in the 'draft policy programme'.
- 3) Notes that no political party has come forward with a workable proposal for the replacement of Council Tax since it was introduced in 1993, and recognises that the political will to replace council tax with a redistributive alternative is lacking and that the absence of serious proposals means we are stuck with Council Tax for the foreseeable future.
- 4) Notes the proposed changes in the 'Fairer Council Tax: consultation' which would increase Council Tax Band E to H multipliers.

- 5) Welcomes any attempt to make the current system fairer by redistributing wealth and notes that the vast majority of the 4,365 Edinburgh properties in Band H are valued at over £1million.
- 6) Recognises that some low-income households may be adversely affected by the proposed changes, particularly in Band E.
- 7) Therefore, agrees to support the changes proposed in the 'Fairer Council Tax: consultation', which are projected to raise an additional £14.1 million of revenue to CEC, on the proviso that work is done to analyse any impacts on low-income households and to expand access to the Council Tax Reduction scheme if required.

- moved by Councillor McKenzie, seconded by Councillor Biagi

In accordance with Standing Order 22(12), Amendments 2 and 3 were accepted as addendums to Amendment 1.

### **Voting**

The voting was as follows:

For the Motion	-	33 votes
For Amendment 1 (as adjusted)	-	29 votes

(For the Motion: Lord Provost, Councillors Arthur, Beal, Bennett, Bruce, Caldwell, Lezley Marion Cameron, Cowdy, Dalgleish, Davidson, Day, Dijkstra-Downie, Doggart, Flannery, Graham, Griffiths, Jenkinson, Jones, Lang, Meagher, Mitchell, Mowat, Munro, Osler, Pogson, Ross, Rust, Thornley, Walker, Watt, Whyte, Young and Younie.

For Amendment 1 (as adjusted): Councillors Aston, Bandel, Biagi, Booth, Burgess, Campbell, Dixon, Dobbin, Faccenda, Fullerton, Gardiner, Glasgow, Heap, Hyslop, Key, Kumar, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Mechan, Miller, Mumford, Nicolson, Nols-McVey, Parker, Rae, Staniforth and Work.)

### **Decision**

To approve the motion by Councillor Lang.

## **20 After School Support for Pupils with Additional Support Needs (ASN)**

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### **Decision**

To note that Councillor Kumar had withdrawn her motion.

## 21 Asylum Seekers Right to Work – Motion by Councillor Mattos Coelho

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

“Council recognises that [Lift the Ban](#) is campaigning to restore the right to work for everyone waiting for more than 6 months for a decision on their asylum claim.

Council further recognises that all people seeking protection in the UK should be able to work and make the most of their potential, to provide for themselves and their families, similar to Ukrainian refugees who do already have the right to work.

Council further believes restrictions on right to work can lead to extremely poor mental health outcomes and waste of potentially invaluable talents and skills, both for the local economy and wider society.

Council notes that since March this year the council’s own risk register has had workforce at critical and that this is unprecedented, with only one previous incidence during the height of the pandemic.

Council believes that allowing people seeking asylum the right to work would lead to positive outcomes for individuals as well as benefiting public and private sector organisations in the city who are struggling with recruitment and retention.

Council further notes that [Scotland’s Urban AGE 2022 report](#) supported by the Edinburgh Chamber of Commerce alongside Glasgow and Aberdeen, called for immigration policy to be devolved to ensure cities and regions have access to the workforce they need to prosper and meet their workforce needs.

Council welcomes that in 2022 the [Shortage Occupational List was expanded](#) to include positions like social care, nursing, opening the possibility of employment for people seeking asylum. Council also welcomes the [UK Migration Advisory Council report in March 2023 into labour shortages in the construction and hospitality sectors](#) and the potential use of the immigration system as a response, with a further report following a call for evidence due to be published this autumn.

Council therefore agrees:

- To confirm support for the Lift the Ban campaign and our belief that the right to work is a fundamental human right;
- To formally join the Lift the Ban coalition alongside other local authorities, following the lead of Glasgow who joined earlier this year.

- To request the Council Leader write to the UK Government to request that they give people seeking asylum the right to work, setting out the significant workforce pressures Edinburgh is currently facing.”

### **Motion**

To approve the motion by Councillor Mattos Coelho.

- moved by Councillor Mattos Coelho, seconded by Councillor Campbell

### **Amendment**

To take no action on the motion by Councillor Mattos Coelho.

- moved by Councillor Whyte, seconded by Councillor Doggart

### **Voting**

The voting was as follows:

For the motion	-	52 votes
For the amendment	-	9 votes

(For the motion: Lord Provost, Councillors Arthur, Aston, Bandel, Beal, Bennett, Biagi, Booth, Burgess, Caldwell, Lezley Marion Cameron, Campbell, Dalgleish, Davidson, Day, Dijkstra-Downie, Dixon, Dobbin, Faccenda, Flannery, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Heap, Hyslop, Jenkinson, Key, Kumar, Lang, Macinnes, Mattos Coelho, McFarlane, McKenzie, Meagher, Miller, Mumford, Nicolson, Nols-McVey, Osler, Parker, Pogson, Rae, Ross, Staniforth, Thornley, Walker, Watt, Work, Young and Younie.

For the amendment: Councillors Bruce, Cowdy, Doggart, Jones, Mitchell, Mowat, Munro, Rust and Whyte.)

### **Decision**

To approve the motion by Councillor Mattos Coelho.



## 22 Employment Support for Refugees – Motion by Councillor Mattos Coelho

---

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

“Council:

- 1) Notes the serious issues from the UK Government affecting asylum seekers and refugees' ability to access employment but agrees the Council can help mitigate some of these impacts.
- 2) Notes the additional challenges faced by those who have fled their previously country or been displaced including but not limited to accessing proof of experience, qualifications, criminal record checks and some basic forms of ID.
- 3) Agrees therefore 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.”

The Council had heard a deputation from Maryhill Integration Network (see item 3(j) above).

### **Motion**

To approve the motion by Councillor Mattos Coelho.

- moved by Councillor Mattos Coelho, seconded by Councillor Nols-McVey

### **Amendment 1**

- 1) To insert in the motion by Councillor Mattos Coelho:  
  
“3) Notes the Council’s agreed ‘Equality and Diversity Framework 2021 to 2025’ contained an ‘Access to facilities and support’ section which aims to improve access to support for refugees.”

The original 3) in the motion becomes 4)

- 2) To insert at the end of the motion;  
  
“5) Requests 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 individuals including refugees.”

- moved by Councillor Caldwell, seconded by Councillor Flannery

### **Amendment 2**

To add to the motion by Councillor Mattos Coelho:

- “4) Notes that in response to a motion brought by Councillor Mumford entitled “Standing up for migrants and refugees”, on 4<sup>th</sup> May 2023 Council requested “a briefing note to be circulated to all Elected Members before Summer recess updating them on engagement with Edinburgh City of Sanctuary and future plans for embedding our commitment as a ‘city of sanctuary’ throughout Council operations” which would include information around employment support, and regrets that this has not yet been received;
- 5) Agrees that this briefing note will be circulated urgently or – if this is not possible – for officers to engage with party spokespeople about how best to disseminate this information and/or incorporate it into the report at 3) to broaden its scope beyond just looking at employment and employability measures.”

- moved by Councillor Parker, seconded by Councillor Bandel

### **Amendment 3**

- 1) To delete paragraph 1) in the motion by Councillor Mattos Coelho
- 2) To reword and renumber paragraphs 2) and 3) to read:
  - “1) Notes that there can be challenges for those who have fled their previous country or been displaced and who have been given refugee or other status allowing them to remain and work in the UK which include, but are not limited to, accessing proof of experience, qualifications, criminal record checks and some basic forms of ID.
  - 2) Agrees therefore that the Housing, Homelessness and Fair Work Committee will receive a report in three cycles outlining the direct Council support open and already provided to refugees to access employment and what further scope there is for respective Council teams to identify and support refugees to overcome some of the likely barriers faced.”

- moved by Councillor Whyte, seconded by Councillor Rust

In accordance with Standing Order 22(12), Amendments 1 and 2 were accepted as addendums to the Motion.

## Voting

The voting was as follows:

For the Motion (as adjusted)	-	52 votes
For Amendment	-	9 votes

(For the motion: Lord Provost, Councillors Arthur, Aston, Bandel, Beal, Bennett, Biagi, Booth, Burgess, Caldwell, Lezley Marion Cameron, Campbell, Dalgleish, Davidson, Day, Dijkstra-Downie, Dixon, Dobbin, Faccenda, Flannery, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Heap, Hyslop, Jenkinson, Kumar, Lang, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Mechan, Meagher, Miller, Mumford, Nicolson, Nols-McVey, Osler, Parker, Pogson, Rae, Ross, Staniforth, Thornley, Walker, Watt, Work, Young and Younie.

For Amendment 3: Councillors Bruce, Cowdy, Doggart, Jones, Mitchell, Mowat, Munro, Rust and Whyte.)

## Decision

To approve the following adjusted motion by Councillor Mattos Coelho:

- 1) To note the serious issues from the UK Government affecting asylum seekers and refugees' ability to access employment but agrees the Council could help mitigate some of these impacts.
- 2) To note the additional challenges faced by those who had fled their previous country or been displaced including but not limited to accessing proof of experience, qualifications, criminal record checks and some basic forms of ID.
- 3) To note the Council's agreed 'Equality and Diversity Framework 2021 to 2025' contained an 'Access to facilities and support' section which aimed to improve access to support for refugees
- 4) To agree therefore that the Housing, Homelessness and Fair Work Committee would receive a report in 3 cycles outlining the direct Council support open to asylum seekers and refugees to access employment and what scope there was for respective Council teams to identify and support refugees and asylum seekers overcome some of the likely barriers faced.
- 5) To request that the report also provide a brief progress and monitoring update on the specific priority activities that were outlined on the framework to reduce digital exclusion for vulnerable individuals including refugees.
- 6) To note that in response to a motion brought by Councillor Mumford entitled "Standing up for migrants and refugees", on 4<sup>th</sup> May 2023 Council requested "a briefing note to be circulated to all Elected Members before Summer recess

updating them on engagement with Edinburgh City of Sanctuary and future plans for embedding our commitment as a ‘city of sanctuary’ throughout Council operations” which would include information around employment support, and regret that this had not yet been received;

- 7) To agree that this briefing note would be circulated urgently or – if this was not possible – for officers to engage with party spokespeople about how best to disseminate this information and/or incorporate it into the report at 4) to broaden its scope beyond just looking at employment and employability measures.

## **23 School Holidays Committee Meetings – Motion by Councillor Mattos Coelho**

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

“Council notes that work is in progress to improve equal representation of elected members, with equality and diversity workshops taking place as well as several motions passed in this chamber, at least, since the beginning of this council term;

Council agrees that carers, parents and grandparents of school age children should be able to balance their personal life with the demands of being a councillor, in order to give a much needed voice on policy making;

Council therefore asks officers, when preparing the next council diary, to look to avoid any committee meetings within school holidays;

Council further requests that officers review the current diary for the rest of the year and, where possible, bring back recommendations to alter the 3 committees meeting dates that clash with holiday periods:

18 September 2023 - Lothian Valuation Joint Board (Provisional)

7 May 2024 - Governance, Risk and Best Value Committee

20 May 2024 - Licensing Sub-Committee

Council also asks conveners and committee services to avoid scheduling APMs during school holidays wherever possible.”

### **Motion**

To approve the motion by Councillor Mattos Coelho.

- moved by Councillor Mattos Coelho, seconded by Councillor Kumar

### **Amendment 1**

- 1) After paragraph 2 in the motion by Councillor Mattos Coelho, insert;  
  
“Council nevertheless recognises how individuals often rely on specific decisions from certain committees, including on quasi-judicial matters, and that it is not always fair or feasible to hold up such decision-making during school holiday periods”.
- 2) In the paragraph of the motion beginning “Council therefore asks officers...”, delete “committee”, and insert “full Council and executive committee”.
- 3) Delete remainder of the motion.

- moved by Councillor Lang, seconded by Councillor Young

### **Amendment 2**

- 1) To agree Paragraph 1 of the motion by Councillor Mattos Coelho;
- 2) To add at the end of Paragraph 2 of the motion:  
  
“That caring responsibilities are not only restricted to childcare and that further compressing the Council diary can increase the frequency of meetings for all Councillors, that this may further restrict those who can participate as Councillors and must be part of the considerations when proposing alterations to the Council diary and therefore:

Deletes Para 3 and inserts:

Calls for a Report covering the following information:

Recognises that substitutes are allowed for all Committees and that Councillors, and their Political Groups require to manage the occasional clashes that occur.”

- moved by Councillor Mowat, seconded by Councillor Jones

In accordance with Standing Order 22(12), Amendment 2 was adjusted and accepted as an addendum to Amendment 1.

### **Voting**

The voting was as follows:

For the Motion	-	27 votes
For Amendment 1 (as adjusted)	-	34 votes

(For the Motion: Councillors Aston, Bandel, Biagi, Booth, Burgess, Campbell, Dixon, Dobbin, Fullerton, Gardiner, Glasgow, Heap, Hyslop, Kumar, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Meechan, Miller, Mumford, Nicolson, Nols-McVey, Parker, Rae, Staniforth and Work

For Amendment 1 (as adjusted): Lord Provost, Councillors Arthur, Beal, Bennett, Bruce, Caldwell, Lezley Marion Cameron, Cowdy, Dalgleish, Davidson, Day, Dijkstra-Downie, Doggart, Faccenda, Flannery, Graham, Griffiths, Jenkinson, Jones, Lang, Meagher, Mitchell, Mowat, Munro, Osler, Pogson, Ross, Rust, Thornley, Walker, Watt, Whyte, Young and Younie.)

## **Decision**

To approve the following adjusted Amendment 1 by Councillor Lang:

- 1) To note that work was in progress to improve equal representation of elected members, with equality and diversity workshops taking place as well as several motions passed in this chamber, at least, since the beginning of this council term.
- 2) To agree that carers, parents and grandparents of school age children should be able to balance their personal life with the demands of being a councillor, in order to give a much needed voice on policy making.
- 3) That caring responsibilities are not only restricted to childcare and that further compressing the Council diary could increase the frequency of meetings for all Councillors, that this might further restrict those who could participate as Councillors and must be part of the considerations when proposing alterations to the Council diary.
- 4) To nevertheless recognise how individuals often relied on specific decisions from certain committees, including on quasi-judicial matters, and that it was not always fair or feasible to hold up such decision-making during school holiday periods.
- 5) To therefore ask officers, when preparing the next council diary, to look to avoid any full Council and executive committee meetings within school holidays.
- 6) To recognise that substitutes were allowed for all Committees and that Councillors, and their Political Groups required to manage the occasional clashes that occurred.

## 24 Gorgie Farm Update Rights – Motion by Councillor Heap

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

“Council notes:

- 1) That the Council invited the Edinburgh Council of Voluntary Organisations (EVOC) to develop a sustainable vision Gorgie Farm in March 2023.
- 2) The welcome work done so far by EVOC and the project Steering Group it has convened, including the appointment of a Project Manager and maintenance to the site.
- 3) Six months will shortly have passed since the project started.

Council believes that:

- 4) It has a major interest in the project as it has been commissioned by the Council, is supported by Council funding; the farm is a Council-owned site, and also because the Farm is a much-loved institution across Edinburgh and beyond.
- 5) Councillors, therefore, should have regular updates on the work of the farm and opportunities to scrutinise work on the future of the farm done on behalf of the Council.
- 6) Local community groups and residents should have an opportunity to comment on the project’s work so far, and to speak to Councillors about their vision for the future of the Farm.

Council therefore requests that:

- 7) Officers work with EVOC and the Gorgie Farm Steering Group to develop an update report to be presented to the Culture and Communities Committee meeting scheduled for October 2023, with the report to include, but not be limited to, the following:
  - a) Details of any maintenance of the farm site done since the commencement of the project.
  - b) How the Project’s Steering Group was formed.
  - c) The work of the Steering Group.
  - d) Engagement with the local community.

- e) How a new model for the farm is being developed.
  - f) When and how the Steering Group intends to recommend a way forward for the farm.
  - g) When the Farm is likely to re-open to the public.
  - h) How Council funding has been spent.
- 8) Officers invite a suitable representative(s) from EVOC and/or the Steering Group to speak to the report at the same meeting.”

### **Motion**

To approve the motion by Councillor Heap.

- moved by Councillor Heap, seconded by Councillor Mumford

### **Amendment 1**

Council:

- 1) Changes point 7 in the motion by Councillor Heap to read:  
“7) An urgent briefing of ward councillors, group leaders and Culture & Communities committee members on points 7a-7h.”
- 2) Leaves 7a- 7h unchanged and keeps point 8) in the motion.
- 3) Adds new point 9) at end:  
“9) A report to Culture & Communities in two cycles setting out progress on points 7a- 7h, any other matters raised from the briefing of elected members and the likely timeline for the reopening of Gorgie Farm.”

- moved by Councillor Thornley, seconded by Councillor Osler

### **Amendment 2**

Insert the following after (2) in Section 1 of the motion by Councillor Heap, and renumber accordingly:

- “3) Recent work by EVOC to update the community on developments, including a blog and a poster displayed outside the farm.”

- moved by Councillor Bandel, seconded by Councillor Staniforth



In accordance with Standing Order 22(12), Amendment 1 was accepted as an amendment to the Motion, and Amendment 2 was accepted as an addendum to the motion.

## **Decision**

To approve the following adjusted motion by Councillor Heap:

- 1) To note that the Council invited the Edinburgh Council of Voluntary Organisations (EVOG) to develop a sustainable vision Gorgie Farm in March 2023.
- 2) To welcome work done so far by EVOG and the project Steering Group it had convened, including the appointment of a Project Manager and maintenance to the site.
- 3) To note the recent work by EVOG to update the community on developments, including a blog and a poster displayed outside the farm.
- 4) To note that six months would shortly have passed since the project started.
- 5) To believe that the Council had a major interest in the project as it had been commissioned by the Council, was supported by Council funding; the farm was a Council-owned site, and also because the Farm was a much-loved institution across Edinburgh and beyond.
- 6) To believe that Councillors, therefore, should have regular updates on the work of the farm and opportunities to scrutinise work on the future of the farm done on behalf of the Council.
- 7) To believe that local community groups and residents should have an opportunity to comment on the project's work so far, and to speak to Councillors about their vision for the future of the Farm.
- 8) To request an urgent briefing of ward councillors, group leaders and Culture and Communities Committee members on points 7a-7h:
  - a) Details of any maintenance of the farm site done since the commencement of the project
  - b) How the Project's Steering Group was formed
  - c) The work of the Steering Group
  - d) Engagement with the local community
  - e) How a new model for the farm is being developed

- f) When and how the Steering Group intends to recommend a way forward for the farm
  - g) When the Farm is likely to re-open to the public
  - h) How Council funding has been spent
- 9) To request that officers invite a suitable representative(s) from EVOG and/or the Steering Group to speak to the report at the same meeting.
- 10) To request a report to the Culture and Communities Committee in two cycles setting out progress on points 7a- 7h, any other matters raised from the briefing of elected members and the likely timeline for the reopening of Gorgie Farm.

## **25 Reversing Damaging Council Cuts – Motion by Councillor Nols- McVey**

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The following motion by Councillor Nols-McVey was submitted in terms of Standing Order 17:

- “1) Notes the Council’s budget is now carrying a deficit of £600,000 following the cancellation of the change to the no compulsory redundancy policy approved in the February 2023 budget vote. Further notes the "best value service review" will show in-housing waste services is the most cost-effective and efficient method of waste collections delivering the best service for residents. This will add a further £500,000 deficit to the budget that will therefore mean a £1.1m additional gap is being funded through other actions either at the corporate or departmental level.
- 2) Further notes there are additional budget proposals in the Liberal Democrat budget, such as the decimation of the Education Welfare Officer team, which will remove support from the hardest to reach families across Edinburgh and agrees to treat this budget line the same way as the redeployment change that was passed in February.
- 3) Agrees the £400,000 cut to Education Welfare Officer (EWOs) must be reversed just as other budget proposals have been.
- 4) Agrees to receive a report on what actions the Chief Executive has taken to balance the budget, including any details of in-year savings requested of Directorates and any proposals that have come forward.
- 5) Agrees this report will set out how the cut to Education Welfare Officers can be reversed, along with a status report on the implementation of all other

budget savings approved in the Liberal Democrat to enable Councillors to take further decisions to cancel damaging cuts.”

### **Motion**

To approve the motion by Councillor Nols-McVey.

- moved by Councillor Nols-McVey, seconded by Councillor Aston

### **Amendment 1**

“Deletes all from 2) in the motion by Councillor Nols-McVey, and replaces as follows:

- “2) Notes that council budgets always require some in-year flexing to accommodate changes; and that these changes are routinely reported to Finance & Resources Committee and to other Committees, as appropriate.
- 3) Regrets the many impacts on jobs and services caused by the SNP Scottish Government’s cuts to council funding. Since 2012/13, Edinburgh Council has had to find reductions of £429m to maintain expenditure in line with income; and expressed on a like-for-like basis, cash-terms core grant funding has decreased by 13.1% over the period.
- 4) Notes that the EIJB, in common with several other IJBs in Scotland, has a significant in-year deficit and that the Scottish Government has refused to address this funding issue, thereby placing further strain on council budgets that are already stretched to breaking point.
- 5) Asks that the Council Leader writes, yet again, to the Scottish Government Ministers reiterating the case for the EIJB and Edinburgh Council to be fairly funded, thereby enabling Councillors to take further decisions to cancel “damaging cuts”.

- moved by Councillor Watt, seconded by Councillor Dalgleish

### **Amendment 2**

Deletes all of the motion by Councillor Nols-McVey and replaces with:

“Council believes the best method to avoid damaging council cuts is for SNP and Green Ministers in the Scottish Government to stop cutting the Council’s Central Grant.”

- moved by Councillor Ross, seconded by Councillor Younie

In accordance with Standing Order 22(12), Amendment 2 was adjusted and accepted as an addendum to Amendment 1

## Voting

The voting was as follows:

For the Motion	-	27 votes
For Amendment 1 (as adjusted)	-	34 votes

(For the Motion: Councillors Aston, Bandel, Biagi, Booth, Burgess, Campbell, Dixon, Dobbin, Fullerton, Gardiner, Glasgow, Heap, Hyslop, Kumar, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Meechan, Miller, Mumford, Nicolson, Nols-McVey, Parker, Rae, Staniforth and Work

For Amendment 1 (as adjusted): Lord Provost, Councillors Arthur, Beal, Bennett, Bruce, Caldwell, Lezley Marion Cameron, Cowdy, Dalgleish, Davidson, Day, Dijkstra-Downie, Doggart, Faccenda, Flannery, Graham, Griffiths, Jenkinson, Jones, Lang, Meagher, Mitchell, Mowat, Munro, Osler, Pogson, Ross, Rust, Thornley, Walker, Watt, Whyte, Young and Younie.)

## Decision

To approve the following adjusted Amendment 1 by Councillor Watt:

- 1) To note the Council's budget was now carrying a deficit of £600,000 following the cancellation of the change to the no compulsory redundancy policy approved in the February 2023 budget vote. To further note the "best value service review" would show in-housing waste services was the most cost-effective and efficient method of waste collections delivering the best service for residents. This would add a further £500,000 deficit to the budget that would therefore mean a £1.1m additional gap was being funded through other actions either at the corporate or departmental level.
- 2) To note that council budgets always required some in-year flexing to accommodate changes; and that these changes were routinely reported to Finance and Resources Committee and to other Committees, as appropriate.
- 3) To regret the many impacts on jobs and services caused by the SNP Scottish Government's cuts to council funding. Since 2012/13, Edinburgh Council had had to find reductions of £429m to maintain expenditure in line with income; and expressed on a like-for-like basis, cash-terms core grant funding had decreased by 13.1% over the period.
- 4) To note that the EIJB, in common with several other IJBs in Scotland, had a significant in-year deficit and that the Scottish Government had refused to address this funding issue, thereby placing further strain on council budgets that were already stretched to breaking point.

- 5) To ask that the Council Leader write, yet again, to the Scottish Government Ministers reiterating the case for the EIJB and Edinburgh Council to be fairly funded, thereby enabling Councillors to take further decisions to cancel “damaging cuts
- 6) To believe the best method to avoid damaging council cuts was for SNP and Green Ministers in the Scottish Government to stop cutting the Council’s Central Grant.

## **26 Tram Project – Motion by Councillor Mowat**

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

“Council notes that the Tram project has been completed in the sense that trams are running the full length of the track from the Airport to Lindsay Road, but that there is outstanding work to be done and areas of road that have been affected by additional traffic carried because of works to permit the tram diversions and calls for:

A report to Transport and Environment Committee in 3 cycles detailing:

- 1) To which Committee the outstanding defects will be reported; and how completion of these and tracking who is responsible for their remedy will be monitored, and who is picking up the bill;
- 2) An inspection of roads used by traffic carried because of tram diversions – what is their condition, is restoration needed; if so, who will pay for this and when the work is to be programmed;
- 3) The report schedule for the above matters to be considered by Committee.”

### **Motion**

To approve the motion by Councillor Mowat.

- moved by Councillor Mowat, seconded by Councillor Munro

### **Amendment 1**

” to add to the motion by Councillor Mowat:

- “4) Requests that the report Requested in 2) also includes an inspection from the Road Signage and Markings teams to ensure said street layouts outwith TTN’s direct scope reflect the new layout, changed traffic levels and any Loading/Parking changes.”

- moved by Councillor Caldwell, seconded by Councilor Dijkstra-Downie

## **Amendment 2**

To add a clause 2 to the motion by Councillor Mowat as follows:

- “2) Outstanding snagging and defect resolution of footways, cycleways, and the public realm;”

And reorder accordingly.

- moved by Councillor Bandel, seconded by Councillor Rae

In accordance with Standing Order 22(12), Amendments 1 and 2 were accepted as addendums to the Motion.

## **Decision**

To approve the following adjusted Motion by Councillor Mowat:

- 1) To note that the Tram project had been completed in the sense that trams were running the full length of the track from the Airport to Lindsay Road, but that there was outstanding work to be done and areas of road that had been affected by additional traffic carried because of works to permit the tram diversions and call for:

A report to Transport and Environment Committee in 3 cycles detailing:

- a) To which Committee the outstanding defects would be reported; and how completion of these and tracking who was responsible for their remedy would be monitored, and who was picking up the bill.
- b) Outstanding snagging and defect resolution of footways, cycleways, and the public realm.
- c) An inspection of roads used by traffic carried because of tram diversions – what was their condition, was restoration needed; if so, who would pay for this and when the work was to be programmed.
- d) The report schedule for the above matters to be considered by Committee.
- e) To request that the report requested in c) also include an inspection from the Road Signage and Markings teams to ensure said street layouts outwith TTN’s direct scope reflected the new layout, changed traffic levels and any Loading/Parking changes..

## 27 Placing in School Appeals – Motion by Councillor Mowat

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

“Council notes

That in 2019 there was an Internal Audit carried out into School Admissions, Appeals and Capacity Planning which was reported to GRBV in July 2020.

There were 3 red rated findings reported and whilst there are no outstanding actions being reported currently via GRBV, given the concerns expressed about the appeals process for this session including:

- 1) the lateness of hearing appeals this year – which did not start being heard until after the start of the summer holidays and therefore after the transition days had taken place increasing the stress for pupils, families and schools;
- 2) the resignation of a long-standing Chair who expressed grave concerns in their resignation letter about how the process was serving families and children;
- 3) the difficulty recruiting to the panels.

Therefore, calls for a follow up report to Education, Children and Families Committee in one cycle detailing:

- a) whether all actions identified in the Audit have been completed and embedded in practice and what evidence supports this;
- b) Why the appeals did not begin to be heard until after the start of the summer holidays this year;
- c) A timescale for appeals for admission into 2024/2025 school year so that this year’s debacle can be avoided in the next academic session.

### **Motion**

To approve the motion by Councillor Mowat

- moved by Councillor Mowat, seconded by Councillor Cowdy

## **Amendment**

To add at the end of the motion by Councillor Mowat:

“Further to this that a wider review into both the Placing in Schools Process and the Placing in Schools Appeal Process is undertaken with a report to follow within two cycles.”

- moved by Councillor Griffiths, seconded by Councillor Graham

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 Mowat:

- 1) To note that in 2019 there was an Internal Audit carried out into School Admissions, Appeals and Capacity Planning which was reported to GRBV in July 2020.
- 2) To note there were 3 red rated findings reported and whilst there were no outstanding actions being reported currently via GRBV, given the concerns expressed about the appeals process for this session including:
  - a) the lateness of hearing appeals this year – which did not start being heard until after the start of the summer holidays and therefore after the transition days had taken place increasing the stress for pupils, families and schools;
  - b) the resignation of a long-standing Chair who expressed grave concerns in their resignation letter about how the process was serving families and children;
  - c) the difficulty recruiting to the panels.
- 3) Therefore, to call for a follow up report to Education, Children and Families Committee in one cycle detailing:
  - a) whether all actions identified in the Audit have been completed and embedded in practice and what evidence supports this;
  - b) Why the appeals did not begin to be heard until after the start of the summer holidays this year;
  - c) A timescale for appeals for admission into 2024/2025 school year so that this year’s debacle can be avoided in the next academic session.



- 4) Further to this that a wider review into both the Placing in Schools Process and the Placing in Schools Appeal Process be undertaken with a report to follow within two cycles.

## 28 Illegal Parking Disrupting Tram Operations – Motion by Councillor Rae

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

“Council:

- 1) Notes that there were 22 incidents of trams being delayed by illegally or irresponsibly parked vehicles in the period 7 June to 31 July 2023, and there have been further incidents in August;
- 2) Agrees that it unacceptable for illegally or irresponsibly parked vehicles to impede the city’s public transport infrastructure, that these incidents can have a significant negative impact on the reliability and journey times of our public transport network and can bring significant inconvenience to public transport users;
- 3) Notes that the council’s removal trucks are currently unable to operate near the tram line because of the overhead power cables;
- 4) Notes that, while the cost of a penalty charge notice (parking ticket / PCN) recently rose to £100, or £50 if paid within 14 days, that issuing a parking ticket does not remove the obstruction from the tram network;
- 5) Notes there are numerous designs of tow trucks in use in municipalities around the world, including wheel lift, hook and chain or flatbed trucks, which do not require an overhead lift and therefore may be safely operated near overhead lines;
- 6) Agrees that officers will urgently arrange to procure the use of one or more suitable vehicles to allow uplift of illegally or irresponsibly parked vehicles obstructing tram lines, and will ensure this service is available during tram operational hours;
- 7) Agrees that consideration will be given to additional measures to address the problem, including, but not limited to, consideration of:
  - a) installation of physical barriers, such as bollards, correctly installed Sheffield cycle stands or planters at the worst-affected areas to prevent parking outside of a designated parking bay;

- b) increased use of parking attendants along the tram route, including travelling on trams, to facilitate enforcement;
  - c) streamlined processes to allow members of the public to report potential breaches, and for this information to be passed timeously to parking attendants to allow enforcement;
  - d) streamlined processes to allow photos and videos submitted by members of the public to be used in enforcement;
- 8) Agrees that Transport spokespeople and Leith and Leith Walk councillors will be offered a briefing from parking officers within the next month outlining progress to resolve this issue;
- 9) Agrees to receive a report to the next meeting of Transport and Environment Committee outlining progress to resolve this issue, and considering all the proposals outlined at paragraph 7) above, and considering whether the council's Parking Enforcement Protocol needs to be further updated to address this issue;
- 10) Agrees the Transport Convenor will write to Scottish Ministers requesting that powers to set penalty charge notices, powers to use CCTV installed on trams for enforcement, and powers to allow local authorities to use mobile phone footage submitted by the public for enforcement, should all be devolved to local authorities.”

### **Motion**

To approve the motion by Councillor Rae

- moved by Councillor Rae, seconded by Councillor Bandel

### **Amendment 1**

- 1) Append to paragraph 5 in the motion by Councillor Rae:

“Notes that Council Officers are working with contractors and Edinburgh Trams on this – there are numerous practical and H&S issues to consider when working near live cables. Officers are considering solutions which have proven successful in other cities operating tram systems, and recognise the importance of identifying an option that safely removes vehicles without damaging public/private property.”

- 2) Append to paragraph 6 in the motion:

“Notes that Council Officers hope to have a trial solution prior to the current enforcement contract expiring. Notes that this solution will require additional funding, resources and training – none of which has been allocated.”

- 3) Append to paragraph 7 in the motion:

“Notes that the September TEC Business Bulletin is due to include an update on parking enforcement, cycle parking and the performance of pedestrian crossings along the TTN route. Notes that points a to c are being considered, progressed or have actually been delivered via the Tram APOG and discussions at TEC, but welcomes the opportunity for scrutiny the motion brings. Point d is not supported by the Scot Gov.”

- 4) Append to paragraph 8 in the motion:

“Given the public concern, agrees that a written briefing should be forwarded to all Councillors in a form that can be shared with residents.”

- 5) Replace paragraph 9 in the motion with:

“Notes that the September TEC Business Bulletin is due to provide an update on parking enforcement, planters, cycle parking and the performance of pedestrian crossings along the TTN route. Agrees that any points from the motion not covered in the September TEC Business Bulletin will be provided via an update to the October TEC.”

- moved by Councillor Arthur, seconded by Councillor Faccenda

## **Amendment 2**

Adds at end of point 9 of the motion by Councillor Rae:

“And identifies whether further powers are required beyond the suite of enforcement options already available and considers whether it is necessary to write to the UK Government asking them to bring forward legislation to create a new road traffic offence of blocking a tramway with a parked vehicle.”

- moved by Councillor Aston, seconded by Councillor Dobbin

## **Amendment 3**

- 1) Adds at the end of Point 9) of the motion by Councillor Rae;

“This report should be considered alongside the results of the formal monitoring of parking along Leith Walk due at the next Transport and

Environment committee, as to allow committee an objective overview of the scale of the issue and types of locations where parking issues appear most prevalent.

2) Adds to the motion:

“10) That an update on new potential loading bay provision is included in this report.” and 10) in the motion becomes 11).

- moved by Councillor Caldwell, seconded by Councillor Dijkstra-Downie

#### **Amendment 4**

1) Deletes current point six in the motion by Councillor Rae and replaces with:

“6) Agrees that officers will investigate the costings associated with procuring the use of one or more suitable vehicles to allow uplift of illegally or irresponsibly parked vehicles obstructing tram lines, to determine the value in providing this service during tram operational hours;”

2) Deletes point eight in the motion and replaces with

“8) Agrees that Transport spokespeople, and Leith and Leith Walk councillors will be provided a written briefing note from parking officers within the next month outlining progress to resolve the issue;”

3) Deletes point nine in the motion and replaces with:

“9) Agrees to receive a report within two cycles to the Transport and Environment Committee detailing the consideration of proposals outlined above in paragraph seven, including any associated costs, and equalities impact assessments for physical interventions to ensure that pedestrians are not disadvantaged by any interventions, in addition to consideration of whether the council's Parking Enforcement Protocol needs to be further updated to address this issue;”

- moved by Councillor Munro, seconded by Councillor Mowat

In accordance with Standing Order 22(12) Amendments 1 and 4 were adjusted and accepted as amendments to the motion and Amendments 2 and 3 were accepted as addendums to the motion.

## Decision

To approve the following adjusted Motion by Councillor Rae:

- 1) To note that there were 22 incidents of trams being delayed by illegally or irresponsibly parked vehicles in the period 7 June to 31 July 2023, and there had been further incidents in August.
- 2) To agree that it was unacceptable for illegally or irresponsibly parked vehicles to impede the city's public transport infrastructure, that these incidents could have a significant negative impact on the reliability and journey times of the public transport network and could bring significant inconvenience to public transport users.
- 3) To note that the council's removal trucks were currently unable to operate near the tram line because of the overhead power cables.
- 4) To note that, while the cost of a penalty charge notice (parking ticket / PCN) recently rose to £100, or £50 if paid within 14 days, that issuing a parking ticket did not remove the obstruction from the tram network.
- 5) To note there were numerous designs of tow trucks in use in municipalities around the world, including wheel lift, hook and chain or flatbed trucks, which did not require an overhead lift and therefore may be safely operated near overhead lines, to note that Council Officers were working with contractors and Edinburgh Trams on this – there were numerous practical and Health and Safety issues to consider when working near live cables. Officers were considering solutions which had proven successful in other cities operating tram systems, and recognised the importance of identifying an option that safely removed vehicles without damaging public/private property.
- 6) To agree that officers would urgently investigate the costings associated with procuring the use of one or more suitable vehicles to allow uplift of illegally or irresponsibly parked vehicles obstructing tram lines, to determine the value in providing this service during tram operational hours, to note that Council Officers hoped to have a trial solution prior to the current enforcement contract expiring. To note that this solution would require additional funding, resources and training – none of which had been allocated.
- 7) To agree that consideration would be given to additional measures to address the problem, including, but not limited to, consideration of:
  - a) installation of physical barriers, such as bollards, correctly installed Sheffield cycle stands or planters at the worst-affected areas to prevent parking outside of a designated parking bay;

- b) increased use of parking attendants along the tram route, including travelling on trams, to facilitate enforcement;
- c) streamlined processes to allow members of the public to report potential breaches, and for this information to be passed timeously to parking attendants to allow enforcement;
- d) streamlined processes to allow photos and videos submitted by members of the public to be used in enforcement;

To further note that the September TEC Business Bulletin was due to include an update on parking enforcement, cycle parking and the performance of pedestrian crossings along the TTN route. To note that that points a) to c) were being considered, progressed or had actually been delivered, but welcome the opportunity for scrutiny the motion brought.

- 8) To agree that Transport spokespeople and Leith and Leith Walk councillors would be provided a written briefing note from parking officers within the next month outlining progress to resolve this issue, and, given the public concern, to agree that a written briefing should be forwarded to all Councillors in a form that could be shared with residents.
- 9) To agree to receive a report to the October meeting of Transport and Environment Committee outlining progress to resolve this issue, and considering all the proposals outlined at paragraph 7) above which had not already been considered as part of the parking enforcement update to September TEC, including any associated costs, and equalities impact assessments for physical interventions to ensure that pedestrians were not disadvantaged by any interventions, in addition to consideration of whether the council's Parking Enforcement Protocol needed to be further updated to address this issue, and identify whether further powers were required beyond the suite of enforcement options already available and consider whether it was necessary to write to the UK Government asking them to bring forward legislation to create a new road traffic offence of blocking a tramway with a parked vehicle. This report should be considered alongside the results of the formal monitoring of parking along Leith Walk due at the next Transport and Environment Committee, so as to allow committee an objective overview of the scale of the issue and types of locations where parking issues appeared most prevalent.
- 10) That an update on new potential loading bay provision be included in this report.
- 11) To agree the Transport Convener would write to Scottish Ministers requesting that powers to set penalty charge notices, powers to use CCTV installed on

trams for enforcement, and powers to allow local authorities to use mobile phone footage submitted by the public for enforcement, should all be devolved to local authorities.

## **29 Heart of Midlothian Football Club – Motion by Councillor Day**

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

“Council:

Celebrates the 150th anniversary of Heart of Midlothian Football Club in 2024.

Acknowledges the huge impact Heart of Midlothian Football Club have made to sport in the city and across the whole country, as the largest fan-owned club in the UK.

Notes the positive economic impact the club provides for the city and the extensive charitable endeavours it undertakes including the Foundation of Hearts not for profit organisation, the Big Hearts Community Trust and the Hearts Memorial Garden, which offers a peaceful, contemplative space in which to remember those who have passed on.

Agrees that Council officers work with officials from Heart of Midlothian Football Club to celebrate the 'Maroon Mile' which runs from the iconic war memorial at Haymarket to Tynecastle Park and arrange a programme of engagement and activities in recognition of this milestone.

Calls for a report to the Transport and Environment Committee in one cycle to provide a detailed breakdown of this engagement.”

### **Motion**

To approve the motion by Councillor Day.

- moved by Councillor Day, seconded by Councillor Griffiths

### **Amendment 1**

1) Insert after the third point in the motion by Councillor Day, the following additional point:

“Notes that it is hoped that the Maroon Mile will be funded by a Heritage Lottery Fund and will highlight the local social, economic, and sporting histories which are intertwined in the area.”

2) Insert in fourth point of the motion, after “milestone”:

“, including opportunities for people to develop traditional and digital skills, and an oral history project to capture the intangible heritage of Gorgie and Dalry”

3) Insert in last point of the motion, after “engagement”:

“,and also how the Maroon Mile can integrate with and complement the work of the Gorgie Dalry 20 Minute Neighbourhood project and foster inclusion within the Gorgie Dalry community of marginalised groups”

- moved by Councillor Heap, seconded by Councillor Staniforth

## **Amendment 2**

To add at the end of the motion by Councillor Day:

“The report should provide detail on works surrounding the Heart of Midlothian War Memorial at Haymarket, including any barriers to the works being completed in time for this year’s Haymarket Remembrance Service, with input from planning officers if required.”

- moved by Councillor McKenzie, seconded by Councillor Miller

In accordance with Standing Order 22(12), Amendments 1 and 2 were accepted as addendums to the motion.

## **Decision**

To approve the following adjusted motion by Councillor Day:

- 1) To celebrates the 150th anniversary of Heart of Midlothian Football Club in 2024.
- 2) To acknowledge the huge impact Heart of Midlothian Football Club have made to sport in the city and across the whole country, as the largest fan-owned club in the UK.
- 3) To note the positive economic impact the club provided for the city and the extensive charitable endeavours it undertook including the Foundation of Hearts not for profit organisation, the Big Hearts Community Trust and the Hearts Memorial Garden, which offered a peaceful, contemplative space in which to remember those who had passed on.
- 4) To note that it was hoped that the Maroon Mile would be funded by a Heritage Lottery Fund and would highlight the local social, economic, and sporting histories which were intertwined in the area



- 5) To agree that Council officers work with officials from Heart of Midlothian Football Club to celebrate the 'Maroon Mile' which runs from the iconic war memorial at Haymarket to Tynecastle Park and arrange a programme of engagement and activities in recognition of this milestone, including opportunities for people to develop traditional and digital skills, and an oral history project to capture the intangible heritage of Gorgie and Dalry.
- 6) To call for a report to the Transport and Environment Committee in one cycle to provide a detailed breakdown of this engagement and also how the Maroon Mile could integrate with and complement the work of the Gorgie Dalry 20 Minute Neighbourhood project and foster inclusion within the Gorgie Dalry community of marginalised groups.
- 7) The report should provide detail on works surrounding the Heart of Midlothian War Memorial at Haymarket, including any barriers to the works being completed in time for this year's Haymarket Remembrance Service, with input from planning officers if required.

### **30 Edinburgh's Circular Economy – Motion by Councillor Parker**

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

“Council:

- 1) Welcomes the work of the Scottish Government and new legislation, the Circular Economy (Scotland) Bill, that will introduce new powers to reduce waste and grow a green economy – namely additional enforcement powers to crack down on fly tipping and littering from cars.
- 2) Notes the Transport & Environment Committee approved a response to the Scottish Government's consultation which closes on 1st September 2023.
- 3) Further notes existing work by the Council to identify circular economy opportunities within the Economy Strategy, Edinburgh's 2030 Climate Strategy and the upcoming Local Heat and Energy Efficiency Strategy.
- 4) Understands that a circular economy is part of the solution to our climate and nature emergencies, shifting lifestyles and businesses away from a 'make, use, dispose' mindset.
- 5) Agrees that more work should be done now to ensure we meet our local recycling targets, reduce household and business waste and drastically reduce our city's carbon footprint.

- 6) Holds a roundtable discussion open to all interested members and relevant officers on how the city will deliver a circular economy including, but not limited to, the following:
- a) How we can establish closer links with the Circular Edinburgh scheme and ensure communication and dissemination of circular initiatives including outputs from the Scottish Business Sustainability Partnership
  - b) How we will work closely with stakeholders, such as Edinburgh Remakery, Fresh Start, SHRUB (Zero Waste Hub), Zero Waste Scotland, to share best practice and accelerate progress to a circular economy.
  - c) How we can work with appropriate enterprises to re-use or re-home ICT equipment, furniture, lighting and other electric products that would otherwise be sent to landfill
  - d) How we can reduce our single-use plastic use in hospitality, events and festival settings and work with ALEOs and arms-length organisations to do the same.
  - e) How we can use the space at the Forth Freeport to encourage and develop circular business models being established.
- 7) Following the discussion, requests a briefing for all elected members on how a circular economy can be delivered and how members can further promote, facilitate and enable a transition to a circular economy.”

- moved by Councillor Parker, seconded by Councillor Mumford

### **Decision**

To approve the motion by Councillor Parker.

## 31 Short Term Let Licensing Deadline– Motions by Councillors Ross, Rae and Nols-McVey

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The Lord Provost ruled that the following item, notice of which had been given at the start of the meeting, be considered as a matter of urgency to allow the Council to give early consideration to this matter.

The following motions by Councillors Ross, Rae and Nols-McVey were submitted in terms of Standing Order 17:

### **Motion by Councillor Ross**

“Council

- 1) Notes the deadline of 1 October 2023 for existing landlords to apply for a license for a short term let.
- 2) Notes the unanimous decision of all members of the Regulatory Committee on 6 February 2023 to “regret” the Scottish Government’s decision to delay the start date for STL licensing for existing landlords from 1st April to 1st October 2023.
- 3) Believes that a proper system of licensing is important to help address the significant issues within the short-term rental market which is why there was such strong cross-party agreement for a robust system of regulation.
- 4) Therefore, regrets the comments made by the Council Leader on BBC Radio Scotland on 23 August 2023, which might have led operators to assume or believe that the Council Leader, and by extension the Council, was open to a further extension to the 1 October 2023 start date when no such position has been taken, either by the Regulatory Committee or full Council.
- 5) Believes these comments, despite further clarifications, were damaging to the ongoing hard work of officers to encourage landlords to meet the 1 October 2023 start date by suggesting a dilution of this Council’s commitment to the proper and fair regulation of the short term let market in Edinburgh.

Therefore, for total clarity on the matter:

Council

- 6) reaffirms its existing commitment to the licensing of short term lets, expresses its opposition to any further extension to the start date for licensing of existing short term let landlords and requests that this position be communicated strongly through the Council's communications channels.”

## **Motion by Councillor Rae**

Council:

- 1) Notes the unanimous decision of Regulatory Committee of 6 February 2023, expressing regret at the decision of the Scottish Government to delay the Short Term Lets (STL) licensing deadline by six months to 1 October 2023;
- 2) Notes the comments of the council leader on Radio Scotland on 23 August 2023 that an extension to the 1 October 2023 STL licensing deadline is "something we would be supportive of", which were later retracted on social media with the comment that the decision of Regulatory Committee on 6 February "remains the council's position";
- 3) Believes that the Council Leader's comments during the Radio Scotland interview were out of step with a previous democratically agreed council position, were unhelpful in that they created uncertainty, and that he should apologise for them;
- 4) Reiterates the council's opposition to any further delay to the STL licensing deadline, and agrees that the council leader will write to Scottish Ministers to convey that opposition, and further welcomes recent comments from the First Minister and the Economy Minister that there will be no further extension to the 1 October deadline;
- 5) Calls on all existing STL operators to ensure they submit a licensing application ahead of the 1 October 2023 deadline.

## **Motion by Councillor Nols-McVey**

- “1) Council regrets and condemns the chaotic mess that the Council Leader made of Edinburgh’s position on Short Term Lets when he inaccurately stated the Council supported a further delay to implementation.
- 2) Reaffirms the Council’s commitment to short term let regulation beginning on the 1<sup>st</sup> of October and opposed any further delay.
- 3) Agrees the outstanding briefing outlining the state of readiness of the Council to process applications and by October 1<sup>st</sup> 2023 will be circulated to Councillors before the Finance and Resource Committee meeting of September 21<sup>st</sup> 2023 to align with budget considerations. Further agrees this will include state of readiness to enforce non-compliance from this date.”

## Motion

Council:

- 1) Notes the deadline of 1 October 2023 for existing landlords to apply for a license for a short term let (STL).
- 2) Notes the unanimous decision of all members of the Regulatory Committee on 6 February 2023 to “regret” the Scottish Government’s decision to delay the start date for STL licensing for existing landlords from 1st April to 1st October 2023.
- 3) Believes that a proper system of licensing is important to help address the significant issues within the short-term rental market which is why there was such strong cross-party agreement for a robust system of regulation.
- 4) Therefore, regrets the comments made by the Council Leader on BBC Radio Scotland on 23 August 2023, which might have led operators to assume or believe that the Council Leader, and by extension the Council, was open to a further extension to the 1 October 2023 start date when no such position has been taken, either by the Regulatory Committee or full Council.
- 5) Believes these comments, despite further clarifications, were damaging to the ongoing hard work of officers to encourage landlords to meet the 1 October 2023 start date by suggesting a dilution of this Council’s commitment to the proper and fair regulation of the short term let market in Edinburgh.

Therefore, Council:

- 6) Reaffirms its existing commitment to the licensing of short term lets, expresses its opposition to any further extension to the start date for licensing of existing short term let landlords and requests that this position be communicated strongly through the Council's communications channels.
- 7) Agrees that the Council Leader will write to Scottish Ministers to convey that opposition and further welcomes recent comments from the First Minister and the Economy Minister that there will be no further extension to the 1 October start date.
- 8) Calls on all existing STL operators to ensure they submit a licensing application ahead of the 1 October 2023 start date.
- 9) Agrees the outstanding briefing, outlining the state of readiness of the Council to process applications by 1 October 2023, will be circulated to Councillors before the Finance and Resources Committee meeting of 21 September 2023 to align with budget considerations. In addition, a draft copy of the STL

Enforcement report due to be presented to the 2 October Regulatory Committee should be circulated on a confidential basis to all councillors also before 21 September Finance & Resources Committee meeting.

- moved by Councillor Ross, seconded by Councillor Rae

### **Amendment**

To take no action on the matter.

- moved by Councillor Doggart, seconded by Councillor Rust

### **Voting**

The voting was as follows:

For the motion	-	52 votes
For the amendment	-	8 votes

(For the motion: Lord Provost, Councillors Arthur, Aston, Bandel, Beal, Bennett, Biagi, Booth, Burgess, Caldwell, Lezley Marion Cameron, Campbell, Dalgleish, Davidson, Day, Dijkstra-Downie, Dixon, Dobbin, Faccenda, Flannery, Fullerton, Gardiner, Glasgow, Graham, Griffiths, Heap, Hyslop, Jenkinson, Kumar, Lang, Macinnes, Mattos Coelho, McFarlane, McKenzie, McNeese-Mechan, Meagher, Miller, Mumford, Nicolson, Nols-McVey, Osler, Parker, Pogson, Rae, Ross, Staniforth, Thornley, Walker, Watt, Work, Young and Younie

For the Amendment: Councillors Bruce, Cowdy, Doggart, Jones, Mitchell, Mowat, Munro and Rust.)

### **Decision**

To approve the composite motion as moved by Councillor Ross.

### **Declaration of Interests**

Councillor Whyte made a transparency statement as his partner was likely to be applying for a home sharing licence under the STL Licensing Scheme at some point in the future.

## 32 Fair Pay For Council Staff – Emergency Motion by Councillor Jenkinson

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The Lord Provost ruled that the following item, notice of which had been given at the start of the meeting, be considered as a matter of urgency to allow the Council to give early consideration to this matter.

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

“Council:

Notes Unison's call for a fair pay settlement for all Catering, Pupil Support, Administration and Janitorial staff in Edinburgh and their members recent overwhelming support for industrial action.

Calls on and encourages urgent talks between COSLA and the Scottish Government to find a swift resolution to avert potential strike action and agree a local government pay settlement.”

### **Motion**

To approve the motion by Councillor Jenkinson.

- moved by Councillor Jenkinson, seconded by Councillor Walker

### **Amendment 1**

To add to the motion by Councillor Jenkinson:

“In the words of Unison agrees that the council leader takes a lead in the meetings that he attends at COSLA and, further, that he reports back to this council with detail of work undertaken to progress towards a meaningful and swift settlement for our staff.”

- moved by Councillor Nols-McVey, seconded by Councillor Campbell

### **Amendment 2**

Deletes point 1 in the motion by Councillor Jenkinson and replaces with:

- 1) Notes that Unison members Schools and Early Years have voted to reject the latest pay offer of 5% and are prepared to take industrial action on behalf of all non-teaching staff in respect to the local government pay claim;
- 2) Notes that the overwhelming nature of this support – with over 62% voting in favour, joining 23 other Councils in Scotland where ballots received over 50%

of the vote – demonstrates a strength of feeling among workers in Edinburgh that Councillors should reflect on;

- 3) Notes that a majority of parties in Edinburgh Council signed up to the Trade Union Pledge committing to:
  - i) No compulsory redundancies.
  - i) Keep public services publicly owned.
  - iii) Demand more funding from the Scottish & UK governments for our City Council
- 4) Calls on the Council Leader to use their voice at COSLA to support a local government pay settlement which reflects these aims and prioritises workers' pay;
- 5) Encourages Council Officers – should industrial action occur – to continue to uphold respect for striking workers and picket lines, and refrain from any attempts to undermine strikes by employing agency staff or external agencies with early and good faith engagement taking place between Council officers and Union representatives around operational matters.

And to retain point 2 of the motion (now point 6).”

- moved by Councillor Mumford, seconded by Councillor Staniforth

In accordance with Standing Order 22(12), Amendment 2 was adjusted and accepted as an amendment to the Motion.

In accordance with Standing Order 22(12), Amendment 2 was adjusted and accepted as an addendum to Amendment 1.

At this point in the meeting the following Amendment 3 was proposed:

### **Amendment 3**

To approve the motion as originally submitted by Councillor Jenkinson.

- moved by Councillor Lang, seconded by Councillor Young

### **Voting**

#### **First Vote**

For the Motion (as adjusted)	-	22 votes
Amendment 1 (as adjusted)	-	17 votes
Amendment 3	-	13 votes



(For the Motion (as adjusted): Councillors Arthur, Bandel, Booth, Burgess, Lezley Marion Cameron, Dalgleish, Day, Faccenda, Graham, Griffiths, Heap, Jenkinson, McKenzie, Meagher, Miller, Mumford, Parker, Pogson, Rae, Staniforth, Walker and Watt.

For Amendment 1 (as adjusted): Councillors Aston, Biagi, Campbell, Dixon, Dobbin, Fullerton, Gardiner, Glasgow, Hyslop, Kumar, Macinnes, Mattos Coelho, McFarlane, McNeese-Mechan, Nols-McVey, Nicolson, Nols-McVey, and Work.

For Amendment 3: Lord Provost, Councillors Beal, Bennett, Caldwell, Davidson, Dijkstra-Downie, Flannery, Lang, Osler, Ross, Thornley, Young and Younie.)

There being no overall majority, Amendment 3 fell, and a second vote was taken between the Motion (as adjusted) and Amendment 1 (as adjusted).

### **Second Vote**

For the Motion (as adjusted)	-	22 votes
Amendment 1 (as adjusted)	-	17 votes
Abstentions	-	13

(For the Motion (as adjusted): Councillors Arthur, Bandel, Booth, Burgess, Lezley Marion Cameron, Dalgleish, Day, Faccenda, Graham, Griffiths, Heap, Jenkinson, McKenzie, Meagher, Miller, Mumford, Parker, Pogson, Rae, Staniforth, Walker and Watt.

For Amendment 1 (as adjusted): Councillors Aston, Biagi, Campbell, Dixon, Dobbin, Fullerton, Gardiner, Glasgow, Hyslop, Kumar, Macinnes, Mattos Coelho, McFarlane, McNeese-Mechan, Nicolson, Nols-McVey and Work.

Abstentions: Lord Provost, Councillors Beal, Bennett, Caldwell, Davidson, Dijkstra-Downie, Flannery, Lang, Osler, Ross, Thornley, Young and Younie.)

### **Decision**

To approve the following adjusted Motion by Councillor Jenkinson:

- 1) To note that Unison members Schools and Early Years had voted to reject the latest pay offer of 5% and were prepared to take industrial action on behalf of all non-teaching staff in respect to the local government pay claim;
- 2) To note that the overwhelming nature of this support – with over 62% voting in favour, joining 23 other Councils in Scotland where ballots received over 50% of the vote – demonstrated a strength of feeling among workers in Edinburgh that Councillors should reflect on;

- 3) To note that a majority of parties in Edinburgh Council signed up to the Trade Union Pledge committing to:
  - a) No compulsory redundancies.
  - b) Keep public services publicly owned.
  - c) Demand more funding from the Scottish & UK governments for our City Council
- 4) To call on the Council Leader to use their voice at COSLA to support a local government pay settlement which reflected these aims and prioritised workers' pay;
- 5) To encourage Council Officers – should industrial action occur – to continue to uphold respect for striking workers and picket lines, and refrain from any attempts to undermine strikes by employing agency staff or external agencies with early and good faith engagement taking place between Council officers and Union representatives around operational matters..
- 6) To call on and encourage urgent talks between COSLA and the Scottish Government to find a swift resolution to avert potential strike action and agree a local government pay settlement.

### **33 LGBT Youth Scotland – Motion by Councillor Day**

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

“Council:

Council notes the fantastic work of LGBT Youth Scotland in supporting equalities and inclusiveness across the City, by the provision of quality youth work to LGBTI young people that promoting health and wellbeing.

Further notes the charity act as Scotland’s national charity for LGBTI young people, working with 13–25 year olds across the country and also deliver the LGBT Charter programme to schools, organisations and businesses.

Supports the goal of LGBT Youth is to make Scotland the best place to grow up for lesbian, gay, bisexual, transgender and intersex young people.

Notes that LGBT Youth recently opened their ‘Youthspace’ giving young people a safe space to meet and celebrate.

Commends the work of LGBT Youth Scotland as they celebrate 20 years of support to the LGBT community and asks the Lord Provost to congratulate the charity in an appropriate way.”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

### **Decision**

To approve the motion by Councillor Day.

## **34 Reverend Calum MacLeod, Minister of St Giles – Motion by Councillor Day**

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

“Council:

Congratulates the work of the Reverend Calum MacLeod, Minister of the High Kirk of St Giles for his work presiding over the Memorial Service following the death of Her Late Majesty Queen Elizabeth II and the National Service of Thanksgiving and Dedication to His Majesty King Charles III;

Understands the Rev. MacLeod was the first new Minister at St Giles in 40 years and has been committed to referencing the role the High Kirk has played throughout Scotland in its almost 900-year history and to welcome those from all over the world;

Believes the Rev. Macleod has acted as a positive role model for the city of Edinburgh during both high profile events;

Agrees that the Lord Provost commends the dedication and service of the Rev. MacLeod in an appropriate manner.”

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

### **Decision**

To approve the motion by Councillor Day.

## **35 Tinderbox Collective – Motion by Councillor McFarlane**

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

“Council notes that Tinderbox Orchestra have just completed a sell-out run of performances at Edinburgh’s Central Library, featuring many musicians who got into

music through the youth work and access to instruments provided by Tinderbox Collective.

Council further notes that their instrument drive is still open, and donations of instruments in all conditions are welcome and will add to the growing collection available to be borrowed by young people from libraries across Edinburgh.

Council understands that the event and wider programme has been supported by collaboration with CEC Community Librarian and poet Hannah Cooke who performed alongside the orchestra her new work inspired by community activist Dr. Helen Crummy who is remembered through a statue outside Craigmillar Library for her historic tireless campaign for access to music education for the children of Niddrie and Craigmillar.

Council recognises the outstanding success of putting music and instrument provision in our cities libraries and commends Hannah for fostering the relationship between Tinderbox Collective and her library in addition to positively representing the work of the City of Edinburgh's Library Service at the Edinburgh Festival Fringe.

Council requests that the Lord Provost commends Tinderbox Collective for their success and community work in Edinburgh, in addition to recognising Hannah Cooke for her exemplary advocacy and work appropriately."

- moved by the Lord Provost, seconded by Councillor Lezley Marion Cameron

### **Decision**

To approve the motion by Councillor Walker.

## **36 Questions**

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The questions put by members to this meeting, written answers and supplementary questions and answers are contained in Appendix 1 to this minute.

## Appendix 1

(As referred to in Act of Council No 36 of 31 August 2023)

### QUESTION NO 1

**By Councillor Lang for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

#### Question

In March 2023, ward councillors were told the works to install the new junction at Craigs Road and Maybury Road would start in "late May / early June". No works have yet commenced.

When is the reconfiguration of the Craig's Road / Maybury Road junction now expected to commence?

#### Answer

Designs have been prepared for the new junction which will allow buses to access the West Craigs sites from Maybury Road. Discussions have been ongoing with the housing developer for the neighbouring site regarding it. These discussions are expected to conclude soon. Once these are completed, works on the junction are expected to commence.

#### Supplementary Question

Can the convener clarify the outstanding issues that prevented the works proceeding in late May / early June as was suggested to ward councillors earlier in the year?

#### Supplementary Answer

Due to the complexities of the legal agreement in place, the information provided by the developer for the road has taken longer for officers to consider than originally anticipated.

**QUESTION NO 2**

**By Councillor Lang for answer by the  
Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 31 August 2023**

Further to his answer at 10.13 at the 4 May 2023 Council meeting:

- Question** (1) When will the traffic orders for the Davidson's Mains roundabout be formally advertised?
- Answer** (1) It is expected that the advertising of the proposed Traffic Regulation Order and Redetermination Order will commence by the end of September 2023. The orders advertisement will run for a period of 3 weeks.
- Question** (2) What issues are holding up the formal advertisement of the orders?
- Answer** (2) Officers are preparing a revised plan and documents to reflect the necessary redetermination as this needs to be revised to reflect the removal of the pedestrian refuge islands. Unfortunately, this was omitted from the original plans.
- Question** (3) How many individuals and organisations responded to the first stage consultation on the traffic orders in May 2023
- Answer** (3) Representation was received from four individuals or organisations.

### QUESTION NO 3

**By Councillor Lang for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

At the February 2023 meeting of the Transport & Environment Committee, report 7.7 on the Queensferry Town Centre Project stated the traffic regulation orders and redetermination orders would be promoted from March 2023. However, this has yet to happen.

**Question** (1) When will the necessary orders be formally advertised?

**Answer** (1) Unfortunately, the development of the required documentation has been delayed. A timeline is currently being finalised, but it is anticipated that the necessary orders will be advertised by the end of this calendar year. Local ward Councillors will be kept updated once the documentation is completed.

**Question** (2) What is the current funding arrangements for the project, especially in light of construction inflation?

**Answer** (2) When fully completed, the overall project cost is currently expected to be approximately £3m.

£1.05m has been allocated from the Place Based Improvement Fund over 2023/24 and 2024/25. However, further funding will need to be confirmed in order to deliver the proposed Town Centre project in full.

**Supplementary Question** Can the convener clarify why there was a delay in the development of the required documentation?

**Supplementary Answer** Until now this project has not had a dedicated project manager and therefore this has resulted in some delays in progressing the actions required, where other operational issues have regrettably had to take precedence. Recognising the importance of the scheme, arrangements are now being made to dedicate a project manager to progressing the scheme.

**QUESTION NO 4**

**By Councillor Thornley for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

Can the Convener please confirm:

**Question** (1) How many 'Wee Forests' have been planted in the last 12 months?

**Answer** (1) There were two Wee Forests planted in the last 12 months in West Granton Crescent Park and Redbraes Park.

**Question** (2) How many are planned for the coming 12 months?

**Answer** (2) There is one planned.

**Question** (3) In what locations are they planned?

**Answer** (3) Gyle Park.

**Question** (4) What engagement has taken place with 'Friends of' groups, local schools and other relevant organisations regarding planting?

**Answer** (4) Granton Primary School were engaged and involved in the planting at West Granton Crescent Park. A community flyer was produced for social media and there was also a press release.

At Redbraes Park, Edinburgh and Lothians Greenspace Trust had a community planting day engaging the Gaelic School, Pilrig Park Special School and Broughton Primary School.



**QUESTION NO 5**

**By Councillor Kumar for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 31 August 2023**

In relation to the withdrawal of services for after school support for pupils with additional support needs:

- Question** (1) When was the first contract awarded and what was the contract management agreement? (Including KPIs)
- Answer** (1) We cannot respond to this in public. A confidential briefing note will be sent to members.
- Question** (2) There are approximately 4600 pupils who attend out of school clubs. How many pupils have additional support needs?
- Answer** (2) As above.
- Question** (3) What conversations have taken place between council officers and contract provider prior to 31<sup>st</sup> March 2022 to performance manage and monitor contract?
- Answer** (3) As above.
- Question** (4) When was the contract provider first made aware of officer's concerns around performance and what support was given to help improve this
- Answer** (4) As above.
- Question** (5) Breakdown of number of pupils supported by contract provider per annum since start of contract.
- Answer** (5) As above.
- Question** (6) Did senior management agree that this would deliver an in-year budget saving? If so, by how much?
- Answer** (6) As above.

**QUESTION NO 6**

**By Councillor McFarlane for answer  
by the Convener of the Culture and  
Communities Committee at a  
meeting of the Council on 31 August  
2023**

**Question**

Can she respond to reports that Lifelong Learning Staff based at the Southbridge Resource Centre found out about the preliminary plans to long-lease the building in the press instead of being briefed ahead of the reports publication as was promised at a meeting of stakeholders?

**Answer**

In advance of a report to Finance and Resources Committee on 25 April 2023 and following a hybrid meeting with all ward councillors, Council officers and members of the Fringe Society on 28 March:

On 19 April 2023 an email was issued to the Lifelong Learning colleagues who are based in South Bridge Resource Centre and whose programmes run from the building. This email provided an update on the note of interest received from the Edinburgh Festival Fringe Society and confirmed that a report would be presented to Finance and Resources Committee on 25 April 2023. The email explained that Committee would be asked to approve entering into formal discussions with the Society. The email sought to reassure colleagues that the discussions did not affect current or upcoming programmes, that the report to Committee did not seek a decision on the future of South Bridge Resource Centre and that the Council was committed to maintaining its extremely successful Adult Education. This email was sent with high importance to staff, for cascading to tutors and participants.

The importance of communication and coordinating this with the Fringe Society was emphasised at the meeting. A Fringe Society press release was embargoed until 19 April, with both the email and press release scheduled for release on the same day.

A further email was circulated on 28 June 2023 to confirm that the Edinburgh Festival Fringe Society would be carrying out surveys in early July as part of their feasibility assessment on the potential of the building.

**QUESTION NO 7**

**By Councillor Aston for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

**Question**

Can the Transport and Environment Convener detail what measurable progress has been made in the last year in reducing car usage in Edinburgh towards the target of a 30% reduction car kilometres by 2030?

**Answer**

Your attendance as a member of the Transport and Environment Committee has been commendable, so I am sure you will recall the progress which has been made in terms of policy.

Reduction in car kilometres is measured as part of the City Mobility Plan (CMP) Key Performances Indicators (KPIs). Progress against all the KPIs will be reported to Transport and Environment Committee in February 2024 as part of the CMP review process.

Since the baseline year (2019) up until August 2022 there has been a 7% reduction in car kilometres in Edinburgh. Information is provided by the Department for Transport's traffic count data annually and the next update is expected in summer 2024.

**Supplementary Question**

Given the Council collects the data, can it please be published annually, starting with releasing the data for 2022-23?

**Supplementary Answer**

As a review of the CMP is undertaken every two years and the results will be reported to Committee, an annual update will be provided in the Transport and Environment Committee Business Bulletin for the interim year of the CMP review cycle.

## QUESTION NO 8

**By Councillor Beal for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

### Question

Please indicate the numbers of over-hanging foliage cases reported to the Council that:-

- Are solved without further intervention from the Council
- Required minimal intervention from the Council to be cut back
- Required lengthy intervention from the Council to reach resolution
- Required a cut back by the Council and charged to the dwelling
- Are still outstanding

Please could this be broken down by Ward and month over the last 2 years?

Please also provide an average length of cases in each category above.

### Answer

It has not been possible to provide all of the information requested within the timeframe for preparing this response. However, please find below a table, by ward and by month of the total number of trees and foliage enquiries received since August 2021.

In addition, a further table summarises the number of enquiries by ward and the number outstanding.

You may also want to refer Question 5 from the June 2023 full Council.

<b>Ward</b>	<b>Enquiry Closed</b>	<b>Enquiry Outstanding</b>	<b>Total</b>
1	435	53	488
2	290	41	331
3	218	34	252
4	354	44	398
5	293	44	337
6	331	24	355
7	349	48	397
8	346	45	391
9	224	22	246
10	202	45	247
11	163	20	183
12	188	37	225
13	133	15	148
14	386	43	429
15	215	43	258
16	375	170	545
17	283	74	357
			<b>5,587</b>

TOTAL NO. OF TREES & FOLIAGE ENQUIRIES RECEIVED (BY MONTH & WARD)																									
Ward	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Total
1	43	41	21	9	5	9	8	7	13	24	27	35	37	20	17	15	5	12	10	3	4	19	50	54	488
2	35	7	12	10	6	2	16	9	7	14	18	19	11	15	25	10	3	5	2	5	3	18	35	44	331
3	25	17	8	6	9	7	9	7	4	10	20	13	12	10	4	10	3	4	6	6	8	11	18	25	252
4	31	22	16	6	4	7	2	11	9	15	25	24	19	24	17	13	6	3	5	4	10	22	51	52	398
5	37	25	18	9	8	11	14	8	9	15	24	19	8	7	6	8	4	6	7	3	12	13	49	17	337
6	32	26	6	9	6	2	3	11	8	23	32	22	17	15	13	11	1	5	5	6	11	20	31	40	355
7	31	28	8	8	2	5	3	7	14	22	29	21	30	11	13	10	8	4	6	8	3	21	43	62	397
8	27	17	18	17	4	3	4	7	6	10	37	18	15	17	36	7	4	7	7	6	6	12	32	74	391
9	23	20	8	5	2	3	3	4	2	8	22	22	9	8	12	7	2	4	6	4	3	12	31	26	246
10	34	17	10	6	6	5	7	3	4	10	11	8	14	13	14	6	0	8	4	6	4	6	18	33	247
11	13	15	9	5	4	7	4	3	2	11	13	8	2	10	6	6	5	2	9	3	2	11	18	15	183
12	23	11	5	6	4	4	3	3	5	9	19	17	9	7	5	10	2	4	6	4	8	12	25	24	225
13	5	3	5	1	0	3	5	5	1	12	10	10	6	7	5	2	1	2	2	2	6	8	16	31	148
14	28	23	11	14	1	5	6	16	18	24	43	32	22	12	26	8	3	4	5	5	5	24	38	56	429
15	27	13	10	42	1	2	2	6	5	5	7	11	15	7	4	10	4	8	7	8	6	19	14	25	258
16	55	37	19	39	7	13	7	13	19	31	39	30	19	15	22	10	6	2	5	6	11	27	70	43	545
17	28	13	12	15	5	5	8	9	8	17	30	22	17	12	10	13	6	4	4	4	10	16	44	45	357
																									5,587

**QUESTION NO 9**

**By Councillor Thornley for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

A new pedestrian crossing has been installed at the foot of Clermiston Road North. The reduced size of the pedestrian island, and placement of pedestrian crossing lights, means access by wheelchair and for prams is nearly impossible.

Therefore, to ask the Convener;

**Question** (1) What assessment has been made of the accessibility of the new pedestrian crossing island at the foot of Clermiston Road North?

**Answer** (1) The alteration to the junction was required to accommodate the introduction of a Toucan crossing on Queensferry Road. Council officers agreed the final layout taking account of the different and, sometimes conflicting, requirements. The island itself has not been reduced in size but the layout has been altered to reflect current guidelines on where traffic signal apparatus has to be located.

**Question** (2) Is work planned to resolve this issue and if so, when is it expected to be completed?

**Answer** (2) Officers are currently looking at the feasibility of re-locating the signal pole within the current guidelines. If feasible, the pole will be moved as soon as possible (depending on contractor availability).

**Question** (3) If not, why not?

**Answer** (3) See above.



**QUESTION NO 10**

**By Councillor Thornley for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

Original plans for the West Craigs development talked of a bus gate on Turnhouse Road, beyond the existing West Craigs housing. This would mean all traffic having to go via the Craigs Road/Maybury Road junction.

In answer to my question in February this year, the Convener stated that “a bus gate may be necessary” and was being investigated.

Therefore, to ask the Convener;

**Question** (1) Have investigations into the possibility of a bus gate concluded? If not, when does he expect they will conclude?

**Answer** (1) No decision has been made on the bus gate.

Initial feasibility indicated the potential for the introduction of a bus gate on Turnhouse Road. Further evaluation is now being taken forward as part of the wider review of the Maybury Junction. Consultants have recently been appointed to do this and Transport and Environment Committee will be updated when the project has been developed.

The implementation of any bus gate would require a traffic regulation order and a formal consultation process which would provide opportunities for the public to provide comment on any proposal.

**Question** (2) If so, will a bus gate be installed on Turnhouse Road?

**Answer** (2) See answer 1.

**Question** (3) If so, when is the bus gate expected to be installed?

**Answer** (3) See answer 1.

## QUESTION NO 11

**By Councillor Campbell for answer  
by the Convener of the Culture and  
Communities Committee at a  
meeting of the Council on 31 August  
2023**

### Question

- (1)** There are still a number of concerns that councillors have raised about the lifelong learning review which have not been fully resolved.

Councillors were initially told that no saving would be delivered through the Lifelong Learning Review yet a saving was made.

Can the convener please confirm:

- On what date was the decision made to delete vacant posts resulting in a £170k saving?
- Which officers (Job title, not individuals) were involved in signing off this decision?
- Which objectives in the business plan were considered when this decision was made?
- Was an equalities impact assessment undertaken?
- Was the convener consulted on this decision?
- Were any other councillors informed or consulted on the budget cut to lifelong learning?
- What was the formal governance process around this decision and was there advice sought at any point on whether, due to political sensitivity, this should be decided by committee or council?

**Answer**

**(1)** In response to the questions above:

- On what date was the decision made to delete vacant posts resulting in a £170k saving?

On 12 December 2022, the final structure following the Lifelong Learning Review was communicated to officers in scope of the review.

On 13 December 2022, Culture and Communities Committee received an update on the review which confirmed that a saving was anticipated from the review.

- Which officers (Job title, not individuals) were involved in signing off this decision?

The Senior Responsible Officers for the review were the Executive Directors of Place and (now) Children, Education and Justice Services.

- Which objectives in the business plan were considered when this decision was made?

The vision for the review included focusing service delivery on activities which support the three core business plan priorities.

- Was an equalities impact assessment undertaken?

An integrated impact assessment was prepared in advance of the organisational review commencing and was updated through engagement with Trade Union colleagues during the review process.

- Was the convener consulted on this decision?

I was not consulted on the outcome of the review, but I was kept updated on the progress of the review.

- Were any other councillors informed or consulted on the budget cut to lifelong learning?

As noted above, a report to Culture and Communities Committee in December 2022 highlighted that a saving was anticipated.

- What was the formal governance process around this decision and was there advice sought at any point on whether, due to political sensitivity, this should be decided by committee or council?

The Lifelong Learning Review followed the Council's Managing Change policy. As noted in response to Councillor Campbell's question in September 2022, organisational reviews are always taken forward by officers.

**Question**

**(2)** Concerns have also been raised about the HR processes and the conflicting information provided to councillors. Can the convener please confirm:

- Why were three posts deleted after the review because there was no member of staff matched, yet staff were moved onto redeployment following the review?
- Councillors have been told that the cut to the lifelong learning budget was made because it did not impact on staff, does she agree with this assessment?
- Were all processes followed correctly in terms of the information that staff were given about applying for posts while on redeployment?
- Were any posts advertised externally?
- What is the HR process for when posts are advertised externally following a review, and was the correct process followed in this case?

**Answer**

**(2)** In response to the questions above:

- Why were three posts deleted after the review because there was no member of staff matched, yet staff were moved onto redeployment following the review?

There have been no posts deleted from the structure following the review. As noted in a briefing note for Councillors in June 2023, following matching and assignment there were four individuals within the scope of the review who were unsuccessful in being matched into positions within the new service areas.

- Councillors have been told that the cut to the lifelong learning budget was made because it did not impact on staff, does she agree with this assessment?

There was 69.67 FTE (excluding vacancies) in scope of the review and the final structure has positions equivalent to a total FTE of 74.5. The saving achieved through the review is as a result of there being unfilled vacancies in the original lifelong learning structure.

- Were all processes followed correctly in terms of the information that staff were given about applying for posts while on redeployment?

Yes, the processes were followed. However, I asked officers to consider if the approach to redeployment was appropriate in the circumstances and, as a result, the individuals affected were invited to note interest in the unfilled roles.

- Were any posts advertised externally?

Yes, the unfilled posts were advertised concurrently to redeployment, internally and externally due to the number of positions available. Any redeployees who noted interest in these positions were seen prior to any other candidates.

- What is the HR process for when posts are advertised externally following a review, and was the correct process followed in this case?

There is no specific process for advertising vacancies externally following an organisational review. The process followed is outlined above.

**QUESTION NO 12**

**By Councillor Nicolson for answer by the Council Leader at a meeting of the Council on 31 August 2023**

**Question**

Following the SNP motion at Full Council which agreed unanimously that a Stolperstein will be installed at St Stephen's Church, Stockbridge, to recognise the heroic work of Jane Haining, please can you update us on progress towards the Stolperstein installation and a ceremony in January 2024 to commemorate International Holocaust Remembrance Day?

**Answer**

To date, approximately 95,000 Stolperstein have been installed across Europe.

Council officers have investigated the criteria on Stolperstein, which is a project initiated by German artist Gunter Demnig. The artist himself must install all of the Stolperstein, with production costs of 132 euros for each stone (which measure 10cm x 10cm). The cost of travel and accommodation for the artist will also need to be met.

The Stolperstein should be placed outside 'their last address of choice' therefore evidence would need to be provided that this was Jane Haining's address of choice. In addition, there is a requirement to contact any living relatives to ensure the correct placement and to organise permissions and media ahead of any unveiling.

Officers understand that there is a long waiting list for Stolperstein, with production of around 440 per month. They will continue to progress this and to identify any potential funding partners but unfortunately it is unlikely that an installation ceremony will be possible in January 2024.

**Supplementary Question**

Have council officers spoken with Mr Demnig or his colleagues?

**Supplementary Answer**

Council officers have not been in touch with Mr Demnig or his colleagues.

**QUESTION NO 13**

**By Councillor McKenzie for answer  
by the Convener of the Education,  
Children and Families Committee at a  
meeting of the Council on 31 August  
2023**

Under section 1(1C) of the Education (Scotland) Act 1980, education authorities are empowered to provide discretionary early learning and childcare, over and above the statutory entitlement. This can be used to widen local eligibility criteria.

**Question** (1) When was the Convener informed of changes to eligibility criteria for discretionary early learning and childcare?

**Answer** (1) There has been no change to the criteria for discretionary early learning and childcare. Discretionary for 2 year olds are allocated using the following criteria.

- Children in temporary accommodation or homeless.
- Children who have been supported through the Family Nurse Partnership.

Referrals for children under 2 years old are still made using the Getting it Right for Every Child SHANARRI wellbeing indicators and consideration is given to children who require additional support to enable them to reach their full potential (Education (Additional Support for Learning) (Scotland) Act 2004), or who meet the eligibility criteria as identified in the Children and Young People (Scotland) Act 2014.

Examples are

- Safe - Children on the child protection register
- Healthy - Multi-agency child planning (GIRFEC pathways 3 & 4 planning)

**Question** (2) Can the Convener share details of the changes that have been made to the eligibility criteria?

**Answer** (2) As stated, no changes have been made to the eligibility criteria. Members of the Children’s Partnership (NHS, Education and Social Work) agreed to review the process for allocation to ensure children who have the greatest level of need are able to access a place as soon as possible.

**Question** (3) Can the Convener explain how the decision to change the eligibility criteria was reached, including details of any discussions with stakeholders and elected members?

**Answer** (3) The criteria has not changed.

**Question** (4) Has an Integrated Impact Assessment been completed in relation to changes to the eligibility criteria?

**Answer** (4) N/A

**Question** (5) How many referrals for discretionary early learning and childcare have been accepted as of 22<sup>nd</sup> August 2023 in comparison with 22<sup>nd</sup> August 2022 from each of the following sources:

- a) Self-referrals
- b) Health Visitor referrals
- c) Social Work referrals
- d) Third Sector referrals

**Answer** (5) Local authority early years settings have 124 registered places for children under the age of 2 years old.

August 2022 – 51 children under the age of 2 had a discretionary place. We do not hold accurate data for the process prior to August 2023 because the process in place at the time was inconsistent with early years settings taking different approaches to recording whether children had been referred or were actually eligible for funded ELC.



August 2023 - 77 children under the age of 2 have a discretionary place. 41 places have been allocated through the referral process.

- a) Self-referrals = 0
- b) Health Visitor referrals = 30
- c) Social Work referrals = 3
- d) Third Sector referrals = 0
- e) Family Nurse Partnership = 7
- f) Community Nursery Nurse = 1

**Question** (6) Can the Convener share the advice that is being given in response to unsuccessful referrals?

**Answer** (6) The advice will vary depending on the information provided in the referral.

**Supplementary Question** The answer to Question 1 states “ There has been no change to the criteria”, but the answer to Question 2 states “Members of the Children’s Partnership agreed to review the process for allocation”. Can the Convener share or signpost to any available information on the outcome of the review and its impacts?

**Supplementary Answer** The Children’s Partnership has an action to improve the information sharing protocol. Under the previous process, referrals were often made directly to a small number of early years settings through telephone calls with no written record of the reason for the referral or decisions to allocate discretionary places or not. It was also noted that many parents/carers of children allocated a discretionary place had to travel out with their community due to the referrals be made directly to a small number of early years settings. 34 early years settings provide places for children under 3 years of age, only 11 settings received referrals for discretionary places.

Our new centrally managed process agreed by CEC and NHS senior officers ensures referrals for discretionary

places are made through the GIRFEC process and information is appropriately shared and stored between services. It also takes account of all our early years settings with places for children under 3 years of age.

**QUESTION NO 14**

**By Councillor Biagi for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 31 August 2023**

**Question**

In how many schools were fewer than one place per class kept aside this academic year for P1 pupils who moved into catchment after the December cut-off date for enrolment, and which schools are they?

**Answer**

Bonaly – two late catchment – 1 granted on appeal so now 1.

Broughton – 2 late catchment – 1 being offered.

Brunstane – 3 late catchment – 1 allocated – 3 appeals were granted so this has reduced the possibility of allocating to late catchment.

Corstorphine – 2 late catchment – 1 non-catchment granted on appeal, so this has reduced the possibility of allocating to late catchment.

Cramond – 1 late catchment now allocated.

Forthview – 4 late catchment – all now allocated.

Leith – 1 late catchment – now allocated.

Lorne – 1 late catchment – now allocated.

Newcraighall – 2 late catchment – now allocated.

Sciennes – 2 late catchment – 1 allocated

The class organisations in our primary schools are reviewed annually in January taking into account expected pupil numbers for the coming school session. Our priority is to accommodate catchment pupils, with out of catchment places offered where available. Edinburgh is experiencing a falling pupil roll across our primary schools with many schools experiencing a drop in pupil intake limits and classes.

The Council aims to provide places for P1 and S1 pupils at one of their catchment schools, if they apply and provide satisfactory proof of residence in the catchment area by 24 December in the year before they begin primary or secondary school and are still living at the same address at the start of session.

**QUESTION NO 15**

**By Councillor Mowat for answer by  
the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 31 August 2023**

**Question** (1) How many fines have been issued to tourist coaches parking overnight on areas covered by signs saying “No Parking at Any Time”?

**Answer** (1) Over the past year, nine parking tickets have been issued to coaches parking on yellow lines out with the operating times of the Controlled Parking Zone (CPZ), with the latest issue time being 20:31.

**Question** (2) Who issues these fines?

**Answer** (2) Parking tickets in Edinburgh are issued by parking attendants who are employed by NSL on behalf of the Council.

**QUESTION NO 16**

**By Councillor Whyte for answer by  
the Convener of the Regulatory  
Committee at a meeting of the  
Council on 31 August 2023**

The cost of a Short Term Let License is intended to recover the costs to the Council of the work involved.

The cost of a license for a four person/two bed property in East Lothian for a three-year period is £390. In Edinburgh, the equivalent cost is £1440.

**Question** (1) Can the Convener explain why the costs vary so much?

**Answer** (1) The fees chargeable in Edinburgh were approved by the Regulatory Committee and reflect the work expected in terms of inspecting properties, dealing with complaints and ensuring that Licensed Short Term Let (STL) operators behave responsibly. I understand the fee for East Lothian is a flat fee irrespective of size or type of STL.

**Question** (2) How can this be justifiable when the work involved in administering the scheme will be the same? Indeed, it could be argued that there are economies of scale in administering the scheme for larger local authorities in Edinburgh

**Answer** (2) The fee is not simply for administration. A comparison could only be made if the approach to enforcement and monitoring the STL sector during the lifetime of the 3 year licence is identical. The Council has agreed a proactive monitoring approach and the costs have been set based on previous experience (of the real cost of monitoring and enforcement of other licence types). The Council will publish a full breakdown of the income and expenditure associated with STL to allow scrutiny by the Regulatory Committee on an ongoing basis.

**QUESTION NO 17**

**By Councillor Whyte for answer by the Convener of the Housing, Homelessness and Fair Work Committee at a meeting of the Council on 31 August 2023**

At the most recent Housing, Homelessness and Fair Work Committee a deputation suggested that there was proportionally a much higher number of void and long-term void Council homes in Lochend/Craightinny/Restalrig than in other areas of the city.

Can the Convener please provide the following information in a tabular format to clarify the situation, City wide and for the areas of Lochend, Craightinny and Restalrig

**Question (1)** The total number of Council HRA homes

**Answer (1)** The table below shows the total number of Council homes across the city, with a breakdown of the three areas listed.

As of 21 Aug 23	City wide	Craightinny	Lochend	Restalrig	Total	Area % of city
CEC Homes	20,224	417	706	387	1,510	7.47%
Total voids*	1,435	8	66	59	133	9.27%
Voids over 18 months	478	1	36	31	68	14.23%

\*includes 260 voids unable to be let due to decants, disposal, demolition, new build, management transfer etc

**Question (2)** The total number of voids, and the proportion of properties void in percentage terms.

**Answer (2)** See response to Q1 above

**Question (3)** The number of long-term voids, and the proportion of properties long-term void in percentage terms.

**Answer (3)** See response to Q1 above

**Question (4)** A breakdown of the main reasons that properties are long-term void

**Answer**

- (4) The table below provides a breakdown of the main reasons for the long term void properties in the three areas noted above:

<b>As of 21 August 23</b>	
Undergoing repairs	45
Repairs complete and returned to be let	20
Void Properties unable to be let*	3
<b>Total</b>	<b>68</b>

\* Voids unable to be let due to being used as decants (2) or being transferred to temporary accommodation (1).

**Question**

- (5) The average turnover rate

**Answer**

- (5) The average length of time to re-let properties in 2022/23 was 108 days.

**Question**

- (6) The average length of tenancy

**Answer**

- (6) The average length of tenancy as of 22 August 2023 was 4,171 days.



**QUESTION NO 18**

**By Councillor Bruce for answer by  
the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 31 August 2023**

**Question** (1) What meetings have taken place with the landowners to deliver the fully signalised Dalmahoy Junction and what were the outcomes?

**Answer** (1) Initial contact was made with the landowners around September 2018. A meeting with the landowners took place in December 2019 and thereafter Council officers have been engaging with the landowners by correspondence.

**Question** (2) When is this part of the project expected to be concluded?

**Answer** (2) Terms are currently being discussed with each of the three landowners. Once terms are agreed with the landowners, the legal paperwork can be finalised and issued for agreement. It is not yet possible to provide a date for when these terms will be concluded.

**QUESTION NO 19**

**By Councillor Bruce for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

**Question**

You mentioned back in the May Full Council that a direct and frequent bus service from Ratho to the city centre was not affordable within the current supported bus services budget. Will you write to the Transport Convener at the Scottish Government before the end of September 2023 to ask for extra emergency funding to make sure Ratho has a direct city centre bus service it so desperately needs?

**Answer**

Whilst much of the CEC area is provided with an excellent service via Lothian Buses, the Council supporting services elsewhere is an incredibly expensive undertaking within the context of the Scottish Government's squeeze on local government spending. This was only exacerbated when the proposal in the 2023/24 CEC budget process to provide additional funding to supported bus services was blocked.

I'm due to meet Fiona Hyslop MSP, the Scottish Government's Minister for Transport, in the coming weeks to discuss transport in Edinburgh and I will be sure to mention the challenges in rural west Edinburgh.

**QUESTION NO 20**

**By Councillor Osler for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

In December 2017 I asked the then Convener of Transport and Environment - what number of pedestrian crossings within the City of Edinburgh have been fitted with a pedestrian signalling box with working rotating cones underneath, which enable partially sighted individuals to know when it is safe to cross? Answer - There are currently **596 traffic signal** installations in the city. **409 have rotating tactile cones** for use by partially sighted pedestrians. Five and half years on:

**Question** (1) What number of pedestrian crossings within the City of Edinburgh have been fitted with a pedestrian signalling box with working rotating cones underneath, which enable partially sighted individuals to know when it is safe to cross?

**Answer** (1) There are currently 642 sets of traffic signals in Edinburgh. Out of the 642 sets of signals there are two different types of facilities for visually impaired users, tactile rotating cones & audio beeper units. These are broken down to, 319 with both rotating tactile cones and audio units, 209 with tactile rotating cones only and 72 with audio units only.

**Question** (2) What number of signalised crossing have no pedestrian signalling box?

**Answer** (2) Where there are junctions that have missing push buttons, the data isn't available for those crossings that still have a signalised red and green man. All standalone crossings have no missing push buttons, out of our 277 junctions there are 66 signal-controlled junctions that have partial pedestrian facilities. This is where 1 or more arms of the junction has a missing controlled crossing.

**Question** (3) In the cases where a pedestrian signalling box has been installed how many do not have working rotating cones?

**Answer** (3) There are a total of 29 traffic signals that have no facilities for visually impaired users where there are push buttons installed.

**QUESTION NO 21**

**By Councillor Osler for answer by  
the Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 31 August 2023**

**Question** (1) According to a report that went to the Transport and Environment Committee in May of this year *the present contractor has agreed to undertake an on going sweeping program of all sites laid with micro-asphalt from the 2022/23 program.*

How is this being monitored?

**Answer** (1) The contractor agreed to undertake a regular sweep of sites between February 2023 and July 2023 (this time period corresponds with the date the material was identified as defective by the contractor, to the date the remedial works were completed).

After a sweep in late February 2023, it was agreed between the Council and the contractor that further sweeps would be undertaken as and when necessary, based on site inspections and resident feedback.

Council officers have carried-out ad-hoc inspections. However, due to the wholesale stone loss soon after laying (October 2022), the majority of the loose material had already been cleared (as a result of previous sweeping operations) therefore further sweeps have not been necessary as there was negligible loose material during the period from early March 2023 to July 2023.

**Question** (2) Given the unsatisfactory implementation and the lack of action to address the issues last year.

What improvements have been made this year?

**Answer**

- (2) The issues experienced during the 2022/23 programme can be attributed to defective material associated with the micro-asphalt programme (the surface dressing program was largely unaffected). Unfortunately, the issue with the material was only identified at the end of the programme, and was therefore too late to prevent wholesale failures at some sites. An extensive investigation was undertaken by the contractor and their findings were presented to the Council in February 2023.

As a result of the issues last year and further discussions with the contractor, their procedures were amended for the 2023/24 programme. The most notable change was the instigation of additional testing by the aggregate supplier on each batch prior to use by the contractor on-street. It was also decided to bring forward the 2023/24 programme by 2 – 3 months (starting in May and completing in July/early August), thus ensuring better climatic conditions for this type of operation.

The 2023/24 micro asphalt and surface dressing laying programme has now completed and material failures have not been identified.

## QUESTION NO 22

**By Councillor Flannery for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

The Council website states: *Edinburgh's city centre LEZ is here. Are you ready?* It points to boundary, standards, penalty charges, support funding and exemptions of impending LEZ, but there is no support or approved list of outlets for residents wanting to convert their vehicles to be LEZ-ready. Does the Convener agree that -

**Question** (1) To encourage this transition information should be readily available on Council Websites?

**Answer** (1) The Clean Vehicle Retrofit Accreditation Scheme (CVRAS) is only applicable to buses, coaches, heavy goods vehicles, mini-buses, taxis and certain vans (subject to conditions and feasibility being met).

More information on the [Clean Vehicle Retrofit Accreditation Scheme \(CVRAS\)](#) and [approved suppliers for eligible businesses and vehicle types](#) are available on the Energy Savings Trust website. The Council's [LEZ business support webpage](#) has been updated to reflect this information.

If you are a low-income household living within 20 kilometres (12 miles) of the LEZ, you may be eligible to apply for a grant of up to £3,000. Support includes:

- £2,000 for disposing of vehicles which do not comply with the low emissions standards; and
- £500 Travel Better vouchers per adult, up to £1,000 per household to buy bikes, e-bikes, cargo bikes and public transport tickets.

Other support is also available including for:

- e-bikes
- family cargo bikes
- adapted cycles; and
- electric vehicles and chargers

Further information on funding support for individuals and households is detailed on the [LEZ Individuals and Households support webpage](#).

**Question** (2) That officers who have had to check with Transport Scotland to find out approved CVRAS outlets, should be provided with this information, also?

**Answer** (2) See response to Question 1.

**Question** (3) Given this, is he aware that -

Some garages seem equally unclear as to what conversion entails, which garages will carry this out, and by when.

**Answer** (3) See response to Question 1.

**Question** (4) Given that the 1 June 2024 is the introduction date for the City Centre LEZ, would he agree that as a council we need to have this information available as a matter of priority for residents.

**Answer** (4) See response to Question 1.

**Supplementary Question** Questions 1 – 4 refer to support or approved list of outlets for residents wanting to convert their vehicles to be LEZ-ready by June next year, not public or business vehicles.

**Supplementary  
Answer**

The response to Question 1 includes a link to the Council's webpage detailing support funding available to eligible business/commercial vehicles.

The Scottish Government's Bus Emissions Abatement Retrofit (BEAR) programme (which has been running since 2018) aims to fit buses/coaches with Clean Vehicle Retrofit Accreditation Scheme (CVRAS) accredited retrofit technology measures. Information will be published on both the Transport Scotland and Council websites once the status of this funding for 2023/24 has been confirmed



**QUESTION NO 23**

**By Councillor Caldwell for answer by the Convener of the Culture and Communities Committee at a meeting of the Council on 31 August 2023**

On the 2<sup>nd</sup> of May, 2023, a number of trees were fell on Pilrig Street and multiple cherry blossom trees on Cambridge Gardens were cut back by contractors working on behalf of the City of Edinburgh Council. These trees are within the Pilrig Conservation Area, which has a 2013 character appraisal stating “*the significance of mature trees*” as part of the essential character.

**Question** (1) Why did these proposed works not go through the Planning system given the trees’ status were known about for at least a month, as well as the consideration of the above significance of the conservation area, which private local residents rightly get permission when felling a tree, and allow residents to be aware of works?

**Answer** (1) Following an inspection of the trees within the Pilrig Conservation area, an urgent decision was taken to take action on a small number of trees due to their condition. Two trees were felled, and the remainder had minor pruning works carried out to improve sightlines and to address conflicts with low hanging branches along the public highway.

Emergency works are exempt from planning approval, and Council officers in Neighbourhood Environmental Services and Planning work closely to ensure that any emergency works are clearly documented so that they could be investigated at a later date if required.

**Question** (2) What liaison was done with residents of the properties these trees were on before and after the works, and what steps are being taken to replace the tree loss?

**Answer** (2) During the inspection, local residents engaged with the inspector on site in respect of the action being taken. As the trees are located on HRA land, the works were approved by Council officers in Neighbourhood Environmental Services and Housing.

There are plans to replace the two trees which were felled as part of a future planting programme. The date for this planting is yet to be confirmed.

**Question** (3) Why was the emergency tree number not staffed at 11am in the morning in question when residents suspected illegal tree felling?

**Answer** (3) The Council Emergency Contact Number is used for reporting all issues with trees. This is a 24-hour service, 365 days per year. However, it may be that residents contacted officers directly but were unable to reach them as the office is not always staffed. A dedicated mailbox is also in place and is monitored throughout office hours. Emails received are prioritised and responded to in order of priority.

**Question** (4) How are trees that have to be removed for safety on Council land recorded with the Planning service to ensure the Council are replacing our stock in order to meet the “one million tree city” target.

**Answer** (4) Where protected trees are removed, the Planning service will usually specify that replacements are planted (unless there is a good reason not to). A long-standing commitment to replace trees where they are lost is written into the ‘Trees in the City’ policy. Culture and Communities Committee are kept updated on this on an annual basis. This is achieved through the Council’s annual tree planting programme and the Edinburgh Million Tree Project (via external partners).

**QUESTION NO 24**

**By Councillor Caldwell for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

**Question** (1) What is the Council's position on street furniture actively being installed in 2023 to 2015 Edinburgh Street Design Guidance specifications, rather than 2022 Guidance?

**Answer** (1) When street schemes are designed, they accord with guidance current at that time. This means that where guidance is updated prior to construction, situations can arise where the installed scheme does not meet the parameters of current guidance. Each must be reviewed on a case-by-case basis as updating design parameters to current guidance would, in normal circumstances, be a contract change which would need to be managed through each project's change management process.

**Question** (2) What is the Council's policy in responding to serious accessibility and safety concerns raised by residents on infrastructure such as benches (*C1-5-a in 2015 into F2 in 2022*), pavement width (*C1-1-a and C1-1-b in 2015 into P2 in 2022*) or cycle racks (*C2-4 in 2015 into C7 in 2022*) that don't meet 2022 Guidance?

**Answer** (2) The Council does not immediately review all existing infrastructure when guidance is updated and therefore there is no immediate action to replace anything that no longer complies to the most up to date guidance. When designing new infrastructure, the designs developed aim to comply with current guidance at the point of design.

Officers will also investigate issues of accessibility and safety if these are raised with residents and consider if there is any action which can be taken to address this.

**Question** (3) What steps generally across Edinburgh are the Administration taking to ensure infrastructure that doesn't meet the 2022 Guidance (but meets 2015) is replaced with infrastructure that does?

**Answer** (3) As above.

**Question** (4) What steps, specifically on the Trams to Newhaven Project and handover, are the Administration taking to ensure infrastructure that doesn't meet the 2022 Guidance (but meets 2015) is replaced with infrastructure that does?

**Answer** (4) Any steps would be taken in line with the parameters above and funding would have to be made available.

**QUESTION NO 25**

**By Councillor Davidson for answer  
by the Vice-Chair of the Edinburgh  
Integration Joint Board at a meeting  
of the Council on 31 August 2023**

**Question** (1) What assessment has been made as to the uptake of the online order service of sexual health testing kits provided by the EHSCP?

**Answer** (1) It is clear that uptake, in terms of demand, greatly exceeds capacity. Lothian Sexual & Reproductive Health Services (LSRHS) piloted the new software that supports online ordering of testing kits as part of a national pilot. We are still working with the developers and our data team to get further reporting capabilities set up. We are in the process of gathering data to write a report on the roll-out of the pilot in Lothian.

**Question** (2) Has an assessment to the accessibility of the current system taken place?

**Answer** (2) Accessibility testing was done as part of the project's software design phase by the team that created the pathway and is part of the national pilot project specification. Further accessibility testing has not taken place within Lothian Sexual and Reproductive Health Services.

**Question** (3) Is there an estimate as to the number of patients who have been unable to access kits due to limited accessibility to the online kits?

**Answer** (3) Initial reports from the electronic patient record developers who host the online ordering platform (Excelicare) identified that 11-13% of requests were being met. This is likely in part to reflect the same citizens making multiple attempts to order the kits, but we know that only a minority of requests are met. The service has advertised the time we make kits available on our FAQs on our website.

Based on the low percentage of people able to access testing kits online and the need to offer alternative routes to testing, we have re-introduced our face-to-face express

testing service for those without symptoms. We have not yet quantified the impact this has had on success at getting an online order as the service need to go via the developer for this information at present.

For context, it is important to note that this project was initiated in Lothian as a local solution during COVID restrictions, within the existing funding envelope. As other services have resumed and expanded, it constitutes an additional resource pressure. It has progressed as part of a national pilot which finishes in August 2023. Discussions are underway between the Project Board, Scottish Government and Public Health Scotland regarding the national roll out of the pilot, including nationally co-ordinated laboratory solutions and resource implications. We continue to work closely with the online ordering developers and programme board with the aim of supporting a national solution to make it more accessible and easier to access a testing kit for more people. In the meantime, we continue to work on solutions to improve capacity locally within existing resources.

**QUESTION NO 26**

**By Councillor Dobbin for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

**Question** (1) Given the dependence of many residents on the Garden Aid Service and the failure of the Contractor to meet their responsibilities, how many residents have complained about missed appointments

**Answer** (1) In the period April to August 2023, there were 173 complaints about missed service from across the city from a total customer base of 2,592 (6.67%). It is important to note that the Garden Aid service is a basic grass and hedge-cutting service and does not operate on an appointment basis.

**Question** (2) When were officers aware of the issues and why were Councillors not briefed?

**Answer** (2) Much of the issues caused have been related to resourcing on the part of the contractor. It was anticipated these issues would have been resolved by now.

Officers recognise that when it became apparent that the issues were going to persist Members should have been notified. A Members Brief will be circulated as soon as possible.

**Question** (3) Will residents who have had failure of service receive compensation?

**Answer** (3) If paying customers have not received a hedge-cut this season they will be offered the chance to cancel the service and receive compensation and if they have only received one hedge cut, then they will be offered proportionate compensation.

**QUESTION NO 27**

**By Councillor Dobbin for answer by the Convener of the Housing, Homelessness and Fair Work Committee at a meeting of the Council on 31 August 2023**

**Question** (1) Given many residents have now been waiting over a year to have windows replaced, and with the winter rapidly approaching, can the Convener explain in detail why the tendering process has taken so long to appoint a new contractor.

**Answer** (1) There are two live contracts in place to deliver the window replacement programme across the city. A procurement process is in progress now to address the backlog which has resulted from the difficulties experienced in procurement for this work. Officers anticipate that it will take 12 months from now to clear the backlog.

An update on the procurement process was provided in response to a previous question by Councillor Dobbin. There have been delays in awarding the live contracts as a result of a challenge to the decision of the procurement process which prevented the award of contracts until the dispute had been resolved.

**Question** (2) Given the failure of the process, why have Councillors not been briefed on the inordinate delays affecting constituents.

**Answer** (2) Ward members are regularly briefed on investment priorities and plans for each financial year and officers respond to individual questions from Elected Members and tenants on specific cases. This has been the case with regards to contract delays and window replacement, with a number of updates provided to councillors over a period of months.



**QUESTION NO 28**

**By Councillor Whyte for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 31 August 2023**

Despite the increased budget of £2.74 million for Street Cleansing, concerns have been raised that the standard has not been improved at all. With regards our Statutory Duties under the Code of Practice can the Convener please provide a response to the following questions -

**Question** (1) Does he accept that the department has a legal obligation to cleanse streets to the standard set out in the Code?

**Answer** (1) Streets should, as far as possible, be cleansed to a Grade A standard and where they fall below this should be recovered to this standard within the timescales in the Code.

**Question** (2) Does he accept that the only way to cleanse streets to those standards is by a brush and barrow operative as litter picking does not achieve the standard when there are parked cars, and neither will the new equipment?

**Answer** (2) This is dependent on the cleanliness of the street when a crew or barrow person attends. A street may only be required to be brought up to standard by some litter removal.

**Question** (3) The department has always stated they have a yearly blitz on street cleansing, as this is now August when is this due to start?

**Answer** (3) The service was funded in 2022/23 for a city-wide deep clean and also funded for a City Centre deep clean. The latter programme is in the final stages. Blitzes are routinely carried out by crews, and these are undertaken on a street-by-street basis.

**Question** (4) When is the weeding due to start?

**Answer** (4) Weed treatment has already started but, as with every other year, is dependant on weather and resources. Based on the budget available it is not possible to maintain weed free streets city wide.

**Question** (5) Why are abandoned items like traffic cones, signage, sandbags etc not removed in line with the NRSW Act which states they must be removed "promptly"?

**Answer** (5) The NRSW Act states that the company which has erected the traffic management should remove them, not the Council.

However, where abandoned items related to road works have been noted or reported to the Council, officers will take steps to identify the company responsible to arrange their removal. Where this is not possible, they will be removed as having been dumped or abandoned.

**Question** (6) Does the Convener accept that by failing to adhere to either the Code of Practice and the NRSW Act the council are leaving themselves open to court action?

**Answer** (6) The Council would only not be adhering to the NRSW Act where the traffic management relates to a Council road works or construction scheme. Any abandoned traffic management equipment left by statutory undertakers or private companies is not the duty of the Council.

**QUESTION NO 29**

**By Councillor Jones for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 31 August 2023**

Please can you provide information on the following:

- Question**           **(1)** the standardised attainment results for 2022/2023 for all primary schools and secondary school in Edinburgh - P1, P4, P7 and S3
- Answer**           **(1)** In Scotland National Standardised Assessments (NSA) data is used for diagnostic purposes only and is not used as a key performance indicator of pupil progress in learning, teacher, school or Local Authority performance. There is no correlation between ACEL scores and NSA scores, as these are all taken at different times, at the direction of class teachers, based on pupil readiness. They are considered as part of a range of assessment tools at teachers' disposal to be used diagnostically. This is the approach taken by Scottish Government: to use anonymised national level data to identify trends, National Policy and areas for improvement and support.
- Question**           **(2)** the standardised attainment results for S 3 for all secondary schools for  
  
2019/2020,  
2020/2021 and  
2021/22
- Answer**           **(2)** As above

**QUESTION NO 30**

**By Councillor Jones for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 31 August 2023**

**Question**

Please could you provide the following information:

A breakdown school by school of the total percentage of children in SIMD 1 and SIMD 2.

**Answer**

This was last produced in December 2022. The next time this will be produced will be after the Pupil Census for the current session has concluded and this will be towards the end of November/early December of this year.

Please see overleaf the breakdowns:

## SIMD 2020 Profile - Primary Schools

% of Pupils attending school on Census day (14/09/22) by SIMD Decile

School	SIMD Decile										Total
	1	2	3	4	5	6	7	8	9	10	
Abbeyhill Primary School	1%	4%	5%	24%	19%	20%	11%	2%	15%	1%	100%
Balgreen Primary School	1%	5%	32%	15%	8%	17%	3%	9%	9%	3%	100%
Blackhall Primary School	0%	0%	2%	1%	1%	0%	2%	1%	11%	81%	100%
Bonaly Primary School	0%	2%	0%	0%	0%	0%	1%	2%	16%	79%	100%
Broomhouse Primary School	6%	38%	18%	12%	1%	19%	5%	0%	1%	1%	100%
Broughton Primary School	2%	5%	3%	24%	3%	1%	5%	12%	21%	23%	100%
Brunstane Primary School	40%	22%	9%	2%	6%	1%	11%	5%	3%	0%	100%
Bruntsfield Primary School	0%	0%	1%	0%	3%	2%	11%	6%	12%	64%	100%
Buckstone Primary School	0%	0%	0%	0%	1%	1%	5%	1%	11%	80%	100%
Bun-sgoil Taobh na Pàirce ( Parkside Primary )	2%	7%	7%	10%	8%	7%	19%	8%	12%	19%	100%
Canaan Lane Primary School	0%	0%	0%	0%	0%	0%	10%	8%	20%	63%	100%
Canal View Primary School	70%	10%	3%	1%	11%	1%	0%	0%	4%	0%	100%
Carrick Knowe Primary School	0%	7%	1%	5%	2%	25%	27%	1%	13%	19%	100%
Castleview Primary School	40%	49%	0%	1%	1%	4%	4%	0%	1%	0%	100%
Clermiston Primary School	0%	9%	6%	26%	18%	0%	16%	12%	10%	2%	100%
Clovenstone Primary School	40%	30%	20%	0%	7%	0%	0%	1%	0%	0%	100%
Colinton Primary School	2%	2%	3%	0%	6%	21%	4%	38%	12%	11%	100%
Corstorphine Primary School	0%	1%	0%	2%	7%	1%	13%	2%	8%	65%	100%
Craigentenny Primary School	20%	20%	25%	6%	10%	2%	1%	9%	0%	8%	100%
Craiglockhart Primary School	0%	1%	1%	2%	5%	6%	3%	5%	4%	74%	100%
Craigour Park Primary School	10%	32%	26%	9%	10%	9%	4%	0%	0%	0%	100%

<b>Craigroyston Primary School</b>	37%	38%	9%	6%	8%	1%	1%	1%	0%	0%	<b>100%</b>
<b>Cramond Primary School</b>	0%	1%	1%	1%	1%	0%	3%	5%	31%	58%	<b>100%</b>
<b>Currie Primary School</b>	0%	0%	0%	0%	1%	12%	14%	8%	10%	54%	<b>100%</b>
<b>Dalmeny Primary School</b>	0%	1%	0%	0%	3%	1%	5%	63%	24%	3%	<b>100%</b>
<b>Dalry Primary School</b>	2%	7%	7%	13%	23%	4%	28%	2%	9%	5%	<b>100%</b>
<b>Davidson's Mains Primary School</b>	3%	4%	3%	3%	6%	0%	1%	0%	26%	54%	<b>100%</b>
<b>Dean Park Primary School</b>	0%	0%	0%	0%	16%	0%	1%	17%	14%	51%	<b>100%</b>
<b>Duddingston Primary School</b>	3%	3%	12%	1%	2%	3%	21%	1%	6%	47%	<b>100%</b>
<b>East Craigs Primary School</b>	0%	0%	0%	18%	13%	10%	3%	6%	17%	34%	<b>100%</b>
<b>Echline Primary School</b>	0%	0%	6%	0%	0%	0%	0%	9%	28%	57%	<b>100%</b>
<b>Ferryhill Primary School</b>	5%	26%	22%	43%	1%	0%	1%	0%	1%	1%	<b>100%</b>
<b>Flora Stevenson Primary School</b>	1%	3%	7%	4%	0%	0%	4%	11%	3%	66%	<b>100%</b>
<b>Forthview Primary School</b>	5%	47%	34%	9%	3%	0%	2%	0%	0%	0%	<b>100%</b>
<b>Fox Covert ND Primary School</b>	0%	3%	5%	3%	1%	1%	2%	22%	47%	17%	<b>100%</b>
<b>Frogston Primary School</b>	0%	29%	2%	0%	7%	0%	46%	9%	7%	0%	<b>100%</b>
<b>Gilmerton Primary School</b>	11%	19%	9%	9%	10%	0%	36%	1%	4%	0%	<b>100%</b>
<b>Gracemount Primary School</b>	2%	46%	18%	6%	5%	0%	8%	6%	7%	1%	<b>100%</b>
<b>Granton Primary School</b>	32%	23%	19%	5%	4%	1%	10%	5%	0%	1%	<b>100%</b>
<b>Gylemuir Primary School</b>	0%	2%	1%	1%	10%	2%	35%	16%	11%	22%	<b>100%</b>
<b>Hermitage Park Primary School</b>	26%	9%	4%	8%	1%	18%	12%	11%	1%	11%	<b>100%</b>
<b>Hillwood Primary School</b>	0%	1%	6%	0%	3%	82%	1%	3%	3%	0%	<b>100%</b>
<b>Holy Cross Roman Catholic Primary School</b>	4%	12%	13%	4%	3%	7%	19%	9%	13%	17%	<b>100%</b>
<b>James Gillespie's Primary School</b>	0%	1%	1%	1%	1%	2%	5%	2%	8%	80%	<b>100%</b>
<b>Juniper Green Primary School</b>	3%	4%	1%	1%	2%	2%	1%	9%	17%	61%	<b>100%</b>
<b>Kirkliston Primary School</b>	0%	0%	16%	0%	9%	5%	0%	70%	0%	0%	<b>100%</b>
<b>Leith Primary School</b>	11%	11%	15%	21%	18%	6%	5%	8%	4%	0%	<b>100%</b>
<b>Leith Walk Primary School</b>	3%	4%	3%	25%	6%	14%	14%	11%	6%	15%	<b>100%</b>
<b>Liberton Primary School</b>	0%	3%	29%	28%	4%	0%	10%	8%	9%	8%	<b>100%</b>
<b>Longstone Primary School</b>	7%	2%	16%	9%	1%	26%	2%	0%	35%	1%	<b>100%</b>
<b>Lorne Primary School</b>	3%	6%	8%	34%	12%	3%	30%	1%	2%	2%	<b>100%</b>

<b>Murrayburn Primary School</b>	14%	9%	2%	8%	12%	41%	12%	1%	1%	1%	<b>100%</b>
<b>Nether Currie Primary School</b>	1%	3%	0%	0%	4%	2%	2%	15%	55%	17%	<b>100%</b>
<b>Newcraighall Primary School</b>	8%	3%	0%	2%	52%	9%	4%	1%	22%	0%	<b>100%</b>
<b>Niddrie Mill Primary School</b>	52%	33%	2%	1%	1%	7%	3%	1%	0%	0%	<b>100%</b>
<b>Oxgangs Primary School</b>	2%	8%	10%	1%	19%	3%	10%	8%	2%	38%	<b>100%</b>
<b>Parson's Green Primary School</b>	2%	4%	2%	20%	5%	2%	2%	11%	9%	43%	<b>100%</b>
<b>Pentland Primary School</b>	7%	5%	12%	5%	1%	7%	1%	1%	2%	60%	<b>100%</b>
<b>Pirniehall Primary School</b>	19%	35%	19%	16%	11%	0%	0%	0%	0%	0%	<b>100%</b>
<b>Preston Street Primary School</b>	2%	3%	3%	5%	1%	10%	5%	10%	41%	21%	<b>100%</b>
<b>Prestonfield Primary School</b>	18%	30%	4%	20%	1%	3%	3%	1%	8%	13%	<b>100%</b>
<b>Queensferry Primary School</b>	0%	0%	5%	0%	1%	0%	12%	66%	13%	3%	<b>100%</b>
<b>Ratho Primary School</b>	0%	0%	2%	0%	24%	48%	6%	0%	0%	20%	<b>100%</b>
<b>Roseburn Primary School</b>	0%	1%	1%	2%	5%	4%	3%	12%	22%	49%	<b>100%</b>
<b>Royal Mile Primary School</b>	4%	11%	27%	27%	8%	10%	4%	3%	4%	3%	<b>100%</b>
<b>Sciennes Primary School</b>	0%	1%	0%	1%	1%	1%	9%	7%	22%	56%	<b>100%</b>
<b>Sighthill Primary School</b>	32%	58%	1%	1%	5%	0%	2%	0%	0%	0%	<b>100%</b>
<b>South Morningside Primary School</b>	1%	0%	0%	0%	0%	0%	8%	8%	7%	75%	<b>100%</b>
<b>St Andrews Fox Covert Roman Catholic Primary School</b>	3%	19%	14%	12%	4%	1%	8%	12%	13%	15%	<b>100%</b>
<b>St Catherine's Roman Catholic Primary School</b>	0%	54%	10%	1%	9%	0%	11%	9%	4%	0%	<b>100%</b>
<b>St Cuthbert's Roman Catholic Primary School</b>	3%	2%	6%	11%	19%	39%	1%	1%	14%	5%	<b>100%</b>
<b>St David's Roman Catholic Primary School</b>	20%	37%	24%	7%	11%	0%	0%	0%	0%	0%	<b>100%</b>
<b>St Francis' Roman Catholic Primary School</b>	44%	42%	1%	4%	1%	4%	4%	0%	0%	0%	<b>100%</b>
<b>St John Vianney Roman Catholic Primary School</b>	4%	22%	26%	23%	6%	3%	12%	1%	3%	0%	<b>100%</b>
<b>St John's Roman Catholic Primary School</b>	15%	12%	6%	2%	6%	8%	21%	3%	12%	15%	<b>100%</b>
<b>St Joseph's Roman Catholic Primary School</b>	19%	36%	10%	8%	7%	9%	7%	1%	2%	0%	<b>100%</b>
<b>St Margaret's Roman Catholic Primary School</b>	1%	0%	6%	2%	2%	1%	4%	70%	9%	5%	<b>100%</b>
<b>St Mark's Roman Catholic Primary School</b>	12%	13%	19%	6%	7%	19%	6%	8%	3%	8%	<b>100%</b>
<b>St Mary's Roman Catholic Primary School (Edin.)</b>	1%	3%	2%	10%	4%	6%	4%	17%	16%	38%	<b>100%</b>
<b>St Mary's Roman Catholic Primary School (Leith)</b>	5%	11%	12%	30%	11%	6%	15%	7%	4%	0%	<b>100%</b>
<b>St Ninian's Roman Catholic Primary school</b>	22%	27%	10%	5%	8%	12%	3%	9%	2%	3%	<b>100%</b>

<b>St Peter's Roman Catholic Primary School</b>	1%	1%	1%	1%	2%	2%	11%	4%	16%	61%	<b>100%</b>
<b>Stenhouse Primary School</b>	3%	23%	21%	38%	7%	3%	2%	1%	2%	0%	<b>100%</b>
<b>Stockbridge Primary School</b>	0%	2%	0%	1%	2%	0%	9%	13%	19%	54%	<b>100%</b>
<b>The Royal High Primary School</b>	2%	3%	8%	1%	22%	4%	11%	8%	15%	26%	<b>100%</b>
<b>Tollcross Primary School</b>	2%	2%	5%	5%	13%	31%	20%	10%	5%	5%	<b>100%</b>
<b>Towerbank Primary School</b>	1%	1%	1%	14%	9%	19%	12%	10%	24%	10%	<b>100%</b>
<b>Trinity Primary School</b>	0%	9%	19%	10%	3%	11%	5%	2%	21%	21%	<b>100%</b>
<b>Victoria Primary School</b>	2%	5%	10%	16%	1%	21%	13%	9%	15%	7%	<b>100%</b>
<b>Wardie Primary School</b>	2%	5%	2%	3%	1%	0%	22%	2%	22%	42%	<b>100%</b>
<b>Total</b>	<b>7%</b>	<b>11%</b>	<b>8%</b>	<b>7%</b>	<b>6%</b>	<b>6%</b>	<b>9%</b>	<b>8%</b>	<b>11%</b>	<b>26%</b>	<b>100%</b>

**Source:**

**ScotXed Pupil Census 2022**

**Scottish Government - SIMD 2020**



## SIMD 2020 Profile - Secondary Schools

% of Pupils attending school on Census day (14/09/22) by SIMD Decile

School	SIMD Decile										Total
	1	2	3	4	5	6	7	8	9	10	
Balerno Community High School	2%	2%	2%	1%	14%	12%	11%	14%	14%	29%	100%
Boroughmuir High School	0%	1%	1%	1%	1%	0%	7%	7%	11%	71%	100%
Broughton High School	10%	10%	13%	15%	3%	1%	8%	9%	4%	26%	100%
Castlebrae Community High School	38%	32%	1%	4%	5%	6%	8%	3%	3%	0%	100%
Craigmount High School	1%	1%	1%	7%	6%	6%	6%	10%	17%	43%	100%
Craigroyston Community High School	17%	43%	19%	9%	6%	0%	2%	1%	0%	3%	100%
Currie Community High School	3%	6%	2%	1%	3%	6%	8%	10%	19%	43%	100%
Drummond Community High School	4%	6%	8%	20%	10%	8%	8%	8%	12%	15%	100%
Firrhill High School	4%	4%	8%	4%	5%	8%	6%	6%	11%	45%	100%
Forrester High School	7%	14%	4%	7%	8%	22%	15%	4%	7%	11%	100%
Gracemount High School	7%	37%	17%	7%	10%	1%	10%	5%	5%	1%	100%
Holy Rood Roman Catholic High School	21%	27%	11%	7%	6%	6%	10%	3%	4%	4%	100%
James Gillespie's High School	1%	2%	2%	5%	4%	5%	8%	8%	15%	50%	100%
Leith Academy	11%	11%	11%	19%	10%	7%	12%	8%	2%	8%	100%
Liberton High School	8%	18%	22%	16%	7%	2%	14%	5%	6%	3%	100%
Portobello High School	8%	6%	5%	6%	7%	6%	13%	8%	17%	25%	100%
Queensferry Community High School	0%	0%	8%	1%	4%	3%	5%	51%	13%	15%	100%
St Augustine's Roman Catholic High School	19%	26%	12%	9%	10%	8%	5%	4%	4%	3%	100%
St Thomas of Aquin's Roman Catholic High School	4%	8%	7%	8%	6%	8%	8%	8%	12%	31%	100%
The Royal High School	1%	5%	3%	8%	6%	0%	5%	5%	19%	48%	100%
Trinity Academy	2%	9%	7%	7%	3%	10%	11%	3%	22%	25%	100%
Tynecastle High School	6%	10%	14%	15%	11%	9%	6%	3%	7%	20%	100%
Wester Hailes High School	49%	33%	4%	1%	9%	3%	1%	0%	0%	0%	100%

<b>Total</b>	<b>8%</b>	<b>11%</b>	<b>7%</b>	<b>8%</b>	<b>6%</b>	<b>6%</b>	<b>8%</b>	<b>8%</b>	<b>11%</b>	<b>27%</b>	<b>100%</b>
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**Source:**  
**ScotXed Pupil Census 2022**  
**Scottish Government - SIMD 2020**

## SIMD 2020 Profile - Special Schools

% of Pupils attending school on Census day (14/09/22) by SIMD Decile

School	SIMD Decile										Total
	1	2	3	4	5	6	7	8	9	10	
<b>Braidburn</b>	16%	14%	7%	6%	11%	4%	12%	9%	4%	16%	<b>100%</b>
<b>Gorgie Mills</b>	8%	37%	10%	14%	10%	2%	8%	4%	0%	6%	<b>100%</b>
<b>Howdenhall and St Katharine's</b>											
<b>Kaimes School</b>	16%	16%	6%	13%	11%	9%	2%	8%	11%	9%	<b>100%</b>
<b>Oaklands School</b>	8%	12%	12%	6%	4%	6%	10%	13%	10%	21%	<b>100%</b>
<b>Pilrig Park School</b>	14%	18%	7%	18%	11%	5%	7%	7%	1%	14%	<b>100%</b>
<b>Prospect Bank School</b>	22%	26%	2%	16%	4%	6%	10%	6%	2%	6%	<b>100%</b>
<b>Redhall</b>	10%	17%	13%	12%	4%	9%	9%	4%	9%	13%	<b>100%</b>
<b>Rowanfield School</b>	26%	19%	5%	17%	10%	0%	2%	10%	5%	7%	<b>100%</b>
<b>St Crispin's School</b>	13%	22%	2%	9%	11%	2%	11%	9%	13%	9%	<b>100%</b>
<b>Woodlands</b>	10%	11%	8%	10%	3%	11%	4%	6%	6%	30%	<b>100%</b>
<b>Total</b>	<b>14%</b>	<b>18%</b>	<b>7%</b>	<b>12%</b>	<b>8%</b>	<b>6%</b>	<b>8%</b>	<b>8%</b>	<b>6%</b>	<b>14%</b>	<b>100%</b>

**Source:**

*ScotXed Pupil Census 2022*

*Scottish Government - SIMD 2020*

**QUESTION NO 31**

**By Councillor Jones for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 31 August 2023**

**Question**

Please could you provide the following information:

A breakdown, school by school, of the total number of children entitled to free school meals for primary and secondary schools received 2019/2020, 2020/2021, 2021/2022 and 2022/2023?

**Answer**

All of the data being requested is available at <https://www.gov.scot/publications/school-level-summary-statistics/>

The Free School Meal data (for each Scottish school) is in column AC for the 2019 and 2020 spreadsheets and in columns AI to AK for the 21 and 22 spreadsheets. The relevant columns are highlighted in yellow. The school level summary statistics spreadsheet for 2023 has not been published yet.

Free school meal information is collected annually by the Scottish Government via the Healthy Living Survey. Data is collected in February and published around August/September. More information about the healthy living survey is available at <https://www.gov.scot/publications/healthy-living-survey-schools-meals-and-pe-supplementary-data/>

**QUESTION NO 32**

**By Councillor Mumford for answer by the Convener of the Culture and Communities Committee at a meeting of the Council on 31 August 2023**

- Question**           **(1)** How many official communications were sent to the Management Committees of Community Centres regarding the lifelong learning review and potential changes in staffing support which may arise from this?
- Answer**             **(1)** There has been one official communication to Community Centre Management Committees. In addition, individual meetings have been or are being arranged with Community Centre Management Committees to meet with the Community Engagement and Empowerment Team and to discuss future working arrangements with them. [An update on this was provided to Culture and Communities Committee in August and a briefing for Elected Members was held on 15 August 2023.]
- Question**           **(2)** Specifically, what communications were sent to the Management Committees of Community Centres regarding the timescales of the review particularly relating to the pause and continuation relating to Covid?
- Answer**             **(2)** There were no communications with Community Centre Management Committees on the pause of the organisational review as community centres across the city were closed during the Covid lockdown.

**QUESTION NO 33**

**By Councillor Booth for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 31 August 2023**

**Question**

Please will the Convener give the number of schools offering Gaelic Learners Education (GLE) and the number of students learning GLE across the council's educational estate in each of the last ten academic years?

**Answer**

Where GLE has been part of school curricula, it is as an L3 language, under the 1+2 Approach to Languages Teaching and we hold limited data on this. The information below comes from data held by BnaG which is drawn from the national census and no longer has L3 specific data.

## Primary:

Session	Schools	Pupils
13/14	8	no data
14/15	8	no data
15/16	8	no data
16/17	4	no data
17/18	1	152
18/19	2	no data
19/20	no data	no data
20/21	no data	no data
21/22	no data	no data
22/23	0	0

## Secondary:

Session	Schools	Pupils
13/14	1	5
14/15	1	5
15/16	0	0
16/17	1	42
17/18	1	70
18/19	0	0
19/20	0	0
20/21	1	<5
21/22	0	0

**QUESTION NO 34**

**By Councillor Booth for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 31 August 2023**

**Question**

Further to the answer to my question at full council on 22 June 2023, please will the convener provide an accurate list of the size (in acres / hectares) of each of the CEC's secondary schools, and in each case list whether the size complies with school premises regulations?

**Answer**

Please see the table below.

<b>High School</b>	<b>Capacity</b>	<b>Main Site/Grounds (HA)</b>	<b>Additional Site (HA)</b>	<b>Additional Site ID</b>	<b>Total Site (HA)</b>	<b>Complies With School Premises Regulations 1967</b>
Balerno Community HS	850	2.33			<b>2.33</b>	Does Not Comply
Boroughmuir HS	1560	0.92			<b>0.92</b>	Does Not Comply
Broughton HS	1200	6.89			<b>6.89</b>	Complies
Castlebrae Community Campus	700	3.48	0.95	Pitch to north	<b>4.43</b>	Does Not Comply
Craigmount HS	1400	6.06			<b>6.06</b>	Does Not Comply
Craigroyston Community HS	600	3.82			<b>3.82</b>	Does Not Comply
Currie Community HS	900	7.31			<b>7.31</b>	Complies
Drummond Community HS	600	1.99			<b>1.99</b>	Does Not Comply
Firrhill HS	1150	2.32	2.57	Pitches, sports hub and Braidburn	<b>4.89</b>	Does Not Comply
Forrester HS	900	8.14			<b>8.14</b>	Complies
Gracemount HS	650	5.59			<b>5.59</b>	Does Not Comply
Holy Rood RC HS	1200	5.18	14.44	Cavalry Park to south	<b>19.62</b>	Complies
James Gillespie's HS	1950	2.74	0.45	Darroch Campus	<b>3.19</b>	Does Not Comply
Leith Academy	950	7.24			<b>7.24</b>	Complies
Liberton HS	1000	7.86			<b>7.86</b>	Complies
Portobello HS	1400	6.21			<b>6.21</b>	Does Not Comply
Queensferry Community HS	1200	5.49	1	Pitch to SW	<b>6.49</b>	Does Not Comply
St Augustine's RC HS	900	8.25			<b>8.25</b>	Complies
St Thomas of Aquin's RC HS	750	0.69			<b>0.69</b>	Does Not Comply
The Royal HS	1350	9.56			<b>9.56</b>	Complies
Trinity Academy	950	1.37	3.31	Bangholm Facility	<b>4.68</b>	Does Not Comply
Tynecastle HS	900	2.26			<b>2.26</b>	Does Not Comply
Wester Hailes HS	750	5.83			<b>5.83</b>	Complies



# Leader's Report

## Cllr Cammy Day



September 2023

### Edinburgh Tram Inquiry

Earlier this week, nine years and £13 million later, we received Lord Hardie's [Edinburgh Tram Inquiry Report](#).

As I said on Tuesday, we know serious mistakes were made on the original project and these had a significant impact on the city, causing a great deal of disruption to residents and businesses, as well as damaging our reputation. So, it was entirely right that I offered an apology on behalf of the Council.

I will not, however, apologise for building a better connected, environmentally friendly transport system, nor for our ambition to develop it further. How else are we to help people move more quickly and conveniently around our thriving capital city? And, in the week the Prime Minister watered down the UK Government's climate targets still further, how else are we to achieve our net zero goals?

We shouldn't forget that in the nine years since the line between Edinburgh Airport and York Place opened to the public, the service has flourished to become a hugely successful transport route for thousands of residents and visitors each day.

Or that we've now launched passenger services on the completed line to Newhaven, the success of which was down to the hard work and expertise of our in-house project team and partners, but also thanks to [lessons learned from the first project](#). The numbers speak for themselves, with Edinburgh Trams carrying 1.2 million passengers in August alone.

For all that, we will of course continue to digest Lord Hardie's findings and recommendations and consider our response and any actions required. A follow-up report will go to the Transport and Environment Committee in November, and then to Full Council in December.

### We need speedy resolution to pay dispute

I'm disappointed that our young people are going to miss yet more time in the classroom due to next week's strike action (26-28 Sept). It's clear to me that the Scottish Government still hasn't learned the lessons from previous disputes.

Educating our young people is our priority and we've done everything we can to try to keep our schools and nurseries open. However, although teachers aren't striking, we can't open them safely without pupil support assistants, early years workers, catering and cleaning colleagues.

I stand behind our trade union colleagues in their fight for fair pay and will continue to urge the Scottish Government and COSLA to get round the table and put an end to the dispute once and for all.

### Governments must cover RAAC costs

Issues with Reinforced Autoclaved Aerated Concrete (RAAC) continue to dominate the news agenda, not just here in Scotland, but across the UK.

I've written to both the UK and Scottish Governments [calling for full funding](#) to deal with the significant and growing cost of our surveys and ongoing remedial work.

We've been carrying out surveys since March, beginning with our schools. Eight schools so far have been affected and I'm pleased to say that none has had to close thanks to the measures we've put in place.

We've now extended our survey programme across the rest of the estate to include libraries, community centres, council homes, leisure centres and care homes. So far only one additional building, Blackhall Library, has had to close temporarily.

I want to thank all parents, colleagues and residents who've been affected by the works – I appreciate your support and understanding. We'll [continue to publish updates](#) on our dedicated web page.

### Looking after people who live here all year round

It was great to see our city back to its very best in August, welcoming visitors from all over the globe, and providing an unparalleled cultural offering for our residents.

I'm proud that the Council continues to support our festivals, an integral part of Edinburgh's identity, heritage and international appeal. But I'm equally aware that this comes at a cost. It's crucial, then, for us to strike the right balance between promoting our city while looking after the people who live here all year round.

With that in mind, we remain committed to [addressing the growing number of short-term lets](#) in the city and, while acknowledging the strength of feeling on both sides of this debate, I continue to believe that the new controls being introduced by the Scottish Government on 1 October are an important step in the right direction.

With just over a week to go until the deadline, I would urge all operators to make sure they're clear on what's required of them and to apply without delay. We've [published full guidance](#) on our website.

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## Delivering the right type of homes

With our social housing stock devastated by the Right to Buy scheme – leaving us with only 14% of homes, compared to a Scottish average of 23% – the need has never been greater for us to deliver the types of homes Edinburgh needs.

I'm pleased to report then that August and September have been our busiest months for site starts since the pandemic. And it was great to see work getting underway on [100 new homes for social rent in South Queensferry](#).

Coming as it did on Scottish Housing Day, it should also be said our housebuilding strategy would be nothing without the people who work to build, develop, plan and maintain them.

This includes two of our fantastic new apprentices, [Jakub and Marlena](#), as well as our Head of Housing, Strategy and Development, [Elaine Scott](#), who retires at the end of month after more than 30 years with the Council. I'm sure you'll join me in wishing Elaine all the very best for the future.

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## Have you registered to save a life?

As Organ and Tissue Donation Week 2023 draws to a close, it's a sobering thought that more than 7,000 people in the UK are currently waiting for a life-saving transplant.

From lighting up Council buildings, to supporting our colleagues in government and the NHS, to lending a hand to fundraisers, we've been playing our part to support this great cause week here in Edinburgh.

Only 1% of people die in a way that makes organ donation possible, which means every donation is precious. And we can all play our part by registering our decision to be a donor or opt out.

Over half of people in Scotland have done so, but there's still a lot of work to be done. If you're over 16 and yet to record your decision, please visit [www.organdonation.scot](http://www.organdonation.scot)

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## Living well locally

Many of our residents already enjoy the benefits of a 20-minute neighbourhood, but we want everyone to be able to live in a cleaner, greener city that brings its people and communities together.

Our initial strategy, which was approved by councillors back in June 2021, outlined a vision for a city where everyone can meet most of their daily needs within a short walk, wheel or cycle from their home. The [refreshed strategy](#), published this month, provides the latest information on [key projects that we're progressing](#), alongside the overall direction and delivery of the concept here in Edinburgh.

We're currently focusing on our town and local centres, which are at the heart of built-up areas and have many of the services and facilities that meet people's daily needs. However, they're often built around busy main roads with cramped public spaces which make them difficult to access and spend quality time in. That's why we're working with local communities to explore opportunities to improve the streets, public spaces and facilities in places like Gorgie Dalry, Portobello and Craigmillar.

You can [find out more](#) about the latest on these – and related projects across the city – on our dedicated web pages.

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## From the heart

Earlier this week I had the privilege to attend a preview of the 'Kyiv is the Unbreakable Heart of Europe' exhibition at the Museum of Edinburgh. I was incredibly moved seeing the images from Kyiv – an important reminder of the brutality, and human cost, of Russia's illegal war against Ukraine.

I would encourage you to [visit the exhibition](#) which opens to the public this weekend.

I remain incredibly proud of the support we've provided as a Council, and as a city, to those fleeing the horrors of war over the past year and a half. We'll continue to offer this for as long as is necessary.

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## Thank you, Hugh

I can't end this month without mentioning our Service Director of Finance and Procurement, Hugh Dunn, who leaves us after 37 years' service with the Council and its predecessors.

Hugh has been a fantastic servant to the Council and the city and will be hugely missed by both his colleagues and all elected members for his wise advice and ever-helpful demeanour. I'm sure you'll join me in wishing him all the very best for a long and happy retirement.

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## Get involved

Keep up to date with all Council news. You can [watch live Council and committee meetings](#) on our webcast service and join the debate on Twitter using #edinwebcast. If you wish to unsubscribe, please [email](#) us.

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## The City of Edinburgh Council

10.05am, Thursday, 28 September 2023

### Governance Documentation

Executive/routine  
Wards

#### 1. Recommendations

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- 1.1 To agree the changes to committee processes included in paragraphs 4.1 to 4.5 of the Executive Director's report.
- 1.2 To repeal the existing Procedural Standing Orders for Council and Committee Meetings and approve in their place appendix one, such repeal and approval to take effect from 3 November 2023 and to delegate authority to the Chief Executive to take such actions and make such minor adjustments to the documents as may be necessary to implement the decision of the Council.
- 1.3 To agree the Member/Officer Protocol at appendix four.
- 1.4 To note the changes to process for the usage of urgency powers under the Committee Terms of Reference and Delegated Functions.

**Dr. Deborah Smart**

Executive Director of Corporate Services

Contact: Gavin King, Head of Democracy, Governance and Resilience

E-mail: [gavin.king@edinburgh.gov.uk](mailto:gavin.king@edinburgh.gov.uk)

## Governance Documentation

### 2. Executive Summary

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- 2.1 This report outlines improvements to committee business processes and minor changes to Standing Orders to improve committee meetings and the information provided to elected members. Additional training is also outlined to ensure that as much of a private item can be held in public as possible. The Member/Officer Protocol is also presented for its annual review.

### 3. Background

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- 3.1 On 4 May 2023 Council agreed a motion by Councillor Lang as follows:
- 3.1.1 notes that, at its meeting on 21 March 2023, the Policy & Sustainability Committee considered a report on 'Four Seasons Healthcare - North Merchiston and Castlegreen Care Homes'.
- 3.1.2 acknowledges the commercial sensitivity that rightly led the committee to consider this item in private.
- 3.1.3 notes an addendum was tabled to the report which extended beyond the specific case of the two care homes and resulted in a majority decision to agree:
- a) that 'the council's role as a care provider is best met through council owned and operated care homes' and,
- b) that 'CECs presumption going forward should be in favour City of Edinburgh Council - 4 May 2023 Page 7 of 34 of an in-house model', and for 'the Convenor to communicate this council position to EIJB'.
- 3.1.4 further recognises that members of the public were excluded and the webcast turned off for the debate and vote on the general issues covered by the addendum.
- 3.1.5 agrees that the Council should aspire to the highest levels of openness, transparency and accountability in its decision making.

- 3.1.6 recognises that, whilst there will be individual cases and sensitive matters which require consideration in private, discussion and decisions on general policy issues should always be held in public.
- 3.1.7 requests that officers consider the issues which arose on 21 March 2023 and reports back to Council within six months with options on how procedures could be amended to ensure discussions on general issues and decisions on policy are taken in public, even when the catalyst for such a discussion comes from a private agenda item.
- 3.2 On 20 June 2023, The Finance and Resources Committee agreed to request a report within 2 cycles with proposed wording to update urgency and delegation process to ensure that any contracts to individuals worth over £100k must be approved by Committee or – following agreement from a majority of group leaders – a clerked meeting of group leaders or spokespeople and that a briefing note be provided to members on the review of urgency provision. The urgency provision though is a matter for Council and as a result it was deemed appropriate that this report covers this matter.
- 3.3 The Member/Officer Protocol was comprehensively reviewed in August 2022 and in line with good governance, is reviewed annually by the Council.

## 4. Main report

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### **Business Processes**

- 4.1 Currently there is an increased strain on both elected members and officers due to the length and frequency of meetings. This is also leading to potential accessibility issues for elected members. As a result, it was agreed to explore further if changes could be made to Standing Orders and committee business processes to improve the efficiency of committee meetings.
- 4.2 Improvements could be made to the current work programmes of executive committees which would help committees plan and manage their workload. It would also give a clear steer to officers what the main priorities for the committee are. It is proposed that a new annual work programme is created for each committee. This would take the form of a workshop with the committee and relevant director(s) which would give the director and members the opportunity to outline their priorities and agree how these reports could be managed through the committee over the next year. This would give members the chance to put items on the agenda (instead of motions) and would enable a discussion to be had on capacity to deliver (both of the committee and officers). At the end of the year a new workshop would take place to self-assess the past year's achievements and plan for the new year in advance of a committee annual report. It is proposed that this approach is trialled for a year with a review of its effectiveness taking place thereafter.

- 4.3 In discussions with group leaders it was suggested that the following matters were added to the best practice guidance, which is due to be reported in December 2023:
- 4.3.1 That motions with an impact on resources should be discussed with directors/senior officers prior to being submitted;
  - 4.3.2 Directors should review regular reports to determine if they need to go to committee and consider the length of reports which will reduce the impact on resources;
  - 4.3.3 Council Questions should be raised by business as usual channels first before being asked as Council Questions. The guidance should clarify those channels: and
  - 4.3.4 The purpose of Council Questions should be outlined in the best practice guidance.
- 4.4 It is proposed that a monthly briefing slot is trialled in the Council diary. This would be an hour of short ten-minute briefings on 5-6 key issues that month. The aim of this would be to provide a regular space to inform elected members and hopefully reduce the time spent in committee on questions. This regular briefing slot would not replace group briefings on significant issues.
- 4.5 In discussions with group leaders it was acknowledged that timescales and deadlines could not be significantly changed easily due to the impact on scheduling. It is proposed that this is looked at in more detail alongside the Council diary in early 2024. In the meantime it is proposed that further training is given to elected members to ensure that deadlines such as the 40 minute rule and the one hour deputation limit are followed by committees.

### **Standing Orders**

- 4.6 It is proposed that the deadline for Council Questions is moved from being seven working days to two calendar weeks before the agenda. This will allow more time to deal with the complexity of some questions.
- 4.7 The 5pm end of sessions standing order (25) has meant that, in particular at Council meetings, that meetings do not go on into the evening. This has benefits in accessibility terms and to ensure that important decisions are taken with sufficient focus. However, it also has led to some decisions being taken quickly and as a result it is sometimes difficult for the public to follow the process. There is no easy solution to this issue and as there was no consensus on the issue when consulting with group leaders, no changes to the current practice is proposed to this at this point.
- 4.8 It is recommended that a new standing order on petitions is added which outlines the timescales included in the petition's guidance.
- 4.9 As previously indicated in a report on lessons learnt on the budget process, it is recommended that budget motions are published six working days before the



budget meeting to provide more time for members and the public to read the documents.

- 4.10 There has been a lack of clarity whether deputations can be held on items such as the minute or work programme. Deputation should only be on substantive items such as reports or motions and this is proposed to be added to Standing Order 12.
- 4.11 A minor amendment is needed to Standing Order 28.1 so that a vote on the suspension of Standing Orders can be done by a show of hands.

### **Urgency**

- 4.12 The ability of the Chief Executive or executive directors to take a decision under urgency is outlined in Paragraph A4.1 of the Committee Terms of Reference and Delegated Functions. This must be done in consultation with group leaders and the relevant committee convener. It is important to note that this power is “*in consultation*” and therefore does not require the agreement of all elected members. This is because the Local Government (Scotland) Act 1973 does not allow elected members to take decisions unless in a Council meeting or in a committee. An officer may, of course, not feel able or willing to make the decision if elected members are against the course of action, but it is ultimately up to the officer and they are the person who is fully accountable for the consequences of the decision.
- 4.13 Urgency powers do give officers significant powers as they allow officers to carry out an action that would normally be carried out by a committee. It is an essential power though that is in place to allow for quick decisions, which cannot wait until the next meeting, to be carried out. This allows matters such as the suspension of licences or action taken on the grounds of safety to be carried out quickly.
- 4.14 It is important to ensure that these powers are being carried out correctly. Any time this power is carried out it has to be reported to the next meeting of the relevant committee so that elected members can monitor its use and to avoid officer’s mis-using such power. The procedure should be used sparingly and should not be used as a substitute for good business planning.
- 4.15 An additional control is intended to be implemented which will include a new form to filled out by any officer wishing to use urgency which involves consulting the Monitoring Officer and the Head of Democracy, Governance and Resilience so the use of such powers can be monitored corporately. The consultation will also be through the executive directors’ office to ensure consistency and corporate oversight and a record will be kept of the details of each use of urgency powers.

### **Private Items**

- 4.16 An important element of the legislation in the Local Government (Scotland) Act 1973 on private items is the ability for Councils to make private parts of the report, discussion or decision. This means that not all of the report, motions or amendments needs to be kept private and some could be published online as long as confidential matters are not included. It would also allow committees to hold some discussion in private and some in public, thus allowing for connected matters

as in the example in Councillor Lang's motion to be held in public and still allowing the confidential matters in the report be discussed in private. This ability is already within the existing governance documentation and processes, but training will be required for Committee Service staff, conveners of committees and other elected members to ensure that this is understood and actioned when appropriate. Committee Agenda Planning Meetings should also be used to discuss matters such as this so advice can be sought in good time on how appropriate it would be to hold elements of a private item in public. It will also be important to ensure that private matters are not discussed in public which can be difficult to achieve where there is a mix of information or issues to be discussed. Again, awareness and training will assist with this.

### **Member/Officer Protocol**

- 4.17 The Member/Officer Protocol was comprehensively reviewed in August 2022. No issues with the Protocol have arisen since then and accordingly it is recommended that no changes are made at present. Training for senior officers commenced in September 2023 and further training for elected members will be offered in the upcoming months.

## **5. Next Steps**

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- 5.1 The Committee business processes is expected to be submitted to the Governance, Risk and Best Value Committee in December 2023.
- 5.2 Training on the Member/Officer Protocol will be provided to elected members in winter 2023/24. Training has commenced with officers and will continue over the autumn.

## **6. Financial impact**

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- 6.1 Any financial impacts will be within departmental budgets.

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

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- 7.1 Work is ongoing with a series of workshops facilitated by the Improvement Service and COSLA which will look at how the Council can ensure committee meetings are accessible to all.

## **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 Procedural Standing Orders and the Member/Officer Protocol are part of the Council's Decision Making Framework.
- 9.2 The new process for urgency items complements the provision in the Committee Terms of Reference and Delegated Functions document.

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

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- 10.1 [Act of Council no 15 – 4 May 2023 – Consideration of Private Business](#)
- 10.2 [Finance and Resources Committee 20 June 2023 minute](#)

## **11. Appendices**

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- 11.1 Appendix one – Procedural Standing Orders
- 11.2 Appendix two – Urgent Decision Flow Chart
- 11.3 Appendix three – Urgent Decisions Form
- 11.4 Appendix four – [Member/Officer Protocol](#)

**CITY OF EDINBURGH COUNCIL**

**PROCEDURAL STANDING ORDERS**

**FOR COUNCIL**

**AND COMMITTEE MEETINGS**

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## STANDING ORDERS

These standing orders ("**Standing Orders**") apply from ~~10 February~~ 3 November 2023 and regulate the conduct of business at meetings of the City of Edinburgh Council ("**Council**") and the committees or sub-committees of the Council ("**Committees**").

Members are responsible for acting in accordance with the Members' code of conduct at Council and committee meetings.

### 1. **First meeting of the Council after an election**

1.1 In an election year, the Council will hold a meeting at 10 am, no later than the third Thursday after the day of the ordinary election of Councillors.

1.2 At this meeting or at any adjournment of it, the Council will

(a) appoint the Lord Provost;

(b) seek to appoint the Depute Convener, the Leader and Depute Leader of the Council, the members of the committees of the Council and their conveners and any vice-conveners, the members of the joint committees and joint boards, the members of the Licensing Board and such representatives to other bodies as the Council may decide to appoint; and

(c) deal with any urgent competent business.

### 2. **Lord Provost and Depute Convener – term of office**

2.1 The Council may at any time agree to remove the Lord Provost and Depute Convener from office, with immediate effect, provided that not less than three quarters of the members of the Council present and voting so decide.

### 3. **Ordinary and special meetings**

3.1 If circumstances allow, a meeting of the Council will be held at 10 am on every fourth Thursday.

3.2 In a non-election year the Council, at its first ordinary meeting in May will; appoint the Leader and Depute Leader, the members of the committees of the Council and their conveners and any vice-conveners and the members of the joint committees and joint boards.

3.3 The Lord Provost may in exceptional circumstances alter the arrangements for ordinary meetings or authorise a special meeting to be called. A special meeting may also be called at any time by written request to the Clerk specifying the business to be transacted and signed by at least one quarter of the members of the Council. The Clerk will arrange for the special meeting to be held within 14 days of receipt of the request. The right to call a meeting does not apply to Committees.

3.4 The Council may recess for periods to be determined by the Clerk after consultation with the Lord Provost and the Leader of the Council. During any recess no meetings

of the Council, Executive Committees or the Governance, Risk and Best Value Committee will be held.

#### 4. **Notice of Meetings**

4.1 At least 3 clear days before a meeting of the Council or its Committees:

- (a) the Clerk will publish a notice of the time and place of the intended meeting. If the meeting is called by members of the Council, the signed request will accompany the notice; and
- (b) a summons to attend the meeting containing the agenda of business will be sent to every Council member by email or to an alternative address nominated by them. If a summons is not sent to any member, the meeting will still be validly called only if good reason is shown for failure to send such a summons.

4.2 A Committee will hold such meetings as the Council may prescribe, but the Clerk will call additional meetings of a Committee at any time on being required to do so by the Committee concerned, or at the request of the Convener. Meetings will be called at least six days before the meeting date in accordance with the statutory requirements

4.3 The Clerk will call a special meeting to be held within eight days of receiving a written request specifying the business to be transacted and signed by at least one quarter of the members of the Committee concerned.

4.4 Any summons issued under Standing Order 4.1 must give a note of the agenda of business and the proposed order for dealing with business at the meeting.

4.5 No business other than that set out in the notice of meeting may be dealt with unless it is brought before the Council or Committee as a matter of urgency. The Lord Provost or Convener must rule that it is a matter of urgency and give the reasons for the ruling to be noted in the minutes. The item must be made known at the start of the meeting when the order of business is decided. If the Lord Provost or Convener rules that the matter is not urgent, it will be included as an item for the next ordinary meeting of the Council or next scheduled committee meeting, unless dealt with earlier.

#### 5. **Quorum**

5.1 The quorum of the Council is sixteen. No business may be transacted at any meeting unless a quorum is present. If fewer than sixteen members are present ten minutes after the appointed time for the start of the meeting a division will be announced. If after a further period of three minutes there are still fewer than sixteen members present, the meeting will be adjourned until such date and time as the Lord Provost decides.

5.2 If at any time during a Council meeting a question arises on whether there is a quorum, the Lord Provost will instruct a count of the members who are present. If a quorum is not present, the meeting will be adjourned until such date and time as the Lord Provost decides.

5.3 Subject to law the quorum of a Committee will be one third of the number of voting members of the Committee (see Committee terms of reference for specific numbers)



provided that in no case will any business be transacted unless at least two voting members are present.

5.4 If fewer members are present five minutes after the time appointed for the start of a Committee meeting than are needed to constitute a quorum the meeting will be adjourned until such date and time as the Convener decides. After a meeting has started, if the number of members present falls below the quorum the meeting will be adjourned immediately until such date and time as the Convener decides.

5.5 A member who has declared an interest in an item of business and has left the meeting may not be counted in the quorum for that item of business. If less than a quorum of the Council or Committee is entitled to vote on an item due to declaration of interests that item cannot be dealt with at the meeting.

## 6. **Lord Provost - Council Meetings**

6.1 The Lord Provost will chair any Council meeting when he or she is present. When the Lord Provost is absent from a Council meeting, the Depute Convener will chair the meeting. When the Lord Provost and Depute Convener are absent, another member of the Council, chosen by the members present, will chair the meeting.

## 7. **Convener - Committees**

7.1 The Convener will chair any meeting of a Committee when he or she is present. When the Convener is absent from a Committee meeting the Vice-Convener, if appointed, will chair the meeting. When the Convener and Vice-Convener are absent, another member chosen by the members present will chair the meeting.

## 8. **Lord Provost and Convener- Duties**

8.1 The duties of the Lord Provost or Convener of the meeting, in accordance with these Standing Orders, will include:

- (a) Deciding on all matters of protocol, decorum, order, competency and relevancy;
- (b) Determining all matters of procedure for which no provision is made within these Standing Orders. In reaching this determination he/she may be advised by the Clerk;
- (c) Deciding priority between two or more members wishing to speak;
- (d) Ensuring that a fair opportunity is given to all members to express their views on any item of business;
- (e) Preserving order within the meeting;
- (f) Ordering the exclusion of any member of the public, in order to prevent or suppress disorderly conduct or any other behaviour which impedes or is, in the Lord Provost or Chair's opinion, impeding the business of the meeting;
- (g) In the event of disorder arising, adjourning the meeting to a time and date the Lord Provost or Convener will fix then or later. In leaving the meeting, the Lord

Provost or Convener in such circumstances, will without further procedure, have formally adjourned the meeting;

(h) Signing the minutes of the previous meeting;

8.2 The decision of the Lord Provost or Convener in relation to all questions regarding Standing Orders is final, but in reaching these decisions advice may be sought from the Clerk.

## 9. **Order of Business**

9.1 **Full Council** – the business of Council at ordinary meetings will take place in the following order:

(a) Order of Business

(b) Declaration of Interests

(c) Deputations

(d) Minutes

(e) Leader's Report

(f) Appointments

(g) Reports

(h) Motions

(i) Congratulatory Motions

(j) Council Questions

9.2 At a meeting of the Council or a Committee a ten-minute break will be taken after every two hours of business or at the end of the current item of business, at the discretion of the Lord Provost or Convener.

## 10. **Power to vary order of business**

10.1 The Council or Committee may at any meeting vary the order of business to give precedence to any item on the agenda:

(a) at the discretion of the Lord Provost or Convener; or

(b) on a motion duly moved and seconded and voted on electronically or by a roll call.

## 11. **Declaration of Interests**

11.1 Where a member declares an interest in accordance with the Councillors' Code of Conduct and leaves the meeting, the fact will be recorded in the minutes of the meeting.

## 12. **Deputations**

- 12.1 The Council or any Committee can hear deputations on any matter that is included in its power, duties or delegation.
- 12.2 Every application for a deputation must be from an office bearer of an organisation or group. It must be submitted by email or in writing, setting out the subject of the deputation and be delivered to the Clerk no later than 2pm, two working days before the meeting concerned. The Lord Provost or Convener has discretion to waive both these requirements.
- 12.3 Where those requesting to make the deputation are unable to attend the meeting either in person or virtually, written submissions will be permitted.
- 12.4 The Clerk will submit the application to the Council or relevant Committee. An application for a deputation to Council or a committee will only be submitted if it relates to an a substantive item of business on the agenda for that meeting, such as reports or motions, but not minutes, work programmes or rolling actions logs-
- 12.5 When the Council or Committee considers whether to hear a deputation, it must not discuss the merits of the case itself. If necessary, a vote will be taken without discussion on whether to hear the deputation.
- 12.6 Each deputation will not usually exceed four persons and will have five minutes to present its case. If the meeting decides to hear more than one deputation on the same subject, they will be heard together. The Lord Provost or Convener will decide how much time to allow.
- 12.7 The total maximum time allowed for deputations at a meeting will be limited to 60 minutes.
- 12.8 One member per political group and each independent member can put a question to the deputation that is relevant to the subject. The total time allowed for such questions will not be more than ten minutes for each deputation. The merits of the case must not be discussed by members until the deputation has withdrawn.
- 12.9 Agenda items relating to deputations will be considered in the order as set out on the agenda, unless explicitly advised otherwise by the Convener under 'Order of Business' at the beginning of the meeting.
- 12.10 Standing Order 12 does not apply to meetings of the Licensing Sub-Committee, the Development Management Sub-Committee, or the City of Edinburgh Planning Local Review Body, nor to any subsequent consideration of the quasi-judicial matter, or to any other quasi-judicial items considered by the Council or its committees.

## 13. **Minutes**

- 13.1 The Clerk will minute all Council and Committee meetings. The minutes will record the names of the members who attended the meeting and record, in the event of a vote, how each individual member voted. They will be circulated among members of the Council or Committee at least three clear working days before its next meeting for

approval. If they are approved as a correct record of proceedings of the meeting, the Lord Provost or Convener of the meeting will sign them.

#### 14. **Reports to Council and Executive Committees**

14.1 Reports to the Council and its Executive Committees will be submitted in accordance with the relevant remits and delegated functions set out in the Council's Committee Terms of Reference and Delegated Functions. Any report which may be of interest to another Executive Committee will be included in that Committee's Business Bulletin by way of an electronic link and may also be issued by email to elected members if requested.

#### 15. **Council Questions**

15.1 At any Council meeting, a member may put a question to the Lord Provost or to any Convener or Vice-Convener with relevant responsibility about any relevant or competent business. The question must be given in by email or in writing to the Clerk by noon ~~on the seventh working day~~ two calendar weeks before the meeting. The Lord Provost or Convener may specify that a particular question will be answered by another Convener or Vice-Convener, with that member's consent.

15.2 A member may put a question to a Convener or Vice-Convener at a Council meeting about any matter that is on the summons for that meeting. He/she must give the question orally or in writing to the Clerk by 10am on the day before the meeting.

15.3 After a question has been answered the questioner may ask a supplementary question, if necessary, to seek clarification of the answer given. The total time for asking a supplementary question and replying to it will not be more than 5 minutes. The total time for all such questions and answers will not be more than 40 minutes.

15.4 If the Council does not consider Council Questions at the meeting due to the operation of Standing Order 25, written supplementary questions will be permitted. Members must submit these to the Clerk by 5pm the day after the meeting. Conveners' answers will be provided by 5pm five working days after the meeting.

15.5 No discussion will be allowed on any question or answer.

#### 16. **Leader's Report and Questions**

16.1 At a meeting, a member may put one or more oral questions to the Leader in connection with the Leader's Report. The Leader may invite a Convener or Vice-Convener to respond on his/her behalf. The total time allowed for such questions and answers will not be more than 40 minutes.

16.2 No discussion will be allowed on any question or answer.

#### 17. **Notices of Motion**

17.1 Every formal notice of motion will be in writing and signed off by the member giving the notice. The notice must be emailed to the Clerk by noon on the seventh working day before the meeting. Those not received within this timescale, will not be included in the summons calling the meeting.

- 17.2 Late formal notices of motion may be submitted to the Council or Committee at the appropriate time in the meeting, in terms of Standing Order 4.4 if:
- (a) They have been delivered to the Clerk before the start of the meeting;
  - (b) They are considered by the Lord Provost or Convener to be competent, relevant and urgent; and
  - (c) They have been circulated to members before the meeting commences or read by the Clerk to the meeting at the appropriate time in the meeting.
- 17.3 Late motions which are not accepted as urgent by the Lord Provost or Convener, will be considered at the next ordinary meeting.
- 17.4 Every formal motion submitted, in terms of Standing Orders 17.1 and 17.2, will require to be moved and seconded formally. If such a motion is not moved and seconded formally it will fall and this will be recorded in the minutes.
18. **Public Meetings and Private Items**
- 18.1 Meetings of the Council are generally open to the public but the Local Government (Scotland) Act 1973 does allow the Council to hear matters in private if they meet the description of confidential information as defined in the Act or by resolution if the Council agrees that if the meeting was held in public, then exempt information as defined in Schedule 7(A) of the Act would be disclosed.
- 18.2 Being open to the public requires that the public should be able to observe meetings and should have access to all agendas and reports that are not ruled private under the Act. To ensure access, the Council will endeavour to webcast all appropriate meetings that are open to the public.
19. **Order of Debates**
- 19.1 A member who wishes to speak, when called on, will address the Lord Provost or Convener. The member will speak directly on the motion or amendment that is being proposed, seconded or discussed, or on a question of order. No member can speak more than once on any subject that is being discussed, except for a point of order or, with the permission of the Lord Provost or Convener, to give an explanation. The person proposing the motion has a right of reply.
20. **Length of Speeches**
- 20.1 Except with the Lord Provost or Convener's permission the proposer of a motion or an amendment must not speak for more than four minutes, and all other speakers for not more than three minutes. The proposer of the original motion may speak for up to four minutes in reply, and the reply must not introduce any new matter into the debate. After that, the discussion will finish and the Lord Provost or Convener will direct that a vote be taken.
21. **Motion for Adjournment**
- 21.1 A motion to adjourn the meeting may be put at any time, except if a member is speaking, and will have precedence over all other motions. It must be moved and

seconded without discussion and must at once be put by the Lord Provost or Convener in the form of 'adjourn' or 'not adjourn.'

21.2 A second or subsequent motion to adjourn may not be made within half an hour unless it is moved by the Lord Provost or Convener when it will be dealt with as in Standing Order 21.1.

## 22. Debate

22.1 A member wishing to speak will address the Lord Provost or Convener. He/she will speak only on the matter under consideration or on a question of order.

22.2 A member proposing to submit a motion or amendment on any subject under discussion will before addressing the meeting state the terms of the motion or amendment. If he/she fails to do so the Lord Provost or Convener will ask him/her to state the terms. Every motion or amendment must be moved and seconded and will, when required by the Lord Provost or Convener, be put in writing and submitted electronically to the Clerk. Members will be only permitted to move or second one motion/amendment for each item of business.

22.3 That any motion or amendment ([except for motions and amendments to the budget meeting](#)), to any subject under discussion be provided to the clerk no later than 12 noon on the working day before the meeting unless the motion or amendment:

- a) Moves the recommendations of the report; or
- b) Calls for a continuation of consideration of the item to a future meeting; or
- c) Moves no action; or
- d) Has been ruled urgent by the Lord Provost or Convener; or
- e) Can be submitted verbally at the meeting and with the consent of the Lord Provost or Convener; or
- f) When new information comes to light during discussion or debate and subject to the consent of the Lord Provost or Convener.

[22.4](#) Clause 22.3 will not apply to any agenda items where the final report or reports were not issued alongside the notice of the meeting.

[22.422.5](#) [Any motion or amendment to the budget meeting shall be provided to the clerk by 12pm no later than six working days before the Council meeting. The exceptions detailed in Standing Order 22.3 also apply.](#)

[22.522.6](#) Minor changes to motions and amendments are permitted but these should be able to be verbally altered at the meeting.

[22.622.7](#) The Council or Committee can agree that in exceptional circumstances the requirements of this standing order can be ignored.

[22.722.8](#) The mover of any motion or amendment or adjustment thereof may speak in support of the motion or amendment for not more than four minutes. The seconder of a motion or amendment may speak in support of it for not more than three minutes. No other speaker may speak for more than three minutes or more than once in the same discussion except to call attention to a point of order.

[22.822.9](#) Notwithstanding the provisions in Standing Order 22.7, if an individual member is named by another speaker during debate, that member will be permitted to speak, even if having already spoken, but only in response to the specific reference made and only to correct any apparent or actual misrepresentation.

[22.922.10](#) The mover of the original motion will have the right to speak for a further four minutes in reply to the debate after which the discussion will be closed. The mover of the motion must, in his/her reply, strictly confine himself/herself to answering previous speakers and not introducing any new matter. No member will be permitted to offer an opinion or to ask a question or otherwise to interrupt the proceedings. The motion and amendment(s) will then be voted on by members.

[22.1022.11](#) The limits of time specified in Standing Orders 22.7 and 22.4 to 22.9 may be exceeded with the consent of the majority of members present and the Lord Provost or Convener may determine, without taking a vote, whether such consent has been obtained.

[22.1122.12](#) When a motion and two or more amendments are before the meeting, the Lord Provost or Convener will decide the order and manner for putting the motion and amendments to the meeting. The Lord Provost or Convener (or nominee) will have the right to move a minute or report, as the original motion, with all alternative proposals considered as amendments.

[22.1222.13](#) The mover of the motion or amendment may agree to add all or part of an amendment moved and seconded by other members, provided that:

- (a) His/her seconder consents;
- (b) The mover and seconder of the other amendment consents; and
- (c) The agreement takes place before the mover of the motion has replied.

[22.1322.14](#) The mover of an amendment, which is not seconded, may have his/her dissent to the decision of the Council or Committee recorded in the minute.

[22.1422.15](#) If a motion is moved and seconded and no amendments are put forward, no other speaker may speak on this item of business except to call attention to a point of order.

[22.1522.16](#) Individual agenda items, (excluding the budget and quasi-judicial items) will be subject to a 40-minute time limit, unless specifically agreed by Council or committee at the order of business by a straightforward majority vote if required. This will include time for any questions to officers', proposing and seconding speeches and general debate but not including time to conduct voting or officers presenting their report. In the event of no express agreement by committee, the Lord Provost or Convener will

have the discretion to allow proceedings to continue but should explain why they are doing so.

23. **Closure of Debate**

23.1 Any member who has not spoken on the question before the meeting may propose 'that the matter now be decided'. If this is seconded and the Lord Provost or Convener thinks the question has been discussed enough, he or she will order that a vote on the motion be taken, without amendment or discussion. If the motion that the matter now be decided is carried, the proposer of the original motion will have a right to reply, and the question itself will then be put to the meeting. If the motion that the matter be now decided is not carried, a similar motion may be made after every two further members have spoken.

24. **Voting**

24.1 All votes will be taken by a show of hands, roll call vote or by electronic voting and with a clear public audit trail from vote to Member.

24.2 The minutes will record how each individual member voted.

24.3 When a motion and amendment are before the Council or Committee the proposal receiving the support of a majority of members present and voting will be declared to be a decision of the Council or Committee.

24.4 When a motion and two or more amendments are before the Council or Committee and the adoption of one or more of the proposals would result in either the continuation of a decision or no action, a vote will firstly be taken on the proposal(s) involving continuation or no action as soon as the discussion is completed. This vote will be taken 'for or against' either continuation or no action. Any vote necessary on the remaining proposals will be taken in terms of Standing Order 24.1.

24.5 When a motion and two or more amendments, none of which involves continuation or no action, are before the Council or Committee, the vote will be taken on all proposals, each member having one vote. If a proposal receives the support of a majority of members voting it will be declared to be the decision of the Council or Committee. If none of the proposals receives the support of a majority of those voting, the one which has received the fewest votes will be dropped and a fresh vote taken on the remaining proposals. If there is an equal number of votes between the proposals with the fewest votes the Lord Provost will have a casting vote to determine which proposal should be dropped. If the Lord Provost does not exercise his/her casting vote, the decision will be by lot. This process of elimination will continue until one proposal has received majority support from those voting which will be declared the decision of the Council or Committee.

24.6 If there are equal numbers of votes, the Lord Provost or Convener will have a casting vote except where the vote relates to appointing a member of the Council to any particular office or committee. In this case, the decision will be by lot.

24.7 If a vote has been taken and a member immediately challenges the accuracy of the count, the Lord Provost or Convener will decide whether to have a recount. If there is a recount, the Lord Provost or Convener will decide how this should be taken.



25. **End of Session Decisions**

25.1 At 5pm for Council and committee meetings excluding quasi-judicial committees and items, and meetings that begin in the afternoon, unless the Council or committee expressly agrees otherwise, motions and amendments will be moved and seconded formally with no debate, before a vote is then taken for each remaining item of business.

26. **Appointments**

26.1 When appointing a member of the Council or any person to office where the number of candidates is more than the number of vacancies, the person to be selected may be decided by ballot. In each case, members can vote for as many candidates as there are vacancies but in any vote, they may only vote once for any one candidate.

26.2 If only one vacancy is to be filled and one candidate has an absolute majority of the votes cast, that candidate will be declared appointed. If this is not the case, the name of the candidate with the fewest votes will be taken off the list of candidates. This process of elimination will continue until the number of remaining candidates equals the number of vacancies or one candidate has a majority and there is only one vacancy. That candidate or those candidates will be declared to be appointed.

26.3 If there is a vote between more than two candidates and there are an equal number of votes for candidates with fewest votes, there will be an extra vote by ballot of those candidates. The name of the candidate with the fewest votes will be taken off the list. If there are an equal number of votes between two candidates, the candidate to be taken off the list will be decided by lot.

26.4 Subject to law, appointments to outside bodies are for the life of the Council unless the person appointed resigns from the appointment or the outside body's constitution specifies a different time period.

27. **Point of Order**

27.1 Any member may raise a point of order at any time during a meeting. Any member who is addressing the meeting when a question of order is raised will resume his/her seat until the question has been decided by the Lord Provost or Convener. The member raising the point of order will advise which Standing Order he/she considers is being infringed and thereafter, without debate, await the Lord Provost or Convener's decision. No other member may speak to the point of order unless with the permission of the Lord Provost or Convener. The decision of the Lord Provost or Convener will be final and cannot be discussed.

28. **Suspension of Standing Orders**

28.1 The Council may on a motion duly moved and seconded, and with the consent of two thirds of members voting, suspend any Standing Order specified in the motion. Any such motion may be submitted, without previous notice, and will be voted on by a show of hands, roll call vote or by electronic voting ~~electronically or by roll call~~ without discussion.

- 28.2 Standing Orders 2, 8, 26, 27, 28 and 34 will not be capable of suspension.
- 28.3 The Pensions Committee and Pensions Audit Sub-Committee, with external membership and participation are subject to their own Standing Orders approved by the Pensions Committee from time to time. In the absence of the aforementioned Standing Orders the City of Edinburgh Council Standing Orders will continue to apply to the Pensions Committee and Pensions Audit Sub-Committee.
- 28.4 The Pension Board is a body constituted under the Public Services Pensions Act 2013 and the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014 and with powers regulated by the United Kingdom Pensions Regulator. The constitution and operations of the Pensions Board will be determined in accordance with regulation and, where appropriate, considered and approved by the Pensions Boards and/or the Pensions Committee.
29. **Obstructive or offensive conduct by members**
- 29.1 If any member at any meeting disregards the authority of the Lord Provost or Convener, or behaves obstructively or offensively, a motion may then be proposed and seconded to suspend the member for the rest or any part of the meeting. The motion will be put without discussion. If it is carried, the Clerk will act on any orders received from the Lord Provost or Convener to carry out the decision.
30. **Changing a Council decision**
- 30.1 Subject to law, a decision of the Council or committee cannot be changed by the Council or committee within six months unless notice has been given of the proposed item in the summons for the meeting and:
- (a) the Lord Provost or Convener rules there has been a material change of circumstances; or
  - (b) the Council or committee agrees the decision was based on erroneous, incorrect or incomplete information.
31. **Referring a decision to Council**
- 31.1 Subject to Standing Order 31.2, where a decision is taken at the Executive Committees, Governance, Risk & Best Value Committee, or the Regulatory Committee, not less than one third of the members present may ask for it to be passed to Council as a recommendation.
- 31.2 A decision will not be sent to the Council in terms of Standing Order 31.1 where the Convener considers that a final decision must be made before the next meeting of the Council, in order to avoid material prejudice to the interests of the Council. The Convener will give clear reasons for this decision.
32. **Committee – non-member motion**
- 32.1 Any member may raise with the relevant committee a matter of new business by submitting a motion in writing to the Clerk by noon on the seventh working day before the meeting. If accepted by the Convener the matter will be placed on the agenda of

business for the next meeting. The member raising the matter will be entitled to appear at that meeting to move his/her motion, which will require to be seconded by another member, but may not vote unless he/she is a member of the Committee.

32.2 Any member may raise an amendment to an item of business to a Committee they are not a member of. They will not though be permitted to move or second or speak to the amendment at the meeting.

### 33. **Ward or members with special interest**

33.1 A member of the Council who is not a member of a particular committee may be invited by the Convener, or Vice-Convener to attend a meeting where there is under discussion any item in which that member has a local or other special interest. The member will be entitled to speak on that item but may not vote. Requests from members to speak at a meeting must be provided to the clerk no later than 5pm on the working day before the meeting. This Standing Order does not apply to the Regulatory or the Planning Committee or any of their sub-committees.

### 34. **Petitions**

34.1 When a petition is on a committee agenda, the petitioner will usually be invited to appear before the Committee to speak in support of the petition. This is at the Convener's discretion. Petitioners may speak for up to 10 minutes and members may ask questions. A supporter can speak on the petitioner's behalf if necessary.

### 34.35. **Freedom of the City**

34.135.1 Any member of the Council who wishes to propose that the Freedom of the City be offered to any distinguished person or organisation will first consult the Lord Provost before submitting any motion to the Council.

34.235.2 Any motion to give Freedom of the City will be stated in the notice of the meeting of the Council and will need to be passed by at least two thirds of members at the meeting.

### 35.36. **Variation and revocation of Standing Orders**

35.136.1 Any motion to vary or revoke these Standing Orders will, when voted on, be approved by a majority of members of the Council present and voting. Any such motion must be by formal notice as provided in Standing Order 17.

### 36.37. **Review of Standing Orders**

36.137.1 These Standing Orders will be reviewed annually.

**Urgent Decision required to be taken between meetings of the Council/appropriate committee**



**Requesting Officer**

- Outline issue of concern
- Outline the decision required (see request form)
- Pass the form onto the Chief Executive/relevant Executive Director



**Service Director, Legal & Assurance & Head of Democracy, Governance & Resilience**

- Provide advice on the urgent decision



**Chief Executive/Executive Director**

- Consult with Service Director, Legal & Assurance and/or Head of DGR
- Consult with the Group Leaders (TORs para 4.1)
- Update the Governance Team and provide copy of signed request form
- Report to Council/committee



**Group Leaders**

- All group leaders to be consulted on the urgent decision



**Governance Team**

- Add the details to the register
- Keep a record of the request form



**Committee Services**

- To notify Governance Team mailbox of the decision outcome via the action sheet



**Council/Committee**

- Decision must be reported to the next meeting of the Council or appropriate committee

## Urgent Decision Request Form

Requesting Officer	
<b>Name</b>	<b>Job Title</b>
<b>Issue of Concern</b>	
<i>Note: Please outline the circumstances which have resulted in the requirement for an urgent decision to be taken.</i>	
<b>Decision Required</b>	
<i>Note: Please outline the urgent decision required to be taken outside of the normal decision-making process.</i>	
<b>Please refer to the following from the City of Edinburgh Council <a href="#">Terms of Reference (TORs)</a>:</b>	
<p>4.1 <i>If a decision which would normally be made by the Council or a Committee requires to be made urgently between meetings of the Council or Committee, the Chief Executive or appropriate Executive Director, in consultation with the Convener and Group Leaders, may take action, subject to the matter being reported to the next meeting of the Council or Committee.</i></p>	
<p><b>Therefore, this form should be passed onto the Chief Executive or appropriate Executive Director for approval.</b></p>	
<b>Signature</b>	<b>Date</b>

Chief Executive/Executive Director	
<b>Name</b>	<b>Job Title</b>
<b>Who did you consult with and when was this advice received?</b>	
<i>Note: The Service Director (Legal and Assurance) and the Head of Democracy, Governance and Resilience must be consulted on all urgent decision requests.</i>	
<b>Have the relevant Convener/Group Leaders been consulted?</b>	
<i>Note: Approval must be sought in consultation with the Convener and the Group Leaders for all urgent decisions normally made by Council/Committee.</i>	
<b>What was the final outcome?</b>	
<i>Note: Please refer to whether the Group Leaders have agreed to the urgent decision and whether the urgent decision was ultimately carried out, including reasons why.</i>	
<b>Which meeting of Council/Committee will the decision be taken to?</b>	
<i>Note: The matter must be reported to the next meeting of the Council or the appropriate committee.</i>	
<b>Signature</b>	<b>Date</b>
<i>Note: A completed copy of this form should be provided to the Governance Team, Governance@edinburgh.gov.uk</i>	

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# City of Edinburgh Council

10.05am, Thursday, 28 September 2023,

## Independent Inquiry and Whistleblowing Culture Review Update

Executive/routine  
Wards

### 1. Recommendations

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- 1.1 To note the progress of implementation of the recommendations agreed at Council in respect of both the Independent Inquiry and the Whistleblowing Culture Review.
- 1.2 To note the criticality of considering the implementation of the recommendations in the context of delivering the Council's People Strategy ('Our Future Council' 2021-2024) to support enduring cultural transformation.

**Andrew Kerr**

Chief Executive

Contact: Nareen Owens and Nick Smith

E-mail: [nareen.owens@edinburgh.gov.uk](mailto:nareen.owens@edinburgh.gov.uk) and [nick.smith@edinburgh.gov.uk](mailto:nick.smith@edinburgh.gov.uk)

## Independent Inquiry and Whistleblowing Culture Review Update

### 2. Executive Summary

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- 2.1 This report provides an update on the implementation of the recommendations from the Independent Inquiry and the Whistleblowing Culture Review agreed by Council.
- 2.2 Recommendations are contained across five themes – Policy, Investigations, Learning, Systems and Processes, and the Redress Scheme.
- 2.3 With the exception of the whistleblowing aspects which will be reported separately to the Governance, Risk and Best Value (GRBV) Committees and GRBV whistleblowing sub-committee, going forwards work in relation to cultural transformation and behaviours will be reflected in the refreshed People Strategy for 2024-2027 and associated Action Plan, which will be reported to Policy and Sustainability Committee at quarterly intervals.

### 3. Background

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- 3.1 The Council commissioned Susanne Tanner KC to lead an inquiry into complaints about the conduct of the late Sean Bell, a former senior manager in (what was then) its Communities and Families Directorate. The outcome of that Inquiry was reported to Council in October 2021.
- 3.2 An additional independent review into the Council's whistleblowing culture was also agreed which was overseen by Inquiry Chair, Susanne Tanner KC, assisted by law firm Pinsent Masons. The background to this review was set out in the report presented to full Council in December 2021, together with additional budget to develop and deliver a substantial programme of work to implement all the recommendations.
- 3.3 The programme of work is structured around five themes:
  - 1) Policy review/development
  - 2) Investigations
  - 3) Leadership, training, and development
  - 4) Systems and processes
  - 5) Redress Scheme and other matters.
- 3.4 Due to the number of actions and recommendations, timescales for implementation ranged from July 2022 to June 2023. Those which are outstanding/still underway are outlined at paragraph 4.4.2 below.



## 4. Main report

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- 4.1 A detailed progress update on recommendations agreed is attached at Appendix 1.
- 4.2 In addition to the implementation of the recommendations, it is critical that the Council builds on the learning and opportunity for cultural transformation and therefore recognises the breadth of work required to do this. In essence this encompasses the delivery of the commitments in the [Council's People Strategy \('Our Future Council 2021-2024'\)](#). The current Strategy is due to end on 31 March 2024 and progress towards achievement of outcomes on this as well as the consultation and engagement process for the refreshed Strategy was agreed by the Policy and Sustainability Committee on 22 August 2023. The outcomes from the Inquiry are embedded in the refreshed Strategy and support/enhance our ambitions to truly be an employer of choice going forwards.
- 4.3 In summary the following is the status of recommendations/observations:

Theme	Completed	Underway	Total
Employment Policy	9	2	11
Investigations	17	8	25
Leadership, Training and Development	4	11	15
Systems and Processes	25	22	47
Other	6	2	8
<b>Grand Total</b>	<b>61</b>	<b>45</b>	<b>106</b>

### 4.4 Policy Review/Development

- 4.4.1 Significant progress has been made across all aspects of the Policy workstream.
- 4.4.2 The policies which are currently outstanding are:
- Whistleblowing Policy – GRBV Committee have indicated that they wish to discuss the policy with Trade Union colleagues prior to approval. This will be facilitated in early course prior to the policy being presented to Policy and Sustainability Committee for consideration in October 2023.
  - Revised Chief Executive and Chief Officers Disciplinary Policy was approved in March 2022 and subsequently implemented. Follow up underway to consolidate and refresh existing arrangements for Senior Officers
- 4.4.3 Work is also underway to develop a Dignity at Work toolkit which will further strengthen our commitment as an organisation to develop an inclusive culture and workplace; one which recognises and values the contribution that a diverse workforce makes and specifically to further support colleagues with protected characteristics and demonstrate our commitment against bullying and harassment.
- 4.4.4 Communications have been issued to all colleagues in relation to the new policies and specific user guides and training has and continues to be delivered alongside these. They will also be incorporated into new manager training. A dedicated communication campaign is planned following approval to support the launch of the whistleblowing policy, toolkit and training.

## **4.5 Investigations**

- 4.5.1 The Investigation team has been fully operational since October 2022 and this was communicated to all colleagues in November 2022. Overall feedback on the new model has been positive.
- 4.5.2 An operating model and running of parallel processes have been implemented, with the Governance, Human Resources Case and Investigations teams meeting on a regular basis to ensure correct triage of cases as well as ongoing case reviews, and future development of manager briefings and lessons learnt. Escalation of relevant cases to the Council Monitoring Officer as required is also in place.

## **4.6 Leadership, Training and Development**

- 4.6.1 Organisational commitments relating to Leadership, Learning and Development are primarily delivered through the approved outcomes in our People Strategy ('Our Future Council' 2021-2024) and the Council's Strategic Workforce Plan (2021-2024) and updated refresh for 2024-2027.
- 4.6.2 To support the culture change, as well as the implementation of revised policies and to fulfil the recommendations made by the Inquiry and Review, we have designed a mixture of digital and in person learning for all colleagues and people leaders. Digital learning modules support the majority of policies. In-person sessions for people leaders will focus on policy into practice, management conversations and building relationships.
- 4.6.3 A new leadership development assessment tool, based on a 360 approach with the Council's new Behaviours embedded within it commenced in February 2023, initially with the Corporate Leadership and Senior Leadership Teams. A number of colleagues have now received their feedback and meeting with their coaching partners to consider their own personal development plans and next steps. In addition to this consideration will be given to potential themes that will then support and inform a wider senior leadership team development programme going forwards for consideration.
- 4.6.4 The speak up supporter role is scheduled to be launched in early October 2023.

## **4.7 Systems and Processes**

- 4.7.1 In March 2023, Finance & Resources Committee approved the award of contract to Oracle to replace the Council's current HR and Payroll system. This will enable a prioritised roadmap of system development and improvements for the Council. Phase 1 encompassing core HR and payroll is due for implementation on 1 April 2024.
- 4.7.2 The intranet 'Gateway' launched in July 2023, providing functionalities for all remote 'non-IT' enabled employees to be able to access the HR system and associated guidance and support. Over 5,000 colleagues were contacted to advise of access now available to them and instructions on how to do this. To date over 1257 have signed up. This continues to be promoted and communicated to staff.

## **4.8 Redress scheme and other matters**

4.8.1 The Redress scheme was launched on 5 September 2022 and is managed by the Scheme Administrator, Pinsent Masons for the purpose of compensation to survivors and closed on 4 March 2023.

### **4.8.2 Whistleblowing/Safecall**

4.8.3 A wide-ranging programme of work has been ongoing since to update processes, guidance, communications, documentation, records management and revised reporting arrangements for GRBV, to implement the recommendations and observations of the cultural review. A number of practical issues have come to light over the past 12 months and following discussion about these with CLT, GRBV members and Trade Union colleagues the final proposed policy will be presented for approval. As previously indicated the current system is very much operating in the spirit of the Tanner recommendations in any event. To support the revised Whistleblowing policy once approved, a new training module is being designed and will be rolled out to all employees. The new GRBV Sub-Committee initial meeting was on 22 May 2023.

4.8.4 Whistleblowing training for Elected Members will be scheduled to coincide with the launch of the new Whistleblowing policy in November 2023.

## **5. Next Steps**

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5.1 Delivery of outstanding recommendations and observations from the Independent Inquiry and Whistleblowing Culture Review with oversight and scrutiny provided by Corporate Leadership Team and associated Committees (Whistleblowing, GRBV and Policy and Sustainability).

5.2 To ensure that learning and recommendations are embedded in the refreshed People Strategy for 2024-2027 with quarterly reports on progress to the Policy and Sustainability Committee.

## **6. Financial impact**

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6.1 Implementation of the recommendations within agreed budget to deliver the recommendations as agreed at Council 2022.

6.2 The Business Case relating to the Council's Human Resources system has been completed and was approved by Finance and Resources Committee 7<sup>th</sup> February 2023 and Full Council 23<sup>rd</sup> February 2023.

6.3 The cost implication for implementing the solution to enable all employee access to the Orb (the Council's intranet) was approved by Corporate Leadership Team (25<sup>th</sup> January 2023) and has been met by the approved Inquiry and Review budget.

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

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7.1 All communications will consider protected characteristics, our Council Equality and Diversity Framework and will meet current accessibility standards.

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

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- 8.1 Environmental considerations will be considered when producing printed materials, adhering to our Council printing policy and used only when alternative digital methods are not appropriate.

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

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- 9.1 Individual actions, e.g., implementation of new policies is discussed with key stakeholders and partners including trade unions and colleague networks.
- 9.2 Progress on People Strategy 2024-2027 will be made to Policy & Sustainability Committee on a quarterly basis.

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

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- 10.1 [Independent Inquiry Report Arising Out of Allegations Concerning the Conduct of the late Sean Bell – Report by the Chief Executive \(28 October 2021\) Investigation Reports.](#)
- 10.2 [Update on recommendations \(25 November 2021\) Independent Inquiry Report Arising Out of Allegations Concerning the Conduct of the Late Sean Bell – Update on Recommendations](#)
- 10.3 Review of Whistleblowing and organisational Culture (16<sup>th</sup> December 2021) - Independent Review into Whistleblowing and Organisational Culture
- 10.4 Independent Review into Whistleblowing Culture (10<sup>th</sup> February 2022) - [Independent Review into Whistleblowing and Organisational Culture](#)
- 10.5 [Independent Review into Whistleblowing Culture \(25 August 2022\) - Independent Review into Whistleblowing and Organisational Culture.](#)

## **11. Appendices**

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- 11.1 Inquiry & Review recommendation progress tracker to August 2023.

## Inquiry and Review Recommendations Update (September 2023)

## Theme One: Employment Policy

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
1	9.1.9 (the Inquiry) the current CEC HR practices relating to relationships between CEC employees are inadequate and do not reflect the close working and personal relationships between many CEC employees, which are often undisclosed.	The Council's current Code of Conduct policy will be revised and strengthened to include declaration of relationships. This was approved at Policy and Sustainability Committee in January 2023.				Q2 2023	Policy approved January 2023, launch and implementation May 2023 Supporting guides for staff Digital learning module Communications
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Employee Code of Conduct approved by Policy and Sustainability Committee in January 2023</li> <li>Managing Relationships within the Workplace incorporated within Code of Conduct. A supporting user guide for colleagues developed to inform employees of their responsibilities and advising managers on how to manage these situations. Guidance in relation to this was launched alongside the Code of Conduct in May 2023.</li> <li>A communication plan commenced on 27 April 2023 advising people leaders of refreshed Leadership pages on Orb and confirming launch dates of Behaviours and Code of Conduct policy.</li> <li>All people leader sessions to launch Behaviours took place in April 2023 then live to all colleague's during May 2023. 468 people leaders and 929 colleagues have attended a session.</li> <li>The Employee Code of Conduct was launched on 10 May with communications through Chief Executive vlog, Managers' News, News Beat, Colleague News (sent to those who subscribe to receive email to their personal address), Orb updated and candidate portal pages, as well as A5 printed copies of the Code which has been distributed in our fleet vehicles as well as to on-site colleagues. A printed 'Our Culture' leaflet which includes key messaging and links to the Code of Conduct is being circulated to frontline colleagues in August/September 2023.</li> </ul>							
2	9.1.10 (the Inquiry) a CEC policy should be created which stipulates that relationships between CEC staff members must be disclosed if they involve an individual with line management responsibilities. This policy should also include the steps to be taken if a situation involving allegations of a sexual nature, domestic abuse or those relating to physical violence, harassment, or stalking, within or outwith the working day or CEC workplace, arises between employees who are, or were, involved in a relationship.	The Council's current Domestic Abuse Policy has been revised to address all recommendations. This was approved at Policy and Sustainability Committee in March 2022. Digital training for managers launched in June 22, revised module for all colleagues due March 23.				Q3 2023	Policy approved January 2023, launch and implementation May 2023 Supporting guides for staff Digital learning module Communications
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Employee Code of Conduct approved by Policy and Sustainability Committee in January 2023</li> <li>Managing Relationships within the Workplace incorporated within Code of Conduct. A supporting user guide for colleagues developed to inform employees of their responsibilities and advising managers on how to manage these situations. Guidance in relation to this was launched alongside the Code of Conduct in May 2023.</li> <li>Domestic Abuse Policy was launched to all colleagues on News Beat on 30 June 2022, followed by a Chief Executive vlog in July 2022. Details of the "DAART" learning module and the "Tackling domestic abuse as a workplace issue" training for managers, was communicated to all managers through Managers' News email on 4 July 2022. Launch of the revised Domestic Abuse Awareness module for all colleagues will be launched in September 2023.</li> </ul>							
3	9.1.11 (the Inquiry) the current CEC domestic abuse policy, the 2019 PDA, requires to be revised to state explicitly that it covers situations with CEC employees which arise outside the workplace and/or outwith work hours.	The Council's current Domestic Abuse Policy has been revised to address all recommendations. This will be taken to Policy and Sustainability Committee in March 2022. Digital training for managers launched June 22, revised module for all colleagues' due quarter 2, 2023.				Q3 2022	Policy approved in March 2022, launch and implementation June 2022 Supporting guides for staff Digital learning module Communications
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Domestic Abuse Policy launched to all colleagues on News Beat on 30 June 2022, followed by a Chief Executive vlog in July 2022. Details of the "DAART" learning module and the "Tackling domestic abuse as a workplace issue" training for managers, was communicated to all managers through Managers' News email on 4 July 2022. Launch of the revised Domestic Abuse Awareness module for all colleagues will be launched in September 2023.</li> </ul>							
4	9.1.16 (the Inquiry) familial or former familial relationships of employees within the CEC should be disclosed and logged appropriately on both employees' HR files, to ensure that any actual or potential conflicts which may arise during the course of internal investigations are addressed.	This will require additional functionality to be developed in our HR System. Additionally, not all employees have access to the current HR system so this will need to be addressed (see system/ process)				Q3 2023 Sustainability	Policy approved January 2023, launch and implementation May 2023. Communications Recorded on HR system
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>In line with the expectations set out in the new Code of Conduct, there is now a requirement for all familial and personal relationships to be disclosed and line managers are required to update an individual's HR record to reflect this. iTrent was updated March 2023 with new field for managers to record on myPeople. This requirement was clearly outlined in the communications for the launch of the Code of Conduct in May 2023.</li> </ul>							

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
5	<b>Recommendation 4</b> (the Review): CEC should put in place a revised disciplinary policy applicable to the Chief Executive, Executive Directors, and Service Directors as a matter of priority.	The revised Chief Executive and Chief Officer Disciplinary Policy approved in March 2022.				<b>Q3 2022 then Q4 2023</b>	Chief Executive and Chief Officer approved. Heads of Department approved, both launched October 2022 Chief Officials disciplinary policy under review.
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The Chief Executive and Chief Officer Disciplinary policy was approved by Council in June 2022 and launched October 2022. A wholly revised Chief Officials Discipline policy is currently being prepared.</li> <li>In March 2022, Committee approved the implementation of the Gold Book when managing disciplinary investigations involving Chief Executives/Officers. This process is being developed into a Policy for approval by the Policy and Sustainability Committee following appropriate consultation.</li> </ul>							
6	<b>Recommendation 8</b> (the Review): CEC should revise its Whistleblowing Policy to put a greater emphasis on consensual early resolution.	New Whistleblowing Policy to be drafted and approved.				<b>Q4 2023</b>	Policy and toolkit under development. Digital learning module ready for launch Communications ready for launch
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in refreshed policy, toolkit and digital learning module and will be highlighted in communications to all colleagues.</li> <li>A focus for early resolution will be included in Policy into Practice and Spotlight Conversation sessions delivered by Learning and Development. A separate 1 hour in person pilot session was piloted to HR/Leadership network on 18 May 2023 for feedback, thereafter to early adopters then all People leaders in July 2023.</li> <li>The revised Whistleblowing Policy is under review and will go to Policy and Sustainability October 2023, following consideration by CLT and discussion between GRBV members and the Trade Unions.</li> </ul>							
7	<b>Recommendation 28</b> (the Review): The whistleblowing process should be periodically audited by internal audit and, perhaps once every five years, reviewed by an external provider.	To be incorporated into IA planning cycle.				<b>Q2 2022</b>	Internal Audit Plan Historic cases review
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>To be included in Internal Audit Plan.</li> </ul>							
8	<b>Recommendation 33</b> (the Review): CEC should include the Draft Whistleblowing Principles set out in Appendix 9 in the Whistleblowing Policy and apply them to all whistleblowing matters.	New Whistleblowing Policy to be drafted and approved to include the principles.				<b>Q4 2023</b>	Policy and Toolkit Digital Learning Modules
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in the new Whistleblowing policy and toolkit which will be presented to Policy and Sustainability Committee in October 2023 following consideration by CLT and discussion between GRBV members and the Trade Unions</li> </ul>							
9	<b>Recommendation 38</b> (the Review): CEC should establish a policy which stipulates that relationships between Colleagues must be disclosed if one person has line management responsibility for the other.	See recommendations 9.1.9 and 9.1.10.				<b>Q2 2023</b>	Policy and Toolkit Digital Learning Modules Communications Recorded on HR system
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>In line with the expectations set out in the new Code of Conduct, there is now a requirement for all familial and personal relationships to be disclosed and line managers are required to update an individual's HR record to reflect this. iTrent was updated March 2023 with new field for managers to record on myPeople.</li> </ul>							
10	<b>Recommendation 42</b> (the Review): The Whistleblowing Policy should be updated to specifically address "500 Reports" and all such reports should be taken forward with a target date of being completed within three months.	Policy update required. Need to consider confidentiality when required.				<b>Q4 2023</b>	
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in the new Whistleblowing policy and toolkit which will be presented to Policy and Sustainability Committee in October 2023</li> </ul>							

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
11	<b>Further Council recommendation</b> (the Inquiry): A full review of all Council policies relating to staff conduct is undertaken to determine how these could be consolidated and clarified to aid compliance and investigation in future. Notes discussions have already begun to improve effectiveness of staff conduct policies as a holistic suite to improve compliance and understanding of the policies as well as access for staff to use policies to be able to more effectively raise issues and get access to support.	To review: Code of conduct, Violence at work; Alcohol, drugs and substance; Avoidance of Band H Grievance (Personnel Appeals Committee) Local Government Employees; Avoidance of Bullying and Harassment (plus Personnel Appeals Committee) Teachers; Disciplinary (Personnel Appeals Committee) Local Government Employees; Disciplinary (Personnel Appeals Committee) Teachers; Disciplinary (Chief Executive/Chief Officers).				Q2 2022 – Q3 2023	PID for Review Project IIA for Review Project Project Plan for each policy Policy/Toolkit for each policy Digital Learning modules Policy launch and implementation
<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>• A timeline for the review of policies has been developed, along with supporting project documentation.</li> <li>• Domestic Abuse Policy launched June 2022</li> <li>• Teaching Staff and LGE Disciplinary Policies and PAC for Disciplinary agreed at Committee in August 22, launched in October 2022.</li> <li>• All policies are in line with SNCT, ACAS good practice and now include requirements for Nominated Officers and Investigation Officers to complete a Declaration of independence from the outset.</li> <li>• Revised Disciplinary for CEO/Executive Directors now in place.</li> <li>• Code of Conduct approved in January 2023, launched directly after Our Behaviours launch in May 2023</li> <li>• Alcohol, Drugs and Substance Misuse was approved in May 2023 and launched on 3 July 2023.</li> <li>• Protecting Colleagues from Unacceptable Behaviour approved in August 2023</li> <li>• Grievance Policy approved in August 2023.</li> <li>• Outstanding policies for review include: <ul style="list-style-type: none"> <li>○ Revised Chief Officers Disciplinary Policy currently under review.</li> <li>○ Whistleblowing Policy currently under review</li> <li>○ A 'Speak up' communications campaign is currently planned to engage and support colleagues about the value of early resolution, having good conversations, recognising unhelpful and unacceptable behaviour, building safety and security to speak up and clarifying the different ways in which colleagues can speak up if they choose to do so.</li> </ul> </li> </ul>							

**Theme Two: Investigations**

Ref	Recommendation / Observation	Council Response	Completed	Underway	Not yet started	Quarter	Evidence
1	<p><b>9.1.1</b> (the Inquiry) the system of investigation within the CEC relating to sexual allegations, domestic abuse, physical violence, stalking, or harassment needs to be reformed to ensure that it is independent and impartial, and seen to be as such, both within and outwith CEC.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>The Investigations Team has been operational since October 2022.</li> <li>The investigation unit was introduced to colleagues by Chief Executive vlog, Managers News email, News Beat and Colleague News and email to personal email addresses in December 2022.</li> <li>All relevant matters are referred externally to the Police and other agencies (e.g SSSC) as required.</li> </ul>	The creation of an internal Investigatory Unit and new "front door" for HR matters and WB.				Q3 2022	Establishment of Investigations Unit
2	<p><b>9.1.2</b> (the Inquiry) the CEC should consider the implementation of an independent investigation unit of appropriately experienced and properly trained investigators, to investigate all allegations in relation to CEC employees of a sexual nature, domestic abuse, physical violence, harassment, or stalking (whether occurring during the course of work hours or on CEC premises or not). The CEC should either procure an independent external firm to establish an independent team of investigators to take on this role; or create an internal unit of investigators whose sole role is to carry out such investigations. If internal, any such unit should be regularly audited by an independent body.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>As per 9.1.1. Will be included in Internal Audit Plan.</li> </ul>	See 9.1.1.				Q3 2022	Establishment of Investigations Unit Internal audit
3	<p><b>9.1.3</b> (the Inquiry) all allegations in relation to CEC employees of a sexual nature, domestic abuse, physical violence, harassment or stalking (whether occurring during the course of work hours or on CEC premises or not) must be escalated to the CEC's Monitoring Officer prior to the appointment of any investigator, whether internal or external; and a record should be kept of all such allegations for an appropriate period of time, subject to GDPR considerations, to allow for identification of patterns of behaviour.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>All such matters are already referred to the Monitoring Officer for information prior to an investigation commencing. Triage undertaken to ensure correct policy and process followed. The Monitoring Officer's Team, the Investigation Team and the Human Resources Team meet regularly to consider lessons learnt, trends and training/briefings for Managers.</li> </ul>	This will be included in relevant Policies and processes.				Q3 2023	Whistleblowing process project plan Policy and Toolkit Notes/emails of escalation Recording system.
4	<p><b>9.1.4</b> (the Inquiry) if the system of investigation for such matters remains internal, all CEC employees tasked with conducting investigations must be properly trained to ensure, amongst other things, that: (a) they are alive to the possibility of potential conflicts of interest arising from personal / work related relationships with those subject to investigation, or witnesses, and decline to act where there is an actual or apparent conflict prior to, or during, the investigation, as required; and (b) they understand how to properly conduct interviews with alleged survivors of various kinds of abuse and will make referrals to support services for survivors, where necessary.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Declaration of independence form completed by all Investigation Officers for all investigations.</li> <li>Signposting guidance shared with team in relation to support services.</li> <li>Team have completed bespoke specialist training with external experts on trauma informed interviewing.</li> <li>Team Leader allocates cases with considered approach.</li> </ul>	Not applicable. See 9.1.1.				Q3 2022	Training materials Seminars Templates to ensure consistency. Declaration of independence



Ref	Recommendation / Observation	Council Response	Completed	Underway	Not yet started	Quarter	Evidence
5	<b>Recommendation 10</b> (the Review): CEC should consider the implementation of an independent investigation unit of appropriately experienced and properly trained Investigating Officers to work with Safecall on the conduct of "major/significant" (external) investigations; to support any other whistleblowing investigations where <b>the 3-month target date</b> for completion is not met; and to conduct other investigations, including disciplinary, bullying and harassment and complaints investigations which are complex or sensitive.	See 9.1.1 for Investigatory Officers.				<b>Q3 2022</b>	Investigation Team established September 2022 and fully operational. Investigation Team maintain tracker with data on all cases/timescales
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>							
6	<b>Recommendation 35</b> (the Review): CEC whistleblowing team and the HR team should check in with whistleblowers for a period of 12 months after a whistleblow disclosure to check that no detriment is being suffered; and that if allegations of detriment are made by the whistleblower the alleged detriment should be reviewed and addressed.	This will be put in place				<b>Q4 2023</b>	Policy and Toolkit Whistleblowing process Project Plan
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The new Whistleblowing policy will confirm the route to raise any concerns in relation to detrimental treatment or reprisals as a result of whistleblowing.</li> <li>The Monitoring Officer's team are addressing this element of the Process Development as part of their Whistleblowing Project Plan to ensure requirements in place following approval of the new policy. Process will be to check in periodically in the 12-month period via Safecall portal following a disclosure is made to ask them whether they consider that they have suffered detrimental treatment as a result of raising a concern, with action taken as appropriate as a result.</li> </ul>							
7	<b>Recommendation 36</b> (the Review): Where an Investigating Officer is from the same service area as the subject of the disclosure, Safecall (or another independent provider) should perform a "critical friend" role to oversee the whistleblowing investigation more closely.	Not applicable. See 9.1.1.				<b>Q3 2022</b>	Evidence of allocation of Investigating Officers to cases
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Centralised Investigation Team prevents the need this as part of new investigation process.</li> </ul>							
8	<b>Recommendation 37</b> (the Review): Both the Nominated Officer and Investigating Officer should be required to complete a written declaration of independence at the outset of any investigation.	Unlikely to be regularly required for Investigatory Officers (see 9.1.1). Will be included in process for Nominated Officers.				<b>Q1 2022</b>	Declaration of independence retained with all investigations.
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>							
9	<b>Recommendation 40</b> (the Review): An investigation scope for a whistleblowing investigation should be prepared at the outset and, where appropriate, shared with the whistle-blower with an invitation to provide comments. The investigation scope and any limitations on the investigation to be conducted should be included in the whistleblowing investigation report.	Design standard agreed scope documentation. Agree protocol for sharing and timelines. Will be responsibility of Investigatory team.				<b>Q3 2022</b>	Copies of the documentation Investigation templates already in place
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>							
10	<b>Recommendation 41</b> (the Review): CEC should be proactive in relation to attempts to contact anonymous whistle-blower's (via a secure portal) and always seek to interview the whistle-blower regardless of their level of anonymity. In cases where the whistle-blower does not wish to be identified to CEC, Safecall (or another independent provider) should be tasked with undertaking an interview and then feeding back the findings to CEC (subject to any relevant redactions required to protect the whistle-blower's identity).	Part of Safecall role, together with Investigatory team.				<b>Q3 2022</b>	Correspondence Safecall portal
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented.</li> <li>Functionality of Safecall portal allows communication with whistleblower even if they wish to remain anonymous.</li> </ul>							

Ref	Recommendation / Observation	Council Response	Completed	Underway	Not yet started	Quarter	Evidence
11	<b>Recommendation 43</b> (the Review): Where serious allegations are made against Executive Directors or the Monitoring Officer, CEC should outsource the investigation to a non- panel law firm or counsel with experience in the conduct of investigations.	See recommendation 4. This will be incorporated into any new Policy.				Q3 2022	Policy and associated committee reports
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented in practice and will form part of the new Policy and toolkit.</li> </ul>						
12	<b>Recommendation 44</b> (the Review): CEC should streamline its disciplinary investigation process and rely more on the evidence (not the opinions of the Investigating Officer but rather the underlying evidence) collated in the course of whistleblowing investigations.					Q1 2023	Training materials Seminars
	<b>CURRENT POSITON</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>						
13	<b>Recommendation 45</b> (the Review): Those who write investigation reports should be cautious about criticising whistleblowers or complainers who have every right to try to persuade the investigator to side with their version of events, so long as they do so lawfully.	See 9.1.1				Q3 2022	Consistency of approach by IO's Training materials/templates Seminars Quality Assurance by Head of Service and Team Leader
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>						
14	<b>Further Council recommendation</b> (the Inquiry): That in delivering the Inquiry Recommendations, the Chief Executive consider expanding the scope of the special investigation unit detailed in paragraph 9.1.1 of the report to include any other serious issues of misconduct including, but not limited to, serious fraud or misappropriation of public funds.	The Investigatory Officer team is responsible for all investigations relating to formal processes (Avoidance of Bullying and Harassment, Disciplinary, Grievance and whistleblowing, unless external independent resource is engaged.				Q3 2022	Operating Model Investigation Team in place
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>						
15	<b>Observation</b> (the Review): Where a summary report is produced it should make clear that it is a summary of a longer form report. Version control is important. If a document is draft, it should be clearly marked as draft to avoid any confusion that it may be the final report.	Part of role for Investigatory Officers.				Q3 2022	Documentation Templates Quality Assurance Version control
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>						
16	<b>Observation</b> (the Review): Ensuring whistleblowers are protected from prejudicial treatment and that whistleblowing investigations are conducted properly and robustly.	See Recommendations 29, 34 and 35.				Q2 2022 in at Q4 2023	Investigation Team fully trained and operational Reports audited by Team Leader/Unit Manager Whistleblowing process project plan on process
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in the new Whistleblowing policy, toolkit and digital learning module due to go to Policy and Sustainability in October 2023. The Whistleblowing policy confirms the route to raise any concerns in relation to detrimental treatment or reprisals as a result of whistleblowing and ensures all whistleblowers will be supported by the Council.</li> <li>Investigations Unit have received specialist training with external experts on trauma informed interviewing and are fully operational. Investigating officer reports are audited by Team Leader and Head of Unit</li> </ul>						
17	<b>Observation</b> (the Review): Managing expectations of whistleblowers at the outset in relation to what can and cannot be shared with them.	This will be addressed via the expectation management protocol.				Q4 2023	Policy and Toolkit Digital Learning module Communication/launch Check in with Whistleblowers and Trade Union engagement
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in new Whistleblowing policy, toolkit and digital learning module.</li> <li>Process design incorporated into the Monitoring Officers Team Whistleblowing Project Plan. Existing processes revised to incorporate with enhanced guidance and information on 'What to Expect'.</li> <li>Communications plan in place that will clearly outline the expectations for whistleblowers when policy, toolkit and training is launched. This will be further clarified by the 'Speak Up' campaign to run later in 2023, which will feature dedicated communications and engagement with colleagues to encourage and support the value of early resolution, having good conversations, recognising unhelpful and unacceptable behaviour, building safety and security to speak up and clarifying the different ways in which colleagues can speak up if they choose to do so.</li> </ul>						

Ref	Recommendation / Observation	Council Response	Completed	Underway	Not yet started	Quarter	Evidence
18	<b>Observation</b> (the Review): Accurate and contemporaneous minuting of meetings with whistle-blowers and other interested parties to avoid subsequent disagreement about what was said.	Investigatory Officer team resource.				Q2 2022	Quality Assurance by Head of Service and Team Leader
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>						
19	<b>Observation</b> (the Review): CEC should continue to engage an external whistleblowing hotline provider.	Agreed				Q1 2022	Safecall contract in place
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Implemented</li> </ul>						
20	<b>Observation</b> (the Review): A clearly documented framework that sets out the considerations to be taken into account when classifying a matter as either "major/significant" or "minor/operational", and then a clearly documented assessment and decision as to the rationale for the classification would be beneficial in seeking to tackle this perception.	See Recommendation 17. Theme 4				Q4 2023	Policy and Toolkit Digital Learning module
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in Whistleblowing policy, toolkit and digital learning module. All Disclosures received will be assessed amongst the Council's Investigation Team, the Monitoring Officer's Team and/or Service Provider (Safecall) or other relevant party for further action. Safecall provide a disclosure assessment as to how it should be processed based on the rationale in the policy. The classification/advisement of how it will be investigated will be addressed through the acknowledgement process.</li> </ul>						
21	<b>Observation</b> (the Review): However, more could be done by CEC to interview anonymous whistleblowers and to explain to them that the investigation may be constrained by the fact the disclosure is made anonymously, and that therefore the credibility and reliability of the evidence provided, and its weight, is more difficult to assess.	See Recommendation 34. Theme 3				Q2 2023	Policy and Toolkit Digital Learning module Engage via Safecall portal. Safecall report
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in Whistleblowing policy, toolkit and digital learning module.</li> <li>Investigation Officers from the Council are requesting the Monitoring Officers Team to place requests for interviews/further information to the whistleblower on Safecall's portal. This allows whistleblower to remain anonymous whilst engaging with the Investigating Officer. This change is already implemented and supported by new policy.</li> </ul>						
22	<b>Observation</b> (the Review): In all cases, the whistleblower should be informed of the investigation's progress and whether their complaint has been upheld or not within a reasonable timeframe for informing a reporting person being three months. If after three months the appropriate follow-up is still being determined, the whistleblower should be informed about this and about any further feedback to expect.	Protocol for feedback to be developed and adhered to as part of Policy.				Q4 2023	Policy and toolkit
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in Whistleblowing policy, toolkit and digital learning module. The whistleblower and any appointed trade union representative will be informed of the progress of an investigation and the outcome of it and any actions to be taken during or as a result. The whistleblower will be kept updated via Safecall portal by either Safecall or the Monitoring Officers team dependant on how the case is processed.</li> <li>GRBV receive quarterly status updates on all cases/investigations.</li> </ul>						
23	<b>Observation</b> (the Review): Except in exceptional cases, disciplinary investigations, employment tribunal proceedings and other processes should not delay the conduct of whistleblowing investigations, nor reporting to GRBV. If investigations are to be paused due to concurrent processes, the fact that such a decision has been taken and the exceptional circumstances for the pausing should be properly documented in writing.	This will be reviewed as part of Policy review/ development. See Policy section.				Q4 2023	Policy and toolkit
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already in place, included in reports to GRBV. Included in new Whistleblowing Policy.</li> </ul>						

Ref	Recommendation / Observation	Council Response	Completed	Underway	Not yet started	Quarter	Evidence
24	<p><b>Observation</b> (the Review): Part of the outcome of any process must be a careful and thoughtful consideration as to how actions will affect those involved and the wider teams or departments in which they work. It is not a resolution to simply move Colleagues around the organisation if other, less disruptive steps, may resolve matters.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>The Investigation team ensure that Nominated officers are appraised of this observation.</li> </ul>	This will be considered as part of Policy review/ recommendations. See Policy section.				Q4 2022	Training for PAC
25	<p><b>Observation</b> (the Review): In such circumstances, I would encourage CEC to share more information with the complainer as to the outcome of the investigation and the actions taken. To achieve true reconciliation and to allow people to move on, there should, in most cases, be some form of facilitated meeting where the outcome is shared and, depending on the circumstances, an apology given. It may be that at the end of this process, one person has to be thoughtfully asked to move, but this should not be the first option.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>The Whistleblowing policy advises where possible information will be shared in line with GDPR guidelines and recognising any other confidentiality requirements. The whistleblower receives feedback on the outcome via Safecall's portal following closure at GRBV. A facilitated meeting is held as part of the Early Resolution Process.</li> </ul>	Protocol/guidance re sharing of appropriate info re outcome and what is being done to be developed.				Q4 2023	Policy Record of outcome

**Theme Three: Leadership, Training and Development**

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
1	<p><b>9.1.5</b> (the Inquiry) if the system of such investigations remains internal, the CEC should look to an external service provider with appropriate expertise to design and / or deliver the training to CEC employees, and to provide refresher training annually.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Investigation Team have completed bespoke specialist training with external experts on trauma informed interviewing. Signposting guidance shared with team in relation to support services.</li> </ul>	Not applicable, see Investigations section.				<b>Q3 2022</b>	Training CPD
2	<p><b>9.1.6</b> (the Inquiry) staff training and understanding within the CF Department and the wider-CEC surrounding domestic abuse, coercive control, the 2019 PDA, the 2019 WBP and other employee and service user welfare policies needs to be improved. Appropriate training and education are paramount in ensuring an effective safeguarding culture for employees and service user.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Tackling Domestic Abuse as a Workplace Issue Digital Learning Pathway rolled out to all managers from June 2022. This pathway includes the DAART awareness raising module. Changes made to the Pathway based on initial feedback received. A revised digital module for all colleagues to be rolled out September 2023. To continue to support frontline colleagues to sign up to myLearning Hub (MLH), a range of communications have been sent out through Managers' News, News Beat, Colleague News and as part of the printed Our Behaviours leaflet and some onsite support has been given to colleagues to help them access MLH using their Total Mobile device. Some support sessions have also been offered to small group of supervisors.</li> </ul>	Domestic abuse, coercive control will be delivered when the revised Domestic Abuse policy is approved (see Policy section). Public Disclosure and Whistleblowing training will be developed and rolled out to colleagues and elected members by Autumn 2022.				<b>Q2 2022 (roll out to managers) Q3 2023 (Roll out to colleagues)</b>	Domestic abuse module rolled out to managers June 2022 Annual refresher Domestic abuse module will be launched to all colleagues September 2023. Communications issued to encourage frontline colleagues to sign up to myLearning hub.
3	<p><b>9.1.7</b> (the Inquiry) all employees of the CEC with line management responsibilities should be required to partake in mandatory training on domestic abuse, coercive control and how to appropriately deal with those individuals making complaints of a potentially criminal nature; and such training should be refreshed annually, with records kept of such training. The CEC should look to an external service provider with appropriate expertise to design and / or deliver the training.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Tackling Domestic Abuse as a Workplace Issue Digital Learning Pathway rolled out to all managers from June 2022. This pathway includes the DAART awareness raising module. Changes made to the Pathway based on initial feedback received. A revised digital module for all colleagues has been rolled out August 2023. To continue to support frontline colleagues to sign up to myLearning Hub (MLH), a range of communications have been sent out through Managers' News, News Beat, Colleague News and as part of the printed Our Behaviours leaflet and some onsite support has been given to colleagues to help them access MLH using their Total Mobile device. Some support sessions have also been offered to small group of supervisors.</li> <li>Completion of the digital learning is recorded on my learning hub. When learning is assigned, Line managers have access to a dashboard to monitor completion of role-specific learning their direct and in-direct reports, two levels down.</li> <li>Learning and Development provide summary reports of total completions across the whole organisation.</li> </ul>	Line manager training will be designed and delivered post Committee approval of the revised Domestic Abuse Policy.				<b>Q2 2022 continue Q2 2023</b>	Policy DAART module rolled out June 2022 with Managers' Pathway Tackling Domestic Abuse as a Workplace Issue Updated learning pathway for people leaders to be launched August 2023. Record of annual participation Communicated to all managers. Record on Learning Experience Platform system
4	<p><b>9.1.8</b> (the inquiry) all employees of the CEC with line management responsibilities should be required to undertake training on public interest disclosures and the 2019 WBP, to enable them to differentiate between such disclosures and matters falling within other CEC policies (the PDA 2019, grievances, and potential disciplinary matters). The CEC should look to an external service provider with appropriate expertise to design and / or deliver the training.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>The Whistleblowing digital learning module is being designed and will be rolled out once the policy has been considered by Policy and Sustainability Committee in October 2023. The module aligns with other policies including Disciplinary, Grievance and Bullying and Harassment.</li> <li>The Keeping You Safe Confidential and Compliant was re-designed to include key messages in relation to the Code of Conduct for all colleagues. This module, working in Edinburgh was launched along with the revised policy in May 2023. All candidates are asked to undertake the module prior to starting employment with the Council and people leaders should ensure this has taken place during their induction.</li> <li>A 1 day in person Policy in person session is available to support people leaders to continue to build working relationships, encouraging openness and trust, The session will also support conversation practice using scenarios which align to different policies.</li> <li>A 1 hour in person Policy in Practice early resolution session is also available to people leaders from July 2023</li> </ul>	This training will be designed / delivery commenced in 2023 following approval of the new policy.				<b>Q4 2023</b>	Policy and toolkit Digital Learning module Policy into practice in person sessions being designed for range of policies and will be made available to people leaders as ready or to support the launch of an updated policy. Record on HR system

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
5	<b>Recommendation 1</b> (the Review): All political groups should take steps, if they do not already do so, to ensure that all their members attend training, particularly training in relation to the Member- Officer Protocol and Councillor conduct, including the 2021 Code of Conduct for Councillors.	Arrange more training and refreshers through Governance team; Keep register of training; Report to group; Training proposed to be mandatory for the induction then by agreement.				<b>Q2 2022 in Q4 2023</b>	To be included and monitored as part of elected member induction.
<b>CURRENT POSITION</b>							
<ul style="list-style-type: none"> <li>The Monitoring Officer's Team is designing a session for members which outlines the whistleblowing process, Members scrutiny role and a Q&amp;A. It is planned to have this as a hybrid session which will be recorded and uploaded onto the members section of MLH for future viewing to be delivered in quarter 4 of 2023 to coincide with launch of the new policy.</li> </ul>							
6	<b>Recommendation 2</b> (the Review): Whistleblowing training should be delivered to and attended by all Councillors.	This training will be developed / delivered following policy approval				<b>Q4 2023</b>	Training programme Attendance lists
<b>CURRENT POSITION</b>							
<ul style="list-style-type: none"> <li>The Monitoring Officer's Team is designing a session for members which outlines the whistleblowing process, Members scrutiny role and a Q&amp;A. It is planned to have this as a hybrid session which will be recorded and uploaded onto the members section of MLH for future viewing to be delivered in quarter 4 of 2023 to coincide with launch of the new policy.</li> <li>A Whistleblowing workshop was held with GRBV members in November 2022.</li> </ul>							
7	<b>Recommendation 5</b> (the Review): Refresh avoidance of bullying and harassment training for all Colleagues, with schools and those involved in social work being part of the initial rollout.	Develop and implement new WB policy. Develop and deliver a comms and training strategy.				<b>Q3 2023</b>	Grievance policy under review Digital learning module being updated in line with revised Grievance Policy Communications/launch/Orb
<b>CURRENT POSITION</b>							
<ul style="list-style-type: none"> <li>Policy will be submitted to Policy and Sustainability Committee in August 2023.</li> <li>A digital module will be designed to accompany the new Grievance policy, along with policy and practice sessions for managers.</li> </ul>							
8	<b>Recommendation 7</b> (the Review): A new whistleblowing communications and training strategy should be put in place and rolled out across CEC.					<b>Q4 2023</b>	Communication on Newsbeat/Colleague News/printed material to frontline colleagues providing them route to sign up for eLearning Hub. Digital Learning module Policy into Practice session
<b>CURRENT POSITION</b>							
<ul style="list-style-type: none"> <li>Communications plan will support launch of the new Whistleblowing Policy and Toolkit and learning for colleagues and managers. This will be delivered on launch through existing channels including vlog with Andrew Kerr, Managers News email, News Beat article, new Orb content, Colleague News email to those subscribed to receive email to their personal address, and printed material to frontline/offline colleagues. This will be further clarified by the 'Speak Up' campaign to run later in 2023, which will feature dedicated communications and engagement with colleagues to encourage and support the value of early resolution, having good conversations, recognising unhelpful and unacceptable behaviour, building safety and security to speak up and clarifying the different ways in which colleagues can speak up if they choose to do so.</li> </ul>							
9	<b>Recommendation 24</b> (the Review): CEC should take steps to train managers on how to identify a whistleblowing disclosure.	This training will be designed / delivery				<b>Q4 2023</b>	eLearning Hub Policy into Practice sessions Compliance reports for ELH Records of in person training on HR system
<b>CURRENT POSITION</b>							
<ul style="list-style-type: none"> <li>Reference to previous Vlogs by Chief Executive and Monitoring Officer and communications post Inquiry and Review report.</li> <li>Detailed in Whistleblowing toolkit and digital learning module which will be launched once policy has been approved. The digital learning module will incorporate part of a managers essential learning programme.</li> <li>Evaluation will be reviewed.</li> <li>Take up of training will be monitored and reports provided to all managers.</li> <li>This will be included in Policy into Practice sessions and digital learning.</li> </ul>							

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
10	<b>Recommendation 34</b> (the Review): Any whistleblowing training and communications strategy rolled out by CEC should make it clear that whistleblowing disclosures can be made anonymously (with the two levels of anonymity being explained) and that those who make disclosures will be protected from detrimental treatment. Training delivered to managers should explain what amounts to detrimental treatment.	The point on anonymity will be included in revision of Whistleblowing policy and associated training. The training will form part of Recommendation 7.				<b>Q4 2023</b>	Digital learning module Policy into practice in person sessions Communications Speak up Supporters Orb page. Safecall website
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>A Whistleblowing Digital Module has been designed for all colleagues and additional guidance for managers. The new Whistleblowing policy makes the position re anonymity clear and confirms the route to raise any concerns in relation to detrimental treatment or reprisals as a result of whistleblowing.</li> <li>The module includes information about two types of anonymity and support for colleagues and managers in relation to detrimental treatment.</li> <li>Policy into Practice sessions have been designed for managers– Whistleblowing will be included in tandem with new policy launch.</li> <li>Included in communications to date when referring to whistleblowing and Speak Up campaign and Supporters will reiterate this message.</li> <li>Safecall website advises that disclosures can be made anonymously.</li> </ul>							
11	<b>Recommendation 50</b> (the Review): Training on legal professional privilege should be offered to Councillors and relevant Colleagues.	LPP protocol and training to be developed and delivered for Councillors and senior officers.				<b>Q2 2023</b>	Member officer protocol agreed. Legal Services delivered training for Elected Members/SLT and relevant officers Apr/May 2023
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Legal services carried out training on 23/24 March and 20 April 2023 to Elected Members and SLT, Legal services and Housing officers. Refresh sessions will be offered periodically and after each local election.</li> </ul>							
12	<b>Observation</b> (the Review): Regular promotion of whistleblowing by managers and through other communications is essential.	This will form part of the Council's communication plan.				<b>Q2 into Q3 2023</b>	Communications Strategy Digital learning module Policy into practice in person sessions Speak up Supporters Orb page and Safecall website
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Communications plan contains continuous engagement with managers through layered engagement process to CLT, then SLT, then all people leaders and talk with Andrew sessions for all colleagues. These will be virtual and in-person and will run quarterly from launch date of whistleblowing policy, toolkit and training. There will be written communications via Managers' News, and team toolbox talks provided for managers to engage their teams. Regular updates have been made to Senior Leadership Team in relation to Tanner report and recommendations.</li> <li>The 'Speak up' communications plan ensures regular touch points with managers and colleagues. The plan will introduce the Speak Up Supporters and instructions for colleagues on how to contact them and what for will be delivered in October 2023. This will be further clarified in October during the launch of the Grievance policy and again in November during the launch of Whistleblowing which will feature dedicated communications and engagement with colleagues to encourage and support the value of early resolution, having good conversations, recognising unhelpful and unacceptable behaviour, building safety and security to speak up and clarifying the different ways in which colleagues can speak up if they choose to do so.</li> </ul>							
13	<b>Observation</b> (the Review): It is also a good idea to include handling whistleblowing disclosures as part of discipline and grievance training for managers and staff. Training should be offered at regular points to make sure it stays fresh in managers' minds.	Training will be designed/ delivered for line managers.				<b>Q4 2023</b>	Digital learning module Policy into practice in person sessions Governance group to establish essential learning for managers and monitor.
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Policy into Practice sessions have been designed for managers, whistleblowing will be included, and these will be ongoing.</li> <li>Disciplinary digital learning launched with revised policy in Autumn 2022. Communications were issued to colleagues via Managers' News on 3 October 2022, 16 November 2022 and 30 November 2022. Encouragement to colleagues to read new policies was included in Chief Executive's vlog.</li> <li>A Governance group for Essential Learning was created and commenced in June 2023. This group will consider refresher learning timescales for core essential learning and meet on a quarterly basis thereafter.</li> <li>A digital module will be designed to accompany the new Grievance policy.</li> <li>Policy into Practice sessions for managers will include Grievance.</li> </ul>							
14	<b>Observation</b> (the Review):The Review Team has examined the investigations training offered by CEC to some of its Investigating Officers and consider it could be improved by the inclusion of scenario-based training which should cover steps from the outset of a case, including early case assessment based on a review of documents, consideration of early resolution, planning and scope of investigations, and conducting effective interviews.	Not applicable as an Investigatory Officer team will be created.				<b>Q4 2022</b>	Investigation team in place to carry out all investigations.
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Investigations team have received bespoke specialist training.</li> </ul>							

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
15	<p><b>Observation</b> (the Review): managers are the main port of call for those who wish to raise concerns. They are therefore ideally positioned to provide any support whistleblowers might require or to signpost relevant support. Managers should be effectively trained on how to treat those reporting concerns with empathy encourage the raising of concerns.</p> <p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Early resolution and creating an open culture for raising concerns is being emphasised in the design of digital and in-person learning including Whistleblowing, Policy into Practice sessions. A separate 1 hour in person session on Early Resolution was rolled out to HR/Leaders Network on 18 May 2023, thereafter, offered to early adopters/all People Leaders from July 2023. The new 1-day leadership development session has a focus on how to have necessary conversations across a range of topics encouraging empathy, openness and transparency. Speak Up Supporters will be launched in quarter 3 of 2023.</li> </ul>	Whistleblowing, including Public Interest Disclosures, training will be revised and rolled out. Proposal to be further developed on triage process.				Q3/2023	Policy and toolkit Digital learning module Policy into practice in person training Speak Up Supporters



**Theme Four: Systems/Processes**

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
1	9.1.12 (the Inquiry) there must be a formal system in place at the CEC for recording disclosures by employees, service users or others relating to allegations of sexual or physical violence, harassment, or stalking by CEC employees (whether occurring during the course of work hours or on CEC premises or not).	This requires system functionality build.				Q2 2023 - 2024	Report to Council/Finance and Resources HR System records IO reports Governance records
<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Report on new HR system procurement was approved at a special Finance and Resources Committee on 10 March 2023.</li> <li>Domestic abuse disclosure currently recorded on HR system by managers on behalf of employee. HR Case team receive notification and offer support/guidance to the manager. Reported to Monitoring Officer.</li> <li>The Monitoring Officer's team receive records of all disclosures made to Safecall or by internal management referrals. The Investigation Team provides the finalised investigation report from whistleblowing disclosures that they have investigated, these are reviewed by the Monitoring Officer and Safecall before going to GRBV (now going to be a sub-committee).</li> <li>Relevant issues are flagged to the Monitoring Officer as they arise.</li> </ul>							
2	9.1.13 (the Inquiry) record keeping must be improved within the CEC, with notes taken at all meetings where disclosures or concerns are raised by employees to line managers regarding sexual or physical violence, harassment, or stalking (whether occurring during the course of work hours or on CEC premises or not). Once recorded, line managers should be obliged to report such disclosures or concerns up the management structure at the CEC.	Training will be provided on 1:1's and supervision etc to ensure improved record keeping.				Q4 2024	Governance records IO reports Report to GRBV (as required) Training for managers required re how to recognise, record and escalate such disclosures
<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>The Monitoring Officer's team receive records of all disclosures made to Safecall or by internal management referrals. The Investigation Team provides the finalised investigation report from whistleblowing disclosures that they have investigated, these are reviewed by the Monitoring Officer and Safecall before going to GRBV (now a sub-committee).</li> <li>Agreement to be reached on how records will be kept on the new CEC HR system and records will be retained by Investigations unit/Safecall/Case Management team.</li> </ul>							
3	9.1.14 (the Inquiry) a record of all investigations conducted (whether internal or external) regarding abuse of a sexual or physical nature, harassment, or stalking (whether occurring during the course of work hours or on CEC premises or not) should be kept by the CEC for a period of twenty-five years, in a searchable and accessible format, subject to GDPR considerations.	This requires system functionality build.				Q4 2024	Policy and toolkit Records retention guidance Governance records.
<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Included in Whistleblowing policy and toolkit. In accordance with the Council's Records Retention Scheme, details of all whistleblowing concerns and investigations will be retained for 6 years from the close of the investigation, except where separate retention rules apply (including, but not limited to child protection matters where a period of 25 years will apply).</li> <li>The Monitoring Officer's team currently retain records of all disclosures made to either Safecall or via internal management referrals which allows for identification and deletion in accordance with data retention rules.</li> <li>Agreement needs to be reached on how records will be kept on the new CEC HR system so that records will be retained by Investigations unit/Safecall/Case Management team.</li> </ul>							
4	Recommendation 6 (the Review): Those involved in recruitment and selection of candidates for new positions should complete a short form declaration to disclose any personal or professional relationship with a prospective candidate.	This will be included in Recruitment and Selection training and the current process (which is currently required for all recruiters to complete).				Q2 2022	Declaration form/conflict of interests
<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Already implemented.</li> </ul>							
5	Recommendation 9 (the Review): A programme of training for Investigating Officers should be developed and delivered, preferably by an external body skilled in effective investigation processes and techniques. Such training should be a precondition to being appointed as an Investigating Officer for the first time.	Not applicable, see Investigations 9.1.1.				Q3 – 4 2022	Training records CPD
<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Investigating Team have completed bespoke specialist training with external experts on trauma informed interviewing and will be included as part of essential learning for all Investigating Officers.</li> </ul>							

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
6	Recommendation 11 (the Review): CEC should resource the use of note takers for investigative interviews. <b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already implemented</li> </ul>	There is no resource capacity for this currently.				Q3 2022	Note takers in post
7	Recommendation 12 (the Review): The Whistleblowing and the HR Department should have regular liaison meetings, in a similar manner to the Strategic Complaints Group, with the specific objective of identifying any concerning patterns of behaviour in an area. <b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already implemented</li> </ul>	This recommendation has already been implemented and fortnightly meetings have been set up.				Q2 2022	Evidence of scheduled meetings Action logs
8	Recommendation 13 (the Review): In order to assist CEC in identifying concerning patterns of behaviour across multiple cases, the independent whistleblowing provider should keep a record of service areas and locations of disclosures, together with a general description of the nature of the disclosures, so that this can be shared with CEC's Whistleblowing Team. <b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in the Whistleblowing policy. The Monitoring Officer's Team, the Investigation Team and the Human Resources Team will meet regularly, with the Service Provider when required, to discuss patterns and concerns and agree how these should be dealt with. The Monitoring Officer's team will incorporate this into the Process design as part of the Whistleblowing Project Plan to ensure requirements in place by Sept 23. A review of categorisations of disclosure and the information received from Safecall and how the Council can analyse that information will be put in place.</li> </ul>	Safecall to be asked to keep this record. Identification of patterns through (1) record keeping (2) regular meetings HR, MO and WB team (see recommendation 12).				Q4 2023	
9	Recommendation 14 (the Review): All Colleagues leaving CEC should be offered the opportunity to take part in an exit interview with a member of the HR team. <b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already implemented</li> </ul>	The online exit interview survey and process was refreshed last year. There is a resource implication for offering face to face interviews (circa 2,000 leavers a year).				Q2 2022	Dashboard data and information Numbers of interviews
10	Recommendation 15 (the Review): CEC should consider putting in place a system for Colleagues to provide anonymous feedback on the conduct and behaviours of managers as part of their annual performance reviews. <b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>360 feedback tool was rolled out to SLT in February 2023, to be rolled out on a phased basis over the next 12 months to all people leaders.</li> <li>Analysis of feedback to SLT will be provided by an external supplier. Procurement process commenced May 2023.</li> <li>Analysis of feedback to all other managers will be provided in-house.</li> </ul>					Q1 2023- Q4 2024	Tool Deployment Analysis of feedback
11	Recommendation 16 (the Review): Whistleblowing disclosures containing any issue of alleged discrimination based on a protected characteristic should be logged with the HR Department in the same manner as the Prejudice Based Incident Reporting used by the HR Department. <b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The Monitoring Officer's team and HR Team will design the process as part of the Whistleblowing Project Plan to ensure requirements in place by November 2023. There are some challenges to be resolved in relation to what can be recorded on the current Prejudiced Based disclosure process via a confidential/anonymous disclosure made to the Monitoring Officer's team or Safecall.</li> </ul>	This requires additional resource – as assuming the scope would be extended to include all disclosures.				Q3 2023	HR system
12	Recommendation 17 (the Review): A documented triaging process should be put in place with a framework that sets out the considerations to be taken into account for disclosure classification. <b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in Whistleblowing policy, toolkit and digital learning module.</li> <li>All Disclosures received will be assessed amongst the Council's Investigation Team, the Monitoring Officer's Team and/or Service Provider (Safecall) or other relevant party for further triage and action.</li> </ul>	Further consideration will be given to the design of the triage options				Q4 2023	Policy/Toolkit

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
13	Recommendation 18 (the Review): The nomenclature currently used for classifying reports as “major/ significant” or “minor/operational” should be revised to address a perception that “minor/operational” cases are not treated as seriously. Wording such as “External” and “Internal” would be preferable.	This will be considered as part of implementation of a whistleblowing policy and process, in consultation with Safecall.				Q4 2023	Policy/Toolkit
	<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Included in the new Whistleblowing policy, toolkit and digital learning module.</li> <li>All Disclosures will be assessed on receipt. For all Disclosures, Safecall will make an initial determination as to whether the Disclosure should be classified as ‘External’ or ‘Internal’. External classification will be used when the Disclosure presented appears, on the face of it, one of significant concern that will require direct investigation by them or an external expert. Internal classification will be used when it appears, on the face of it, that the Disclosure is of less significant concern and is appropriate for investigation primarily by the Council, either by the Investigation Team or an appropriate manager.</li> </ul>						
14	Recommendation 20 (the Review): For more serious whistleblowing matters that are investigated internally, Safecall (or another provider) should provide “critical friend” monitoring from the outset of an investigation rather than waiting until the investigation report is submitted for review. The role of the “critical friend” should be set out in the Whistleblowing Policy.	Whistleblowing Policy to be revised. Engagement with Safecall to discuss required.				Q4 2023	Investigation report Revised reports to Elected Members Policy and toolkit
	<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>Included in revised whistleblowing policy, toolkit and digital learning module.</li> <li>In place since 2020, this will be reflected in the revised reporting requirements that will be starting from Autumn 2023. As part of the reporting review the Monitoring Officer’s team are seeking to make this more identifiable in the management information provided to Elected Members</li> </ul>						
15	Recommendation 21 (the Review): Safecall, or any other independent whistleblowing provider, should report on the following KPIs: Number of disclosures categorised as “major/ significant” or “minor/operational” (or any new naming convention); Number of disclosures diverted to be dealt with under another policy; Number of disclosures categorised as not qualifying as a whistleblowing disclosure; Number of disclosures dealt with by way of early resolution (see Recommendation 32); and Number of disclosures investigated within 3 months / not investigated in this time frame with reasons given.	Agree new KPIs with Safecall and consider consequences.				Q4 2023	KPIs agreed with Safecall.
	<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>The revised KPIs will be reflected in the revised reporting requirements that will commence November 2023.</li> </ul>						
16	Recommendation 22 (the Review): Immediate and ongoing steps taken to address any public safety issue should be recorded in a document maintained by the independent whistleblowing provider which sets out the steps taken, and to be taken, to check on the safety concerns reported by a whistleblower. This should be shared with GRBV at the first quarterly meeting following the disclosure.	Need to agree process with Safecall.				Q4 2022	In place Reports to GRBV
	<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>In place. The Monitoring Officer’s team maintain this information and provide it to GRBV as part of the regular reporting.</li> </ul>						
17	Recommendation 23 (the Review): A senior colleague in every service area should be appointed as a Whistleblowing Supporter (including time to do the tasks).	Services to identify 2 whistleblowing supporters per Directorate. Training to be given with clear expectation and terms for the role. Regular meetings to be set up with WB Supporters, Service Director HR, and MO.				Q4 2023	Recruitment complete Induction complete Training programme underway
	<p><b>CURRENT POSITION</b></p> <ul style="list-style-type: none"> <li>A dedicated communications introducing the Speak Up Supporters and instructions for colleagues on how to contact them and what for will be delivered in October 2023. This will be further clarified when Grievance Policy is launched in October and again when Whistleblowing Policy is launched in November 2023. It will feature dedicated communications and engagement with colleagues to encourage and support the value of early resolution, having good conversations, recognising unhelpful and unacceptable behaviour, building safety and security to speak up and clarifying the different ways in which colleagues can speak up if they choose to do so.</li> </ul>						

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
18	Recommendation 25 (the Review): All Whistleblowing disclosures made to CEC managers and Councillors should be referred to the independent whistleblowing provider, so that they are recorded as whistleblowing disclosures and dealt with under the whistleblowing process, at least initially.	Confirm requirements in the Policy. Training to ensure managers are aware of the requirement.				Q2 2023	All disclosures made to Governance referred to Safecall.
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>In place as detailed in current policy.</li> <li>Included in the revised Whistleblowing policy, toolkit and digital learning module. Any information identified via another Council process as a whistleblowing matter will be shared with the Monitoring Officer and the Monitoring Officer's Team and Investigation Team and, if necessary, the Service Provider (Safecall) to ensure it is dealt with in accordance with this Policy.</li> </ul>						
19	Recommendation 26 (the Review): CEC's Whistleblowing Team should report all whistleblowing disclosures and reports to GRBV in accordance with the quarterly reporting cycle, without any exceptions.	Policy requirement and to be complied with. Issue of potential derogation for limited specific circumstances to be considered.				Q4 2022	Reports to GRBV
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already Implemented</li> </ul>						
20	Recommendation 27 (the review): As part of any review of CEC's committee structure, consideration should be given to setting up a sub-committee to scrutinise whistleblowing disclosures and reports	This will be considered as part of Council committee governance post-May 22.				Q1 2023	Workshop materials
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>This was agreed at Full Council on the 9 February 2023 and the sub-committee met for the first time on 22 May 2023.</li> </ul>						
21	Recommendation 29 (the Review): CEC should take steps to ensure that anyone who receives a whistleblowing disclosure asks the person raising the matter what support they may need and how this can be provided. This support, where relevant, should also be offered to those who are the subject of a whistleblowing investigation.	Policy update. Manager training. Process document to be developed for both whistleblowers and those subject to the review with options and information.				Q4 2023	Policy, Toolkit and digital module Support provided from outset by Monitoring Officers team and Investigation Team
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>All Council employees can access confidential counselling directly and/or request an occupational health referral from their line manager.</li> <li>This is detailed in the revised whistleblowing policy, toolkit and digital learning module.</li> <li>Speak Up supporters will also inform of process.</li> <li>Information on all supports available is included in all documentation and guidance provided to whistleblowers and others involved in investigations.</li> </ul>						
22	Recommendation 30 (the Review): CEC, in conjunction with Safecall, should develop an agreed protocol for setting a whistleblower's expectations at the point of commencing an investigation. A Draft Expectation Management Protocol for managing expectations of whistleblowers is at Appendix 7.	Process and Expectation Management Protocol to be developed and agreed.				Q4 2023	Policy, Toolkit and digital module Protocol
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Expectation Management Protocol included in Whistleblowing policy, toolkit and digital learning module.</li> <li>The Monitoring Officer's team are designing the Process as part of the Whistleblowing Project Plan to ensure requirements in place by November 2023</li> </ul>						
23	Recommendation 31 (the Review): Accurate and contemporaneous minutes should be taken by CEC at all meetings and during all conversations with whistleblowers and other interested parties.					Q4 2022	Quality assurance of notes Recruitment of note takers
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Recruitment of notetakers complete</li> </ul>						
24	Recommendation 39 (the Review): CEC should develop an action plan to improve its approach to communicating with front-line Colleagues with identifiable KPIs.	This will require a solution to all employee access to the Orb/communications.				Q2 2023	Orb access for all colleagues Communications
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The Orb Gateway project was approved at committee in January 2023. Communications went out in June 2023 to 1500+ colleagues who were already registered for all colleague communications, a further 2300+ letters were issued to all other colleagues without a Council email address providing them information and guidance on how to register.</li> </ul>						

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
25	Recommendation 32 (the Review): CEC should instigate an early resolution process and stricter timelines for the conduct of whistleblowing investigations. A Draft Model Early Resolution Process is set out in Appendix 8.	New process to be developed and agreed. Draft Model Early Resolution Process to be agreed and adopted.				Q4 2023	To be included as part of essential learning for managers
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in Whistleblowing policy, toolkit and digital learning module.</li> <li>The Monitoring Officer's Team is designing the Process as part of the Whistleblowing Project Plan to ensure requirements in place by November 2023.</li> </ul>						
26	Recommendation 43 (the Review): Where serious allegations are made against Executive Directors or the Monitoring Officer, CEC should outsource the investigation to a non- panel law firm or counsel with experience in the conduct of investigations.	This will be included in new revised relevant policies.				Q4 2022	Agreed as part of new CE and CO Disciplinary Policy Policy
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already in place in practice and forms part of the new Policy and Toolkit.</li> </ul>						
27	Recommendation 46 (the Review): Any decisions to cease communication with a service user or a whistleblower from outwith CEC should reference and follow CEC's "Managing Customer Contact in a Fair and Positive Way Policy"; and any decision to cease communications with a service user or a whistleblower should be reported to GRBV in writing to ensure proper oversight.	Policy already in place. Training/communications required.				Q3 2023	Current policy in place
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The existing policy is currently in place and being used as required.</li> </ul>						
28	Recommendation 47 (the Review): Legal professional privilege should be utilised sparingly in the context of whistleblowing or other fact-finding investigations outside of the preparation of actual or threatened litigation.	LPP protocol to be applied re WB or other investigations; Consider outsource in such a scenario.				Q4 2022	Member officer protocol agreed. Legal (KMCK) delivering training for Elected Members/SLT and relevant officers Apr/May 23
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The use of LPP is discussed at the outset and only used where absolutely considered necessary. In such circumstances the reasoning will be documented.</li> </ul>						
29	Recommendation 48 (the Review): Any decisions to treat a matter as legally privileged should be clearly documented with appropriate analysis of the application of the legal tests to the facts at hand being set out.	-				Q4 2022	Member officer protocol agreed. Legal Services delivered training for Elected Members/SLT and relevant officers April/May 2023
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>See Recommendation 47</li> </ul>						
30	Recommendation 49 (the Review): In circumstances where assurance is sought by Councillors or regulators, and the provision of privileged information would aid in providing such assurance, consideration should be given to sharing this information under a limited waiver of privilege.	Compliance with and amendment of the Member/Officer protocol. Protocol for sharing of LPP info to be considered.				Q4 2022	
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already implemented and will be considered on a case-by-case basis in line with the Member Officer Protocol.</li> </ul>						
31	Observation (the Review): I would urge the Citizen and CEC's Chief Executive to proceed to mediate as soon as possible.	This is already in process.				Q4 2022	In place but additional consideration will be given as part of policy review and case review between WB, Legal and HR
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already implemented.</li> </ul>						

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
32	Observation (the Review): Going forward, I recommend that any decision to cease communication with a complainer or an external whistleblower follows and references that guidance document, and that any decision is notified to GRBV in writing to ensure proper oversight.	Policy already in place. Policy requires update to include GRBV oversight. Training/communications required.				Q4 2023	
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in Whistleblowing policy.</li> <li>In place within Managing customer contact in a Fair and Positive Way, this policy will be included in the new Protecting Colleagues from Unacceptable Behaviour policy that is currently being reviewed.</li> </ul>							
33	Observation (the Review): I observe that consideration should be given to any adverse regulatory or ombudsman decisions also being subject to governance oversight by the GRBV.	Recommend a regular 6 monthly update report to GRBV with ability to deep dive as required.				Q4 2023	GRBV reports
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>It is proposed that GRBV will receive a regular 6 monthly update report noting relevant adverse regulator decisions.</li> </ul>							
34	Observation (the Review): Recommendations coming out of complaints, internal audits, assurance exercise and external reviews (including, in particular, adverse findings by the SPSO or a regulatory body) are carefully considered and, where the recommendations are accepted, there needs to be a process to ensure remedial actions are followed through.	Governance and assurance process to be fully developed and implemented. IA and first line checks. Whistleblowing team checks.				Q4 2023	Evidence of Service area action plans
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The Monitoring Officer's team are reviewing the Assurance Management Framework to ensure assurance actions are monitored and a simple process of escalation is in place to ensure accepted recommendations/actions are completed. The Governance and Assurance process to go back to GRBV in quarter 4 2023.</li> </ul>							
35	Observation (the Review): CEC should not pause or defer internal investigations and disciplinary processes, except in exceptional cases where the police or an external regulator require them to stop investigating concurrently.	This recommendation will be delivered as part of Policy review/ development work.				Q4 2023	Policy and Toolkit
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already implemented in practice and is included in the new Whistleblowing policy and toolkit.</li> </ul>							
36	Observation (the Review): The need to carefully consider CEC's approach to withholding documents and information based on data protection principles.	Advice to be sought from DPO and Legal Services as required.				Q4 2022	
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Advice is sought from the DPO and Legal Services as required.</li> </ul>							
37	Observation (the Review): CEC should, where possible, resist signing up to any external third parties' terms and conditions which seek to restrict the provision of commissioned external reports to third parties.	Training for Legal and service managers.				Q2 2023	Evidence of training material/attendees –
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Legal services arranging training in March/April 2023.</li> </ul>							
38	Observation (the Review): Carefully consider the wording of apologies issued to whistleblowers and any qualifications which are included in them.	Training for Legal and service managers.				Q4 2022	Evidence base to be agreed
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>This is reviewed on a case-by-case basis.</li> </ul>							

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
39	Observation (the Review): The immediate and ongoing steps taken to address any public safety issue raised through the whistleblowing process should be recorded in a document maintained by Safecall and the first quarterly report to GRBV after a disclosure of this nature should set out the steps taken, and to be taken, to check on the safety concerns reported by the whistleblower.	See Recommendation 22.				Q1 2023	Quarterly reports
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>This is already in place and forms part of the regular updates to GRBV.</li> </ul>							
40	Observation (the Review): Going forward, the steps taken by CEC to respond to disclosures concerning public safety should be more formally documented and, if appropriate, those documents (or appropriately redacted versions thereof) shared with a whistleblower and any interested Councillor to help to provide reassurance that the safety concerns have been / are being addressed. Data protection issues and protecting the rights and interests of any relevant children or other members of the public will have to be carefully considered in this process but they should not prevent this reporting. There should also be clear documentation showing how, and when, any whistleblower has been kept up to date with the progress of the matter following the initial disclosure (if applicable).	Protocol to be developed between Safecall, MO and CSWO. Feedback on methodology used to be fed back to whistleblowers where appropriate as part of revised Policy.				Q4 2023	Covered in policy and needs to be case by case scenario. Expectation management protocol, whistleblowing policy, training and toolkit Immediate actions taken in relation to public safety etc are already highlighted in GRBV whistleblowing reports.
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Included in Whistleblowing policy. The Monitoring Officer's team are designing the Process as part of the Whistleblowing Project Plan to ensure requirements in place by November 2023. This has already been used in practice on an ad hoc basis but will be a component part of the case record, which will be accessible to GRBV members, going forward.</li> </ul>							
41	Observation (the Review): Except in exceptional cases, ET proceedings should not delay reporting by the Whistleblowing Team/Safecall to GRBV. If there is to be such a delay to the whistleblowing process, the fact that such a decision has been taken and the exceptional circumstances for the delay should be properly documented in writing. and the relevant policy should be updated to detail this. Similarly, except in exceptional cases, an ongoing CEC disciplinary investigation should not delay completion of a Safecall (or any other whistleblowing) investigation. If there is to be such a delay to the whistleblowing process, the fact that such a decision has been taken and the exceptional circumstances for the delay should be properly documented in writing.	The principle of running matters in tandem is accepted but the impacts of this need to be considered further. Policies will need to address how to deal with primacy.				Q4 2023	Evidence base to be agreed
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The position regarding running matters concurrently is included in Whistleblowing toolkit.</li> </ul>							
42	Observation (the Review): The Review Team was advised of one example in the Education and Children's Services Directorate where a process had been put in place in relation to sharing information with Councillors. This is not a matter that the Review looked into further. If this has proven to be an effective method, other parts of CEC could consider adopting this process or something similar.	Process for responding to councillor queries and information provision to be looked at again.					Member/Officer protocol
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already implemented. Member/Officer protocol agreed at Council on 25<sup>th</sup> August 2022</li> </ul>							
43	Observation (the Review): Regular promotion of whistleblowing by managers and through other communications is essential.	This can be built into communication plans.				Q4 2023	New Comms Post will develop comms plans for all themes. Manager's News, Orb, Colleague News, WLT
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Strong communications plan in place that will clearly outline the expectations for whistleblowers when policy, toolkit and training is launched. This will be further clarified during the Speak Up campaign to run later in 2023, which will feature dedicated communications and engagement with colleagues to encourage and support the value of early resolution, having good conversations, recognising unhelpful and unacceptable behaviour, building safety and security to speak up and clarifying the different ways in which colleagues can speak up if they choose to do so..</li> </ul>							

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
44	Observation (the Review): CEC's Whistleblowing Team should consider the level of detail provided to GRBV in these reports and ensure that the short descriptions of whistleblowing disclosures provide sufficient information to inform GRBV what the disclosure concerns.	Discussion with GRBV as to what they would like to see in whistleblowing reports.				Q1 2023	WB workshop held with GRBV
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Already Implemented in current report format but will be a component part of the case record that will be accessible to GRBV members for future reporting.</li> </ul>							
45	Observation (the Review): While that may be the case, I am not aware of any criteria which explain when a specific report by a Monitoring Officer should also be produced and it would be helpful if CEC's Monitoring Officer worked with other Monitoring Officers across Scotland to put such criteria in place.	CEC's Monitoring Officer will approach MO working group to agree process to develop a national Protocol/criteria.					Come up with protocol that works for CEC
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>No appetite for such a protocol from other local authorities. Monitoring Officer will continue to report matters appropriately to Council as required.</li> </ul>							
46	Recommendation 19 (the Review): Consideration should be given to more cases being categorised as "major/significant" (external) and therefore investigated by Safecall or another independent provider; or, alternatively, having a third, middle, tier of case where Safecall provide greater oversight as the "critical friend" of an internal Investigating Officer.	New triage process to be considered and documented. Discussion with Safecall and documentation of categories.				Q4 2023	
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Part of new Whistleblowing policy and toolkit</li> </ul>							
47	Observation (the Review): I would encourage CEC to consider continuing whistleblowing and disciplinary investigations in serious cases even if the subject leaves or retires from CEC.	This will be reflected in policy review/ revision.				Q4 2022	
<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Currently in practice and applied on a case-by-case basis. Included in new Whistleblowing policy.</li> </ul>							



Theme Five: Other

Ref	Recommendation/observation	Council response	Completed	Underway	Not yet Started	Quarter	Evidence
1	Recommendation 3: CEC officers and Councillors should take steps to implement any necessary changes following the findings of the Best Value Report.	Set up a joint group of members and senior officers to agree way forward on culture and training.					Best Value being implemented. People Board. Joint group members and senior officers
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>This is being implemented through governance of Best Value.</li> <li>Joint group members and senior officers will oversee implementation of Best Value.</li> </ul>						
2	9.1.15 (the Inquiry) - an appropriate CEC redress scheme should be set up, without admission of liability, to compensate those who have been abused by SB.	A redress scheme will be set up.				Roll out Q3 2022/ended Q1 2023	Ended March 2023
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>The Redress scheme was launched on 5 September 2022, independently managed by Pinsent Masons. The scheme ended on 4<sup>th</sup> March 2023 as planned.</li> <li>A communication was issued to all online colleagues in February 2023 confirming the closure date of the scheme and advising the deadline for claims through Managers' News, News Beat and Colleague News</li> </ul>						
3	Observation (the Review): In addition, there is a need for CEC to recognise false economies, such as overloading its Colleagues with duties over and above their day jobs, for example tasking them with investigations into complaints of wrongdoing, which inevitably leads to delays in investigations and in some cases poor investigation processes and outcomes, as well as having an impact on employee wellbeing and morale. Some of my recommended steps will necessitate budget to be allocated and I would encourage CEC to find the budget because it will, in the medium to longer term, save time, expense, and reduce staff absence due to stress or other wellbeing issues.	See Recommendation 9.1.1.				Q3 2022	Investigations unit I and R financial investment in resource
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>Investigations Team set up October 2022, all investigations are now undertaken by trained Investigating Officers.</li> </ul>						
4	Executive Directors and those on CLT should reflect on the atmosphere they create at meetings and should take steps to ensure that there is a welcoming and inclusive environment for all.	360-degree feedback. Further training including reverse mentoring.				Roll out Q1 2023 – Q4 2023	Rolled out to CLT February 2023
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>360 feedback tool commenced with Senior Leadership Team in February 23 to be completed by December 2023.</li> <li>Analysis of feedback to SLT will be provided by an external supplier and analysis of feedback to all other managers will be provided in-house.</li> </ul>						
5	Chief Executive to consider how best to set up some form of process which could be implemented by the Council to review any concerns raised about historic cases taking into account the comments of Ms Tanner on the limitations of this process that she made to the Council at the meeting on 16 December 2021	Consideration of how best to review any cases where a complainer wishes them to be looked at again, bearing in mind Tanner QC's comments re proportionality, length of time since initial review, staff having left etc to be considered.					The review of historic cases by both audit and legal continues, as agreed in the approved 2023/24 Internal Audit Plan. This work is expected to conclude by the end of January 2024 and outcomes will be reported to the Governance, Risk and Best Value Committee following this.
	<b>CURRENT POSITION</b> Review is ongoing						
6	Observation: Apologies in relation to Case Study 2.	This will be dealt with as part of settlement discussions.					
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>This matter is concluded.</li> </ul>						
7	Lessons learn from Borders Council. Consideration to the Report by Andrew Webster QC on assault allegations.	Training to all colleagues on how to deal with allegations of abuse					
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>This matter is concluded.</li> </ul>						
8	Elected member Reference Group	A motion to cease this group was rejected at Council on 9 February 2023					
	<b>CURRENT POSITION</b> <ul style="list-style-type: none"> <li>This matter is concluded.</li> </ul>						

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# The City of Edinburgh Council

10am, Thursday 28 September 2023

## Resource to appoint an Interim Service Director Operations, Edinburgh Health and Social Care Partnership (EHSCP)

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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It is recommended that The City of Edinburgh Council:

- 1.1 Note the requirement for additional temporary resource to backfill the position of Service Director Operations in the EHSCP on an interim basis for four months.
- 1.2 Note that additional resource is required to support the delivery of operational activity within the EHSCP.
- 1.3 Note that the Interim Chief Officer, in consultation with the Lord Provost and Group Leaders, under urgency provisions approved the recruitment of additional resource through a waiver to provide specific capacity to lead the operations directorate of the EHSCP.
- 1.4 Note the appointment of an Interim Service Director Operations, EHSCP, for a period of four months.

**Mike Massaro-Malinson**

**Interim Chief Officer**

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## Resource to backfill post of Service Director Operations, Edinburgh Health and Social Care Partnership (EHSCP) on a temporary basis

### 2. Executive Summary

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- 2.1 This report provides The City of Edinburgh Full Council with an update on the recruitment of an Interim Service Director Operations for the Edinburgh Health and Social Care Partnership (EHSCP). This appointment was discussed with the Lord Provost and Group Leaders under urgency procedures. This report homologates the initial decision taken under urgency procedures.

### 3. Background

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- 3.1 There is a recognition that the EHSCP urgently needed to backfill the position of Service Director Operations, on a temporary basis, following the current incumbent being appointed to the position of Interim Chief Officer in June 2023.
- 3.2 Added to this, the position of Service Director Strategy became vacant in August 2023 which has placed an additional burden on the EHSCP Executive Management Team.

### 4. Main report

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- 4.1 Following the departure of the Chief Officer in May 2023, the EHSCP management team has been operating without one director level post. The Service Director – Operations was formally appointed as Interim Chief Officer by Edinburgh Integration Joint Board on 13 June 2023.
- 4.2 Additionally, the Service Director Strategy retired in August 2023. Whilst the recruitment process to fill this role is underway in the meantime the gap places additional strain on the remaining members of the management team.
- 4.3 There is therefore an urgency to recruit to the Service Director role on an interim basis as the Interim Chief Officer is currently covering both posts. Given our significant improvement agenda, a temporary appointment is needed to support the Interim Chief Officer to lead the required improvements over the coming months. internal options to fill this gap have been explored but this would create a capacity gap elsewhere in the senior management team, at a time when additional senior

management capacity is required. Consideration has also been given to filling the role with a senior manager from the wider system. However, it has not proved possible to identify a suitable individual with adult health and particularly, social care experience, who could be moved into this critical senior operational management role.

- 4.4 To avoid further delay, the Interim Chief Officer consulted with the Lord Provost and Group Leaders to proceed with the appointment of a Service Director - Operations for up to 6 months. While not unanimous, the Lord Provost and majority of Group Leaders agreed under urgency the need for this post. The successful individual will act as Service Director - Operations, working to the job description attached at the appendix to this report. This decision was taken under urgency procedures set out in paragraph 4.1 of the committee terms of reference and delegated functions.
- 4.5 On this basis, the Interim Chief Officer and HR colleagues engaged Gatenby Sanderson, (who are on a Council framework) interviewed and appointed a suitable candidate on an interim basis week commencing 6 September 2023 for a period of up to 6 months. This report homologates that decision taken under urgency procedures.
- 4.6 As the permanent Chief Officer has since been appointed, the end of the contract for the temporary Service Director – Operations has been brought forward to end of December 2023, making the revised term four months, rather than six.
- 4.7 Detailed key performance indicators and outcomes for the period of the appointment will be developed by the Interim Chief Officer in consultation with the Chair and Vice Chair of the EIJB.

## **5. Next Steps**

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- 5.1 The additional resource appointed will make a significant contribution to the work of the EHSCP. As detailed above, key performance indicators will be agreed with the postholder.

## **6. Financial impact**

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- 6.1 As this is an integrated post (ie with responsibility for both social care and health services) the costs will be shared between the Council and NHS Lothian. The total costs of a contract of 4 months are estimated to be £85,956 maximum, including fees and will be covered within existing budgets.

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

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- 7.1 There are no direct stakeholder or community impact (positive / negative).

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

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- 8.1 Not applicable.

## 9. Appendices

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Job description – Service Director – Operations.

## City of Edinburgh Council

### Service Director Operations

#### Role Summary

Responsible to the Chief Officer Edinburgh IJB/Director Edinburgh Health and Social Care Partnership, the post will lead, manage and control the integrated operational delivery of services across the Edinburgh Localities, city wide services and hosted hospitals services, ensuring the safe delivery of care and services in accordance with the Integrated Joint Board's corporate objectives, the Partnership's delivery plans and within the context of Scottish Governments quality, financial and other performance and governance targets.

The Service Director of Operations will lead the localities and hospital-based teams through service change and redesign under the IJB's ambitious transformation programme to improve the efficiency and effectiveness of 24/7 services, underpinned by the Partnership's values and a culture of person-centred care. The Service Director will act as Senior Responsible Officer (SRO) on a number of programmes within both the transformation work and under the Budget Governance arrangements.

#### Main Duties and Responsibilities

As a member of the Executive Management Team for the Health & Social Care Partnership, the post will contribute to and participate in the setting of the strategic direction for services in NHS Lothian & the City of Edinburgh Council, working closely with colleagues in strategic planning, other partnerships, acute colleagues and Integrated Joint Board members.

In addition to their specifically allocated responsibilities the post will be required to:

1. lead the development of Council services at citywide and locality level. This will include: the development of policy, strategy and service delivery to deliver the best possible outcomes for the citizens of Edinburgh within the resources available.
2. demonstrate effective leadership and team working within their area of expertise and within the wider environment in which they operate to provide strong motivational leadership and a high performance culture.
3. identify opportunities for continual improvement and demonstrate effective management of change within a complex internal and external environment
4. demonstrate the effective management and development of resources to ensure best value with joined up, customer focussed service design and delivery

The post is a Chief Officer of the Council and as such is required to:

5. comply and ensure compliance with the Council's standing orders and procedures leading by example
6. ensure that allocated statutory responsibilities are properly discharged and that the Director and Council are fully and timeously appraised of performance and risk in relation to statutory responsibilities and performance reporting requirements

7. lead the delivery of Council services and the development of policy and best practice through a "one Council" and "one City" approach and partnership working with other services, agencies and organisations.
8. support the development of integrated locality teams which are empowered to work together to meet the needs of local communities, wherever possible through a focus on prevention and early intervention.
9. demonstrate and support effective planning and decision making at a strategic and operational level
10. lead the development and delivery of services based on a cooperative Council approach working in partnership with the communities they serve.
11. deputise for or represent the Director and or the Council on various bodies or committees as required.
12. undertake any other appropriate and relevant duties as directed by the Director, Chief Executive or the Council.

This post does not qualify for flexible working, flexitime, flexible retirement under the council's policies.

This post will participate in any organisational arrangement designed to ensure the proper and efficient running of the organisation.

As Head of Service you are a designated Information Asset Owner with responsibility and authority for any information assets which relate to your service area or function. This includes developing a network of Data Stewards to ensure that information within your service is properly managed in line with the Council's Information Governance policies. Training and guidance will be provided by the Council's Information Governance Unit.

The Council must abide by relevant health & safety and employment law, as well as the common law duty of care. All members of staff are required to take care for their personal health and safety and that of others who may be affected by their actions or inactions. You are therefore required to carry out your duties in a safe manner in accordance with instructions and in compliance with safety rules/procedures, regulations and codes of practice. You are required to advise your line manager if you become aware of any unsafe practice or condition or if you have any other safety concerns and should comply with accident and near miss reporting procedures.

If you supervise, manage or lead other staff, you are also responsible for ensuring that the Council's operations are carried out in such a way that ensures, so far as is reasonably practicable, the health, safety and welfare of those staff and that of any others who may be affected. You will therefore conduct relevant risk assessments and assign duties with appropriate instructions, in compliance with safety rules/procedures, regulations and codes of practice. You will address and/or escalate any issues of any unsafe practice, condition or any other safety concerns you identify or that are brought to your attention, taking appropriate advice as necessary and will ensure that accident and near-miss reporting procedures are understood and complied with.

### **Scope of the Post**

The post is directly responsible for a total budget for the partnership is £500 million and c 4000 WTE employees. Services are delivered across 4 localities and a range of hosted hospital services.



# City of Edinburgh Council

10.00am, Thursday, 28 September 2023

## Proposed Cancellation of the City of Edinburgh Council Meeting of 23 November 2023

Executive/routine  
Wards

Executive

### 1. Recommendations

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- 1.1 To agree to cancel the Full Council meeting of 23 November 2023.

**Dr. Deborah Smart**

Executive Director of Corporate Services

Contact: Jamie Macrae, Committee Officer

E-mail: [jamie.macrae@edinburgh.gov.uk](mailto:jamie.macrae@edinburgh.gov.uk) | Tel: 0131 529 4264

# Report

## Proposed Cancellation of the City of Edinburgh Council Meeting of 23 November 2023

### Executive Summary

---

- 1.1 There are currently scheduled meetings of Full Council on 2 November, 23 November and 14 December. Given the short time between these meetings, it is proposed that the meeting scheduled for 23 November is cancelled.

### Background

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- 2.1 The Council Diary for 2023-24 was agreed by Council in February 2023.

### Main report

---

- 3.1 Due to adjustments made to the schedule of meetings to avoid the Council recess periods in October and December, there are currently three Full Council meetings scheduled within 6 weeks in November and December (2 November, 23 November and 14 December).
- 3.2 Given the short time between these meetings, it is proposed that the meeting scheduled for 23 November is cancelled.

### Next Steps

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- 4.1 If agreed, the meeting on 23 November will be cancelled – it will be removed from the public website and diary cancellations will be issued to councillors and officers.

### Financial impact

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- 5.1 There is no financial impact associated with this report.

### Equality and Poverty Impact

---

- 6.1 There is no financial impact associated with this report.

## **Climate and Nature Emergency Implications**

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7.1 There is no climate and nature emergency impact associated with this report.

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

---

8.1 No conflicts in reports or risks have been identified if the meeting was cancelled.

## **Background reading/external references**

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- 10.1 [Council Diary 2023/24](#) – Report by the Interim Executive Director of Corporate Services
- 10.2 City of Edinburgh Council – [Minute of 9 February 2023](#)

## **Appendices**

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None.

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## City of Edinburgh Council

10.05am, Thursday, 28 September 2023

### Annual Performance Report, 2022/23 – referral from the Policy and Sustainability Committee

Executive/routine  
Wards  
Council Commitments

#### 1. For Decision/Action

---

- 1.1 The Policy and Sustainability Committee has referred the Annual Performance Report 2022/23 to the City of Edinburgh Council for decision.
- 1.2 Council is asked to decide between the initial and amended targets for 2022/23 for the number of affordable homes approved and completed (as described in Appendix B of the report by the Executive Director of Corporate Services):
  - A) the initial targets of 1,186 approved and 1,290 completed
  - B) the amended targets of 800 approved and 1,286 completed.

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

Contact: Jamie Macrae, Assistant Committee Officer  
Legal and Assurance Division, Corporate Services Directorate  
E-mail: [jamie.macrae@edinburgh.gov.uk](mailto:jamie.macrae@edinburgh.gov.uk) | Tel: 0131 529 4264

# Referral Report

## Annual Performance Report, 2022/23 – referral from the Policy and Sustainability Committee

### 2. Terms of Referral

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- 2.1 On 22 August 2023, the Policy and Sustainability Committee considered a report by the Executive Director of Corporate Services on council performance in 2022/23 against the three priorities and fifteen outcomes in the Council’s previous Business Plan: Our Future Council, Our Future City (2021 – 24).
- 2.2 The Annual Performance Report presented to Policy and Sustainability Committee on 22 August 2023 included revised targets for the two affordable housing measures (approvals and completions). These targets had been revised to align with the figures shown in the latest version of the Strategic Housing Investment Plan (SHIP) (2023-28), which was reported to Housing Homelessness and Fair Work Committee on 1<sup>st</sup> December 2022 and agreed.
- 2.3 The decision of the Policy and Sustainability Committee, as set out below, was to reinstate the original targets. As the SHIP had previously been agreed by the Housing, Homelessness and Fair Work Committee in December, Council is asked to agree which of the targets should be employed.
- 2.4 **Motion**
- 1) To note the Annual Performance Report (Appendix A) for the 2022/23 financial year.
  - 2) To note the Annual Complaints Report 2022/23 (Appendix C)
  - 3) To refer the Annual Performance Report to the City of Edinburgh Council on 28 September 2023

- moved by Councillor Day, seconded by Councillor Meagher

#### **Amendment**

- 1) To note the Annual Performance Report (Appendix A) for the 2022/23 financial year.
- 2) To note the Annual Complaints Report 2022/23 (Appendix C)
- 3) To note that approvals and completions for affordable homes have both had their targets revised stating in appendix B: Target revised in November 2022

based on year[1]end projections, as detailed in the Strategic Housing Investment Plan 2023-28.

- 4) To note further that in the SHIP report there is no explicit mention of revising targets in the annual performance report and that the only reference is when targets are described as the 'original target' in 3.2 and 4.12:

"3.2 Around 800 new affordable homes could be approved for site start in Edinburgh this financial year (2022/23) and based on current delivery programmes, an additional 1,246 affordable homes could be completed. Approvals for this year are below the original target of 1,170 homes as house builders and development partners are delaying procuring new contracts due to cost inflation."

"4.12 Approvals for this year are below the original target of 1,170 homes as many development partners are delaying procuring new contracts due to cost inflation."

- 5) To agree that without explicit reference to revision of targets this cannot be considered to have been approved by councillors and must have been an officer decision, approved without democratic oversight.
- 6) To regret that on this important metric the administration are setting targets based on delivery projections, and agree that this in no way constitutes a robust approach to performance scrutiny, rendering the setting of targets irrelevant.
- 7) To agree that the report is referred to Full Council on 28th September 2023 with the amendment that the original targets of 1,170 for approvals and 1,290 for completions are reinstated.

- moved by Councillor Nols-McVey, seconded by Councillor Campbell

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 Day:

- 1) To note the Annual Performance Report (Appendix A) for the 2022/23 financial year.
- 2) To note the Annual Complaints Report 2022/23 (Appendix C)
- 3) To note that approvals and completions for affordable homes have both had their targets revised stating in appendix B: Target revised in November 2022 based on year[1]end projections, as detailed in the Strategic Housing Investment Plan 2023-28.
- 4) To note further that in the SHIP report there was no explicit mention of revising targets in the annual performance report and that the only reference was when targets were described as the 'original target' in 3.2 and 4.12:

“3.2 Around 800 new affordable homes could be approved for site start in Edinburgh this financial year (2022/23) and based on current delivery programmes, an additional 1,246 affordable homes could be completed. Approvals for this year are below the original target of 1,170 homes as house builders and development partners are delaying procuring new contracts due to cost inflation.”

“4.12 Approvals for this year are below the original target of 1,170 homes as many development partners are delaying procuring new contracts due to cost inflation.”

- 5) To agree that without explicit reference to revision of targets this could not be considered to have been approved by councillors and must have been an officer decision, approved without democratic oversight.
- 6) To regret that on this important metric the administration were setting targets based on delivery projections, and agree that this in no way constituted a robust approach to performance scrutiny, rendering the setting of targets irrelevant.
- 7) To refer the report to Full Council on 28<sup>th</sup> September 2023 with the amendment that the original targets of 1,170 for approvals and 1,290 for completions are reinstated.

### **3. Background Reading/ External References**

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- 3.1 [Policy and Sustainability Committee of 22 August 2023 - webcast](#)
- 3.2 [Strategic Housing Investment Plan \(SHIP\) 2023-28](#)

### **4. Appendices**

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- 4.1 Appendix 1 – Report by the Executive Director of Corporate Services



# Policy and Sustainability Committee

10.00am, Tuesday 22 August 2023

## Annual Performance Report, 2022/23

Executive/routine  
Wards

### 1. Recommendations

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- 1.1 That members of the Policy and Sustainability Committee note the Annual Performance Report (Appendix A) for the 2022/23 financial year.
- 1.2 Note the Annual Complaints Report 2022/23 (Appendix C)
- 1.3 Refer the Annual Performance Report to the City of Edinburgh Council on 28 September 2023.

**Deborah Smart**

Executive Director of Corporate Services

Contact: Gillie Severin

E-mail: [gillie.severin@edinburgh.gov.uk](mailto:gillie.severin@edinburgh.gov.uk)

## Annual Performance Report, 2022/23

### Executive Summary

---

- 1.1 This report provides an overview of council performance in 2022/23 against the three priorities and fifteen outcomes in the Councils previous Business Plan: Our Future Council, Our Future City (2021 – 24). The detailed report (Appendix A) provides analysis of performance against key Performance Indicators (KPIs) and milestone measures aligned to the Plan's priorities and outcomes. For each outcome the analysis highlights areas where we are performing well whilst also recognising the areas where performance is challenging. The report sets out how the Council is focusing on these areas and identifies the plans in place to improve performance.
- 1.2 The Council Business Plan (Our Future Council, Our Future City 2023 -27) was updated and approved by Council on 16 March 2023. The Planning and Performance Framework, including the measures aligned to the Business Plan, was revised, and approved at Policy and Sustainability Committee on 17 November 2022. Performance reporting will reflect the updated Business Plan and Performance Framework going forward.

### Background

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- 2.1 Each year the Council is required to report to citizens on performance. This report fulfils that duty and considers performance within the Council from April 2022 to March 2023. This report is the last annual performance report aligned to the Council's Business Plan: Our Future Council, Our Future City (2021 – 24) and the Planning and Performance Framework which includes the Key Performance Indicators (KPIs) and milestone measures. The report is structured around the three key priorities; Ending Poverty by 2030; Becoming a Sustainable and Net Zero City by 2030; and Wellbeing and Equalities and the fifteen outcomes that sit under these priorities and the associated KPIs.
- 2.2 The report includes analysis against 89 measures comprised of 80 KPIs and 9 milestone measures. Of these:
  - 63 KPIs have targets set for 2022/23 and have been assigned a red, amber or green status based on performance.

- 9 KPIs have either no end of year figure or target for 2022/23 and so have been assigned a blue RAG status.
- 8 KPIs are for monitoring purposes only and have been assigned a grey RAG status.
- 9 Milestones have been assigned a status of completed, in progress or delayed/behind target, depending on progress.

2.3 The performance scorecards and detailed analysis for each of the Business Plan priorities and outcomes can be found in Appendix A.

## Main report

---

3.1 This report contains analysis of our suite of Corporate Key Performance Indicators (KPIs) shown over the last three years and the progress against our milestone measures.

### Performance Overview – Looking Back

3.2 Within the report, a RAG status, which compares performance against the target, has been assigned to the indicators. The RAG status is summarised below:

RAG Status	Definition	Count
Green	Performance is on or ahead of target	38
Amber	Performance is just behind target	18
Red	Performance is behind target	7
Blue	No target set for 2022/23 or no end of year figure.	9
Grey	Monitoring only	8
Milestone Status	Definition	Count
Purple	Milestone in progress	8
Red	Milestone delayed/behind target	1

3.3 A comparison of 2021/22 to 2022/23 performance for 80 of the KPIs is summarised below:

Direction	Definition	Count
Improving	Performance has improved on last year (more than 2% change on last year)	26
Maintaining	Performance has remained the same as last year (within 2% of last year)	33

Declining	Performance has declined on last year (more than 2% change on last year)	8
Not appropriate	Comparing performance to last year is not possible due to data not being available or where it's a new indicator	13

3.4 It should be noted that for direction of travel comparison, we are comparing the data from 2021/22 to 2022/23 and some indicators show the impact of the Covid-19 pandemic during that time while varying restrictions were place.

3.5 A full and detailed analysis of performance is shown in Appendix A. This includes a performance scorecard for each priority and outcome and analysis on performance. It also identifies areas of underperformance and a progress update on the key strategic plans driving the delivery of each outcome. The Performance Update Report to Policy and Sustainability on 17 November 2022 set out the KPIs for 2022/23 and their targets. Appendix B provides clarifications and amendments to any targets that had to be revised mid year due to changing circumstances.

3.6 An analysis of our complaints performance for 2022/23 is shown in Appendix C.

#### **Planning and Performance Framework 2023-27 – Looking Forward**

3.7 An updated Framework to reflect how we will measure the priorities, outcomes and actions in the updated Council Business Plan 2023-27 was agreed at Policy and Sustainability Committee on 21 March 2023. The Framework for 2023-2027 primarily focuses on:

- Our approach to measuring the Business Plan priorities and outcomes and how we will track the actions detailed in the delivery plan.
- The key measures we will use to measure the delivery of the Business Plan.
- The development of the Public Performance Scorecard measures to further enhance performance reporting and monitoring.

#### **Performance Scrutiny, 2023/24**

3.8 The Business Plan measures will be monitored by the Council Leadership Team (CLT) and Directorates/service teams on a regular basis and an annual Business Plan Progress Report will be submitted to the Policy and Sustainability Committee and referred to Full Council for consideration. The performance measures, targets and aims will be reviewed on an annual basis to ensure that they remain fit for purpose and relevant to the key priorities and outcomes in the Business Plan.

3.9 The Public Performance Scorecard is a suite of core service KPIs from across the Council to monitor the day-to-day delivery of services. The Scorecard will be monitored and actioned on a regular basis through CLT, Directorate and Service meetings. The Public Performance Scorecard is in addition to the detailed performance reporting aligned to the role and remit of the Executive and other Committees in the Council.

- 3.10 The Public Performance Scorecard will be produced on a quarterly basis and will be submitted to the Governance, Risk and Best Value Committee as part of its general remit for scrutiny across the Council. Any significant concerns with a particular area of performance can be referred to the relevant Committee. The Public Performance Scorecard will culminate in the Annual Public Performance Report at the end of the financial year which will be submitted to Governance Risk and Best Value Committee and referred to Full Council for consideration.
- 3.11 We are also working to further improve the performance reporting available to the Public via our website as recommended in our recent Best Value Audit report. The Annual Performance Report is part of our public performance reporting and will be made available on the Strategy, Performance and Research pages of [our website](#) following consideration at Council Committee.

## Next Steps

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- 4.1 The Annual Performance Report, 2022/23 will be published on the Council website and promoted through our social media channels.

## Financial impact

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- 5.1 Given that this report is retrospective, there is no direct financial impact, however the report includes the Council's performance for key financial performance indicators in 2022/23.

## Equality and Poverty Impact

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- 6.1 Given that this report is retrospective, there are no direct equalities or poverty impacts, however the report includes the Council's KPIs being used to monitor the Council's priority of ending poverty by 2030.

## Climate and Nature Emergency Implications

---

- 7.1 Given that this report is retrospective, there are no climate or nature emergency implications, however the report includes the Council's KPIs being used to monitor the Council's priority of becoming a sustainable and net zero city.

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

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- 8.1 Given that this report is retrospective, there has been no engagement or consultation with the community during it's collation. However, this report will be published on the Council's website and so available to members of the public as part of our public performance reporting.

- 8.2 Risk is identified in the report through a RAG status applied to each of the Councils KPIs and milestones. The KPIs and milestones are used to monitor the performance in 2022/23 against the three priorities and fifteen outcomes in the Councils previous Business Plan: Our Future Council, Our Future City (2021 – 24). Actions being taken to improve performance for those identified as just behind or behind target are included within the report.

## **Background reading/external references**

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- 9.1 [Business Plan \(Our Future Council, Our Future City\)](#)  
9.2 [Planning and Performance Framework](#)

## **Appendices**

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Appendix A: Annual Performance Report, 2022/23

Appendix B: Target Reviews in 2022/23

Appendix C: Annual Complaints Report, 2022/23

# Annual Performance 2022/23



## Foreword

We are pleased to present our Annual Performance Report for 2022/23, showing how we have performed over the last 12 months. We agreed an updated Council Business Plan aligned to shared political priorities earlier in 2023, but we think its important that we update you on the work done on our priorities for last year, many of which continue in the updated plan. Our services were impacted greatly by the Covid-19 pandemic and for some it was only during 2022 that they were back to running fully. This report provides a rounded picture of how we have continued to drive forward Edinburgh's recovery.

The rising cost of living and its impact on households in poverty and our response to this is both our number one priority and greatest challenge. Our work with partners such as the NHS and voluntary sector is helping to meet our aim of ending poverty by 2030 along with building a stronger, greener, and fairer economy. We can see real progress with the number of employers in the city paying the real living wage and the number of suppliers that we work with paying it too. Education is one area that was significantly disrupted by the Covid-19 pandemic. Our primary school indicators are mostly showing an improvement however our secondary school indicators highlight the disruption to education the pandemic has caused and the work we need to do to put this right for our children still in school. The percentage of leavers going on to study, find a job or enter training are really encouraging and demonstrate that the exceptional efforts taking place every day in our schools to deliver high quality teaching, learning and support. The house building market is facing a number of difficulties such as the rising cost of materials and a lack of available land, and this is shown in our affordable home approvals and completions. We have however upped our commitment to 25,000 new affordable homes and have developed a plan that works towards this, if we get the right levels of investment.

We remain determined to play our part in the global fight against climate change. We have an ambitious plan to be a net-zero city by 2030. Whilst the council needs to play a leading role in this, we know that a just transition to net-zero needs to be a collective effort across society, involving public bodies, businesses, universities, and our communities. It's encouraging to see that Edinburgh has the highest percentage of residents who believe that climate change is an urgent problem, and this level of awareness is vital as we take the lead on our large scale projects like the Newhaven Tram line, regeneration in Granton and City Centre transformation.

We have a strong history of bringing our annual budget in within target and in 2022/23 we achieved the highest ever proportion of approved savings delivered. However, this continues to be hugely challenging not least because Edinburgh continues to be the lowest funded local authority per head of population in Scotland. This will mean designing and creating a future council that remains committed to exceptional service delivery. An organisation that keeps our essential public services running at the standard people expect, delivers support for those who need it most, and protects the environment that sustains us all. While we face these challenges, we will continue to drive opportunities to ensure Edinburgh is a thriving and fair city for all.



**Andrew Kerr**  
Chief Executive



**Cammy Day**  
Council Leader



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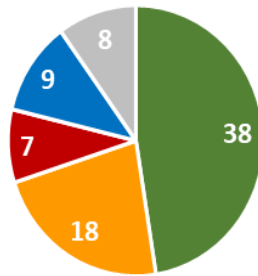
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## KPI Overview

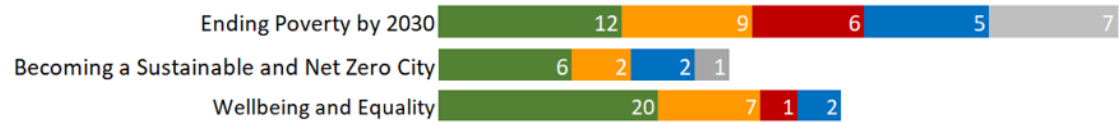
This performance report gives an overview of how we performed from April 2022 to March 2023 against:

- our three priorities - ending poverty by 2030, becoming a sustainable and Net Zero city by 2030 and improving wellbeing and equalities
- our 15 outcomes that sit under these priorities
- 80 key performance indicators (KPIs) and the status for how well we are doing, known as the RAG status.

Performance by Target



Performance by Priority



### RAG Status Key

Performance is on or ahead of target	Green
Performance is just behind target	Amber
Performance is behind target	Red
No target or no end of year data	Blue
Indicator for monitoring only	Grey

### Milestones



Our KPIs indicate how we are performing across the wide ranging projects and actions we are progressing to deliver on our three Business Plan priorities for Edinburgh:

- 38 of our KPIs are on or ahead of our target (green RAG status).
- 18 KPIs have fallen just behind the target we set (amber RAG status)
- 7 KPIs have a red RAG status, meaning we will take action to get them back on track this year
- 8 KPIs have a grey RAG status as they are for monitoring purposes
- and a further 9 KPIs continued to be monitored until a target is set

Of the 80 KPIs, we have assigned a direction of travel for 67 of the KPIs comparing performance in 2022/23 with 2021/22. We have not assigned a direction of travel for 14 KPIs due to either the data not being comparable to previous year figures (due to changes in recording or calculation) or where it is a new indicator.

Direction of Travel	Definition	Count
Improving	Performance has improved on last year (more than 2% change on last year)	26
Maintaining	Performance has remained the same as last year (within 2% of last year)	33
Declining	Performance has declined on last year (more than 2% change on last year)	8
Not appropriate	Comparing performance to last year is not possible due to data not being available or not comparable to previous figures (due to change in calculation) or where it's a new indicator	13

We also use nine milestones to monitor progress. We are making good progress with eight of the milestones, with only one being delayed.

# Ending Poverty by 2030



As the cost of living continues to rise, our work to support people living in poverty has never been more important. We want to end poverty in Edinburgh by 2030, by helping people find fair work, addressing the housing and homelessness crisis, and building a strong foundation for long-term poverty prevention. Below are our key performance indicators (KPIs) for 2022/23. For each KPI, we include the latest data, the targets set for 2022/23 and the RAG status.

On track to end poverty in Edinburgh by 2030 by meeting the targets set by the Edinburgh Poverty Commission		2018-21	2019-22	Target	Status
Percentage of people living on incomes below the poverty threshold		16%*	17%*	14%	Amber
Percentage of children living in families on incomes below the poverty threshold		20%*	20%*	17%	Amber
Percentage of people living in destitution		4.0%	Data available October 2023		Blue
	2020/21	2021/22	2022/23	Target	Status
Number of people supported with welfare rights queries by the Advice Shop	5,752	7,265	3,075	5,400	Red
Scottish Welfare Fund payments	44,226	65,466	40,097	data only	Grey
Discretionary Housing payments	8,205	7,806	7,766	data only	Grey
A new city wide approach to commissioned advice services is agreed with partners		Milestone completed	In progress	Apr 24	Purple
On track to deliver new prevention service models		2022/23			
New long term plan for delivery of a prevention based Council service model approved and in implementation		Milestone completed	In progress	Apr 24	Purple
More residents experience fair work and receiving living wage		2020/21	2021/22	2022/23	
Number of new Council apprenticeships	26	38	30	60	Red
Percentage of suppliers committed to paying the living wage	79%	82%	82%	72%	Green
Living wage employer accreditation	Yes	Yes	Yes	Maintain	Green
Number of living wage employers	422	526	640	626	Green

	2019/20	2020/21	2021/22	Target	Status
Positive Destinations for School Leavers	92.5%	95.1%	96.1%	95.0%	Green
<b>Intervene before the point of crisis to prevent homelessness</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Target</b>	<b>Status</b>
Number of households assessed as homeless	1,929	2,399	3,287	data only	Grey
Number of housing advice only presentations	1,375	1,288	1,134	data only	Grey
Percentage of households in unsuitable temporary accommodation	25.1%	25.3%	25.7%	data only	Grey
<b>Ongoing delivery of our 20,000 affordable homes programme</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Target</b>	
Number of affordable homes approved	1,285	1,251	734	800	Amber
Number of affordable homes completed	1,087	1,041	1,215	1,246	Amber
<b>Increased attainment for all and reducing the poverty-related attainment gap</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Target</b>	
Percentage of primary pupils achieving literacy	n/a	73.8%	77.0%	75%	Green
Percentage of primary pupils from deprived areas achieving literacy	n/a	57.3%	62.5%	59%	Green
Percentage of primary pupils who are Looked After achieving literacy	n/a	39.5%	36.9%	To increase	Red
Percentage of primary pupils achieving numeracy	n/a	80.4%	83.0%	82%	Green
Percentage of primary pupils from deprived areas achieving numeracy	n/a	65.1%	71.4%	67%	Green
Percentage of leavers with SCQF level 5 in literacy and numeracy	71.7%	74.0%	70.1%	73%	Amber
Percentage of leavers from deprived areas with SCQF level 5 in literacy and numeracy	51.2%	55.9%	51.8%	52%	Amber
Percentage of all leavers achieving 1 or more awards at SCQF Level 6 or higher	71.1%	72.6%	68.4%	73%	Amber
Percentage of all leavers from deprived areas achieving 1 or more awards at SCQF Level 6 or higher	51.1%	50.6%	44.9%	53%	Red
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Target</b>	
Percentage of teachers who have met the Teaching, Learning and Assessment "Charter" standard		20%	32%★	40%	Blue
Percentage of schools that have achieved the Digital Schools Award Scotland		5.6%	7%★	20%	Blue
Percentage of parents receiving funded Early Learning and Childcare through their preferred location (data every 2 years)	-	92.4%	~	95%	Blue

Percentage of parents receiving funded Early Learning and Childcare through their preferred model of delivery (data every 2 years)	-	74.1%	~	85%	Blue
Capital spend on the Learning Estate new projects		£90.91M	£46.5M	£45.3M	Green
Percentage of primary pupils with low attendance	10.6%	14.0%	12.6%	9.0%	Red
Percentage of secondary students with low attendance	17.2%	19.1%	20.3%	16.0%	Red
<b>Edinburgh's economy recovers from recession and supports businesses to thrive</b>			<b>2022/23</b>	<b>Target</b>	<b>Status</b>
Progress the Economy Strategy Implementation Plan			In progress	Q4 22/23	Purple
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Target</b>	
Business births per 10,000 residents	42.4	42.4	Data available November 2023	data only	Grey
Employed residents as a percentage of all residents	77.0%	77.9%	79.2%	data only	Grey
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Target</b>	<b>Status</b>
Total number of clients supported by employability and skills services	3,761	3,842	4,148	3,842	Green
Number of engagements through Business Gateway	3,551	3,728	4,667	3,728	Green
Percentage of Procurement spend via SMEs	50.0%	47.6%	50.5%	52.0%	Amber
Percentage of Procurement spend in EH postcode	47.6%	45.4%	45.9%	50.0%	Amber
Investment in supporting the arts and cultural sector in the city	-	£5.6M	£5.6M	£5.6M	Green

\* national dataset – figures revised and now reflect three years worth of data

★ These are interim statistics, end of academic year figures not yet available

~ data is biennial, next survey due in October 2023

## On track to end poverty in Edinburgh by 2030 by meeting the targets set by the Edinburgh Poverty Commission

We have seen an increase in severe poverty and hardship because of rising living costs and falling real incomes among poorer families across the UK. **The percentage of people living on incomes below the poverty threshold has risen to 17% and the**

**percentage of children living in families on incomes below the poverty threshold has remained at 20%.**

- [The Office for National Statistics](#) reported inflation for all households in the UK reached over 10% in 2022 but for poorer households, with rates as high as 15% estimated in autumn 2022.

- [The Poverty in Scotland 2022 publication](#) showed that rising costs of food and energy in 2022 have meant 73% of low-income families in Scotland have gone without essentials such as food or heat.
- the Resolution Foundation projections estimate that average incomes for poorer families are likely to drop by 10% in the coming years which represents the worst two year drop in real average household incomes in the UK since 1961.

We continue to act as set out in our End Poverty in Edinburgh Delivery Plan. Details of our progress can be found in our [second annual progress report](#) which was considered at the Policy and Sustainability Committee in November 2022.

We reviewed **city-wide advice services with partners in 2022**. The review highlighted the positive impact of current services, as well as setting out several actions to make it easier for people to use services, leading to better outcomes for people. The findings of this review have been considered by the partnership and will be used to reform money and welfare advice services across sectors in 2023/24. The aim of increasing the number of residents receiving the benefits they are entitled to and reducing the number of families experiencing problem debt remains a high priority. This aligns with the focus of both UK and Scottish Governments who are working to increase promotion of entitlements and take up of welfare benefits.

**The lower number of people supported with welfare rights queries by the Advice Shop in 2022/23** (3,075 compared to 5,752 in 2020/21 and 7,265 in 2021/22) is due to staff turnover leading to a reduction in available staff to deal with incoming calls on the telephone advice line. The advice line is currently open 19 hours per week compared to 39.5 hours pre Covid-19 pandemic. Recruitment is underway for a number of posts which will bring the advice line back up to full capacity. New posts will also be filled to

address demand for our homeless prevention and income maximisation services. As the advice line team increases, the hours of the service will be expanded to increase customer access.

We also started to use a new case management system which changed what and how we record information about individuals and this reduced the numbers counted. The volume of email enquiries increased during the Covid-19 pandemic and this has remained high. We continue to respond to all enquiries within agreed timescales and track all calls handled. Staff will also work on developing improved accessibility, exploring the option of web chat as an additional tool for customers.

**This year we paid 7,766 claims for Discretionary Housing Payments**, totalling over £6.8M, which is a similar level to the 7,806 payments made in 2021/22. **We also made 40,097 Scottish Welfare Fund Payments** totalling close to £4.2M which is a large drop from the 65,466 payments made in 2021/22, but similar to the 44,226 payments made in 2020/21. The spike in 2021/22 aligns with the peak demand for Self-Isolation Support Grants offered as part of the response to Covid-19 restrictions.

### **On track to deliver new prevention service models**

We've continued to develop **our prevention-based service models in 2022/23**, which are critical to meeting the Poverty Commission's longer-term 'calls to action' focused on how people in Edinburgh access support to escape and avoid poverty. This year we have established a new Poverty Prevention and Transformation Team. This team is developing ways of working that help different services (supporting children, families and adults) to address the risk of poverty at an early stage. During the past 12 months, they have focused on:

- building a multi-disciplinary approach to identifying and supporting people at risk of poverty with colleagues from the voluntary sector.
- working with the voluntary sector to map the provision of universal, targeted and crisis services, identifying gaps and duplication, to make the most effective use of resources.

We have created a new Poverty and Prevention Board to lead the transformation of our actions focusing on three priorities:

- effective responses to the cost of living crisis
- joining up our poverty prevention activity
- commissioning third party services.

### More residents experience fair work and receiving living wage

In 2022/23 we recruited 30 apprentices, which is eight fewer than in 2021/22, and behind our target of 60. Despite funding for training costs from Skills Development Scotland, services have struggled to make budget available to cover the costs of an apprentice. We are looking at new ways to encourage our teams to take up new modern apprentices and we are creating new guidance to standardise the support given to apprentices and their managers.

We continue to support fair work practices with **the proportion of our suppliers committed to paying the living wage remaining at 82%** between 2021/22 and 2022/23, and ahead of our target. The number of living wage accredited employers continues to increase, with an additional 114 employers taking the pledge in 2022/23. **We now have 640 Edinburgh based employers committed to paying the real living wage**, which is above our target. In May 2023, Edinburgh Living Wage Action Group hosted the first in-person conference of Living Wage Action Groups from across the

UK, giving the opportunity to share learning and find new ways to make sure everyone in work can earn a wage that covers the real cost of living. We continue to maintain our Living Wage certification which we first achieved in 2016.

The number of school leavers going onto study, find a job or enter training has increased from last year and exceeded the national average according to new figures. **In total, 96.1% of the school leaver population in Edinburgh entered positive destinations, up from 95.1% in the 2021/22.** To continue this positive trend:

- we are promoting a shared vision which is understood by our settings, schools and partners about the importance of tackling the poverty related attainment gap and improving outcomes for all learners
- we have a relentless focus on a high-quality senior transition where all young people are known and receive their personal support entitlement (including SDS statutory obligation)
- young people at risk of a negative destination are known and tracked through the 16+ system with relevant partners so that appropriate follow-up is in place
- we have a better understanding of the SCQF so now offer a broader range of options in schools, resulting in more diverse and valued pathways
- the Youth Employment Partnership provides the bridge between school and post-school destinations.

### Intervene before the point of crisis to prevent homelessness

**The number of households assessed as homeless** has risen from 2,399 in 2021/22 to 3,287 in 2022/23, meaning numbers are



returning to pre-pandemic levels. However, the **number of housing advice only presentations** has reduced slightly and remains lower than pre-pandemic levels.

Through the Rapid Rehousing Transition Plan, our housing assistants and additional housing officers have supported over 550 households to move from temporary accommodation to settled accommodation in 2022/23. We have funding for another 44 posts in 2023/24 who will focus on further prevention activities and moving people into settled accommodation more quickly. The Private Rented Sector Team continue to support people at risk of homelessness and this year the team have supported in the region of 300 households to remain in their Private Rented Sector tenancy or move to a new property.

**The percentage of households in unsuitable accommodation** has risen slightly from 25.3% in 2021/22 to 25.7% in 2022/23. This reflects the increase of households in temporary accommodation as part of our response to the pandemic, including providing housing for those that have no recourse to public funds. We continue to improve our mix of temporary accommodation so we can offer people suitable accommodation to meet the requirements of the Unsuitable Accommodation Order. During 2022/23, we increased the capacity in the Private Sector Leasing Scheme to over 1,800 and have increased the capacity of Homeshare properties by 40 to 97, both of which are suitable accommodation.

### **Ongoing delivery of our 20,000 affordable homes programme**

Overall, **734 new affordable homes were approved for site start** for social rent, mid-market rent and low-cost home ownership in 2022/23 which is lower than the 1,200 for the previous two years. Affordable housing approvals were lower than anticipated in

2022/23 due to adverse market conditions. Some projects experienced minor delays, with the majority of these approvals (around 200 homes) now progressing in the first quarter of 2023/24.

**A total of 1,215 affordable homes were completed.** These increased in 2022/23 as sites delayed by the Covid-19 pandemic were completed. However, there is uncertainty in the wider market due to rises in interest rates and risks to rental income which has resulted in house builders, Registered Social Landlords and Buy-To-Rent developers not bringing forward projects previously earmarked for approval in 2022/23. The Scottish Government's quarterly statistics at the end of September 2022 reported that, across Scotland, private led new builds reduced by 11% and housing association new build approvals dropped by 27%.

Edinburgh was awarded £45.2M in funding from Scottish Government as part of the affordable housing supply programme in 2022/23. An additional £10M was secured from national underspends, the highest spend we have ever achieved in a single year. The total budget of £55.2M for 2022/23 continued to support the construction of over 2,000 affordable homes across the city and a number of strategic projects.

Future projections for approvals and completions, as shown in the [Strategic Housing Investment Plan 2023-28](#) have been developed in one of the most challenging economic climates in recent history. Our discussions with partners and developers set out an extremely ambitious development pipeline over the next five years despite considerable uncertainty regarding the timescales of when sites will be brought forward. An annual update of our Strategic Housing Investment Plan will be presented to committee in the autumn.

## Increased attainment for all and reducing the poverty-related attainment gap

Headteachers are accountable for attainment, attendance and inclusion and in the post-Covid-19 pandemic context, we have increased the rigour in performance management of these areas.

We have seen an improvement in most of the primary school indicators in 2021/22 with both overall literacy and numeracy showing signs of recovery following the impact of Covid. Whilst the poverty related attainment gap continues to be evident, the 2021/22 gaps for both literacy and numeracy, 24% and 20% respectively, were at their lowest levels to date.

Across our three literacy indicators for Primary Schools, two indicators show an increase from last year. Whilst the **Percentage of Primary pupils achieving literacy** increases by 3.2% (from 73.8% to 77%); the **percentage of Primary pupils from deprived areas achieving literacy** shows a larger increase of 5.2% (from 57.3% to 62.5% in 2021/22). Both these indicators are ahead of the targets we set for 2021/22, at 75% and 59% respectively. The only indicator showing a decline was the **percentage of primary pupils who are Looked After** (down from 39.5% in 2020/21 to 36.9% in 2021/22).

The need for improvements in writing prompted a Literacy Thematic review to identify what is working and what needs to change. Our revised Literacy Strategy will be published during the 2023/24 academic session. There will be a particular focus on ensuring effective teaching and learning in the First Level of Curriculum for Excellence which will include improved moderation of the standards by teachers.

The Edinburgh Learns team have focused on Improvements in primary numeracy through highly effective training for staff, both online and in person. Whilst the **percentage of Primary pupils achieving numeracy** increased by 2.6% (from 80.4% to 83%); the **percentage of Primary pupils from deprived areas achieving numeracy** shows a larger increase of 6.3% (from 65.1% to 71.4%). Both of these indicators were above the targets we set for 2021/22.

Due to the change in assessment methods during the Covid-19 pandemic, secondary school performance is not comparable between 2019/20, 2020/21, and 2021/22.

If we look at attainment levels in 2021/22, we can see that the **percentage of leavers with Scottish Credit and Qualifications Framework (SCQF) level 5 in literacy and numeracy** at 70.1% is higher than the **percentage of leavers from deprived areas with SCQF level 5 in literacy and numeracy** at 51.8%. The poverty related gap (most deprived compared to least deprived pupils) was 34%. Likewise for the **percentage of all leavers achieving 1 or more awards at SCQF Level 6 or higher** at 68.4% in 2021/22, compared to 44.9% for the **percentage of all leavers from deprived areas achieving 1 or more awards at SCQF Level 6 or higher** and the poverty related gap was 41%.

We have broadened the range of courses and available SCQF awards to provide fairer, more equitable pathways and raise the attainment of all learners. The model for the delivery of Foundation Apprenticeships is being adapted to provide closer links to industry and improve choices for young people. The pending review of Scotland's curriculum is coherent with our local objectives. The widening of the gap with progression in the SCQF level reflects the national pattern of attainment versus deprivation.

To address the poverty related attainment gap, Headteachers are required to assess need and plan together with their colleagues across Learning Communities. Many Learning Communities successfully bid for Strategic Equity Fund projects to improve attainment, attendance, health and wellbeing or pathways. All Headteachers attended four Conferences and were provided with targeted professional development opportunities such as Leadership for Equity, Finance for Equity toolkit and Team Around the Learning Community guidance to ensure the most effective use of resources to close the poverty related attainment.

Our most important educational resources are our teachers and support staff. Closing the poverty related attainment gap requires robust, consistent approaches to teaching, learning and assessment. Guidance is provided for teachers through the four key aspects of the Teacher's Charter (Differentiation, Assessment for Learning, Skills and Leadership of learning) and associated professional learning we continue to set high expectations for excellent teaching and learning. This has also been a core theme in our Headteacher conferences and is explored in-depth through our Leadership for Equity professional learning offer.

**The percentage of teachers who have met the Teaching, Learning & Assessment "Charter" standard** is a measure of the average engagement across all aspects of the charter. This measures the percentage of teachers who have met the standard and we are incrementally increasing this from the current level of 32%

As well as encouraging all teachers to self-assess and plan for improvements via the Teachers' Charter, where performance issues with learning and teaching are identified through scrutiny, we divert the team to provide intensive or targeted support.

All self-led learning is on now on the myLearning Hub and all probationers engage with professional learning in the four aspects of the Teachers' Charter. We have built a menu of options for Pupil Support Assistant (PSA) training and have been testing the training with a small group of schools this session. Feedback has been very positive. The menu of PSA professional learning will be shared with schools in the summer term.

The Leadership for Equity delivery programme has met its target of training 20% of school leaders. Evaluations from the training have been very positive.

Due to our focus on the empowered learning deployment in 2022, the **percentage of schools that have achieved the Digital Schools Award Scotland** is relatively low at 7%. In total 16 schools have completed their self-evaluation and following the submission of evidence, we expect this to rise to 21%.

The level of **low attendance (below 85%) in Primary Schools, at 12.6%** in 2021/22, has reduced from 14% in 2020/21 but has not returned to pre-Covid-19 pandemic levels. This performance is behind the target (9%) we set as we focus on reengaging pupils and drive up attendance following the impacts of Covid-19.

The level of **low attendance in Secondary Schools** has increased slightly from 19.1% in 2021/22 to 20.3% in 2022/23 and is above our target of 16%. After an initial positive start to the session, low attendance increased in Secondary Schools in December 2022 and although reducing again, at 20.3% has not yet returned to pre-December 2022 levels.

Headteachers are aware of the need to focus efforts to improve and supports have been provided through attendance conferences, the development of an Attendance Network and new sign posting to information and resources supporting this agenda. Attendance

Conference evaluations indicate high confidence in supporting attendance on average increased from 46% preconference to 90% post conference.

The Craigroyston Learning Community pilot project is trialling a collaborative learning community approach to supporting and promoting improved attendance. Some initial benefits are being seen and plans to work with community partners are in place. A pilot project with Gracemount High School and Youth Work Partners is taking place this year with a focus on engagement with young people. The aim is to use data to better support learner engagement and attendance through youth work and school partnerships.

We have continued our work on delivering a truly inclusive education system and have a number of initiatives in place:

- £2.5M has been allocated to fund Wellbeing Hubs in all of our mainstream secondary schools.
- Our Psychological Services deliver comprehensive nurture practitioner training to allow staff to run nurture groups in their establishments. Over 500 staff in total have been trained to run nurture groups and reference our revised Nurture Guide for staff.
- Equalities officers have delivered input as part of 'Learning Together' Professional Learning which focuses on Parental Engagement.
- We facilitate two parent-carer sessions per year in collaboration with RespectMe (national anti-bullying organisation) – which covers prejudice-based incidents, including racism.
- Employers Network for Equality and Inclusion Anti-racism sessions have been delivered.

- Tackling Racist Incidents training was piloted and developed and will be delivered in 2 parts: e-learning module with follow-up scenario-based workshop.
- Emerging partnership with Scotdec (third sector) to offer whole-school training on Race Equality and Anti-racism.
- Guidance was prepared to support schools in Edinburgh develop their own 'Relationships, Learning, and Behaviour Policy and Procedure. Almost all schools have used the guidance to develop their own school procedures.

Our early years consultation with parents takes place every two years so there is no data for 2022 for **the Early Learning and Childcare indicators**. The next consultation will take place in October 2023.

Within the Early Years settings since the resumption of Education Scotland inspections, inspection teams have commented on the positive way that staff are implementing play in P1 and P2. The Achievement in Curriculum for Excellence Level results in June 2022 showed an improvement in children achieving early level at end of P1 in literacy and numeracy. For P1s, literacy increased from 76.3% to 79.9% and numeracy increased from 84.6% to 86.6% between 2020/21 and 2021/22.

This year all new build early years settings were completed and opened by January 2023.

An intensive support service is available in 10 standalone early years settings. This partnership working with the third sector enables families to access money or housing advice, family support and or employability advice within 5 to 10 days of self or professional referral.

In August 2022, 97% of local authority settings and 77% of Private, Voluntary and Independent settings were graded good or above

follow Care Inspections. The Early Years Quality Improvement Team are working very closely with all settings who do not meet the required standard of quality. This targeted approach supports settings to improve their performance within their agreed Service Improvement Period (which is allowed as part of the Scottish Government guidance).

Other key achievements include:

- Our Early Learning and Childcare Academy has grown to provide additional training and qualifications for our workforce.
- Edinburgh is the first local authority in Scotland to have 7 standalone forest kindergartens registered with the Care Inspectorate with places for 150 children.
- Since August 2022 Early Years has been working with Housing to support families in temporary accommodation. 31 children have been supported into an ELC setting and 112 children and their families receive direct support from the Development Officer to access wider support.

We continue to **invest in our schools and learning estate** with £46.5M spent in 2022/23. This money is spent across a number of different programmes on both upgrading existing schools and building new ones. This year we marked the start of construction work on the new Currie Community High School. The school will be one of the most energy efficient high schools in Scotland and it's expected to open in 2025.

### **Edinburgh's economy recovers from recession and supports businesses to thrive**

After a period of consultation and engagement to develop a refreshed Edinburgh Economy Strategy, the implementation plan

was agreed at Policy and Sustainability Committee on 30 November 2021. The first progress report on implementing the actions for a stronger, greener and fairer economy will be presented to the Policy and Sustainability Committee in August 2023. We have continued to see a rise in the **percentage of employed residents in Edinburgh**. This has increased from 77.0% in 2020 to 79.2% in 2022. No new data has been released by the Office for National Statistics for the number of **business births** in the city.

Despite a buoyant labour market with high levels of employment, demand for support from employability services has remained consistent in 2022/23. **The total number of clients supported by employability and skills services has increased year on year**, with 4,158 clients supported in 2022/23, up from 3,842 in 2021/22. The cost of living crisis has been particularly challenging for people with barriers to employment and so we have focussed our support on specific vulnerable groups. Additional Scottish Government funding has supported this. **Our local Business Gateway service has supported 25% more people in 2022/23 - up from 3,728 in 2021/22 to 4,667.**

**Our procurement spend in EH postcodes** shows a slight increase in 2022/23 (45.9%) when compared to 2021/22 (45.4%), but is below our target of 50%. Performance fluctuates throughout the year and is directly affected by the availability of goods in the region. We continue to support local and small business with our **small-medium sized enterprises (SME) spend** at 50.5% in 2022/23. Although it is behind our target of 52%, it is nearly 3% higher than 2021/22. The number of SME suppliers used has increased from 1,848 to 2,044, with core trade spend at £920.8M.

We continue to support **the arts and cultural sector through the allocation of £5.6M in grants**. These grants were used to retain jobs, for skills and programming development and for opportunities

for residents to practice, participate in, and enjoy creative activity citywide. Partners and events funded through these grants include Capital Theatres, Imagine and WHALE Arts in developing a new creative community hub network. Within this we allocated over £3M to our strategic partners and £1.1M for groupings (theatre and literature) for year three of the strategic partners funding programme. Strategic partners continue to deliver both live and

online programmes, freelance employment opportunities and full-time jobs. Flexible or project funding covers a truly diverse programme of activity citywide. The Strategic Partnership funding programme primarily aims to promote stronger collaboration, developing new partnerships and contributing to creating new funding streams for the culture sector in Edinburgh.

# Becoming a sustainable and net zero city by 2030



We remain focused on becoming a net zero city by 2030. To achieve this, we need to protect and enhance our thriving green spaces, support sustainable travel and continue to create energy efficient, good quality places to live and work to make Edinburgh a happier and healthier place to live with improved air quality. Below are our key performance indicators that indicate how we performed in 2022/23. For each KPI, we include the latest data, the targets set for 2022/23 and the RAG status.

<b>On track to deliver our 2030 net zero target</b>					
	2019/20	2020/21	2021/22	Target	Status
City's emissions (in MtCO <sub>2</sub> e)	2.248	2.088	data available end 2023	7% reduction	Green
	2020/21	2021/22	2022/23	Target	
Council's emissions (in ktCO <sub>2</sub> e)	65.65	65.55	data available end 2023	189.6 (cumulative 3 year)	Green
Installed Solar Photovoltaic capacity across the Council's operational estate (MWp)	2.221*	2.446*	2.481	Interim target of 2.771	Amber
Percentage of new builds in delivery to PassivHaus standard	17.0%	18.0%	25.7%	Long term target of 100% of conditioned area where Passivhaus is technically appropriate	Grey
Number of traffic related Air Quality Management Areas	6	6	6	5	Amber
<b>Citizens are more engaged and empowered</b>					
	2020/21	2021/22	2022/23	Target	Status
Percentage of Consultation Advisory Panel (CAP) approved consultations with 'you said, we did' published within three months of the closing date	-	60%	100%	100%	Green
Percentage of annual discretionary budget allocated through participatory budgeting	0%	0.32%	0.8%	progress towards 1%	Green
	2019	2020	2021		
Percentage of respondents who believe that climate change is an immediate and urgent problem	72%	data not available	90%^	83%	Green

Develop key strategic sites and projects to meet the needs of a diverse and growing city				2022/23	Target	Status
Formal adoption of City Plan				In progress	Aug-23	Purple
Complete procurement with prospective bidders for a private sector partner for the new Bio Quarter health innovation district				In progress	Q4 23/24	Purple
Outline business case for the West Edinburgh Active Travel and Public Transport infrastructure agreed				In progress	Q1 23/24	Purple
Completion of Tram line to Newhaven				In progress	Jun-23	Purple
The city has a well-connected and sustainable transport and active travel network				Target	Status	
	2019	2020	2021			
Annual traffic kilometres by cars and taxis in Edinburgh	2,457M	1,817M	2,051M	30% reduction by 2030	Blue	
Number of multimodal interchanges	50 inter-changes served by 2 or more modes	-	50 inter-changes served by 2 or more modes	long term Increase	Blue	
	2020	2021	2022			
Tram passengers	2.351M	2.594M	4.780M	Increase	Green	
Implementation of the Workplace Parking Levy				In progress	tbc	Purple

\* Baseline and targets were recalculated in November 2022 due to reporting improvements

^ Taken from the 2021 Scottish Household Survey – results are not comparable to 2019

## On track to deliver our 2030 net zero target

Edinburgh has been named as one of just 122 cities worldwide to be placed on the 2022 A List by CDP, in recognition of its leadership on environmental action and transparency, despite the pressures of a challenging global economic situation. CDP is an international non-profit organisation for companies and cities' environmental reporting. It is the largest climate change-focused data collection and assessment programme in the world.

Since it declared a Climate Emergency in 2019, we have also improved our transparency on climate action. We publish annual progress reports on both our own and city-wide emissions and progress toward net zero targets. We have published new climate pages this year, [edinburgh.gov.uk/climate](https://edinburgh.gov.uk/climate). We reported our [City 2030 Net Zero Target Annual Report](#) to the Policy and Sustainability Committee in November 2022.



In 2020/21, **city emissions totalled an estimated 2.0882 million tonnes** of carbon dioxide equivalent (CO<sub>2</sub>e). The majority (70%) comes from gas and electricity consumption in buildings, followed by transport emissions at 24%. Energy-related emissions have dropped by 53% since 2010/11, predominantly thanks to the decarbonisation of the electricity grid and to energy efficiency improvements. The road transport sector has directly been impacted by the pandemic and emissions decreased by 17% compared to the previous year. It is estimated that the city has achieved emissions reductions of 14% between the baseline year of 2018/19 and 2020/21.

**In 2021/22, the Council emitted 65,527 tCO<sub>2</sub>e representing 69% of the three-years' cumulated carbon budget** for the period 2020/21 to 2022/23. The majority of our emissions come from powering and heating buildings, with natural gas use being the main contributor. Projects are underway to reduce emissions from natural gas use in our buildings. We have **increased our solar photovoltaic capacity** in 2022/23, with a capacity of 2.481 MWp by March 2023 which is just behind our interim target of 2.771 MWp. Completing projects depends on funding and planning being in place. We have identified a number of projects 2023/24 which will increase solar capacity towards our longer-term target of one Megawatt of additional solar pv on our and Edinburgh Leisure properties by 2023/24 and four Megawatts by 2030.

We are taking a leading role in Scotland on EnerPHit informed retrofits which includes the retrofitting works for two buildings at Brunstane and Lorne Primary Schools. A successful bid has been made to the Scottish Government's Green Growth Accelerator which will provide up to £10M to retrofit our buildings. Approval to proceed with [the EnerPHit Tranche 1 programme for the next 5 years](#) was granted by the Policy & Sustainability Committee on 30

August 2022 and feasibility works for the EnerPHit Tranche 2 programme started in Summer 2022. Work is progressing to deliver our first Passivhaus new build schools at Currie and Maybury with completion expected in 2024. There are currently nine projects on the operational estate to **certified Passivhaus standard with zero direct emissions heating plant**.

To help further reduce our own emissions we:

- are doubling the number of EV chargers with the support of Transport Scotland's Switched on Towns and Cities Challenge funding and our £0.25M budget allocation in 2021/22
- ran awareness raising campaigns encouraging reduce, reuse and recycle with a focus on food waste and festive waste
- are revising business travel and accommodation guidance for employees which reflects our net zero ambition
- and rolling out Climate Change training, with more than 300 colleagues having received the accreditation so far.

In Edinburgh there are five **Air Quality Management Areas** (AQMAs) that have breached the NO<sub>2</sub> objectives and one additional declared for fine particles (PM<sub>10</sub>), which has a mix of sources including industrial and traffic emissions. We are currently in the process of gaining revocation of the Inverleith Row AQMA following continual improvements in NO<sub>2</sub> concentrations and when this is complete, we will achieve our target of five AQMAs. This is being supported by the Scottish Government and we are following their processes and timescales.

We are also in the process of updating the Air Quality Action Plan now that we introducing a Low Emission Zone (LEZ). We are consulting on our draft Air Quality Action Plan as part of our City

Mobility Plan which aims to create cleaner, greener, safer, more accessible and affordable travel choices. Our Air Quality Action Plan aims to improve air quality under eight themes. Alongside the LEZ these are:

- Strategic Transport;
- Behavioural Change to Active Travel;
- Public Transport;
- Low Emission Vehicles;
- 2030 Climate Strategy;
- Integrated Policies and Guidance;
- Domestic Emissions.

### Citizens are more engaged and empowered

In 2022/23, **100% of our Consultation Advisory Panel (CAP) approved consultations with ‘you said, we did’ actions were published within three months of the closing date.** This is an increase from 60% from 2021/22 due to our new approval process for consultations. We will continue to listen to consultation responses and act where appropriate.

The latest data from the 2021 Scottish Household Survey shows that of those surveyed in Edinburgh, 90% of residents believe ‘**climate change is an immediate and urgent problem**’. The results of the 2021 survey cannot be compared to previous figures due to changes in survey methodology (telephone interviews due to the pandemic versus face-to face-previously). However, Edinburgh does compare very favourably to the Scottish average of 83% and it is also the highest percentage of any local authority area.

In 2022/23, **we continued to increase the proportion of spend allocated through participatory budgeting**, up from 0.32% in 2021/22 to 0.8% in 2022/23 and we are making good progress

towards our goal of 1%. Initiatives covering such diverse areas as gypsy traveller accommodation, environmental improvements and third party grants to support action on climate change totalled £7.6M.

### Develop key strategic sites and projects to meet the needs of a diverse and growing city

**Our proposed City Plan, approved by committee last year**, moved one step closer to formal approval by the Scottish Government and is now in the representation stage. Scottish Government appointed Claire Milne as Reporter for the Examination of City Plan 2030 and started the first part of the Examination. Other Reporters may be appointed to assist. This is all being carried out in accordance with statutory requirements for formal approval. Our City Plan supports our 20-minute walkable neighbourhood approach as well as directing development to and maximising the use of brownfield rather than allocating new greenfield sites. It also sets out how to provide more affordable homes, jobs, and active travel routes to help people move around more easily.

We are in the final stages of appointing a **private sector partner for the BioQuarter**. The partner will help deliver a £1BN health innovation district which will create jobs, homes, and a community for thousands of people in Edinburgh. It is anticipated that the assessment process will conclude over the coming months and the successful bidder will be announced early next year.

Work is underway with the development of the **outline business case for the West Edinburgh Active Travel plan with Stage 1b starting in November 2022**. The additional time spent by partners to review the draft West Edinburgh Transport Improvement Programme (WETIP) preliminary options report has resulted in

delays to the timescales for milestones. Drafting of the Outline Business Case is now expected in Quarter two of 2023. To better support the project we have appointed an additional Project Manager.

Edinburgh's ambitious plan to regenerate Granton Waterfront into a new coastal community received UK-wide recognition at the Future Cities Forum Winter Awards. Selected as the best development in the country in the master planning, regeneration and mixed-use category, our £1.3BN vision with Collective Architecture sets out to boost housing in the area, create a high-quality, desirable place to live and transform streets to promote active travel, creating a vibrant, thriving hub on the water's edge which responds to the climate emergency. The award recognises the project's fresh approach to creating a vibrant, inclusive, and sustainable coastal quarter in Edinburgh, with judges praising the development's focus on job creation, net zero ambitions and a heritage programme. We will begin to improve the public spaces around the gasholder frame which is being restored.

Construction on the capital's first net zero housing development has begun in northwest Edinburgh. The 75-home Granton D1 affordable housing pilot is part of the £1.3bn net-zero home Granton Waterfront regeneration project. The development proposal boasts a 20-minute neighbourhood approach, giving people the ability to meet most of their daily needs within a 20-minute return walk from home. It is designed with active travel routes, public transport links and local amenities.

Completing the square and station building, which had been vacant for years before we bought it in 2018, is the first major milestone of the regeneration of Granton Waterfront. The £4.75M restoration of the building and the development of the square, were partly funded

through the Scottish Government's Regeneration Capital Grant Fund and Town Centre Fund.

Final designs for the 'flagship' Meadows to George Street scheme were published this year, which will overhaul conditions for walking, wheeling and cycling on some of our busiest streets. This includes wider pavements and pedestrian priority areas, as well as enhanced public spaces. We amended the original designs for the project, following feedback from a public consultation. The project is aiming to begin construction in early 2024.

### The city has a well-connected and sustainable transport and active travel network

We monitor the impact of our [City Mobility Plan](#) actions by tracking the long term reduction in the **kilometres travelled by car and taxis in the city**. The baseline data shows a large reduction in car and taxi kilometres between 2019 and 2020 (from 2,457M to 1,817M) due to the reduction in travel through the Covid-19 pandemic. For 2021, the kilometres travelled rose to 2,051M kilometres as Covid-19 restrictions were reduced.

After delays earlier in the project, including the impact of Covid-19, **the Trams to Newhaven line is on schedule for completion** and within the £207.3M budget. The construction was completed in March, followed by a period of testing and commissioning to ensure the newly constructed line, software and signals work effectively and safe. The route down Leith Walk opened for service on 7 June 2023.

The number of Tram passenger journeys continues to bounce back following the start of the pandemic in March 2020. In 2022, **Tram passenger numbers** increased from 2.594M in 2021 to 4.780M in 2022, an 84% increase. This is largely due to air travel from

Edinburgh returning to pre Covid-19 pandemic levels, with airport trips being key to demand. Passenger numbers are now close to the levels of its first full year of operation in 2015 but are only at 64% of those achieved in 2019. Passenger numbers are expected to continue to increase in 2023, with the new line at Newhaven opening.

There are now national regulations and guidance supporting local authorities in Scotland to implement a **Workplace Parking Levy**

**(WPL)**. The next step is for us to engage with residents to establish views, issues and opportunities and develop a proposal to meet Edinburgh residents' needs and, above all, to contribute to sustainable transport solutions in the city.

# Wellbeing and Equalities



We are continuing to support people to live healthier, longer, and more independent lives and to improve the life chances for all children. We also want residents to be more involved in planning their services and for us to be able to respond quickly in case their needs change. We take pride in providing high quality services that everyone can use. Below are our key performance indicators that show how we performed in 2022/23. For each KPI, we include the latest data, the targets set for 2022/23 and the RAG status.

People can access the support they need in the place they live and work			2022/23	Target	Status		
Develop initial delivery plans to reimagine at least two town centres by the end of March 2023			Delayed	Q4 22/23	Red		
Improved safety and wellbeing for vulnerable citizens			2020/21	2021/22	2022/23	Target	Status
Children on the Child Protection Register as a rate per 1,000 population	1.3	1.2	1.3	Threshold 2.3	Green		
Adult protection investigations started per 100,000 adult population	113.26	109.48	156.82	Threshold awaiting national figure	Blue		
Number of situations affected by domestic abuse where support was offered through new delivery model			54 offered support, 12 accepted support	^	Blue		
Percentage of community justice orders successfully completed	91.3%	73.0%	72.3%	65.0%	Green		
Looked After Children as a rate per 1,000 population	12.5	11.7	11.1	Threshold 12.9	Green		
Core services are maintained or improved			2020/21	2021/22	2022/23	Target	Status
Domestic kerbside missed bin service requests	19,887	21,977	19,101	21,518	Green		
Communal domestic full bin service requests	19,484	19,908	16,027	22,020	Green		
Percentage of domestic waste recycled	39.8%	42.6%	41.4%	45%	Amber		
Roads annual capital and revenue investment	£21.3M	£24M	£25.8M	£25.1M	Green		
Percentage of Emergency Cat 1 Road Defects made safe within 24 hours	100%	100%	100%	100%	Green		
Percentage of Cat 2 Priority Road Defects repaired within 5 working days	99%	97%	95%	85%	Green		

Percentage of Cat 3 Priority Road Defects repaired within 60 working days	99%	98%	98%	85%	Green
Percentage of emergency street lighting repairs completed within 4 hours	96%*	96%	98%	95%	Green
Percentage of street lighting urgent 24 hour repairs completed in time	60%*	97%	97%	75%	Green
Percentage of street lighting 5-day repairs completed in time	39%	51%	66%	50%	Green
Number of parks with the Green Flag Award	34	35	35	36	Amber
Litter Monitoring System Score	81.8%	82.2%	86.3%	93.0%	Red
Number of active library users	38,016	60,931	88,152	85,303	Green
Library digital use – downloads and streaming	2,958,560	3,069,620	3,396,588	3,131,012	Green
Proportion of schools in good or satisfactory condition	92.7%	94.3%	96.0%	94.85%	Green
<b>Make better use of the Council estate and resources to meet our strategic priorities</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Target</b>	<b>Status</b>
Percentage of P6 to S6 pupils with issued iPad	-	30.7%	100%	100% by Dec 2023	Green
Customer Hub satisfaction	72.0%	66.3%	71.5%	75%	Amber
Council's projected Revenue outturn	99.2%	99.6%	98.9%	100%	Amber
Sickness absence	3.99%	5.22%	5.82%	4%	Amber
Council gender pay gap	2.81%	3.18%	1.3%	3%	Green
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Target</b>	<b>Status</b>
Progress against delivery of Council's current year's approved budget savings	82.0%	89.0%	98.3%	90%	Green
Percentage of invoices paid within 30 days	96%	96.2%	95.7%	95%	Green
Proportion of Council Tax collected	95.96%	96.77%	97.3%	96.8%	Green
Proportion of Business Rates collected	90.54%	89.98%	94.50%	96%	Amber
Percentage of revenue spend placed with contracted suppliers	92.8%	91.0%	87.7%	93%	Amber

\* Following review of this data, changes have been made to the statistics in 2020/21

^ 2022/23 data is the baseline year so no target set for 2022/23

## People can access the support they need in the place they live and work

In June 2021, we approved our '20-Minute Neighbourhood Strategy' and in 2022 created a team from services across the Council to support it. This is about living well locally, giving residents the ability to meet most of their daily needs from within their own community. One area of focus has been around reimagining neighbourhood centres as they provide many of the essential facilities and services that people need. We have been awarded Sustrans Places for Everyone funding to develop concept designs to improve Gorgie/Dalry (with an initial focus on Dalry Road) and Portobello which will make it easier for people to walk, wheel, cycle and use public transport. We've already consulted with people in Gorgie/Dalry and are asking for feedback in Portobello. We plan to have concept designs by spring 2024, a little later than planned as we wanted to spend more time consulting with neighbourhoods.

## Improved safety and wellbeing for vulnerable citizens

The number of children requiring formal **Child Protection registration has remained stable across the last 3 years with the rate at 1.3 at the end of 2022/23**. We compare ourselves against the national rate which has dropped to 2.3, which we are well below. This year, we have consulted across Edinburgh, Lothians and the Scottish Borders on a draft set of new procedures. We are amending our new procedures following this consultation. We expect to have them ready by the deadline of September 2023, by which time the Scottish Government expects local areas to have them in place.

We have seen our **rate of Adult Protection Investigations** start to increase from 109.5 in 2021/22 to 156.8 in 2022/23. We include

this measure to monitor how activity in Edinburgh compares elsewhere and a higher level does not relate to poorer performance. The target is based on the latest national data from 2021/22, to provide a benchmark. The increase in the rate of IRDs started reflects the continued increase in Adult Support and Protection activity. This has a variety of drivers including changes to awareness and practice that started during the COVID-19 pandemic. Other local authorities tell us that they have also experienced an increase in activity and we expect a further increase in the national figure for 2022/23 when this information is published by the Scottish Government. During 2022/23 we revised the Adult Support and Protection procedures, briefed services and in late spring and have been using the processes and new recording forms from June 2023.

The Care Inspectorate published the Joint Inspection of Adult Support and Protection services in Edinburgh on 14 February 2023, which highlighted areas of good practice as well as areas for improvement. An improvement plan resulting from the inspection will now be developed to be overseen by the Adult Protection Committee. This is in addition to the Adult Protection Committee's Improvement Plan 2022-24 which includes reviewing our Adult Support and Protection Policy and Procedure. We have already reviewed and improved our Large Scale Investigation procedure with an agreed Pan-Lothian protocol. Multi-agency Quality Assurance meetings have continued to provide scrutiny and assurance for care homes and care at home agencies. We will continue to improve how we involve people with lived experience in Adult Support and Protection work and in measuring and evaluating outcomes for people. We are currently working with advocacy organisations to encourage more involvement of people with lived experience in developing our training.

**Our percentage of community justice orders successfully completed, at 72.3% in 2022/23**, remains similar to 2021/22 (73.0%) and exceeds our target (65%).

During 2022/23, we have been reviewing our criminal justice services with the formal consultation ending on 15 February 2023. We are now in the process of putting in place the new structure.

Other service improvements we have made include:

- Refurbishing Grindlay Street Court in line with trauma informed care, for men in the justice system subject to statutory supervision and voluntary throughcare, accessing a range of interventions and supports
- embedding Structured Deferred Sentences, providing a pre-sentence option to all Sheriffs for individuals, with a limited less entrenched offending history, posing a low/medium risk of reoffending and who may need a short period of focussed intervention
- developed a trauma informed Women's Justice Centre, providing a single point of access for women in the justice system to a range of interventions and supports.
- working closely with third sector providers to address food poverty
- re-establishing the Alcohol Problem Solving Court for men with entrenched alcohol problems.

**Our rate of Looked After Children** has decreased over the last 3 years and at 11.1 remains below the national average of 12.9. We have continued to support the Locality Operational Groups, receiving 550 referrals in just under four months which shows the positive partnership working between our services and voluntary sector colleagues to problem solve and to support our children and young people. We are creating a single point of access which we

will pilot in the North West Locality. We also plan to create whole family support which will increase early help possibilities. We have appointed a manager to lead on this to move us towards integrated family support.

We are increasing our team in Social Care Direct so we can process referrals more quickly and that we can link our children and families to the most appropriate level of support they need.

We will trial a single point of contact in North West Locality for Children and Adolescent Mental Health services (CAMHS) waiting lists to help offer the right level of mental health support at an earlier stage.

We have made significant progress in the Residential Improvement Plan. This has focussed on staff recruitment and the use of the Locum Bureau/agency staff and staff knowledge of complaints, restraints and single separation. We report progress to the Multi-Agency Improvement Board chaired by our Executive Director of Children, Education and Community Justice Services with membership from across partner agencies including Who Care's Scotland advocacy service and the Care Inspectorate. Key improvements include:

- ongoing discussion with our young people in residential care to check we are delivering Edinburgh's Promise and we are giving care which is safe, loving and respecting
- using child appropriate language and using our new vocabulary across the services
- increasing the number of team leaders/managers per children's house to one team leader per house.
- revising and updating various training for residential staff including:
  - the Induction Programme
  - the Essential Learning matrix



- adapting complaints training has to be delivered online
- CALM training
- Reviewing the Locum Bureau recruitment and retention process, developed new guidance and reviewed the registration of Locum Bureau staff.
- re-establishing Multi-agency Quality Assurance meetings to monitor progress with the Residential Improvement Plan and review of care Inspection reports.

During 2022/23 we offered support to 54 victims of domestic abuse, of which 12 accepted the support. We have been concentrating on establishing our **Domestic Abuse Local Action Groups (DALAG)** in all our localities. This new approach was implemented in August 2022, with governance of the DALAG passed on to the Equally Safe Edinburgh Committee in February 2023. As the DALAG is relatively new, partners and stakeholders are monitoring its development and troubleshooting any issues as they arise.

### Edinburgh Health and Social Care Partnership

The Health and Social Care Partnership continues to support vulnerable people across Edinburgh and progress with a number of transformational workstreams is detailed below.

The **Three Conversations approach** focuses on what matters to a person and on working collaboratively with them as experts in their own lives, with staff considering a person's strengths and community networks to achieve positive outcomes. Implementation of the approach began in 2019 and during 2022/23 53% of new people who contacted us benefitted from personalised short-term support, rather than formal long-term care services, increased from 35% last year. The number of people without formal long-term care services requiring repeat support remains low.

**Home First** continues to provide and develop services to support people to remain at home or in a homely setting, preventing hospital admission and providing alternatives to hospital where it is safe to do so.

Phase one of Discharge without Delay is implemented in six acute sites where a planned date of discharge has been introduced and social care staff are embedded in multi disciplinary teams. This collaboration was particularly successful on wards at the Western General with a 50% reduction in bed occupancy by patients in delay over a 12 month period. They also reported a nine day reduction in median length of stay and a 35% increase in discharge rate when comparing quarter one of 2023 with the same period in 2022.

A new social work model has been introduced at the Royal Edinburgh Hospital to reduce social work assessment waiting times and promote the Home First approach. There has been an overall reduction in length of stay, occupied bed days, number of patients in delay and community demand for assessments.

The Home First coordinator located at the front door of acute sites continues to provide a dedicated focus to prevent unnecessary admission where possible by facilitating community alternatives.

A single point of access was introduced via the Flow Centre to provide a response to requests from healthcare professionals for people who require urgent therapy and/or urgent social care interventions. This pathway has successfully prevented 80% of admissions from 456 referrals.

The **Edinburgh Wellbeing Pact** is framed around the principles of mutuality and reciprocity. The creation of the More Good Days Strategic Public Social Partnership will provide a better way of moving forwards with our shared narrative and allow incremental changes and developments to be made. There are also a number of

collaborations continuing to develop thanks to the extension of the current Health Inequalities Grant Programme to 31 March 2025 and the introduction of our innovative Capacity to Collaborate programme.

The **bed-based review** is ongoing and seeks to redesign bed-based services across the city, taking into consideration demand and capacity to ensure provision of sustainable services. The project covers bed-based services in hospital settings, and beds located in the community.

Currently, an enhanced model of care is being introduced into our larger 60-bedded care homes to include registered nurses to provide nursing cover seven days per week. The new model of care will allow the Partnership to provide much needed nursing and dementia care at local authority funded rates to meet existing and future demand and support flow from hospital into the community. This has also removed the requirement for District Nurses to attend these care homes during the day increasing capacity in the community for the service.

A more detailed performance report is produced by the Integration Joint Board on an annual basis and the latest report can be found [here](#).

### **Core services are maintained or improved**

Our **domestic kerbside missed bin service** requests decreased in 2022/23 to 19,101 from 21,977 in 2021/22. This improved performance means that we are just ahead of our target of 21,518. Throughout the year the number of missed domestic kerbside bins has remained fairly static month on month, though the service did see an immediate increase in customer calls following the end of the strike in August 2022. **The number of missed and**

**overflowing bin collections** has decreased significantly from 19,908 in 2021/22 to 16,027 in 2022/23. The number of full bin service requests for communal bins has dropped by around 40% since January 2023. More space is available for residents to recycle (on average 150L per week per household compared to 60L per week per household) and there is less chance of bins overflowing since we introduced more on-street mixed recycling bins and increased the frequency of collections.

We have been successful in securing an additional £750,000 of funding from Zero Waste Scotland's Recycling Improvement Fund to cover increasing costs related, in particular, to the supply of metal and plastic which has significantly impacted the prices of bins and the bull bars. This funding is in addition to the £7.7M that we were awarded from Zero Waste Scotland for the Communal Bin Review project. Part of this funding will be used to introduce five fully electric refuse vehicles during June and July 2023. By increasing capacity and facilities we are also aiming to improve the amount of waste we recycle. **Our recycling rate** has however reduced to 41.4% in 2022/23 from 42.6% in 2021/22. though it remains consistent with pre Covid-19 pandemic levels.

All road defect and street lighting indicators met or exceeded target in 2022/23. In 2022/23, **100% of emergency repairs, 95% of Category 2 and 98% of Category 3 road defect repairs were repaired on time. Street lighting repairs showed an improvement on 2021/22 for both 4-hour (98%) and 5-day repairs (66%), with the performance (97%) for 24-hour repair jobs remaining the same.** The overall number of defects and repairs reported for both roads/pavements and street lighting reduced significantly between 2021/22 and 2022/23. The number of road/pavement defects reduced by around 19% and we repaired around 34% less street lights.

The overall condition of the carriageway network in the past few years has improved and in 2022/23 we spent £25.8M. An additional £11M investment has been approved in the 2023/24 budget to continue this improvement. The schemes identified for future improvements work are detailed in the [Roads and Infrastructure Investment – Capital Delivery Priorities for 2023/24](#) report.

35 of our parks have **Green Flag status**. This has not increased but is still twice as many as any other major city outside of London. [We have invested more in our parks](#) so they are well maintained and we've carried out large-scale condition and safety surveys so we invest in the correct areas. We published our response to the public consultation on our [Thriving Green Spaces Strategy in March 2023](#). This sets out how we develop new and innovative approaches to managing our parks, green and open spaces.

Our **LEAMS score, which measures the cleanliness of our streets has continued to improve in the last three years**, increasing from 81.8% in 2020/21 to 86.3% in 2022/23. This improvement follows a drop in our scores due to the impact of Covid-19 restrictions and our reassignment of staff to maintain other services in 2020/21. Our annual score is an average of three surveys that are carried out during the year, and these have also shown improvement. We are working hard to regain our pre-Covid-19 scores and our target of 93% reflects that ambition. Since October 2022, we have been introducing changes to improve street cleanliness including using additional small mechanical sweepers consistently across the city; resolving more requests within timescale; and using rapid response vehicles to allow crews to concentrate on scheduled cleaning. We have also secured an additional £3M in the 2023/24 budget which will help continue this improvement and bring us closer to our target of 93%. Keep Scotland Beautiful is continuing the rollout of the new Litter

Monitoring Score criteria throughout Scotland and this will eventually replace LEAMS.

Our libraries are recovering well from the Covid-19 pandemic with **active library users (at over 88,000) being above our target** for the year (85,303). We have reintroduced a variety of activities and events to encourage citizens back into libraries. However, we are aware that for citizens that may be deemed vulnerable, the continued presence of Covid-19 remains a barrier. It is hoped that with Covid-19 numbers declining and with an ever increasing range of activities being reintroduced in libraries, more citizens will return during 2023/24. **Digital downloads and streaming continues to grow rapidly from 176,089 in 2019/20 to 3,396,588 in 2022/23** showing an ongoing appetite for online material. This is 8.5% above the agreed target and includes digital newspapers, magazines and downloadable audio books.

**The average condition of our schools' estate** shows continual improvement with an increase from 92.7% in 2020/21 to 96.0% in 2022/23. This is as a result of the improvements carried out through the Asset Management Works Programme with spend totalling £124M across the estate.

### **Make better use of the Council estate and resources to meet our strategic priorities**

We completed our **aim at the beginning of December 2022 to give all P6 to S6 pupils an iPad by purchasing 30,360 new iPads and by migrating 13,781** we already owned iPads onto our new platform.

During 2022/23 a new method of customer satisfaction reporting was introduced which significantly increased response rates and allowed for more in-depth feedback. **Customer hub satisfaction** in

2022/23 was 71.5%, which is higher than satisfaction in 2021/22 (at 66.3%) but still behind our target of 75%. We continue to use the responses to our satisfaction survey to shape contact services and make them simple and easy to access. All calls resulting in a dissatisfied survey result are actioned and contact is made with residents to inform our training and improvement plans. Satisfaction levels are materially influenced by the level of service received by the customer and often do not directly relate to their contact experience. The Customer Team actively shares feedback and suggestions with the appropriate services to enhance the whole customer experience.

An in-year **Council-wide underspend of £13.7M was achieved in our revenue outturn for 2022/23**. Service areas as a whole overspent by £7.9M in net terms (although when exceptional Homelessness Services pressures were excluded, there was a slight underspend), alongside in-year energy cost pressures of £5.7M. These were offset by:

- £9.8M of additional Council Tax income (representing a combination of high in-year collection rates and a reduction in required bad debt provision for previous years).
- £8.2M of other corporate savings, including application of the budget framework risk contingency.
- £5M of unbudgeted income from the Millerhill Recycling and Energy Recovery Centre off-take agreement.
- £4.3M of net savings in loans charges, interest and investment income.

**We made 98.3% of approved savings** in 2022/23. This continued the improving trend of recent years and is the highest level since year-end reporting was introduced and exceeded the target.

The detrimental impacts of the COVID-19 pandemic and imposed lockdowns on other aspects of people's lives, such as their mental and physical health, have been well documented, and it is becoming widely acknowledged that this will have lasting effects that could continue to impact sickness absence rates at work. We have seen these trends reflected in our own absence rates in this 12 month period with our absence rate steadily increasing. **Our sickness absence rate has increased from 5.22% in 2021/22 to 5.82% in 2022/23**. In particular, absences due to anxiety, mental health problems and musculoskeletal issues have increased. In response to these trends we have adapted and tailored our wellbeing support.

Our **gender pay gap** (the average difference in hourly wage of all men and women across a workforce) has reduced from 3.18% in 2021/22 to 1.3% in 2022/23. This is below our target and the national average (from the latest LGBF 2021/22 dataset) of 3.5%. The reduction is partially due to correcting a discrepancy in the calculation of average pay values for Learning and Teaching staff, which we will continue to use.

Above target performance reflects the ongoing commitment to **pay our invoices accurately and on time, with 95.7% of invoices paid within 30 days this year**.

**We collected 97.3% of Council Tax due in 2022/23** continuing a gradual increasing trend. This matches the best annual collection level in the last ten years. To support collecting Council Tax in 2022/23 we:

- targeted recovery actions and proactive engagement with customers who had fallen into arrears
- revised online forms to improve the speed and efficiency of account administration and the overall billing process.

We have substantially increased our **Business Rate collection levels** (at 94.5% in 2022/23) when compared with the previous two years (89.98% for 2021/22 and 90.54% for 2020/21). Whilst we did not achieve the 2022/23 target the increase in collection reflects a degree of stability against a backdrop of post Covid-19 pandemic trading and challenging commercial and economic conditions. These factors will influence the target we set for 2023/24.

Whilst **the percentage of revenue spend placed with contracted suppliers remains high, it has fallen slightly again this year to 87.7%** and is below the target of 93%. This is primarily due to non-contracted spend within Health and Social Care. We are revising our procurement arrangements, while slightly delayed, and expect to report improvements from 2023/24.

## Appendix B – KPI Target revisions/clarifications

Key Performance Indicator	Initial Target for 2022/23	Amended Target for 2022/23	Revisions/Clarifications
Percentage of people living in destitution	4%		Target removed whilst we await the new baseline being set following changes to the calculation of performance indicator.
Positive Destinations for School Leavers	Tbc once new baseline is set	95%	This is an interim target set for 2022/23 whilst analysis is carried out on the new national data set and impact of the covid-19 pandemic.
Number of living wage employers	603	626	Target increased to reflect the final position for 2021/22 and the target setting of 100 new employers per year.
Number of affordable homes approved	1,186	800	Target revised in November 2022 based on year-end projections, as detailed in the Strategic Housing Investment Plan 2023-28.
Number of affordable homes completed	1,290	1,246	Target revised in November 2022 based on year-end projections, as detailed in the Strategic Housing Investment Plan 2023-28.
Capital spend on the Learning Estate new projects	£25,000,000	£45,300,000	Target increased to reflect spend on all learning estates projects.
Installed Solar Photovoltaic capacity across the Council's operational estate (MWp)	2.642	2.771	These baseline and targets were recalculated in November 2022 due to reporting improvements.
Percentage of respondents who believe that climate change is an immediate and urgent problem	65%	83%	Target changed to show the national average from the new Scottish Household Survey data release.
Adult protection investigations started per 100,000 adult population	Threshold 118	Threshold awaiting national figure	Target removed whilst we await the release of the new national average.
Percentage of community justice orders successfully completed	75%	65%	Correction. Error in initial target figure reported to committee.

Roads annual capital and revenue investment	£22,160,000	£25,800,000	Target changed to reflect increased spend on all roads capital and revenue projects.
Proportion of Council Tax collected	94.46%	96.8%	Target increased to reflect better than expected mid-year position.

# Complaints Handling Performance

1 April 2022 – 31 March 2023



# Introduction

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- The Council is committed to providing high quality services to its citizens, but we recognise that there are times when we get things wrong, and we fail to meet the expectations of our customers. The Council's Complaints Procedure provides customers with a mechanism to feedback their dissatisfaction. Complaints also provide helpful insight which can be used to improve service performance.
- This is a review of the Council's annual performance for complaints received and closed between 1 April 2022 to 31 March 2023. This is based on performance indicator themes devised by the Scottish Public Services Ombudsman (SPSO).

# Council's complaints process

Customers can complaint to the Council through our Complaints Procedure which follows the SPSO's Local Authority Model Complaint Handling Procedure. This is based on a two-stage approach:

- Stage 1: Frontline response – Complaints which can be resolved as close to the frontline as possible, with a resolution target of 5 working days.
- Stage 2: Investigation – Complaints where the customer is not satisfied with the frontline response, or where the complaint is complex and requires further investigation (escalated complaints). Some complaints are also dealt with directly at the investigation stage if they are particularly complex. Stage 2 responses have a resolution target of 20 working days.

If a customer remains dissatisfied with the Council's Stage 2 response, they can refer their concerns and complaint to the SPSO. The SPSO will assess whether there is evidence of service failure, or maladministration not identified by the service provider.

# Key figures

- The Council received 5,833 complaints during 2022-2023 – a decrease of 1,579 compared to the 7,412 complaints received in 2021-2022.
- Council services closed 5,746 complaints during 2022-2023 – a 6.5% decrease compared with the 6144 closed in 2021-2022.
- 77% of all closed complaints were concluded at Stage 1 (Frontline Resolution).
- 61% of Stage 1 complaints (Frontline Resolution) were responded to and resolved within 5 working days.
- 74% of Stage 2 complaints (Investigations) were responded to and resolved within 20 working days.
- 44% of escalated complaints from Stage 1 (Frontline Resolution) to Stage 2 (Investigation) were responded to within 20 working days.
- Council services resolved, upheld, or partially upheld 62% of all complaints closed during 2022-2023.
- 72 enquires were received from the SPSO during 2022-2023 concerning complaints against the Council.
- Most complaints received by the Council related to Waste, Parking and Housing.
- 1220 employees completed complaint handling e-learning training during 2022-2023.

# Key headlines

- While the Council operates a decentralised approach to the handling of complaints, the Council's Corporate Complaints Management Group (CCMG) continues to meet and share best practice and identify opportunities to improve the management of complaints. With representatives from across the Council, the work of the Group helps to ensure a consistency of approach across the organisation.
- Complaints management formed part of the Council's internal audit programme for 2022. Several improvement actions were identified as part of the process, including better performance reporting and improved communications. All agreed actions have been met in full or are on target to meet specified completion dates.
- Given the multiple systems used by the Council to record complaints, one key workstream highlighted by the audit was the need for better complaints reporting processes to provide quality data to inform quarterly performance reporting. A revised reporting template has been developed and introduced which is helping to identify areas for improvement, and where learning has been used to drive service improvement.
- The revised Model Complaints Handling Procedure developed by the SPSO and implemented during 2021 is now embedded as a way of working, including regular use of the additional 'resolution' category.
- The Council continues to play an active role in the work of the Local Authority Complaint Handlers' Network which is committed to promoting good complaints handling and sharing best practice. The Council is currently the joint chair with the Scottish Borders Council.

# Complaints closed: 5,746

## Place

Q1: 934  
Q2: 1009  
Q3: 1444  
Q4: 1262

## Corporate Services

Q1: 163  
Q2: 142  
Q3: 148  
Q4: 181

## Children, Education & Justice Services

Q1: 80  
Q2: 48  
Q3: 113  
Q4: 101

## Edinburgh Health & Social Care Partnership

Q1: 38  
Q2: 37  
Q3: 24  
Q4: 22

- During 2022–2023, 5,746 complaints were closed by the Council. The figures above set out the number of complaints which were closed by Council directorates for each quarter during 2022-2023. Overall, there was a 6.5% reduction in the total number of complaints closed during 2022 - 2023 (5,746) compared with 6,144 complaints closed in 2021-2022.
- 77% of complaints closed were frontline resolutions (Stage 1), 16% were investigations (Stage 2), and 7% were closed following escalation from Stage 1 to Stage 2.
- The Council received 5,833 complaints during 2022-2023. This is the equivalent to 11.1 received complaints per 1000 of population- a welcome decrease on the 14.1 per 1000 received during 2021-2022.

# Complaints closed: 5,746

**Place**  
Resolved: 969  
Upheld: 1,349  
Part upheld: 434  
  
Not upheld: 1897

**Corporate Services**  
Resolved: 42  
Upheld: 299  
Part upheld: 107  
  
Not upheld: 186

**Children, Education & Justice Services**  
Resolved: 103  
Upheld: 47  
Part upheld: 87  
  
Not upheld: 93

**Edinburgh Health & Social Care Partnership**  
Resolved: 36  
Upheld: 28  
Part upheld: 36  
  
Not upheld: 21

- Following the implementation of the Council’s revised Complaint Handling Procedure, a new complaint outcome of ‘resolved’ was introduced from April 2021. This means that it is now possible to close a complaint under the classification of ‘resolved’ without a need to decide whether the complaint should be upheld or not. This outcome can be used where it’s possible to quickly agree on an action that will meet the customer's needs.
- The figures above show the number of complaints resolved, upheld, and partially upheld. For reference, complaints that were not upheld are also shown, but not included in the service totals.
- Overall, the Council resolved, upheld or partially upheld 3,537 complaints from a total of 5,746 complaints closed in 2022 – 2023 - 62% of the overall total. This is an overall decrease of 16% from the 78% of complaints which were resolved, upheld or partially upheld in 2021–2022. However, 64% is consistent with figures from previous years.

# Performance against SPSO timescales

Directorate	2022-2023	2021-2022	Variance
Place	61%	30%	+31%
Corporate Services	64%	41%	+23%
Children, Education & Justice Services	54%	53%	+1%
Edinburgh Health & Social Care Partnership	41%	33%	+8%

- During 2022-2023, the Council answered 61% of Stage 1 complaints, 74% of Stage 2 complaints, and 44% of escalated complaints within time. Overall, the Council responded to 61% of all closed complaints within time during 2022-2023 - a significant increase when compared with 2021-2022 figures where only 31% of closed complaints were responded to within time. The current level of performance is closer to response figures from two years ago in 2020-2021 where an overall response rate of 64% was recorded.
- The table above sets out directorate performance in relation to the percentage of complaints which were closed (in full) at each stage of the complaints process. It also includes comparative figures from the previous reporting year. While there is still clearly room for better performance, there has been a welcome improvement across all Council directorates over the past year.
- In relation to complaints by the Edinburgh Health & Social Care Partnership, they are, by their very nature, usually complex and challenging which can have an impact on performance levels.

# Performance against SPSO timescales

- While response times to Stage 2 complaints are comparatively high, with 74% answered within the timescales set out in the Council's Complaints Procedure, the performance level around escalated complaints is poor at 44%. It is not entirely clear why this is the case, but it is envisaged that improved recording and analysis will highlight issues and facilitate improved performance. Additional communications will also be issued to raise awareness around this issue.
- Another area of concern relates to the overall average times for providing full response to complaints at Stage 1. During 2022-2023, the average processing time for a Stage 1 response was 8.3 days. While it is clear from the figures presented in this report that many Stage 1 responses are resolved and responded to within 5 working days (61%), there is a significant minority which are taking longer to process which is having a detrimental impact on the average time for responding to a complaint. While 8.3 days is an improvement on the 9.6 days recorded in 2021-2022, communications will be issued to drive improvement. From analysis to date, it appears that services are not closing requests timeously.
- In contrast, Stage 2 average response times have shown considerable improvement. During 2022-2023, the average Stage 2 response time was 14.3 days – well within the 20-working day response time set out within Council's Complaints Procedure. This is an improvement on the 19.1 days recorded in 2021-2022.



# Complaints and referrals to the SPSO

- Once customers have had their complaint handled through Stage 1 and 2 of the Council’s complaints process, they can take their concerns to the SPSO if they are unhappy with the way in which their complaint has been handled. The SPSO is the final stage for complaints about Scottish public authorities.
- During 2022 - 2023, there were 71 enquiries made by the SPSO. These mostly concerned Housing, Parking, and Schools and Lifelong Learning. One Decision Report has been published which related to schools; however, this decision did not uphold the complaint.
- The table below highlights progress over time in relation to SPSO referrals and decisions for the Council.

	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019
Enquiries	71	36	32	129	133
<b>Decision Report</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>9</b>

- The figures indicate a marked increase in enquiries received from SPSO in relation to Council services compared with the previous two years. This is likely attributed to the SPSO clearing their backlog of outstanding complaints which was accrued as a result of the pandemic. At the beginning of 2022-23, it was taking the SPSO 11 months to respond to customer complaints; that timescale has now been reduced to 4 months.

# Learning from Complaints

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- The Council is commitment to listening to customers and acting on their feedback to help improve our services. To build confidence and trust in this process, the Council publishes learning on a quarterly basis which is available on the Council's website at:  
<https://www.edinburgh.gov.uk/contact-us/comments-complaints/4>
- Any learning which has a wider application across the Council is considered and taken forward through the Council's Strategic Complaints Group which provides a corporate overview of significant customer engagements received through the complaints process and statutory requests received under compliance legislation.

**For more information regarding complaints please contact:**

**[Information.compliance@edinburgh.gov.uk](mailto:Information.compliance@edinburgh.gov.uk)**

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# The City of Edinburgh Council

10.05am, Thursday 28 September 2023

## Connected Communities Edinburgh 2024-27 Grants Programme – referral from the Education, Children and Families Committee

Executive/routine

Wards

Council Commitments

### 1. For Decision/Action

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- 1.1 The Education, Children and Families Committee has referred a report on Connected Communities Edinburgh 2023-27 Grants Programme to council for decision.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Daniel Baigrie, Committee Officer  
Legal and Assurance Division, Corporate Services Directorate

Email: [daniel.baigrie@edinburgh.gov.uk](mailto:daniel.baigrie@edinburgh.gov.uk)

# Referral Report

## Connected Communities Edinburgh 2024-27 Grants Programme

### 2. Terms of Referral

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- 2.1 On 5 September 2023, the Education, Children and Families Committee considered a report by the Executive Director – Children, Education and Justice Services outlining proposals for the forthcoming round of Connected Communities Edinburgh 2024-27 Grant funding.

### 3. Background Reading/ External References

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- 3.1 [Education, Children and Families Committee – 5 September 2023 Webcast](#)

### 4. Appendices

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- 4.1 Appendix 1 – report by the Executive Director of Children, Education and Justice Services (PUBLIC)
- 4.2 Appendix 2 - report by the Executive Director of Children, Education and Justice Services (PRIVATE). This Appendix is circulated on the Private Reports section of the Agenda.

# Education, Children and Families Committee

10:00 am, Tuesday, 5 September 2023

## Connected Communities Edinburgh 2024-27, Grants Programme

Executive/routine  
Wards

### 1. Recommendations

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- 1.1 The Education, Children and Families Committee is asked to:
  - 1.1.1 Note the work done to date, including the Briefing Sessions delivered to Elected Members and the Community and Voluntary Sector, in partnership with LAYC (Lothian Association of Youth Clubs) and EVOC (Edinburgh Voluntary Organisations' Council).
  - 1.1.2 Note the cross-party support and approval granted by Elected Members on 22 August 2023.
  - 1.1.3 Notes a special meeting of Education Children and Families Committee will be scheduled for award recommendations at the beginning of December.
  - 1.1.4 Approve the refinements made to the 2024-27 Grants Programme.
  - 1.1.5 Approve the process to determine successful grant applicants.

**Amanda Hatton**

Executive Director of Children, Education and Justice Services

Contact: Linda Lees, Wider Achievement Services Manager

E-mail: linda.lees@edinburgh.gov.uk

## Connected Communities Edinburgh 2024-27, Grants Programme

### 2. Executive Summary

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- 2.1 This report provides detail on the refreshed Connected Communities Edinburgh Grants Programme. This information has been shared with Elected Members in two briefing sessions. It has also been shared with the Community and Voluntary Sector over three engagement events which were led jointly with LAYC and EVOC. The report seeks approval to deliver the new 2024 – 27 grants programme according to the process and timeline set out.
- 2.2 The refined programme has been developed through a partnership with LAYC and EVOC on behalf of the community and voluntary sector.
  - 2.2.1 The programme has a new name: Connected Communities Edinburgh, 2024-27 Grants Programme.
  - 2.2.2 The 5 Funding Priorities have been combined into 3 broader Funding Strands.
  - 2.2.3 Organisations are required to complete a Pre-Application Eligibility Checklist to ensure they are eligible for this funding stream.

### 3. Background

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- 3.1 The Council provides ‘funding to support activities that will help it to meet its commitments to the City and where the organisation does not have sufficient resources to deliver those activities on a self-sustaining basis itself’.<sup>1</sup>
- 3.2 The 2020-23 Grants Programme awards will come to an end in March 2024, following ECF Committee approval of a 7 month extension.
- 3.3 The clarified criteria, refined process and refreshed application format have been discussed and developed through the meaningful collaboration between CEC, LAYC and EVOC. The outcomes for the programme are aligned with the CEC business plan, with particular focus on tackling poverty.

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<sup>1</sup> Grant Standing Orders, paragraph 1.2.3



- 3.4 The basis for these developments was to ensure lessons were learned from the previous grants process. It reflects feedback from the sector, with an emphasis on partnership, and aims to ensure the process works for the sector as a whole.
- 3.5 NHS Lothian and Police Scotland are also partners in this process and have committed funding to this programme.
- 3.6 On 22 August 2023, cross-party support was granted by ECF Elected members to proceed with briefing sessions to the sector to give an opportunity for engagement, questions and clarifications (appendix 1)

## 4. Main report

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### ***Refined Programme Process:***

- 4.1 The five Funding Priorities of the 2020-23 Grants Programme have been combined into three Funding Strands. Funding Priority 4 (positive destinations) and Funding Priority 5 (alcohol and substance abuse prevention) are integrated into Funding Strand 1 and 2 respectively:
  - 4.1.1 Funding Strand 1: Learning outcomes for disadvantaged children, young people and families in Edinburgh.
  - 4.1.2 Funding Strand 2: Health and wellbeing outcomes for children, young people and families in Edinburgh.
  - 4.1.3 Funding Strand 3: Youth and children's work in Edinburgh.
- 4.2 These three Funding Strands are for direct service delivery, support and coordination, each with a focus on benefitting children, families and communities. Organisations may not apply to more than one Funding Strand each of which has a minimum of £10k and a maximum of £100k per year.
- 4.3 These Funding Strands have been clearly explained in further detail at briefing sessions. The Funding Strands are intentionally broad, to encourage a wide variety of proposals contributing towards the collective goal of reducing the outcome gap for those who experience the greatest inequality. Further guidance for organisations will be issued when the programme opens for applications. This helps ensure a positive, equitable and inclusive future for our city.
- 4.4 For robust governance and prevent any potential conflicts of interest, a separate Managed Fund has been created to support intermediary organisations (such as LAYC and EVOC). It would be unethical for these partners to be in competition for award with the networks they support.

### ***Application Process:***

- 4.5 **Connected Communities Edinburgh** has a sharper focus, designed to support local, community-based organisations whose services are informed by local knowledge and intelligence. As such, the first step of the application process will be the completion of a Pre-Application Eligibility Checklist, whereby organisations will

self-evaluate the suitability of their organisation/project/proposal to the programme (appendix 2).

- 4.6 Section 1 of the Eligibility Checklist asks organisations if they are based in / delivering work in Edinburgh; if their organisation holds charitable status, and if their organisation's annual income is under £2 million. Answering 'NO' to any of these questions means the organisation is ineligible.
- 4.7 To target support to local, community-based organisations, the criteria of direct work in Edinburgh and an annual income of under £2 million have been introduced. This reflects feedback and lessons learned from the previous Grants programme.
- 4.8 The eligibility requirement to hold charitable status has been introduced to provide best value through the scrutiny that comes from Scottish Regulated Charity pluralistic board structure<sup>2</sup>. Scottish Charity Law is the gold standard for voluntary sector governance. CICs (Community Interest Companies) are regulated by Companies House which takes a light touch regulatory approach. CIC's have a basic asset lock, and their structure lacks the transparency and robustness of regulated Scottish charities.
- 4.9 Section 2 of the Eligibility Criteria will inform the review, mapping and weighting of the funding across different funding streams, frameworks, programmes, and localities. This allows the CEC/LAYC/EVOC partnership to identify potential gaps in service delivery across the city, which will then be addressed in the awarding process.
- 4.10 Section 2 will not be scored but demonstrates how effectively public money is used to deliver improved outcomes across the city. It seeks transparency around any potential for double funding or duplication.
- 4.11 Desired Outcomes: Once organisations have completed the Pre-Application Eligibility Checklist and decided which Funding Strand to apply through, they will be asked to rank the City Priorities (Addressing poverty and inequality in Edinburgh, working towards a sustainable future in Edinburgh, ensuring wellbeing and equalities are enhanced for all) in order of importance to their proposal. They will also be asked, how their project/proposal contributes to the delivery of the city priorities. This is not a scored question; the intention is to ensure robust monitoring and reporting on outcomes and encourage organisations to think about how their proposal/project contributes towards these aims.

***Application Form:***

- 4.12 The new Application Form has been refined based on feedback and lessons learned. It only asks relevant questions, designed to be straightforward to complete and assess. The new Form seeks clear and concise information about the proposal and budget. Applicants will be asked to build an annual uplift of no more than 2.5% into their proposals, ensuring they are not receiving stand still funding each year. The new application form will contain the scoring criteria and weighting to allow the organisations to make the strongest applications possible.

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<sup>2</sup> Grant Standing Orders, paragraph 6.3 Funding and Sustainability 'Prior to any award of a grant exceeding £25,000 the financial sustainability of the applicant organisation shall be assessed'.

4.13 The new process also allows for partial Awards to be made with potential for ensuring more funding can be directed to where the need is greatest. If a partial award looks likely, the organisation will be advised and through discussion, may be asked to submit further information. This will be in advance of final decisions enabling organisations to plan ahead.

**Scoring and Assessing:**

4.14 Applications will be scored using a weighting matrix that incorporates a multiplier. The multiplier allows for more subtle scoring and a greater number of final scores. This ensures no-one can predict/influence the scores and avoids large numbers of organisations being scored the same. This helps determine where full or partial awards may be granted. Each Funding Strand will have different weighting, reflecting the overall purpose of and criteria for the Funding Strand.

4.15 Applications will be scored by officers and partners who have a good working knowledge of the city, local priorities and needs. This will include CEC, NHS, BAME and third sector representatives, young people and potentially Police staff. Once the assessment and scoring is complete, the recommendations will be moderated by a Panel comprised by an independent Chair, EVOC and LAYC representatives. The outcome will be discussed with ECF Elected Members before being shared with Committee in a special meeting in December 2023.

4.16 Below is an example of the scoring matrix and multiplier for FUNDING STRAND 1 showing how it works.

<b>Panel member: Assessor 1</b>	<b>organisation: EXAMPLE A</b>			<b>organisation EXAMPLE B</b>			<b>organisation: EXAMPLE C</b>		
Weighted criteria	Score	Multiplier	Total	Score	Multiplier	Total	Score	Multiplier	Total
<b>Clearly identified evidence of need</b> score out of 6	6	X 6	= 36	6	X 6	= 36	6	X 6	= 36
<b>Quality of learning opportunity</b> Score out of 5	2	X 5	= 10	5	X 5	= 25	3	X 5	= 15
<b>Consideration of protected characteristics</b> Score out of 4	2	X 4	= 8	3	X 4	= 12	2	X 4	= 12

<b>Confidence of intended impact</b> Score out of 3	3	X 3	= 9	3	X 3	= 9	2	X 3	= 6
<b>Total Score</b> (max = 86)		final total:	= 63		final total:	= 82		final total:	= 69

4.17 Below is an example of how the scores are collated and used to inform recommendations. The scores from Assessor 1 above are highlighted in yellow.

	Assessor 1	Assessor 2	Assessor 3	Assessor 4	Assessor 5	Total
Organisation A	63	57	68	67	75	Sub totals in red 330
Organisation B	82	76	62	62	76	348
Organisation C	69	49	63	60	61	301

## 5. Next Steps

- 5.1 Committee is asked to note that implementing lessons learned from the 2020-23 Grants Programme has been, and will continue to be, key in the development of Connected Communities Edinburgh. This, along with feedback from the sector have formed the basis of discussions with LAYC and EVOC.
- 5.2 Work is actively underway to ensure there is no gap in funding for organisations directing services to those with protected characteristics and BAME groups. Addressing poverty and inequality will run through all Funding Strands, ensuring funding is reaching those who need it most in Edinburgh.
- 5.3 Pending approval of the process, the programme is scheduled to open to applications week beginning 11<sup>th</sup> September. A special ECF Committee meeting will be arranged at the beginning of December where award recommendations will be presented for approval.

## 6. Financial impact

- 6.1 The annual budget for Connected Communities Edinburgh is £3,519,461.
- 6.2 Organisations funded through the current grants programme all benefitted from the extension to March 2024. However, Connected Communities Edinburgh is a new three-year grant programme and some organisations may not be successful. They

should be considering an exit strategy/mitigation as part of their planning and while applying to the new grants programme.

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

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- 7.1 Connected Communities Edinburgh encourages and supports a wide variety of proposals contributing towards the collective goal of reducing the outcome gap for those who experience the greatest inequality and ensuring a positive, equitable and inclusive future for our city.
- 7.2 An IIA will be completed by CEC, LAYC and EVOC and discussed with Elected Members prior to recommending the awards.
- 7.3 A delay to the planned timeline will create a gap in awarding grants for new applications. This will impact organisations and the people benefitting from services that support people affected by poverty and inequality.

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

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- 8.1 An IIA will be completed by CEC, LAYC and EVOC and discussed with Elected Members prior to recommending the awards.

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

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- 9.1 The refined programme has been developed collaboratively through a partnership with LAYC and EVOC on behalf of the community and voluntary sector.
- 9.2 Briefing Sessions have been delivered to the community and voluntary sector who have welcomed the collaborative nature of the process and the programme itself.
- 9.3 Feedback has been very positive with questions and clarification points being published together with the application guidelines.

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

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- 10.1 Programme background: : 2020/23 Communities and Families Grants to Third Parties Programme, 2020/23 Third Party Revenue Grants Programme Extension

## **11. Appendices**

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- 11.1 Appendix 1 Connected Communities Edinburgh presentation slides
- 11.2 Appendix 2 Pre-Application Checklist draft
- 11.3 Appendix 3 Draft Weighting and Scoring Matrix



# Connected Communities Edinburgh, 2024-27 Grants Programme

*Refreshing the programme, simplifying the process, working together*

# Connected Communities Edinburgh

*2024-27 Grants Programme*



## BRIEFING SESSION

# Contents

This presentation will cover:

- Brief context
- Work done to date
- Funding Strands
- Eligibility criteria
- Timeline



# Context

- The 2020-23 Third-Party Revenue Grants Programme was approved for a 7-month extension until March 31<sup>st</sup> 2024.
- The 2020-23 Programme saw 75 awards granted to organisations across Edinburgh.
- The aim of Connected Communities Edinburgh is to continue supporting the invaluable work local, community-based organisations do for the children, young people, families and communities of our city.

# Context: Process

- Connected Communities Edinburgh will continue to be a **protected grant funding programme**. This means it will not be competitively tendered via a procurement process.
- There will be no gap in funding due to the extension period of the 2020-23 programme.

# Context: Budget

- The budget for Connected Communities Edinburgh is **£3.5m pa** with contribution from the NHS and Police Scotland.

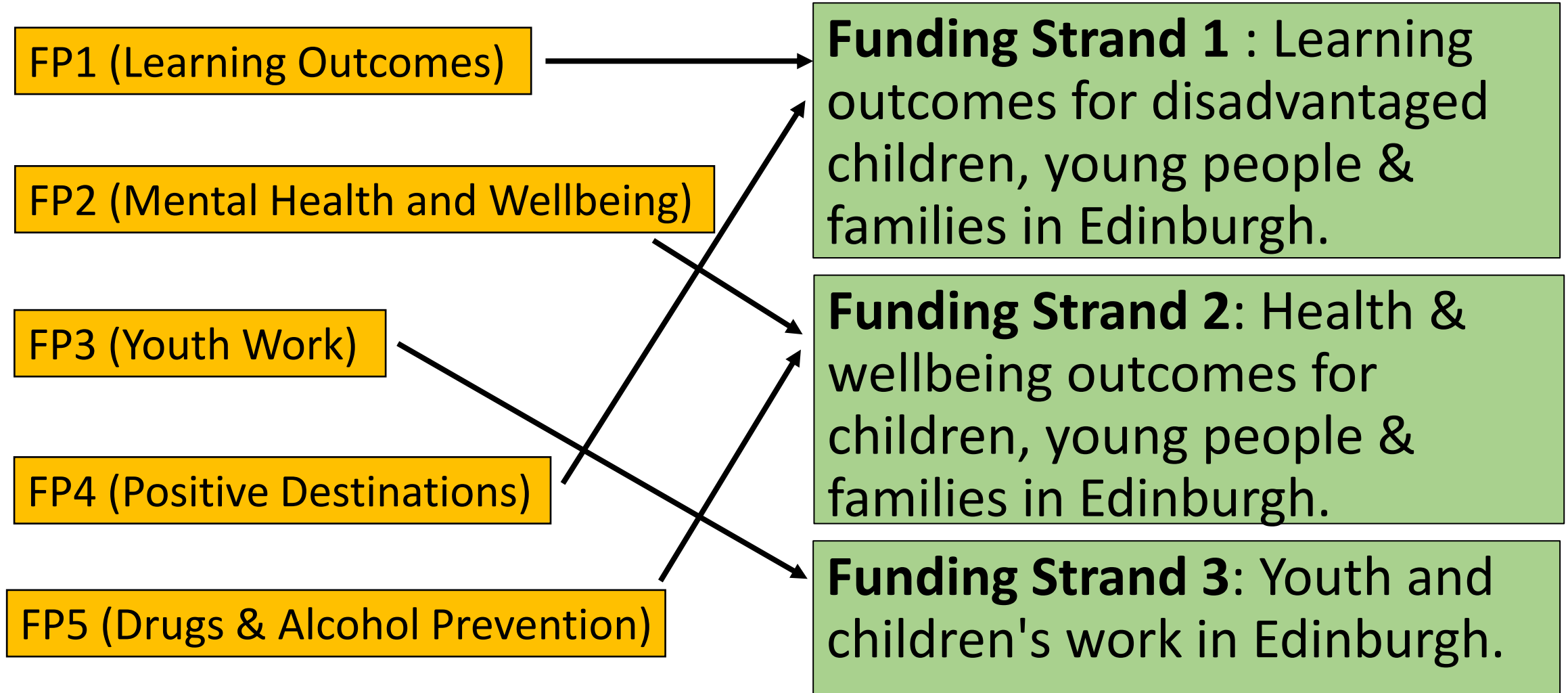
# Work done to date

- CEC and LAYC entered into a **meaningful collaboration**, with support from EVOC.
- Learning lessons from the 2020-23 Grants Programme has formed the basis of discussions and decisions made:
  - Protected characteristics
  - Areas of deprivation across the city
  - Locally responsive, locally focused

# Refined Process

- We have introduced streamlined, sharper priorities.
- The 2020-23 programme contained 5 funding priorities, each with specific outcomes expected.
- These previous 5 funding 'priorities' have been combined into 3 'funding strands'.

# Funding Strands



NOTE: Organisations can apply through one Funding Strand

# Funding Strand 1: Learning outcomes for disadvantaged children, young people, and families in Edinburgh

- Funding Strand 1 focuses on delivering learning opportunities and outcomes for disadvantaged children and families in Edinburgh. Consider **what the learning outcomes of your proposal/project are** and **which disadvantage(s) your proposal addresses**. The guidelines for Funding Strand 1 encourage a wide variety of proposals addressing local need.
- **‘Learning Outcomes’**: this strand focuses on SQA/accredited forms of learning outcomes and learning outcomes in a wider sense (outdoor learning, creative learning, personal and social development outcomes etc.).
- **‘Disadvantaged’**: an increasing numbers of children and families are facing poverty. Poverty affects every area of the city, with high concentrations of poverty found in all 4 localities. If addressing poverty, consider what your proposal/project does to alleviate the impacts of poverty on learning in the widest sense.
- As well as poverty, examples of disadvantages children, young people and families face are race, gender, sexuality, disability, intersectionality between various protected characteristics, those who are care experienced and those who are young carers.

## Funding Strand 2 : Health and wellbeing outcomes for children, young people, and families in Edinburgh

- It is paramount that children, young people, and families in Edinburgh can access support when struggling with their mental health or improving/developing their wellbeing. Funding Strand 2 broadly focuses on **what your project/proposal does to support children, young people and/or families in Edinburgh with their mental health and wellbeing and how your proposal/project will aid participants in reaching their full potential, with focus on early intervention and prevention approaches.**
- **‘Mental health’**: children and young people in Edinburgh, and across Scotland, are facing a growing mental health crisis, exacerbated by the current landscape of lasting and devastating impacts of the Covid-19 pandemic, climate change and the cost-of-living crisis. Since the pandemic, 39% of 11–24-year-olds in Scotland have reported concerns about their mental wellbeing.
- **‘Wellbeing’**: wellbeing can include a myriad of factors, for example: physical wellbeing, substance misuse, sexual health and wellbeing, lack of access to opportunities, social isolation, and many more.



## Funding Strand 3 : Youth and children's work (5-25) in Edinburgh

- Funding Strand 3 focuses on the provision of youth and children's work in Edinburgh. Edinburgh's children and young people benefit from a rich landscape of services across the city. Universal and targeted youth work has been evidenced to produce benefits and positive outcomes in health and wellbeing, educational outcomes, employability, personal and social development, and intercultural learning. The positive changes youth work spaces bring to people and communities are innumerable and can last a lifetime. **Detail what youth work and or children's work services your project/proposal offers and what positive outcomes delivery will produce for children, young people, and families in Edinburgh.**

# Application

- The refreshed programme will have a sharper focus, with clearer aims.
- Connected Communities Edinburgh will focus support to **local, community-based organisations**.
- Organisations will be required to complete an **eligibility checklist** prior to application.
- Eligible organisations must deliver **direct work in Edinburgh**, hold a **charitable status**, and have an **annual income of less than £2 million**.

# Links with the City Priorities

After choosing which Funding Strand to apply through, you will then be asked to rank and explain how your project/proposal addresses the City Priorities:

- 1. Ending poverty and preventing adverse outcomes such as homelessness and unemployment**
- 2. Becoming a net zero city**
- 3. Ensuring wellbeing and equalities are enhanced for all**

# Robust and Impartial Application Assessment

- Minimum and maximum budget for each funding strand: £10,000-£100,000 per year.
- Organisations should plan their budget to include a yearly uplift of 2.5%.
- There will be a **marking matrix** to ensure grants are awarded by the most fair, transparent and equitable means possible.
- The above will provide flexibility for partial awards.
- Poverty and inequality runs through all 3 funding strands.

# Application process



Complete 'Pre-Application Eligibility Checklist'



Choose which Funding Strand to apply under (1,2, OR 3)



Complete Application Form



Submit Application Form

- Application open: **11<sup>th</sup> September 2023**
- Application closed: **13<sup>th</sup> October 2023**
- Grants Approval: **ECF Committee**
- Grants Award : **1<sup>st</sup> April 2024**

## Key dates

# Appendix 2 CONNECTED COMMUNITIES EDINBURGH, Grants Programme 2024-27

## Pre-Application Eligibility Checklist

### CONNECTED COMMUNITIES EDINBURGH

#### Pre-Application Checklist

SECTION 1		YES	NO
<b>1.1</b>	Does your organisation hold charitable status?		
<b>1.1a</b>	If your organisation does not hold charitable status, are you <i>currently</i> in the process of applying for charitable status? (Evidence required)		
<b>1.2</b>	Is your organisation based in the city of Edinburgh?		
<b>1.3</b>	Does your project/proposal meet at least one of our funding strands?		
<b>1.4</b>	Are your organisation's accounts independently scrutinised?		
<b>1.5</b>	Does your proposal deliver <u>direct</u> services to children, young people and/or families in Edinburgh?		
<b>1.6</b>	Is your organisation's annual income less than £2 million?		

**If you have answered 'NO' to any question in Section 1 your organisation is not eligible for Connected Communities Edinburgh. Please do not submit an application for this fund.**

**If you answered NO to Q 1.1 but YES to Q 1.3, you may submit an application, but you must provide evidence of you application to become a registered charity.**

# Appendix 2 CONNECTED COMMUNITIES EDINBURGH, Grants Programme 2024-27

## Pre-Application Eligibility Checklist

Your answers to question 2 will not be scored but will help us understand how public money delivers outcomes across Edinburgh. Answering YES to any of these questions does not exclude you from applying if you are eligible, nor will it affect decision to fund (Section 1), and ensures no duplication.

SECTION 2			
<b>2.1.</b>	If your organisation has a contract with CEC/Health and Social Care and Capital City Partnership, please briefly describe how your proposal complements, expands and/or is additional to work you are undertaking through your existing contract with the Council (max 250 words). This includes contracts, frameworks, service level agreements.		
<b>2.2</b>	If your organisation receives any other funding from CEC/Health and Social Care and Capital City Partnership, please briefly describe how your proposal complements, expands and/or is additional to work you are undertaking through your existing contract with the Council (max 250 words).		

SECTION 2		
<b>2.3</b>	<b>Which localities in the city will your proposal address?</b>	
	<i>(Please X all which apply, note: you can X as many localities as your proposal will focuses support to, e.g. if you are a Citywide organisation you may X all 4 localities or if your proposal is to address identified need in smaller areas in different localities you should X which localities)</i>	
1	North West locality	
2	North East locality	
3	South East locality	
4	South West locality	



# CONNECTED COMMUNITIES EDINBURGH

## Appendix 4

Funding Strands: DRAFT Weighting and Scoring criteria.

Funding Strand 1 Learning outcomes for disadvantaged children, young people & families in Edinburgh.		Funding Strand 2 Health & wellbeing outcomes for children, young people & families in Edinburgh.		Funding Strand 3 Youth and children's work in Edinburgh	
<b>Focuses</b> on learning opportunities for people facing greatest disadvantage and addressing identified need.	6	<b>Focuses</b> on delivering outcomes that help improve wellbeing, where there is an identified need.	6	<b>Focuses</b> on the provision of youth and children's work (age 5 – 25 or 26 if care experienced) in Edinburgh.	6
<b>Includes</b> both accredited learning and informal learning delivering personal and social outcomes.	5	<b>Includes</b> both physical, social and mental wellbeing.	5	<b>Includes</b> both universal and target youth and children's work.	5
<b>Aims</b> to alleviate the impact of poverty and other disadvantage through learning.	4	<b>Aims</b> to benefit those facing greatest disadvantage and/or who face barriers through an early intervention and prevention approach.	4	<b>Aims</b> to realise positive outcomes in health and wellbeing, education and learning employability, personal and social development, and intercultural learning.	4
<b>Considers</b> the needs of people with protected characteristics.	3	<b>Considers</b> the needs of people with protected characteristics and those who are socially isolated and/or disabled and/or struggling with their mental health.	3	<b>Considers</b> the needs of children and young people, particularly where a need is clearly identified.	3
<b>Includes</b> care experienced and young carers.	2	<b>Includes</b> substance misuse, sexual health and wellbeing, lack of access to opportunities and social isolation.	2	<b>Includes</b> creative, accessible (application form) solutions that reach out to include children and young people least likely to engage	2
<b>Benefits</b> at least one of the 6 poverty priority groups	1	<b>Benefits</b> at least one of the 6 poverty priority groups	1	<b>Benefits</b> at least one of the 6 poverty priority groups	1

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# City of Edinburgh Council

10.05am, Thursday, 28 September 2023

## 2022-23 Capital Outturn, Month 3 Capital Monitoring and Revised 2023-33 Capital Budget Strategy – referral from the Finance and Resources Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

---

- 1.1 The Finance and Resources Committee has referred a report on the 2022-23 Capital Outturn, Month 3 Capital Monitoring and Revised 2023-33 Capital Budget Strategy to the Council for approval of the Revised Capital Budget Strategy.

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

Contact: Louise Williamson, Assistant Committee Officer  
Legal and Assurance Division, Corporate Services Directorate  
E-mail: [louise.p.williamson@edinburgh.gov.uk](mailto:louise.p.williamson@edinburgh.gov.uk) | Tel: 0131 529 4264

# Referral Report

## 2022-23 Capital Outturn, Month 3 Capital Monitoring and Revised 2023-33 Capital Budget Strategy – referral from the Finance and Resources Committee

### 2. Terms of Referral

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- 2.1 On 21 September 2023, the Finance and Resources Committee considered the capital expenditure and funding outturns for 2022-23, providing explanations for key variances, together with the revised capital budget strategy for 2023-33 after factoring in slippage from 2022-23, additional funding and updated cash flow projections from month 3 monitoring.
- 2.2 The Finance and Resources Committee agreed:
- 2.2.1 To note the 2022-23 capital outturn for the Council's General Fund and Housing Revenue Account (HRA), set out in Appendices 1 and 2 to the report by the Executive Director of Corporate Services.
  - 2.2.2 To note the Revised Capital Budget for the financial year 2023-33, as set out in Appendices 3 and 4 to the report, for the General Fund and the HRA respectively.
  - 2.2.3 To note the Council's Prudential Indicators for the Revised Budget 2023-24, as set out in Appendix 5 to the report.
  - 2.2.4 To refer the report to Full Council for approval of the Revised Capital Budget Strategy.
  - 2.2.5 To refer the report to the Governance Risk and Best Value Committee as part of its work programme.

### 3. Background Reading/ External References

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- 3.1 Finance and Resources Committee – 21 September 2023 - Webcast
- 3.2 Minute of the Finance and Resources Committee – 21 September 2023

### 4. Appendices

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Appendix 1 – Report by the Executive Director of Corporate Services

# Finance and Resources Committee

10.00am, Thursday, 21<sup>st</sup> September 2023

## 2022-23 Capital Outturn, Month 3 Capital Monitoring and Revised 2023-33 Capital Budget Strategy

Executive/routine  
Wards

Executive  
All

### 1. Recommendations

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- 1.1 To note the 2022-23 capital outturn for the Council's General Fund and Housing Revenue Account (HRA), set out in Appendices 1 and 2;
- 1.2 To note the Revised Capital Budget for the financial year 2023-33, as set out in Appendices 3 and 4 for the General Fund and the HRA respectively;
- 1.3 To note the Council's Prudential Indicators for the Revised Budget 2023-24, as set out in Appendix 5.
- 1.4 To refer the report to Full Council for approval of the Revised Capital Budget Strategy
- 1.5 To refer the report to the Governance Risk and Best Value Committee as part of its work programme.

#### Dr Deborah Smart

Executive Director of Corporate Services

Contact: Matt Jones, Senior Accountant

E-mail: [Matt.Jones@edinburgh.gov.uk](mailto:Matt.Jones@edinburgh.gov.uk) | Tel: 0131 529 3147

## 2022-23 Capital Outturn, Month 3 Capital Monitoring and Revised 2023-24 Capital Budget Strategy

### 2. Executive Summary

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- 2.1 The report provides capital expenditure and funding outturns for 2022-23, providing explanations for key variances. It also provides the revised capital budget strategy for 2023-33 after factoring in slippage from 2022-23, additional funding and updated cash flow projections from month 3 monitoring.

### 3. Background

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- 3.1 In February 2022, the council set out priorities for its 10-year [Sustainable Capital Budget Strategy 2022-2032](#) totalling £1,459.874m of expenditure for general services and £2,934.365m for the [Housing Revenue Account \(HRA\) Budget Strategy \(2022-32\)](#). This budget was then revised on 8<sup>th</sup> September 2022 with realignments between financial years to take account of slippage from the previous financial year and reflect the most up to date cash flow position available. The Outturn provided in this report is measured against the revised budget.
- 3.2 In February 2023, the council approved the [Sustainable Capital Budget Strategy 2023-33](#) which prioritised £1,474.517m of capital expenditure for general services. In setting the budget, the Council looked to address the pressures arising from the current financial climate, to ensure delivery of priority and in-progress projects. It is this capital investment programme that has been revised in this report to account for slippage from 2022-23, additional funding and latest cash flow projections from the month 3 position.
- 3.3 In March 2023, the council approved the [HRA Budget Strategy 2023-33](#) setting out plans for investment of £1,714.493m over the next 10 years. The strategy was updated to reflect the current financial climate and changes in assumptions regarding rental increases and the cost of borrowing.

### 4. Main report

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#### 2022-23 Capital Outturn

#### General Fund

- 4.1 The General Fund outturn shows expenditure of £287.722m against the revised budget of £284.097m, a net acceleration of £3.625m (1.28%). A breakdown is provided in Appendix 1 with the drivers being;
- 4.1.1 The Fleet Programme (£4.672m) which is facing long lead times on vehicles, with additional funding also having been received;
  - 4.1.2 The Depot Review (£4.205m) suffering from construction delays;
  - 4.1.3 Asset Management Works (£8.105m) having seen delays, with the Retrofit programme starting in 2023-24 and the work on Portobello Swimming Pool on hold pending a funding solution for an increase in anticipated costs; and
  - 4.1.4 Other Community Projects (£3.360m) such as Pennywell Hub (£1.244m), Hunters Hall Cycle Hub (£0.868m) and Properties for House Share (£0.891m) suffering programme delays and redesign requirements;
  - 4.1.5 Acceleration in North Bridge Refurbishment (-£3.540m) which has seen an increase in costs. The project remains within its revised budget.
  - 4.1.6 Roads infrastructure, including Carriageways and Footways acceleration (-£2.869m), where the delivery of the programme was better than anticipated at the P3 budget revision when £4.791m was slipped into future years.
- 4.2 General Fund income totalled £173.013m, resulting in Loans Fund Advances of £114.709m. This was £0.062m (0.05%) more than the revised budget.

#### **Housing Revenue Account**

- 4.3 HRA outturn shows expenditure of £121.335m against revised budget of £118.755m, acceleration of £2.580m (2.2%). A breakdown is provided in Appendix 2.
- 4.3.1 Small slippages totalling £4.982m across the house building programme were offset by the purchase of 23 completed homes at Dreghorn for £6.002m. Further acceleration related to Land purchases was also required for a contribution to Granton Station before it transferred to the General Fund and to cover the increase in cost of the Liberton Hospital land purchase.
  - 4.3.2 The improvements to existing homes programme saw slippage of £7.367m (11.9%) offset by the Acquisitions programme acceleration of £6.161m.
- 4.4 HRA Income totalled £74.558m, which was £38.133m more than budget, primarily due to the timing of the receipt of Scottish Government Grants. This resulted in a net requirement of £46.777m in Loans Fund Advances, £35.552m less than budget.

#### **Revised Sustainable Capital Budget Strategy 2023-2033**

- 4.5 The [Sustainable Capital Budget Strategy 2023-33](#) for the General Fund was approved by Council on 23<sup>rd</sup> February 2023 and was based on an interim budget estimating slippage and acceleration. This sets out a fully funded investment programme of £1,474.517m, in line with the Council Business Plan.

- 4.6 The Revised Sustainable Capital Budget Strategy 2023-2033 has been adjusted to reflect actual levels of slippage and acceleration and is shown in Appendix 3. It has also been realigned and re-phased to ensure that individual project cash flows reflect the most up to date projections, taking into account the current challenging economic climate.
- 4.7 Members should note that where funding has not been approved or where the amount or timing is still to be confirmed, projects or associated expenditure are not included in the revised Sustainable Capital Budget Strategy. This includes projects funded by capital receipts, grants or contributions yet to be secured.
- 4.8 A further update on the Sustainable Capital Budget Strategy will be brought to Finance and Resources Committee in November 2023. This report will look ahead to 2024-25 Budget Setting, with a focus on addressing emerging pressures and priorities against a backdrop of continuing funding constraint.
- 4.9 The [Housing Revenue Account \(HRA\) Budget Strategy \(2023-33\)](#) was agreed by the Housing, Homelessness and Fari Work Committee on 9th March 2023. This sets out £1,714.493m of investment in new affordable housing and improvements to existing homes over the 10 year period.
- 4.10 The HRA budget has been revised to incorporate the most up to date cash flow projections and is shown in appendix 4.
- 4.11 Three New Homes developments due on site in 2023/24 are being reviewed in response to higher-than-expected tender returns. Any alteration to design work will be monitored closely to ensure that the expected quality is achieved while bringing costs with Business Plan assumptions. This focus on cost management is expected to result in significant slippage in the programme.
- 4.12 Slippage in the Improvements to Council Homes and Estates budget is due to a delay in procurement for the windows and doors programme which has now completed, the expansion of scope for the retrofit programme for multi-storey blocks, and some significant contractor underperformance leading to suspension. Planning is underway to incorporate this slippage into the 24/25 programme.

### **2023-24 Capital Monitoring – Month 3**

- 4.13 Capital monitoring for the first quarter of 2023-24 for the General Fund and HRA is set out in Appendices 6 and 7 respectively. As this report revises budgets to take account of latest expenditure and income forecasts, no variances are currently projected.

## **5. Next Steps**

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- 5.1 This report will be referred to Governance, Risk and Best Value Committee to consider as part of its programme of work.



- 5.2 Finance staff will continue work with project and programme managers to monitor capital budgets.
- 5.3 Further reports will be presented to Finance and Resource Committee at month five, month seven and month 12 showing the position against the revised 2023-24 capital budget.
- 5.4 A further report on the 2024-25 to 2033-34 Sustainable Capital Budget will be brought to Finance and Resources Committee on 21<sup>st</sup> November 2023.

## 6. Financial impact

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- 6.1 The estimated loans charges associated with 2022-23 outturn, 2023-24 budget and 2023-24 forecast set out in this report are detailed in the table below:

	<b>Loans Fund Advance</b>	<b>Interest and Charges</b>	<b>Total Cost</b>	<b>Average Annual Cost (30 years)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Outturn 2022-23</b>				
General Fund	114.709	85.816	200.525	6.684
HRA	46.777	35.802	82.579	2.753
<b>Revised Budget Forecast 2023-24</b>				
General Fund	51.546	38.562	90.108	3.004
HRA	68.864	52.706	121.571	4.052

- 6.2 Borrowing required is carried out in line with the Council's approved Treasury Management Strategy.
- 6.3 The loan charge costs outlined above will be met from the general fund and HRA revenue budgets for loan charges.
- 6.4 The Council's Prudential Indicators for the Revised Budget 2023-24 are set out in Appendix 5.

## 7. Equality and Poverty Impact

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- 7.1 The equality and poverty impact of individual projects within the Council's capital programme is considered as part of the business cases for those projects.

## 8. Climate and Nature Emergency Implications

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- 8.1 Public sector climate change duties have been strengthened in 2022 with a new requirement to ensure alignment of spending plans and use of resources with sustainability ambitions. To this end, a new methodology developed by the Institute for Climate Economics (ICE) has been trialled to better understand the climate impacts of the Council's capital budget strategy.
- 8.2 Key findings show that, for the expected expenditure for 2023-33
- 59 % of the total investment (£ 875 m) is in line with the Council's climate ambition (labelled as either "favourable under conditions", or "very favourable")
  - 33 % is considered as neutral
  - 4 % is unfavourable
  - 4 % is classified as "undefined" as the expenditure did not match with any item in the taxonomy

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

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- 9.1 The budget is monitored by officers on an ongoing basis with due consideration given to existing and emerging risks, and recommendations to address them given to members where and when required.
- 9.2 The Capital Budget Strategy is approved and monitored against the underlying Prudential Code, which ensures the Council carries out its duties under Part 7 of the Local Government in Scotland Act 2003
- 9.3 The stakeholder and community impact of individual projects within the Council's capital programme is considered as part of the business cases for those projects.

## 10. Background reading/external references

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- 10.1 [Sustainable Capital Budget Strategy 2022-2032](#). Referral from Finance and Resources Committee, 24 February 2022
- 10.2 [Housing Revenue Account \(HRA\) Budget Strategy \(2022-32\)](#). Referral from Finance and Resources Committee, 24 February 2022
- 10.3 [Sustainable Capital Budget Strategy 2023-2033](#). Finance and Resources Committee, 10 November 2022
- 10.4 [Housing Revenue Account \(HRA\) Budget Strategy \(2023-33\)](#). Referral from Finance and Resources Committee, 23 February 2023
- 10.5 [Approved Sustainable Capital Budget Strategy 2023-33](#). Referral from Finance and Resources Committee, 14 March 2023
- 10.6 [Capital Strategy 2023-33 – Annual Report](#). Referral from Finance and Resources Committee, 16 March 2023

## 11. Appendices

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- 11.1 Appendix 1 – 2022-23 Capital Monitoring Month 12 Outturn – General Fund
- 11.2 Appendix 2 – 2022-23 Capital Monitoring Month 12 Outturn – HRA
- 11.3 Appendix 3 – 2023-33 Revised Sustainable Capital Budget Strategy
- 11.4 Appendix 4 – 2023-33 Revised HRA Capital Budget Strategy
- 11.5 Appendix 5 – 2023-24 Revised Budget Prudential Indicators
- 11.6 Appendix 6 – 2023-24 Capital Monitoring Month Three – General Fund
- 11.7 Appendix 7 – 2023-24 Capital Monitoring Month Three – HRA

## Appendix 1 - 2022-23 Capital Monitoring

### General Fund Summary

#### Month 12

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual Outturn	Outturn Variance	
	£m	£m	£m	£m	£m	%
Learning Estate	31.645	13.680	45.325	46.465	1.140	2.51%
Edinburgh Living LLPs	16.972	12.057	29.029	27.400	-1.629	-5.61%
Trams to Newhaven	39.503	15.197	54.700	53.419	-1.281	-2.34%
Asset Management Works	29.425	-10.823	18.602	10.497	-8.105	-43.57%
Transport & Infrastructure	48.436	14.617	63.053	65.393	2.340	3.71%
Place - Other	56.547	27.897	84.444	77.257	-7.187	-8.51%
Corporate Services	0.807	0.881	1.688	2.304	0.615	36.46%
Edinburgh Health and Social Care Partnership	0.000	1.576	1.576	1.297	-0.279	-17.68%
Other Community	1.395	5.656	7.051	3.691	-3.360	-47.65%
Contingency	0.000	0.324	0.324	0.000	-0.324	-100.00%
Slippage Assumption	-21.694	0.000	-21.694	0.000	21.694	-100.00%
<b>Total Gross Expenditure</b>	<b>203.036</b>	<b>81.061</b>	<b>284.097</b>	<b>287.722</b>	<b>3.625</b>	<b>1.28%</b>
<b>Funding</b>	<b>Approved Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual Outturn</b>	<b>Outturn Variance</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
<i>Capital Receipts</i>						
General Asset Sales	3.000	1.037	4.037	9.117	5.080	125.85%
Other Capital Contributions (Edinburgh Living)	0.000	9.000	9.000	9.000	0.000	0.00%
Developers Contributions Applied	0.000	2.193	2.193	2.193	0.000	0.00%
Capital from Current Revenue	0.000	2.678	2.678	2.767	0.089	3.32%
<i>Total Capital Receipts from Asset Sales and Revenue</i>	<b>3.000</b>	<b>14.909</b>	<b>17.909</b>	<b>23.078</b>	<b>5.169</b>	<b>28.87%</b>
<i>Drawdown from/ (to) Capital Fund</i>	0.000	0.000	0.000	0.000	0.000	0.00%
<b>Total Capital Receipts and Contributions</b>	<b>3.000</b>	<b>14.909</b>	<b>17.909</b>	<b>23.078</b>	<b>5.169</b>	<b>28.87%</b>
<i>Grants</i>						
General Capital Grant	40.221	12.250	52.471	52.471	0.000	0.00%
Less: Contribution to Capital Fund (Pay Award)	0.000	-9.700	-9.700	-9.700	0.000	0.00%
Capital Grants Unapplied Account	0.000	17.905	17.905	17.905	0.000	0.00%
Specific Capital Grants - TMDF	45.182	10.000	55.182	55.182	0.000	0.00%
Specific Capital Grants - CWSS	2.310	0.195	2.505	2.505	0.000	0.00%
Specific Capital Grants - Place Based Investment Programm	1.735	0.006	1.741	1.741	0.000	0.00%
Specific Grants - Other	0.000	31.436	31.436	29.831	-1.606	-5.11%
<b>Total Grants</b>	<b>89.448</b>	<b>62.092</b>	<b>151.540</b>	<b>149.935</b>	<b>-1.606</b>	<b>-1.06%</b>
<b>Total Funding</b>	<b>92.448</b>	<b>77.001</b>	<b>169.449</b>	<b>173.013</b>	<b>3.564</b>	<b>2.10%</b>
<i>Borrowing</i>						
New Prudential Borrowing in Year	9.340	10.791	20.131	10.539	-9.592	-47.65%
New On-Lending in Year	16.972	3.057	20.029	18.400	-1.629	-8.13%
New Capital Advance - Trams to Newhaven	39.503	15.197	54.700	53.419	-1.281	-2.34%
New Capital Advance - General Fund	44.773	-24.985	19.788	32.351	12.564	63.49%
<b>Balance to be funded through Loans Fund Advance</b>	<b>110.588</b>	<b>4.060</b>	<b>114.648</b>	<b>114.709</b>	<b>0.062</b>	<b>0.05%</b>

## Appendix 2 - 2022-23 Capital Monitoring

### Housing Revenue Account

#### Month 12

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual Outturn	Outturn Variance	
	£m	£m	£m	£m	£m	%
Council Housebuilding Programme	43.332	-5.608	37.724	38.745	1.021	2.7%
Council Housebuilding Programme - Land Improvement to Council Homes and Estates	16.800	-2.456	14.344	17.109	2.766	19.3%
	66.687	0.000	66.687	65.481	-1.206	-1.8%
<b>Total Gross Expenditure</b>	<b>126.819</b>	<b>-8.064</b>	<b>118.755</b>	<b>121.335</b>	<b>2.580</b>	<b>2.2%</b>

Income	Approved Budget	Adjustments	Revised Budget	Actual Outturn	Outturn Variance	
	£m	£m	£m	£m	£m	%
Capital Funded From Revenue	23.300	-2.456	20.844	21.742	0.898	4.3%
Energy (HEEP:ABS) grant funding	5.000	0.000	5.000	3.993	-1.007	-20.1%
Developer contribution/market sales	0.000	0.000	0.000	5.490	5.490	N/A
Receipts from LLPs	6.444	0.000	6.444	9.646	3.202	49.7%
Scottish Government Subsidy (Social and Acquisition)	4.137	0.000	4.137	33.687	29.550	714.3%
<b>Total Income</b>	<b>38.881</b>	<b>-2.456</b>	<b>36.425</b>	<b>74.558</b>	<b>38.133</b>	<b>104.7%</b>

<b>Balance to be funded through Loans Fund Advance</b>	<b>87.938</b>	<b>-5.608</b>	<b>82.330</b>	<b>46.777</b>	<b>-35.552</b>	<b>-43.18%</b>
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**Appendix 3 - 2023-33 Revised Sustainable Capital Budget (Incorporating Period 12 out-turn slippage from 2022-23)**

SUMMARY	Approved	Actual	Re-profile	Additional	Internal	Revised	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Total	
	Budget	Slippage	to/from			Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget		Budget
	2023-24	2022-23	Later Years			2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32		2032-33
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
Learning Estate	90.403	-1.132	-43.251	12.312	1.770	60.102	136.132	133.883	52.237	10.233	26.498	12.944	0.740	0.000	0.000	432.768
Edinburgh Living LLPs	62.413	1.629	-50.278	0.000	0.000	13.764	70.500	92.071	10.804	0.000	0.000	0.000	0.000	0.000	0.000	187.139
Trams to Newhaven	3.507	1.281	0.000	7.493	0.000	12.281	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.281
Asset Management Works	1.689	8.186	0.000	0.000	0.000	9.875	35.677	41.635	26.071	16.000	16.000	14.000	14.000	15.350	14.000	202.608
Transport & Infrastructure	69.438	-2.340	-9.986	0.400	0.024	57.536	42.600	31.680	25.633	25.043	20.324	19.832	19.375	20.888	20.096	283.006
Place - Other	49.392	7.187	-6.595	17.389	-0.024	67.348	70.506	50.775	29.200	29.200	29.200	29.200	29.200	29.150	392.979	
Corporate Services	4.091	-0.704	-5.849	5.660	-1.770	1.427	7.446	0.669	0.678	0.615	0.615	0.615	0.000	0.000	0.000	12.066
Edinburgh Health and Social Care Partnership	0.000	0.279	-0.279	0.000	0.000	0.000	0.279	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.279
Other Community	2.065	3.360	-2.363	0.000	0.000	3.061	2.528	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	6.910
Contingency	0.000	0.324	-0.324	0.000	0.000	0.000	0.324	5.000	5.000	5.000	5.000	5.000	5.000	5.011	7.953	43.996
Slippage Assumption	-31.233	0.000	15.233	0.000	0.000	-16.000	-30.998	5.775	14.880	11.601	1.185	0.638	2.006	0.580	-0.170	-10.502
<b>Total Expenditure</b>	<b>251.764</b>	<b>18.069</b>	<b>-103.692</b>	<b>43.254</b>	<b>0.000</b>	<b>209.395</b>	<b>334.996</b>	<b>361.651</b>	<b>164.668</b>	<b>97.857</b>	<b>98.987</b>	<b>82.394</b>	<b>71.194</b>	<b>71.194</b>	<b>71.194</b>	<b>1,563.529</b>

Funding	Approved	Actual	Re-profile	Additional	Internal	Revised	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Total	
	Budget	Slippage	to/from			Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget		Budget
	2023-24	2022-23	Later Years			2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32		2032-33
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
<b>Capital receipts</b>																
General Asset Sales	7.000	0.000	0.000	0.000	0.000	7.000	4.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	35.000
Capital from Current Revenue	0.000	-0.089	0.000	0.867	0.000	0.778	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.778
Other Capital Contributions (Edinburgh Living)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Developers Contributions Applied	6.369	0.000	0.000	0.000	10.000	16.369	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16.369
Capital Fund drawdown	27.650	0.000	0.000	0.000	0.000	27.650	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.650
<b>Total Receipts</b>	<b>41.019</b>	<b>-0.089</b>	<b>0.000</b>	<b>0.867</b>	<b>10.000</b>	<b>51.797</b>	<b>4.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>79.797</b>
<b>Capital Grants</b>																
General Capital Grant	53.382	0.000	0.000	0.000	0.000	53.382	39.161	39.972	37.945	37.945	37.945	37.945	37.945	37.945	37.945	398.130
Less: Contribution to Capital Fund (Pay Award)	-9.709	0.000	0.000	0.000	0.000	-9.709	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-9.709
Capital Grants Unapplied Account	0.000	0.000	0.000	12.312	0.000	12.312	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.312
Specific Capital Grants - TMDF	27.950	0.000	0.000	17.103	0.000	45.053	45.211	45.960	27.950	27.950	27.950	27.950	27.950	27.950	27.950	331.874
Specific Capital Grants - CWSS	2.299	0.000	0.000	0.000	0.000	2.299	2.299	2.299	2.299	2.299	2.299	2.299	2.299	2.299	2.299	22.990
Specific Capital Grants - Place Based Investment Programme	1.209	0.000	0.000	0.000	0.000	1.209	1.209	1.209	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.627
Specific Grants - Other	0.000	0.000	0.000	1.506	0.000	1.506	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.506
<b>Total Grants</b>	<b>75.131</b>	<b>0.000</b>	<b>0.000</b>	<b>30.921</b>	<b>0.000</b>	<b>106.052</b>	<b>87.880</b>	<b>89.440</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>760.730</b>
New borrowing in year - Prudential (including GAM)	13.012	9.592	-6.806	0.000	-0.095	15.703	17.719	0.669	0.678	0.615	0.615	0.615	0.000	0.000	0.000	36.615
New borrowing in year - On-lending	62.413	1.629	-50.278	0.000	0.000	13.764	70.500	92.071	10.804	0.000	0.000	0.000	0.000	0.000	0.000	187.139
New borrowing in year - Trams to Newhaven	3.507	1.281	0.000	7.493	-10.000	2.281	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.281
Revenue Budget Framework - Enerphit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.000	0.000	0.000	0.000	0.000	0.000	0.000	10.000
New borrowing in year - General	56.682	5.656	-46.608	3.973	0.095	19.798	154.896	176.472	71.992	26.048	27.178	10.585	0.000	0.000	0.000	486.968
<b>Total Borrowing</b>	<b>135.614</b>	<b>18.158</b>	<b>-103.692</b>	<b>11.466</b>	<b>-10.000</b>	<b>51.546</b>	<b>243.116</b>	<b>269.211</b>	<b>93.474</b>	<b>26.663</b>	<b>27.793</b>	<b>11.200</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>723.002</b>
<b>Total Funding</b>	<b>251.764</b>	<b>18.069</b>	<b>-103.692</b>	<b>43.254</b>	<b>0.000</b>	<b>209.395</b>	<b>334.996</b>	<b>361.651</b>	<b>164.668</b>	<b>97.857</b>	<b>98.987</b>	<b>82.394</b>	<b>71.194</b>	<b>71.194</b>	<b>71.194</b>	<b>1,563.529</b>
<b>Funding Deficit/(Surplus)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Appendix 4 : 2023-33 Revised HRA Capital Budget**

HRA Five Year Capital Investment Programme and Ten-Year Investment Strategy

Programme Heading	1	1	1	2	3	4	5	5 Year	6 to 10	10 Year
	Approved Budget 2023/24	Re-profile to/from Later Years 2023-24	Revised Budget 2023/24	2024/25	2025/26	2026/27	2027/28	Total	2028/29 to 2032/33	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
New Homes Development	99.027	-41.276	57.751	150.475	127.123	149.064	137.969	622.382	317.983	940.365
New Home Land Costs	2.064	0.840	2.904	2.160	0.000	4.875	4.875	14.814	5.000	19.814
Tenant's Homes & Services (20-yr borrowing)	12.567	-1.413	11.153	14.082	12.885	14.621	14.399	67.139	68.110	135.250
External Fabric and Estates (30-yr borrowing)	59.704	-6.714	52.990	71.786	62.241	64.151	63.487	314.655	304.410	619.065
<b>Total Expenditure</b>	<b>173.361</b>	<b>-48.563</b>	<b>124.798</b>	<b>238.504</b>	<b>202.249</b>	<b>232.711</b>	<b>220.729</b>	<b>1,018.990</b>	<b>695.503</b>	<b>1,714.493</b>
Prudential Borrowing	61.681	7.183	68.864	100.207	45.137	70.986	110.480	395.675	309.737	705.412
Capital Funded From Revenue	23.300	0.000	23.300	18.300	18.300	18.300	18.300	96.500	106.300	202.800
Capital Receipts and Contributions	14.520	-6.820	7.700	29.967	23.862	45.096	41.697	148.322	167.521	315.844
Receipts from LLPs	45.809	-31.059	14.750	54.600	87.948	60.838	33.026	251.163	26.175	277.338
Scottish Government Subsidy (Social)	26.131	-16.907	9.224	33.510	26.042	36.530	16.265	121.570	80.970	202.540
Scottish Government Subsidy (Acquisition)	1.920	-0.960	0.960	1.920	0.960	0.960	0.960	5.760	4.800	10.560
<b>Total Funding</b>	<b>173.361</b>	<b>-48.563</b>	<b>124.798</b>	<b>238.504</b>	<b>202.249</b>	<b>232.711</b>	<b>220.729</b>	<b>1,018.990</b>	<b>695.503</b>	<b>1,714.493</b>

## Appendix 5 - 2023/24 Budget Prudential Indicators

### Indicator 1 - Estimate of Capital Expenditure

The actual capital expenditure that was incurred in 2022-23 and the estimates of capital expenditure to be incurred for the current and future years:

	Capital Expenditure - General Services					
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000	£000
<b>Rolled Forward Capital Investment Programme</b>						
Learning Estate	46,465	60,102	136,132	133,883	52,237	10,233
Asset Management Works	10,497	9,875	35,677	41,635	26,071	16,000
Transport and Infrastructure	65,393	57,536	42,600	31,680	25,633	25,043
Place - Other Projects	77,257	67,348	70,506	50,775	29,200	29,200
Corporate Services	2,304	1,427	7,446	669	678	615
Edinburgh Health and Social Care Partnership	1,297	0	279	0	0	0
Other Community (inc Libraries and Sports Centres)	3,691	3,061	2,528	165	165	165
Trams to Newhaven	53,419	12,281	0	0	0	0
Edinburgh Living LLPs	27,400	13,764	70,500	92,071	10,804	0
Contingency	0	0	324	5,000	5,000	5,000
General (slippage) / acceleration across the programme	0	-16,000	-30,998	5,775	14,880	11,601
<b>Total General Services Capital Expenditure</b>	<b>287,722</b>	<b>209,395</b>	<b>334,996</b>	<b>361,651</b>	<b>164,668</b>	<b>97,857</b>

The Place - Trams to Newhaven figures include capitalised interest following a change in accounting policy approved by Finance and Resources Committee on 21 January 2021. Note that the 2023-2028 Capital Investment Programme includes slippage / acceleration brought forward based on projected capital expenditure reported at the month three stage.

	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000	£000
<b>Rolled Forward Capital Investment Programme</b>						
Housing Revenue Account	121,335	124,798	238,504	202,249	232,711	220,729

### Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years and the actual figures for 2022-23 are:

	Ratio of Financing Costs to Net Revenue Stream					
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	%	%	%	%	%	%
General Services	7.2%	7.6%	8.0%	8.2%	8.4%	8.4%
Housing Revenue Account (HRA)	33.9%	31.0%	32.2%	34.8%	36.2%	36.9%

Note: Figures for 2024/25 onwards are indicative at this stage as the Council has not set a General Services or HRA budget for these years.

### Indicator 3 - Capital Financing Requirement

Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31 March 2023 are:

	Capital Financing Requirement					
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m	£m
General Services (including Finance Leases / Right of Use Assets)	1,596	1,575	1,681	1,788	1,798	1,752
Housing Revenue Account (HRA)	423	471	550	571	617	700
NHT LLPs	44	32	24	15	0	0
Edinburgh Living LLPs	59	72	142	232	240	237
<b>Total Capital Financing Requirement</b>	<b>2,122</b>	<b>2,151</b>	<b>2,397</b>	<b>2,606</b>	<b>2,655</b>	<b>2,689</b>

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all of the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying

The capital financing requirement for the NHT LLPs includes an estimate for repayments of advances. Exit strategies are still to be finalised for the remaining three LLPs, however five have now repaid their loans in full.

CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence.

In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	Gross Debt and the Capital Financing Requirement					
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m	£m
Gross Debt	1,879	1,910	2,023	2,079	2,087	2,094
Capital Financing Requirements	2,122	2,151	2,397	2,606	2,655	2,689
<b>(Over) / under limit by:</b>	<b>243</b>	<b>241</b>	<b>374</b>	<b>527</b>	<b>568</b>	<b>596</b>

The authority does not currently envisage borrowing in excess of its capital financing requirement over the next few years. This takes into account current commitments, existing plans and assumptions around cash balances and the proposals in this budget. The figures do not include any expenditure and associated funding requirements, other than projects specifically approved by Council, for the Local Development Plan (LDP) or City Deal.

From 2022/2023, the Authority has applied IFRS 16 Leases as adopted by the Code of Accounting Practice. This will subsequently have an impact on the Capital Financing Requirement (CFR) as from the 2022/23 financial year. The capital financing requirement has been adjusted by £51m for 'Right of Use Assets' under IFRS16. This will similarly have an impact on the authorised limit and operational boundary for external debt.



#### Indicator 4 - Authorised Limit for External Debt

The authorised limit should reflect a level of borrowing which, while not desired, could be afforded, but may not be sustainable. "Credit Arrangements" as defined by Financial Regulations, has been used to calculate the authorised and operational limits requiring both the short and long term liabilities relating to finance leases and PFI assets to be considered. These limits separately identify borrowing under credit arrangements including finance leases and PFI assets. Council has delegated authority to the Service Director for Finance and Procurement, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and credit arrangements, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its meeting following the change.

	Authorised Limit for External Debt					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m
Borrowing	1,900	2,093	2,435	2,784	2,912	2,964
Credit Arrangements (including leases and Right of Use assets)	423	405	394	384	377	372
<b>Authorised Limit for External Debt</b>	<b>2,323</b>	<b>2,498</b>	<b>2,828</b>	<b>3,168</b>	<b>3,289</b>	<b>3,336</b>

These authorised limits are consistent with the authority's current commitments, existing plans and the proposals in this budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of most likely (but not worst case) scenario with sufficient headroom to allow for operational treasury management. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

#### Indicator 5 - Operational Boundary for External Debt

The operational boundary equates to the estimated maximum of external debt. It is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and credit arrangements are separately identified. The Council has also delegated authority to the Service Director for Finance and Procurement, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and credit arrangements, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	Operational Boundary for External Debt					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m
Borrowing	1,850	2,043	2,385	2,734	2,862	2,914
Credit Arrangements (including leases)	423	405	394	384	377	372
<b>Operational Boundary for External Debt</b>	<b>2,273</b>	<b>2,448</b>	<b>2,778</b>	<b>3,118</b>	<b>3,239</b>	<b>3,286</b>

The Council's actual external debt at 31 March 2023 was £1,870m (including sums repayable within 12 months).

#### Indicator 6 - Loans Charges Associated with net Capital Investment expenditure plans

The authority can set its own local indicators to measure the affordability of its capital investment plans. The Service Director for Finance and Procurement considers that Council should be advised of the loans charges cost implications which will result from the spending plans being considered for approval. These cost implications have been included in the Council's Revenue and HRA budgets for 2023-24 and for future years will be considered as part of the longer term financial frameworks.

	Loans Charges Liability					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
General Services (excluding On-Lending and Tram to Newhaven) - New Loans Fund Advances						
Loans Fund Advances in year	42,890	35,501	172,616	177,141	82,670	26,663
Year 1 - Interest Only	858	710	3,452	3,543	1,653	533
Year 2 - Interest and Principal Repayment	3,145	2,603	12,658	12,990	6,062	1,955
Housing Revenue Account (HRA) - New Loans Fund Advances						
Loans Fund Advances in year (excl. LLP programme *)	46,777	68,864	100,207	45,137	70,986	110,480
Year 1 - Interest Only	994	1,463	2,129	959	1,508	2,348
Year 2 - Interest and Principal Repayment	1,988	2,927	4,259	1,918	3,017	4,695

\* The loans charges associated with the borrowing required for the house building programme for onward transferred to the LLPs will be met from the LLPs and does therefore not have a net impact on the HRA or General Services revenue budget. Tram repayments are based on the income model and will commence from 2023/24 as the line to Newhaven is operational.

#### Consideration of options for the capital programme

In considering its programme for capital investment, Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax or house rents;
- prudence and sustainability, e.g. implications for external borrowing;
- value for money, e.g. option appraisal;
- stewardship of assets, e.g. asset management planning;
- service objectives, e.g. strategic planning for the authority;
- practicality, e.g. achievability of the forward plan.

## Appendix 6 - 2023-24 Capital Monitoring

### General Fund Summary

#### Period 3

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£m	£m	£m	£m	£m	£m	%
Learning Estate	90.403	-30.301	60.102	13.424	60.102	0.000	0.00%
Edinburgh Living LLPs	62.413	-48.649	13.764	2.511	13.764	0.000	0.00%
Trams to Newhaven	3.507	8.774	12.281	8.816	12.281	0.000	0.00%
Asset Management Works	1.689	8.186	9.875	0.900	9.875	0.000	0.00%
Transport & Infrastructure	69.438	-11.902	57.536	17.231	57.536	0.000	0.00%
Place - Other	49.392	17.957	67.348	6.750	67.348	0.000	0.00%
Corporate Services	4.091	-2.664	1.427	0.367	1.427	0.000	0.00%
Edinburgh Health and Social Care Partnership	0.000	0.000	0.000	0.000	0.000	0.000	0.00%
Other Community	2.065	0.996	3.061	0.938	3.061	0.000	0.00%
Contingency	0.000	0.000	0.000	0.000	0.000	0.000	0.00%
Slippage Assumption	-31.233	15.233	-16.000	0.000	-16.000	0.000	0.00%
<b>Total Gross Expenditure</b>	<b>251.764</b>	<b>-42.369</b>	<b>209.395</b>	<b>50.938</b>	<b>209.395</b>	<b>0.000</b>	<b>0.00%</b>

Funding	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£m	£m	£m	£m	£m	£m	%
<i>Capital Receipts</i>							
General Asset Sales	7.000	0.000	7.000	1.080	7.000	0.000	0.00%
Capital from Current Revenue	0.000	0.778	0.778	0.000	0.778	0.000	0.00%
Other Capital Contributions (Edinburgh Living)	0.000	0.000	0.000	0.000	0.000	0.000	0.00%
Developers Contributions Applied	6.369	10.000	16.369	0.012	16.369	0.000	0.00%
<i>Total Capital Receipts from Asset Sales</i>	<i>13.369</i>	<i>10.778</i>	<i>24.147</i>	<i>1.092</i>	<i>24.147</i>	<i>0.000</i>	<i>0.00%</i>
<i>Drawdown from/ (to) Capital Fund</i>	<i>27.650</i>	<i>0.000</i>	<i>27.650</i>	<i>0.000</i>	<i>27.650</i>	<i>0.000</i>	<i>0.00%</i>
<b>Total Capital Receipts and Contributions</b>	<b>41.019</b>	<b>10.778</b>	<b>51.797</b>	<b>1.092</b>	<b>51.797</b>	<b>0.000</b>	<b>0.00%</b>
<i>Grants</i>							
General Capital Grant	53.382	0.000	53.382	12.149	53.382	0.000	0.00%
Less: Contribution to Capital Fund (Pay Award)	-9.709	0.000	-9.709	0.000	-9.709	0.000	0.00%
Capital Grants Unapplied Account	0.000	12.312	12.312	0.000	12.312	0.000	0.00%
Specific Capital Grants - TMDF	27.950	17.103	45.053	0.000	45.053	0.000	0.00%
Specific Capital Grants - CWSS	2.299	0.000	2.299	-1.563	2.299	0.000	0.00%
Specific Capital Grants - Place Based Investment Programme	1.209	0.000	1.209	0.000	1.209	0.000	0.00%
Specific Grants - Other	0.000	1.506	1.506	-3.371	1.506	0.000	0.00%
<b>Total Grants</b>	<b>75.131</b>	<b>30.921</b>	<b>106.052</b>	<b>7.215</b>	<b>106.052</b>	<b>0.000</b>	<b>0.00%</b>
<b>Total Funding</b>	<b>116.150</b>	<b>41.699</b>	<b>157.849</b>	<b>8.307</b>	<b>157.849</b>	<b>0.000</b>	<b>0.00%</b>
<i>Borrowing</i>							
New Prudential Borrowing in Year	13.012	2.691	15.703	0.000	15.703	0.000	0.00%
New On-Lending in Year	62.413	-48.649	13.764	2.511	13.764	0.000	0.00%
New Capital Advance - Trams to Newhaven	3.507	-1.226	2.281	8.816	2.281	0.000	0.00%
New Capital Advance - General Fund	56.682	-36.884	19.798	31.304	19.798	0.000	0.00%
<b>Balance to be funded through Loans Fund Advance</b>	<b>135.614</b>	<b>-84.068</b>	<b>51.546</b>	<b>42.631</b>	<b>51.546</b>	<b>0.000</b>	<b>0.00%</b>

## Appendix 7 - 2023-24 Capital Monitoring

### Housing Revenue Account

#### Period 3

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£m	£m	£m	£m	£m	£m	%
New Homes Development	99.027	-41.276	57.751	11.787	57.751	0.000	0.0%
New Homes Land Costs	2.064	0.840	2.904	0.046	2.904	0.000	0.0%
Improvement to Council Homes and Estates	72.271	-8.127	64.143	6.458	64.143	0.000	0.0%
<b>Total Gross Expenditure</b>	<b>173.361</b>	<b>-48.563</b>	<b>124.798</b>	<b>18.292</b>	<b>124.798</b>	<b>0.000</b>	<b>0.0%</b>
Income	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£m	£m	£m	£m	£m	£m	%
Capital Funded From Revenue	23.300	0.000	23.300	0.000	23.300	0.000	0.0%
Energy (HEEP:ABS) grant funding	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
Developer contribution/market sales	14.520	-6.820	7.700	0.051	7.700	0.000	0.0%
Receipts from LLPs*	45.809	-31.059	14.750	4.750	14.750	0.000	0.0%
Scottish Government Subsidy (Social and Acquisition)	28.051	-17.867	10.184	0.000	10.184	0.000	0.0%
<b>Total Income</b>	<b>111.680</b>	<b>-55.746</b>	<b>55.934</b>	<b>4.801</b>	<b>55.934</b>	<b>0.000</b>	<b>0.0%</b>
<b>Balance to be funded through Loans Fund Advance</b>	<b>61.681</b>	<b>7.183</b>	<b>68.864</b>	<b>13.491</b>	<b>68.864</b>	<b>0.000</b>	<b>0%</b>

## Appendix 1 - 2022-23 Capital Monitoring

### General Fund Summary

#### Month 12

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual Outturn	Outturn Variance	
	£m	£m	£m	£m	£m	%
Learning Estate	31.645	13.680	45.325	46.465	1.140	2.51%
Edinburgh Living LLPs	16.972	12.057	29.029	27.400	-1.629	-5.61%
Trams to Newhaven	39.503	15.197	54.700	53.419	-1.281	-2.34%
Asset Management Works	29.425	-10.823	18.602	10.497	-8.105	-43.57%
Transport & Infrastructure	48.436	14.617	63.053	65.393	2.340	3.71%
Place - Other	56.547	27.897	84.444	77.257	-7.187	-8.51%
Corporate Services	0.807	0.881	1.688	2.304	0.615	36.46%
Edinburgh Health and Social Care Partnership	0.000	1.576	1.576	1.297	-0.279	-17.68%
Other Community	1.395	5.656	7.051	3.691	-3.360	-47.65%
Contingency	0.000	0.324	0.324	0.000	-0.324	-100.00%
Slippage Assumption	-21.694	0.000	-21.694	0.000	21.694	-100.00%
<b>Total Gross Expenditure</b>	<b>203.036</b>	<b>81.061</b>	<b>284.097</b>	<b>287.722</b>	<b>3.625</b>	<b>1.28%</b>

Funding	Approved Budget	Adjustments	Revised Budget	Actual Outturn	Outturn Variance	
	£m	£m	£m	£m	£m	%
<i>Capital Receipts</i>						
General Asset Sales	3.000	1.037	4.037	9.117	5.080	125.85%
Other Capital Contributions (Edinburgh Living)	0.000	9.000	9.000	9.000	0.000	0.00%
Developers Contributions Applied	0.000	2.193	2.193	2.193	0.000	0.00%
Capital from Current Revenue	0.000	2.678	2.678	2.767	0.089	3.32%
<i>Total Capital Receipts from Asset Sales and Revenue</i>	<b>3.000</b>	<b>14.909</b>	<b>17.909</b>	<b>23.078</b>	<b>5.169</b>	<b>28.87%</b>
<i>Drawdown from/ (to) Capital Fund</i>	0.000	0.000	0.000	0.000	0.000	0.00%
<b>Total Capital Receipts and Contributions</b>	<b>3.000</b>	<b>14.909</b>	<b>17.909</b>	<b>23.078</b>	<b>5.169</b>	<b>28.87%</b>
<i>Grants</i>						
General Capital Grant	40.221	12.250	52.471	52.471	0.000	0.00%
Less: Contribution to Capital Fund (Pay Award)	0.000	-9.700	-9.700	-9.700	0.000	0.00%
Capital Grants Unapplied Account	0.000	17.905	17.905	17.905	0.000	0.00%
Specific Capital Grants - TMDF	45.182	10.000	55.182	55.182	0.000	0.00%
Specific Capital Grants - CWSS	2.310	0.195	2.505	2.505	0.000	0.00%
Specific Capital Grants - Place Based Investment Programm	1.735	0.006	1.741	1.741	0.000	0.00%
Specific Grants - Other	0.000	31.436	31.436	29.831	-1.606	-5.11%
<b>Total Grants</b>	<b>89.448</b>	<b>62.092</b>	<b>151.540</b>	<b>149.935</b>	<b>-1.606</b>	<b>-1.06%</b>
<b>Total Funding</b>	<b>92.448</b>	<b>77.001</b>	<b>169.449</b>	<b>173.013</b>	<b>3.564</b>	<b>2.10%</b>
<i>Borrowing</i>						
New Prudential Borrowing in Year	9.340	10.791	20.131	10.539	-9.592	-47.65%
New On-Lending in Year	16.972	3.057	20.029	18.400	-1.629	-8.13%
New Capital Advance - Trams to Newhaven	39.503	15.197	54.700	53.419	-1.281	-2.34%
New Capital Advance - General Fund	44.773	-24.985	19.788	32.351	12.564	63.49%
<b>Balance to be funded through Loans Fund Advance</b>	<b>110.588</b>	<b>4.060</b>	<b>114.648</b>	<b>114.709</b>	<b>0.062</b>	<b>0.05%</b>

## Appendix 2 - 2022-23 Capital Monitoring

### Housing Revenue Account

#### Month 12

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual Outturn	Outturn Variance	
	£m	£m	£m	£m	£m	%
Council Housebuilding Programme	43.332	-5.608	37.724	38.745	1.021	2.7%
Council Housebuilding Programme - Land Improvement to Council Homes and Estates	16.800	-2.456	14.344	17.109	2.766	19.3%
	66.687	0.000	66.687	65.481	-1.206	-1.8%
<b>Total Gross Expenditure</b>	<b>126.819</b>	<b>-8.064</b>	<b>118.755</b>	<b>121.335</b>	<b>2.580</b>	<b>2.2%</b>

Income	Approved Budget	Adjustments	Revised Budget	Actual Outturn	Outturn Variance	
	£m	£m	£m	£m	£m	%
Capital Funded From Revenue	23.300	-2.456	20.844	21.742	0.898	4.3%
Energy (HEEP:ABS) grant funding	5.000	0.000	5.000	3.993	-1.007	-20.1%
Developer contribution/market sales	0.000	0.000	0.000	5.490	5.490	N/A
Receipts from LLPs	6.444	0.000	6.444	9.646	3.202	49.7%
Scottish Government Subsidy (Social and Acquisition)	4.137	0.000	4.137	33.687	29.550	714.3%
<b>Total Income</b>	<b>38.881</b>	<b>-2.456</b>	<b>36.425</b>	<b>74.558</b>	<b>38.133</b>	<b>104.7%</b>

<b>Balance to be funded through Loans Fund Advance</b>	<b>87.938</b>	<b>-5.608</b>	<b>82.330</b>	<b>46.777</b>	<b>-35.552</b>	<b>-43.18%</b>
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**Appendix 3 - 2023-33 Revised Sustainable Capital Budget (Incorporating Period 12 out-turn slippage from 2022-23)**

SUMMARY	Approved Budget	Actual Slippage	Re-profile to/from Later Years	Additional Funding	Internal Virements	Revised Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Total Budget
	2023-24	2022-23	2023-24	£m	£m	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2023-2033
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Learning Estate	90.403	-1.132	-43.251	12.312	1.770	60.102	136.132	133.883	52.237	10.233	26.498	12.944	0.740	0.000	0.000	432.768
Edinburgh Living LLPs	62.413	1.629	-50.278	0.000	0.000	13.764	70.500	92.071	10.804	0.000	0.000	0.000	0.000	0.000	0.000	187.139
Trams to Newhaven	3.507	1.281	0.000	7.493	0.000	12.281	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.281
Asset Management Works	1.689	8.186	0.000	0.000	0.000	9.875	35.677	41.635	26.071	16.000	16.000	14.000	14.000	15.350	14.000	202.608
Transport & Infrastructure	69.438	-2.340	-9.986	0.400	0.024	57.536	42.600	31.680	25.633	25.043	20.324	19.832	19.375	20.888	20.096	283.006
Place - Other	49.392	7.187	-6.595	17.389	-0.024	67.348	70.506	50.775	29.200	29.200	29.200	29.200	29.200	29.150	29.150	392.979
Corporate Services	4.091	-0.704	-5.849	5.660	-1.770	1.427	7.446	0.669	0.678	0.615	0.615	0.615	0.000	0.000	0.000	12.066
Edinburgh Health and Social Care Partnership	0.000	0.279	-0.279	0.000	0.000	0.000	0.279	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.279
Other Community	2.065	3.360	-2.363	0.000	0.000	3.061	2.528	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	6.910
Contingency	0.000	0.324	-0.324	0.000	0.000	0.000	0.324	5.000	5.000	5.000	5.000	5.000	5.078	5.011	7.953	43.996
Slippage Assumption	-31.233	0.000	15.233	0.000	0.000	-16.000	-30.998	5.775	14.880	11.601	1.185	0.638	2.006	0.580	-0.170	-10.502
<b>Total Expenditure</b>	<b>251.764</b>	<b>18.069</b>	<b>-103.692</b>	<b>43.254</b>	<b>0.000</b>	<b>209.395</b>	<b>334.996</b>	<b>361.651</b>	<b>164.668</b>	<b>97.857</b>	<b>98.987</b>	<b>82.394</b>	<b>71.194</b>	<b>71.194</b>	<b>71.194</b>	<b>1,563.529</b>

Funding	Approved Budget	Actual Slippage	Re-profile to/from Later Years	Additional Funding	Internal Virements	Revised Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget	Total Budget
	2023-24	2022-23	2023-24	£m	£m	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2023-2033
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Capital receipts</b>																
General Asset Sales	7.000	0.000	0.000	0.000	0.000	7.000	4.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	35.000
Capital from Current Revenue	0.000	-0.089	0.000	0.867	0.000	0.778	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.778
Other Capital Contributions (Edinburgh Living)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Developers Contributions Applied	6.369	0.000	0.000	0.000	10.000	16.369	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16.369
Capital Fund drawdown	27.650	0.000	0.000	0.000	0.000	27.650	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.650
<b>Total Receipts</b>	<b>41.019</b>	<b>-0.089</b>	<b>0.000</b>	<b>0.867</b>	<b>10.000</b>	<b>51.797</b>	<b>4.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>79.797</b>
<b>Capital Grants</b>																
General Capital Grant	53.382	0.000	0.000	0.000	0.000	53.382	39.161	39.972	37.945	37.945	37.945	37.945	37.945	37.945	37.945	398.130
Less: Contribution to Capital Fund (Pay Award)	-9.709	0.000	0.000	0.000	0.000	-9.709	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-9.709
Capital Grants Unapplied Account	0.000	0.000	0.000	12.312	0.000	12.312	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.312
Specific Capital Grants - TMDF	27.950	0.000	0.000	17.103	0.000	45.053	45.211	45.960	27.950	27.950	27.950	27.950	27.950	27.950	27.950	331.874
Specific Capital Grants - CWSS	2.299	0.000	0.000	0.000	0.000	2.299	2.299	2.299	2.299	2.299	2.299	2.299	2.299	2.299	2.299	22.990
Specific Capital Grants - Place Based Investment Programme	1.209	0.000	0.000	0.000	0.000	1.209	1.209	1.209	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.627
Specific Grants - Other	0.000	0.000	0.000	1.506	0.000	1.506	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.506
<b>Total Grants</b>	<b>75.131</b>	<b>0.000</b>	<b>0.000</b>	<b>30.921</b>	<b>0.000</b>	<b>106.052</b>	<b>87.880</b>	<b>89.440</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>68.194</b>	<b>760.730</b>
New borrowing in year - Prudential (including GAM)	13.012	9.592	-6.806	0.000	-0.095	15.703	17.719	0.669	0.678	0.615	0.615	0.615	0.000	0.000	0.000	36.615
New borrowing in year - On-lending	62.413	1.629	-50.278	0.000	0.000	13.764	70.500	92.071	10.804	0.000	0.000	0.000	0.000	0.000	0.000	187.139
New borrowing in year - Trams to Newhaven	3.507	1.281	0.000	7.493	-10.000	2.281	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.281
Revenue Budget Framework - Enerphit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.000	0.000	0.000	0.000	0.000	0.000	0.000	10.000
New borrowing in year - General	56.682	5.656	-46.608	3.973	0.095	19.798	154.896	176.472	71.992	26.048	27.178	10.585	0.000	0.000	0.000	486.968
<b>Total Borrowing</b>	<b>135.614</b>	<b>18.158</b>	<b>-103.692</b>	<b>11.466</b>	<b>-10.000</b>	<b>51.546</b>	<b>243.116</b>	<b>269.211</b>	<b>93.474</b>	<b>26.663</b>	<b>27.793</b>	<b>11.200</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>723.002</b>
<b>Total Funding</b>	<b>251.764</b>	<b>18.069</b>	<b>-103.692</b>	<b>43.254</b>	<b>0.000</b>	<b>209.395</b>	<b>334.996</b>	<b>361.651</b>	<b>164.668</b>	<b>97.857</b>	<b>98.987</b>	<b>82.394</b>	<b>71.194</b>	<b>71.194</b>	<b>71.194</b>	<b>1,563.529</b>
<b>Funding Deficit/(Surplus)</b>	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-

**Appendix 4 : 2023-33 Revised HRA Capital Budget**

HRA Five Year Capital Investment Programme and Ten-Year Investment Strategy

Programme Heading	1	1	1	2	3	4	5	5 Year	6 to 10	10 Year
	Approved Budget 2023/24	Re-profile to/from Later Years 2023-24	Revised Budget 2023/24	2024/25	2025/26	2026/27	2027/28	Total	2028/29 to 2032/33	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
New Homes Development	99.027	-41.276	57.751	150.475	127.123	149.064	137.969	622.382	317.983	940.365
New Home Land Costs	2.064	0.840	2.904	2.160	0.000	4.875	4.875	14.814	5.000	19.814
Tenant's Homes & Services (20-yr borrowing)	12.567	-1.413	11.153	14.082	12.885	14.621	14.399	67.139	68.110	135.250
External Fabric and Estates (30-yr borrowing)	59.704	-6.714	52.990	71.786	62.241	64.151	63.487	314.655	304.410	619.065
<b>Total Expenditure</b>	<b>173.361</b>	<b>-48.563</b>	<b>124.798</b>	<b>238.504</b>	<b>202.249</b>	<b>232.711</b>	<b>220.729</b>	<b>1,018.990</b>	<b>695.503</b>	<b>1,714.493</b>
Prudential Borrowing	61.681	7.183	68.864	100.207	45.137	70.986	110.480	395.675	309.737	705.412
Capital Funded From Revenue	23.300	0.000	23.300	18.300	18.300	18.300	18.300	96.500	106.300	202.800
Capital Receipts and Contributions	14.520	-6.820	7.700	29.967	23.862	45.096	41.697	148.322	167.521	315.844
Receipts from LLPs	45.809	-31.059	14.750	54.600	87.948	60.838	33.026	251.163	26.175	277.338
Scottish Government Subsidy (Social)	26.131	-16.907	9.224	33.510	26.042	36.530	16.265	121.570	80.970	202.540
Scottish Government Subsidy (Acquisition)	1.920	-0.960	0.960	1.920	0.960	0.960	0.960	5.760	4.800	10.560
<b>Total Funding</b>	<b>173.361</b>	<b>-48.563</b>	<b>124.798</b>	<b>238.504</b>	<b>202.249</b>	<b>232.711</b>	<b>220.729</b>	<b>1,018.990</b>	<b>695.503</b>	<b>1,714.493</b>

## Appendix 5 - 2023/24 Budget Prudential Indicators

### Indicator 1 - Estimate of Capital Expenditure

The actual capital expenditure that was incurred in 2022-23 and the estimates of capital expenditure to be incurred for the current and future years:

	Capital Expenditure - General Services					
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000	£000
<b>Rolled Forward Capital Investment Programme</b>						
Learning Estate	46,465	60,102	136,132	133,883	52,237	10,233
Asset Management Works	10,497	9,875	35,677	41,635	26,071	16,000
Transport and Infrastructure	65,393	57,536	42,600	31,680	25,633	25,043
Place - Other Projects	77,257	67,348	70,506	50,775	29,200	29,200
Corporate Services	2,304	1,427	7,446	669	678	615
Edinburgh Health and Social Care Partnership	1,297	0	279	0	0	0
Other Community (inc Libraries and Sports Centres)	3,691	3,061	2,528	165	165	165
Trams to Newhaven	53,419	12,281	0	0	0	0
Edinburgh Living LLPs	27,400	13,764	70,500	92,071	10,804	0
Contingency	0	0	324	5,000	5,000	5,000
General (slippage) / acceleration across the programme	0	-16,000	-30,998	5,775	14,880	11,601
<b>Total General Services Capital Expenditure</b>	<b>287,722</b>	<b>209,395</b>	<b>334,996</b>	<b>361,651</b>	<b>164,668</b>	<b>97,857</b>

The Place - Trams to Newhaven figures include capitalised interest following a change in accounting policy approved by Finance and Resources Committee on 21 January 2021. Note that the 2023-2028 Capital Investment Programme includes slippage / acceleration brought forward based on projected capital expenditure reported at the month three stage.

	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000	£000
<b>Rolled Forward Capital Investment Programme</b>						
Housing Revenue Account	121,335	124,798	238,504	202,249	232,711	220,729

### Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years and the actual figures for 2022-23 are:

	Ratio of Financing Costs to Net Revenue Stream					
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	%	%	%	%	%	%
General Services	7.2%	7.6%	8.0%	8.2%	8.4%	8.4%
Housing Revenue Account (HRA)	33.9%	31.0%	32.2%	34.8%	36.2%	36.9%

Note: Figures for 2024/25 onwards are indicative at this stage as the Council has not set a General Services or HRA budget for these years.

### Indicator 3 - Capital Financing Requirement

Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31 March 2023 are:

	Capital Financing Requirement					
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m	£m
General Services (including Finance Leases / Right of Use Assets)	1,596	1,575	1,681	1,788	1,798	1,752
Housing Revenue Account (HRA)	423	471	550	571	617	700
NHT LLPs	44	32	24	15	0	0
Edinburgh Living LLPs	59	72	142	232	240	237
<b>Total Capital Financing Requirement</b>	<b>2,122</b>	<b>2,151</b>	<b>2,397</b>	<b>2,606</b>	<b>2,655</b>	<b>2,689</b>

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequences of all of the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying

The capital financing requirement for the NHT LLPs includes an estimate for repayments of advances. Exit strategies are still to be finalised for the remaining three LLPs, however five have now repaid their loans in full.

CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence.

In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	Gross Debt and the Capital Financing Requirement					
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m	£m
Gross Debt	1,879	1,910	2,023	2,079	2,087	2,094
Capital Financing Requirements	2,122	2,151	2,397	2,606	2,655	2,689
<b>(Over) / under limit by:</b>	<b>243</b>	<b>241</b>	<b>374</b>	<b>527</b>	<b>568</b>	<b>596</b>

The authority does not currently envisage borrowing in excess of its capital financing requirement over the next few years. This takes into account current commitments, existing plans and assumptions around cash balances and the proposals in this budget. The figures do not include any expenditure and associated funding requirements, other than projects specifically approved by Council, for the Local Development Plan (LDP) or City Deal.

From 2022/2023, the Authority has applied IFRS 16 Leases as adopted by the Code of Accounting Practice. This will subsequently have an impact on the Capital Financing Requirement (CFR) as from the 2022/23 financial year. The capital financing requirement has been adjusted by £51m for 'Right of Use Assets' under IFRS16. This will similarly have an impact on the authorised limit and operational boundary for external debt.



#### Indicator 4 - Authorised Limit for External Debt

The authorised limit should reflect a level of borrowing which, while not desired, could be afforded, but may not be sustainable. "Credit Arrangements" as defined by Financial Regulations, has been used to calculate the authorised and operational limits requiring both the short and long term liabilities relating to finance leases and PFI assets to be considered. These limits separately identify borrowing under credit arrangements including finance leases and PFI assets. Council has delegated authority to the Service Director for Finance and Procurement, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and credit arrangements, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its meeting following the change.

	Authorised Limit for External Debt					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m
Borrowing	1,900	2,093	2,435	2,784	2,912	2,964
Credit Arrangements (including leases and Right of Use assets)	423	405	394	384	377	372
<b>Authorised Limit for External Debt</b>	<b>2,323</b>	<b>2,498</b>	<b>2,828</b>	<b>3,168</b>	<b>3,289</b>	<b>3,336</b>

These authorised limits are consistent with the authority's current commitments, existing plans and the proposals in this budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of most likely (but not worst case) scenario with sufficient headroom to allow for operational treasury management. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

#### Indicator 5 - Operational Boundary for External Debt

The operational boundary equates to the estimated maximum of external debt. It is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and credit arrangements are separately identified. The Council has also delegated authority to the Service Director for Finance and Procurement, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and credit arrangements, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	Operational Boundary for External Debt					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m
Borrowing	1,850	2,043	2,385	2,734	2,862	2,914
Credit Arrangements (including leases)	423	405	394	384	377	372
<b>Operational Boundary for External Debt</b>	<b>2,273</b>	<b>2,448</b>	<b>2,778</b>	<b>3,118</b>	<b>3,239</b>	<b>3,286</b>

The Council's actual external debt at 31 March 2023 was £1,870m (including sums repayable within 12 months).

#### Indicator 6 - Loans Charges Associated with net Capital Investment expenditure plans

The authority can set its own local indicators to measure the affordability of its capital investment plans. The Service Director for Finance and Procurement considers that Council should be advised of the loans charges cost implications which will result from the spending plans being considered for approval. These cost implications have been included in the Council's Revenue and HRA budgets for 2023-24 and for future years will be considered as part of the longer term financial frameworks.

	Loans Charges Liability					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
General Services (excluding On-Lending and Tram to Newhaven) - New Loans Fund Advances						
Loans Fund Advances in year	42,890	35,501	172,616	177,141	82,670	26,663
Year 1 - Interest Only	858	710	3,452	3,543	1,653	533
Year 2 - Interest and Principal Repayment	3,145	2,603	12,658	12,990	6,062	1,955
Housing Revenue Account (HRA) - New Loans Fund Advances						
Loans Fund Advances in year (excl. LLP programme *)	46,777	68,864	100,207	45,137	70,986	110,480
Year 1 - Interest Only	994	1,463	2,129	959	1,508	2,348
Year 2 - Interest and Principal Repayment	1,988	2,927	4,259	1,918	3,017	4,695

\* The loans charges associated with the borrowing required for the house building programme for onward transferred to the LLPs will be met from the LLPs and does therefore not have a net impact on the HRA or General Services revenue budget. Tram repayments are based on the income model and will commence from 2023/24 as the line to Newhaven is operational.

#### Consideration of options for the capital programme

In considering its programme for capital investment, Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax or house rents;
- prudence and sustainability, e.g. implications for external borrowing;
- value for money, e.g. option appraisal;
- stewardship of assets, e.g. asset management planning;
- service objectives, e.g. strategic planning for the authority;
- practicality, e.g. achievability of the forward plan.

## Appendix 6 - 2023-24 Capital Monitoring

### General Fund Summary

#### Period 3

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£m	£m	£m	£m	£m	£m	%
Learning Estate	90.403	-30.301	60.102	13.424	60.102	0.000	0.00%
Edinburgh Living LLPs	62.413	-48.649	13.764	2.511	13.764	0.000	0.00%
Trams to Newhaven	3.507	8.774	12.281	8.816	12.281	0.000	0.00%
Asset Management Works	1.689	8.186	9.875	0.900	9.875	0.000	0.00%
Transport & Infrastructure	69.438	-11.902	57.536	17.231	57.536	0.000	0.00%
Place - Other	49.392	17.957	67.348	6.750	67.348	0.000	0.00%
Corporate Services	4.091	-2.664	1.427	0.367	1.427	0.000	0.00%
Edinburgh Health and Social Care Partnership	0.000	0.000	0.000	0.000	0.000	0.000	0.00%
Other Community	2.065	0.996	3.061	0.938	3.061	0.000	0.00%
Contingency	0.000	0.000	0.000	0.000	0.000	0.000	0.00%
Slippage Assumption	-31.233	15.233	-16.000	0.000	-16.000	0.000	0.00%
<b>Total Gross Expenditure</b>	<b>251.764</b>	<b>-42.369</b>	<b>209.395</b>	<b>50.938</b>	<b>209.395</b>	<b>0.000</b>	<b>0.00%</b>

Funding	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£m	£m	£m	£m	£m	£m	%
<i>Capital Receipts</i>							
General Asset Sales	7.000	0.000	7.000	1.080	7.000	0.000	0.00%
Capital from Current Revenue	0.000	0.778	0.778	0.000	0.778	0.000	0.00%
Other Capital Contributions (Edinburgh Living)	0.000	0.000	0.000	0.000	0.000	0.000	0.00%
Developers Contributions Applied	6.369	10.000	16.369	0.012	16.369	0.000	0.00%
<i>Total Capital Receipts from Asset Sales</i>	<i>13.369</i>	<i>10.778</i>	<i>24.147</i>	<i>1.092</i>	<i>24.147</i>	<i>0.000</i>	<i>0.00%</i>
<i>Drawdown from/ (to) Capital Fund</i>	<i>27.650</i>	<i>0.000</i>	<i>27.650</i>	<i>0.000</i>	<i>27.650</i>	<i>0.000</i>	<i>0.00%</i>
<b>Total Capital Receipts and Contributions</b>	<b>41.019</b>	<b>10.778</b>	<b>51.797</b>	<b>1.092</b>	<b>51.797</b>	<b>0.000</b>	<b>0.00%</b>
<i>Grants</i>							
General Capital Grant	53.382	0.000	53.382	12.149	53.382	0.000	0.00%
Less: Contribution to Capital Fund (Pay Award)	-9.709	0.000	-9.709	0.000	-9.709	0.000	0.00%
Capital Grants Unapplied Account	0.000	12.312	12.312	0.000	12.312	0.000	0.00%
Specific Capital Grants - TMDF	27.950	17.103	45.053	0.000	45.053	0.000	0.00%
Specific Capital Grants - CWSS	2.299	0.000	2.299	-1.563	2.299	0.000	0.00%
Specific Capital Grants - Place Based Investment Programme	1.209	0.000	1.209	0.000	1.209	0.000	0.00%
Specific Grants - Other	0.000	1.506	1.506	-3.371	1.506	0.000	0.00%
<b>Total Grants</b>	<b>75.131</b>	<b>30.921</b>	<b>106.052</b>	<b>7.215</b>	<b>106.052</b>	<b>0.000</b>	<b>0.00%</b>
<b>Total Funding</b>	<b>116.150</b>	<b>41.699</b>	<b>157.849</b>	<b>8.307</b>	<b>157.849</b>	<b>0.000</b>	<b>0.00%</b>
<i>Borrowing</i>							
New Prudential Borrowing in Year	13.012	2.691	15.703	0.000	15.703	0.000	0.00%
New On-Lending in Year	62.413	-48.649	13.764	2.511	13.764	0.000	0.00%
New Capital Advance - Trams to Newhaven	3.507	-1.226	2.281	8.816	2.281	0.000	0.00%
New Capital Advance - General Fund	56.682	-36.884	19.798	31.304	19.798	0.000	0.00%
<b>Balance to be funded through Loans Fund Advance</b>	<b>135.614</b>	<b>-84.068</b>	<b>51.546</b>	<b>42.631</b>	<b>51.546</b>	<b>0.000</b>	<b>0.00%</b>

## Appendix 7 - 2023-24 Capital Monitoring

### Housing Revenue Account

#### Period 3

Expenditure	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£m	£m	£m	£m	£m	£m	%
New Homes Development	99.027	-41.276	57.751	11.787	57.751	0.000	0.0%
New Homes Land Costs	2.064	0.840	2.904	0.046	2.904	0.000	0.0%
Improvement to Council Homes and Estates	72.271	-8.127	64.143	6.458	64.143	0.000	0.0%
<b>Total Gross Expenditure</b>	<b>173.361</b>	<b>-48.563</b>	<b>124.798</b>	<b>18.292</b>	<b>124.798</b>	<b>0.000</b>	<b>0.0%</b>
Income	Approved Budget	Adjustments	Revised Budget	Actual to Date	Projected Outturn	Projected Outturn Variance	
	£m	£m	£m	£m	£m	£m	%
Capital Funded From Revenue	23.300	0.000	23.300	0.000	23.300	0.000	0.0%
Energy (HEEP:ABS) grant funding	0.000	0.000	0.000	0.000	0.000	0.000	0.0%
Developer contribution/market sales	14.520	-6.820	7.700	0.051	7.700	0.000	0.0%
Receipts from LLPs*	45.809	-31.059	14.750	4.750	14.750	0.000	0.0%
Scottish Government Subsidy (Social and Acquisition)	28.051	-17.867	10.184	0.000	10.184	0.000	0.0%
<b>Total Income</b>	<b>111.680</b>	<b>-55.746</b>	<b>55.934</b>	<b>4.801</b>	<b>55.934</b>	<b>0.000</b>	<b>0.0%</b>
<b>Balance to be funded through Loans Fund Advance</b>	<b>61.681</b>	<b>7.183</b>	<b>68.864</b>	<b>13.491</b>	<b>68.864</b>	<b>0.000</b>	<b>0%</b>

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# City of Edinburgh Council

10.05am, Thursday, 28 September 2023

## City of Edinburgh Council – 2022/23 Annual Accounts Audit – referral from the Finance and Resources Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Finance and Resources Committee has referred the City of Edinburgh Council – 2022/23 Annual Accounts Audit to the Council for noting.

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

Contact: Louise Williamson, Assistant Committee Officer  
Legal and Assurance Division, Corporate Services Directorate  
E-mail: [louise.p.williamson@edinburgh.gov.uk](mailto:louise.p.williamson@edinburgh.gov.uk) | Tel: 0131 529 4264

# Referral Report

## City of Edinburgh Council – 2022/23 Annual Accounts Audit – referral from the Finance and Resources Committee

### 2. Terms of Referral

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- 2.1 On 19 September 2023, the Governance, Risk and Best Value Committee considered a report on the principal findings arising from the external audit of the Council's 2022/23 financial statements. The report was referred to the Finance and Resources Committee for approval.
- 2.2 On 21 September 2023, the Finance and Resources Committee considered the report by the Executive Director of Corporate Services.
- 2.3 The Finance and Resources Committee agreed:
  - 2.3.1 To approve the audited annual accounts.
  - 2.3.2 To refer the audited annual accounts to the City of Edinburgh Council for noting.

### 3. Background Reading/ External References

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- 3.1 Finance and Resources Committee – 21 September 2023 - Webcast
- 3.2 Minute of the Finance and Resources Committee – 21 September 2023

### 4. Appendices

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Appendix 1 – Report by the Executive Director of Corporate Services

# Finance and Resources Committee

10.00am, Thursday 21 September 2023

## City of Edinburgh Council – 2022/23 Annual Accounts Audit – referral from the Governance, Risk and Best Value Committee

Executive/routine

Executive

Wards

### 1. For Decision/Action

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- 1.1 The Governance, Risk and Best Value Committee has referred the attached report to the Finance and Resources Committee for approval, and onward referral to Full Council for noting.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Jamie Macrae, Assistant Committee Officer  
Legal and Assurance Division, Corporate Services Directorate

E-mail: [jamie.macrae@edinburgh.gov.uk](mailto:jamie.macrae@edinburgh.gov.uk) | Tel: 0131 529 4264

# Referral Report

## City of Edinburgh Council – 2022/23 Annual Accounts Audit – referral from the Governance, Risk and Best Value Committee

### 2. Terms of Referral

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- 2.1 On 19 September 2023, the Governance, Risk and Best Value Committee considered a report on the principal findings arising from the external audit of the Council's 2022/23 financial statements.
- 2.2 The Governance, Risk and Best Value Committee agreed:
- 2.2.1 To note that, following the audit process, an unmodified audit opinion was expected to be issued on the Council's annual accounts for 2022/23.
  - 2.2.2 To refer the audited annual accounts to the Finance and Resources Committee on 21 September for approval and thereafter to Council for noting.
  - 2.2.3 To note that, following approval by the Finance and Resources Committee, the audited annual accounts would be signed and submitted to the external auditor, thereby meeting the statutory deadline of 30 September 2023.
  - 2.2.4 To note that the external auditor's assessment of the four dimensions of the wider scope audit and progress in implementing recommendations from the Council's Best Value Assurance Review (BVAR) would be reported to the Committee's next meeting on 31 October.
  - 2.2.5 To note that, once approved, a summarised version of the annual accounts would also be published on the Council's website.
  - 2.2.6 To request a briefing note on the impact of the value adjustment of socially-rented housing stock, e.g. insurance costs or other annual revenue costs.
  - 2.2.7 To agree that officers would request a response from the EICC Board on the reasons for the decision to award the Chief Executive a bonus.
  - 2.2.8 To request that officers consider the issue of bonuses as part of the governance review for ALEOS and that any guidance that currently existed would be circulated.



### **3. Background Reading/ External References**

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3.1 Governance, Risk and Best Value Committee – 19 September 2023 – Webcast

3.2 Minute of the Governance, Risk and Best Value Committee – 19 September 2023

### **4. Appendices**

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Appendix 1 – report by the Executive Director of Corporate Services

# Governance, Risk and Best Value Committee

10.00am, Tuesday, 19 September 2023

## City of Edinburgh Council – 2022/23 Annual Accounts Audit

Executive/routine  
Wards

### 1. Recommendations

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- 1.1 Members of the Governance, Risk and Best Value Committee are asked to:
  - 1.1.1 note that, following the audit process, an unmodified audit opinion is expected to be issued on the Council's annual accounts for 2022/23;
  - 1.1.2 refer the audited annual accounts to the Finance and Resources Committee on 21 September for approval and thereafter to Council for noting;
  - 1.1.3 note that, following approval by the Finance and Resources Committee, the audited annual accounts will be signed and submitted to the external auditor, thereby meeting the statutory deadline of 30 September 2023;
  - 1.1.4 note that the external auditor's assessment of the four dimensions of the wider scope audit and progress in implementing recommendations from the Council's Best Value Assurance Review (BVAR) will be reported to the Committee's next meeting on 31 October; and
  - 1.1.5 note that, once approved, a summarised version of the annual accounts will also be published on the Council's website.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Hugh Dunn, Service Director: Finance and Procurement,  
Finance and Procurement Division, Corporate Services Directorate

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

## City of Edinburgh Council – 2022/23 Annual Accounts Audit

### 2. Executive Summary

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- 2.1 The report summarises the principal findings arising from the external audit of the Council's 2022/23 financial statements. The corresponding recommendations from the wider scope and Best Value Assurance aspects of the audit will be reported to the Committee's following meeting on 31 October 2023.
- 2.2 The audit certificate is expected to reflect an unmodified audit opinion on the financial statements and other prescribed matters, with a verbal update provided at the meeting.

### 3. Background

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- 3.1 The Council's statement of accounts for 2022/23 was passed to the external auditor by the statutory deadline of 30 June.
- 3.2 The unaudited annual accounts required to be published on the Council's website by 30 June 2023 and thereafter made available for public inspection for a period of 15 working days. These requirements were met, with the inspection period running from Monday 3 July to Friday 21 July 2023 inclusive.
- 3.3 Correspondence was received from one individual on two separate matters during this period, with responses provided by officers. No objections were received in respect of the Council's financial statements.
- 3.4 In contrast to the previous two financial years, no statutory extension to the timescales for completion of the audit process was approved for 2022/23, meaning that the date to report to those charged with governance and the Controller of Audit has reverted to 30 September 2023. Due to legacy workload pressures within Audit Scotland, however, an assessment of the wider scope aspects of the audit and progress in implementing the recommendations from the Council's Best Value Assurance Review (BVAR) will be included in the annual audit report to be considered by the Governance, Risk and Best Value Committee at its next meeting

on 31 October 2023. It is understood that this broad approach is mirrored across the majority of other Scottish local authorities.

- 3.5 The review of all matters relating to external audit forms part of the remit of the Governance, Risk and Best Value Committee and is an important aspect of the overall governance arrangements of the Council. The external auditor will attend today's meeting to provide an overview of the accompanying report and respond to specific queries members may have on its content. Given the Committee's scrutiny function, however, approval of the annual accounts will be secured by onward referral to the Finance and Resources Committee meeting taking place on 21 September. Subject to this approval, a shorter, more accessible version of the annual accounts will then be published on the Council's website by 31 October.
- 3.6 The external auditor is required, in undertaking the audit, to comply with Audit Scotland's revised Code of Audit Practice and ISA260: Communications with those charged with governance. As part of the standard, the auditor is required to highlight:
- Relationships that may bear on the independence, integrity and objectivity of the appointed auditor and audit staff;
  - The overall scope and approach to the audit, including any expected limitations, or additional requirements;
  - Expected modifications to the audit report;
  - Management representations requested by him/her;
  - Unadjusted misstatements other than those that are clearly trivial;
  - Material weaknesses in internal control identified during the audit;
  - Qualitative aspects of accounting practice and financial reporting, including accounting policies; and
  - Matters specifically required by auditing standards to be communicated to those charged with governance and any other matters that are relevant to the audit.
- 3.7 Page 4 of the auditor's report in Appendix 1 summarises the respective responsibilities of the Council and the auditor.

## **4. Main report**

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### **Overall audit opinion**

- 4.1 There are no modifications to the proposed audit certificate included in Appendix 1. The accompanying more detailed report provided in Appendix 2 notes the excellent support provided by the Council's Finance team during the audit.
- 4.2 As part of the audit process, a number of adjustments were incorporated within the audited accounts (summarised in Exhibit 2 in Appendix 2). These adjustments reflected (i) evolving guidance on pension asset valuation received during the audit

process, (ii) revised Council housing asset valuations the Council had highlighted to the audit team and had adjusted for in the 2022/23 unaudited accounts but not the prior year and (iii) issues where further clarification on potential liabilities emerged during the audit period (specifically on Reinforced Autoclaved Aerated Concrete (RAAC)). The auditor's report also notes the extensive preparatory work undertaken to support the Council's successful adoption of International Financial Reporting Standard 16 on lease accounting (IFRS16), one of the first local authorities in the UK to do so.

- 4.3 The auditor's report concludes that the key internal controls in those accounting systems regarded as significant to producing the financial statements operated satisfactorily. It does, however, re-emphasise concerns expressed by Internal Audit earlier in 2023 around SWIFT system data security. The effectiveness of any replacement system in this regard will therefore be kept under close review during the audit term.
- 4.4 A further recommendation has been made to improve the usefulness of the management commentary's coverage of the principal risks facing the Council.

## **5. Next Steps**

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- 5.1 Subject to approval by the Finance and Resources Committee on 21 September, the annual accounts will be signed and submitted to the external auditor.
- 5.2 The principal conclusions of the wider scope aspects of the annual audit process will be reported to the next meeting of the Governance, Risk and Best Value Committee on 31 October 2023.

## **6. Financial impact**

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- 6.1 There are no direct relevant impacts arising from the report's contents but it confirms a revenue underspend for 2022/23 of £13.7m.

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

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- 7.1 There are no direct relevant impacts arising from the report's contents.

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

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- 8.1 There are no direct relevant impacts arising from the report's contents.

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

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9.1 There are no direct relevant impacts arising from the report's contents.

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

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10.1 [Unaudited Annual Accounts 2022/23](#), The City of Edinburgh Council, 22 June 2023

## **11. Appendices**

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11.1 Appendix 1 – Proposed Auditor's Report on audit of 2022/23 Annual Accounts

11.2 Appendix 2 – The City of Edinburgh Council – 2022/23 Annual Accounts Audit

11.3 Appendix 3 – 2022/23 Audited Annual Accounts

## **Governance, Risk and Best Value Committee of the City of Edinburgh Council**

**13 September 2023**

### **Audit of 2022/23 annual accounts**

#### **Independent auditor's report**

1. Our audit work on the 2022/23 annual accounts is now substantially complete. Subject to the satisfactory conclusion of the outstanding matters referred to later in this letter and receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 21 September 2023 (the proposed report is attached at [Appendix A](#)).

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Governance, Risk and Best Value Committee's consideration our report on the audit of the council's 2022/23 annual accounts. The section headed "Significant findings and key audit matters" sets out the issues identified in respect of the annual accounts. Our Annual Audit Report covering all aspects of the 2022/23 audit will be presented to the Committee in the autumn.

#### **Unadjusted misstatements**

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, which are above our reporting threshold of £250,000 and request that these misstatements be corrected.

6. One misstatement totalling £1.239 million has not been adjusted by the Council in the accounts. If corrected this would decrease payables and receivables balance on the Balance Sheet by the same amount and therefore would not have an impact on the overall financial position.

#### **Fraud, subsequent events and compliance with laws and regulations**

7. In presenting this report to the Governance, Risk and Best Value Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

## **Representations from Section 95 Officer**

8. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

## **Outstanding matters**

10. There are some areas where we still require additional information, and these are identified below:

- Supporting documentation for deferred income sample
- Undertaking final checks to confirm that any outstanding audit queries have been satisfactorily resolved.



## APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of The City of Edinburgh Council and the Accounts Commission

### Reporting on the audit of the financial statements

#### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of The City of Edinburgh Council and its group for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Movement in Reserves Statements, Comprehensive Income and Expenditure Statements, Balance Sheets, Cash Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Council Tax Income Account, the Non-domestic Rate Income Account, the Common Good Fund Income and Expenditure Account, the Common Good Fund Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2023 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern basis of accounting**

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the council and its group. However, I report on the council's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

## **Risks of material misstatement**

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## **Responsibilities of the Service Director: Finance and Procurement and council for the financial statements**

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Service Director: Finance and Procurement is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Service Director: Finance and Procurement determines 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 Service Director: Finance and Procurement is responsible for assessing the ability of the council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the council and its group.

The council is responsible for overseeing the financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

My 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 my 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the council and its group;
- inquiring of the Service Director: Finance and Procurement as to other laws or regulations that may be expected to have a fundamental effect on the operations of the council and its group;
- inquiring of the Service Director: Finance and Procurement concerning the policies and procedures of the council and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the council's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Reporting on other requirements

### Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### Other information

The Service Director: Finance and Procurement is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities for the Annual Accounts and the unaudited parts of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I

identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### **Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement**

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

### **Matters on which I am required to report by exception**

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

### **Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Oliphant FCPFA  
Audit Director  
Audit Scotland  
4th Floor  
102 West Port  
Edinburgh  
EH3 9DN

## **APPENDIX B: Letter of Representation (ISA 580)**

Michael Oliphant, Audit Director  
Audit Scotland  
4th Floor  
102 West Port  
Edinburgh  
EH3 9DN

Dear Michael

### **The City of Edinburgh Council**

#### **Annual accounts 2022/23**

1. This representation letter is provided about your audit of the annual accounts of the City of Edinburgh Council and its group (hereafter referred to as the Council) for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Chief Executive and Corporate Leadership Team, the following representations given to you in connection with your audit of the Council for the year ended 31 March 2023.

#### **General**

3. The Council and I have fulfilled our statutory responsibilities for the preparation of the 2022/23 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by the Council have been recorded in the accounting records and are properly reflected in the financial statements.

4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

#### **Financial Reporting Framework**

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (2022/23 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Council and its Group at 31 March 2023 and the transactions for 2022/23.

## **Accounting Policies & Estimates**

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2022/23 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to the Council's circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

## **Going Concern Basis of Accounting**

9. I have assessed Council's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Council's ability to continue as a going concern.

## **Assets**

10. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2023 does not differ materially from that which would be determined if a revaluation had been carried out at that date.

11. I carried out an assessment at 31 March 2023 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

12. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2023.

13. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

14. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

## **Liabilities**

15. All liabilities at 31 March 2023 of which I am aware have been recognised in the annual accounts.

16. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2023 of which I am aware where the conditions specified in the 2022/23 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2023. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

17. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2023 or to reflect material changes in the assumptions underlying the calculations of the cash flows.

18. The accrual recognised in the financial statements for holiday untaken by 31 March 2023 has been estimated on a reasonable basis.

19. The pension assumptions made by the actuary in the IAS 19 report for the Council have been reviewed and I confirm that they are consistent with management's own view.

20. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

### **Contingent liabilities**

21. There are no significant contingent liabilities, other than those disclosed in Note 10 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the 2022/23 accounting code and IAS 37.

### **Fraud**

23. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

### **Laws and Regulations**

24. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

### **Related Party Transactions**

25. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2022/23 accounting code. I have made available to you the identity of all the Council's related parties and all the related party relationships and transactions of which I am aware.

### **Remuneration Report**

26. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

27. Despite pensions disclosures for A. Mumford being calculated by the Lothian Pension Fund based on an incorrect remuneration figure and the Council not requesting for the



figures to be recalculated, I am satisfied that amounts disclosed in the Remuneration Report are materially correct.

### **Management commentary**

28. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

### **Corporate Governance**

29. I confirm that the Council has undertaken a review of the system of internal control during 2022/23 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

30. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2023, which require to be reflected.

### **Group Accounts**

31. I have identified all the other entities in which the Council has a material interest and have classified and accounted for them in accordance with the 2022/23 accounting code. Any significant issues with the financial statements of group entities, including any qualified audit opinions, have been advised to you.

### **Common Good Fund**

32. I confirm, to the best of my ability, that all material common good assets have been identified and correctly accounted for within the common good financial statements and where appropriate, common good assets in use by the Council have been assessed and accounted for in line with IAS 17.

### **Events Subsequent to the Date of the Balance Sheet**

33. All events subsequent to 31 March 2023 for which the 2022/23 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Hugh Dunn

Service Director: Finance and Procurement

# City of Edinburgh Council

2022/23 Annual Accounts Audit



 AUDIT SCOTLAND

Prepared for the Members of the City of Edinburgh Council and the Controller of Audit

October 2023

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# Key messages

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## 2022/23 annual accounts

- 1 Audit opinions on the annual accounts of the council, its group and the section 106 charities administered by the council are unmodified.
- 2 The management commentary, annual governance statement and remuneration report were consistent with the financial statements and properly prepared in accordance with the applicable guidance.

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# Introduction

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1. This report summarises the significant findings from the 2022/23 audit of City of Edinburgh Council's annual accounts. The scope of the audit was set out in an annual audit plan presented to the 2 May 2023 meeting of the Governance, Risk and Best Value Committee. Our Annual Audit Report covering all aspects of the 2022/23 audit will be published in the autumn.

## Audit appointment from 2022/23

2. The 2022/23 financial year was the first of our five-year appointment. The appointment coincides with the new [Code of Audit Practice](#) which was introduced for financial years commencing on or after 1 April 2022.

3. We would like to thank the Service Director – Finance and Procurement and his team for their cooperation and assistance in carrying out our audit. Their support to the audit was excellent.

## Responsibilities and reporting

4. The council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The council is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

5. The responsibilities of the independent auditor are established by the Local Government (Scotland) Act 1973 and the [Code of Audit Practice 2021](#), and supplementary guidance and International Standards on Auditing in the UK.

6. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management of the council from its responsibility to address the issues we raise and to maintain adequate systems of control.

## Auditor Independence

7. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2022/23 audit fee of £682,060 as set out in our 2022/23 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

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# 1. Audit of 2022/23 annual accounts

Public bodies are required to prepare annual accounts comprising financial statements and other related reports. These are the principal means of accounting for the stewardship of public funds.

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## Main judgements

Our audit opinions on the annual accounts of the council, its group and the section 106 charities administered by the council are unmodified.

The management commentary, annual governance statement and remuneration report were consistent with the financial statements and properly prepared in accordance with the applicable guidance.

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## Audit opinions on the annual accounts are unmodified

8. The annual accounts for the City of Edinburgh Council and its group for the year ended 31 March 2023 are due to be scrutinised by the Governance, Risk and Best Value Committee on 19 September 2023 and approved by the Finance and Resources Committee on 21 September 2023. As reported in the proposed independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report was prepared in accordance with the financial reporting framework
- the management commentary and annual governance statement were consistent with the financial statements and properly prepared in accordance with the applicable requirements.

## Our audit opinions on the council's charities are unmodified but attention is drawn to the future of Lauriston Castle Trust

9. Due to the interaction of section 106 of the Local Government (Scotland) Act 1973 with charities legislation, a separate independent auditor's report is required for the council's registered charities where the City of Edinburgh Council is the sole trustee, irrespective of the size of the charity. The financial statements have been prepared using the connected charities provisions under The Charities Accounts (Scotland) Regulations 2006. These charities are:

- Jean Fletcher Watson (SC018971)
- Edinburgh Education Trust (SC042754)
- Nelson Halls Trust (SC018946)
- Lauriston Castle Trust (SC020737)
- The Royal Scots (The Royal Regiment) Monument Trust Fund (SC018945)

**10.** On 20 June 2023, the Finance and Resources Committee considered a report on the Lauriston Castle Trust and options for reshaping governance arrangements. The committee approved, subject to onward ratification by Council on 31 August 2023, to apply to the Court of Session to use the *nobile officium* to approve the winding up of the Lauriston Castle Trust and the transfer of assets to the council. Our understanding is that the legal mechanism for doing so has not yet been initiated.

**11.** A going concern basis may be appropriate if a body is being wound up in an orderly and planned manner, and that basis provides a faithful representation of the items in the financial statements. As the trust continues to have financial backing to utilise its assets and meet liabilities as they fall due, and particularly as the intention is to transfer ownership to the council, we have concluded that the going concern basis is appropriate. Our independent auditor's report includes an emphasis of matter paragraph to draw attention to this specific issue.

**12.** The trustee prepared the financial statements for the City of Edinburgh Council Charitable Funds (Boyd Anderson) as a separate set of accounts, adopting a break-up basis of accounting, as it considered that the fund was not a going concern. Our opinion was not modified in respect of this matter. Our independent auditor's report on this set of annual accounts also includes an emphasis of matter paragraph to draw attention to this issue.

### **Overall materiality was assessed as £53 million**

**13.** Broadly, the concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the financial statements, and hence impact their opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature. It is ultimately a matter of the auditor's professional judgement.

**14.** Our initial assessment of materiality was carried out during the risk assessment and planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#).

## Exhibit 1

### Materiality values

Materiality level	Amount
Overall materiality	£53 million
Performance materiality	£35 million
Reporting threshold	£250,000

Source: Audit Scotland

**15.** The overall materiality threshold for the audit of the annual accounts of the council was set with reference to gross expenditure, which we judged as the figure most relevant to the users of the financial statements.

**16.** Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 65% of overall materiality, reflecting that the council does not have a history of significant errors, errors have largely been confined to fixed assets in previous years, and all audit findings were adjusted in the finalised set of financial statements.

**17.** It is our responsibility to request that all misstatements, other than those below our reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance.

### Our audit work responded to the risks of material misstatement we identified in the annual accounts

**18.** We have obtained audit assurances over the identified significant risks of material misstatement in the annual accounts. The Independent Auditor's Report sets out the key audit matters that were of most significance to the audit. These largely include the significant risks of material misstatement to the financial statements and other areas of audit focus we had identified in our Annual Audit Plan. In addition, it covers material elements of the council's group accounts. The Independent Auditor's Report also summarises the further audit procedures we performed to obtain assurances over these matters and the conclusions from the work completed. The key audit matters were:

- Risk of material misstatement due to fraud caused by management override of controls.
- Significant estimation and judgements are required in the measurement, valuation and disclosures of material account balances. This includes non-current assets, pensions disclosures and service concession arrangements.



- Expenditure may be misstated due to risk of fraud over expenditure recognition.

## Misstatements of £703 million were adjusted in the audited accounts

**19.** There were a number of material adjustments made to the audited version of the financial statements as compared to the version presented for audit in June. The gross value of these adjustments was £703 million. The most significant is the restriction of the pension asset value recognised in the accounts which reduced the amount from £597.5 million to nil (See [Exhibit 2](#) below). Overall, the total adjustments had the net effect of increasing the comprehensive income and expenditure account, net assets and reserves by £977,000. A number of recalculations and reallocations have also been made to the Cash Flow Statement as a result of our work but these changes did not impact on the overall financial position. There is one uncorrected misstatement to report which relates to intra-group balances of £1.239 million not eliminated on consolidation due to timing differences. This has no impact on the overall financial position. Further detail is provided in [Appendix 1](#).

## We have significant findings to report as a result of our audit

**20.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices covering accounting policies, accounting estimates and financial statements disclosures. The significant findings are summarised in [Exhibit 2](#).

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## Exhibit 2

### Significant findings and key audit matters from the audit of the annual accounts

#### Issue

#### 1. Restricting the value of the pension asset

The pension liability is an area of audit focus due to the material value and significant assumptions used within the complex calculation of this liability. In common with other local government pension scheme employers, the City of Edinburgh commissions a firm of actuaries to value its pensions liability. The actuary reported that, as at 31 March 2023, CEC did not have a liability but rather a funding surplus of £1.003 billion.

The surplus arose as a result of a significant increase to the net discount rate (discount rate net of CPI inflation) compared to the previous year, leading to a large gain on the balance sheet position. At the time the accounts were prepared, technical guidance to support preparation of this disclosure was not available.

Accounting standards (IAS 19 and IFRIC 14) impose a limit on the maximum amount of surplus which can be recognised on an employer's balance sheet, what is described as an 'asset ceiling'. As a result, the unaudited accounts restricted the pension asset to £597.5 million.

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## Issue

However, where actuaries report that the present value of the minimum funding requirement contributions exceeds the future service cost, IFRIC 14 advises that no asset should be recognised. This was the case with the council's actuarial calculations. Given that CEC is to continue to participate in the LGPS, it would be expected that this surplus could lead to lower future contributions rather than a refund of surplus.

## Resolution

Following our review of the accounting standards, actuarial calculations and relevant guidance, when this minimum funding obligation is considered, it was agreed that the council's recognised asset should be reduced to zero.

Most local authorities across Scotland are expected to experience the same trend in the pension liability/surplus disclosed in their audited 2022/23 accounts.

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## 2. Valuation of council homes

Council-owned dwellings are valued using the 'beacon' method, in line with relevant standards and guidance. Values of groups of similar homes are calculated by assessing the value of one of them (the beacon), then extrapolating the value across the rest of the group.

That value is then adjusted to reflect differences between valuation of private housing and socially-rented housing stock. The beacon discount factor is determined by comparing levels of private rent with social rent for each beacon property and calculating the average to apply across the whole portfolio to take account of the difference between private housing stock (the source of the comparable sales data) and socially-rented stock. The discount factor applied in the 2022-23 revaluations is 38%.

In the course of the valuation team considering the discount factor in 2022/23, an error in the original calculation from the 2018-19 valuation was discovered and corrected. The calculation (including yields) assumes that the value of a council dwelling is 38% of market value, however in prior years they discounted by 38% rather than using 38% as the residual value of the properties. Prior to the production of the annual accounts, officers notified us of this error and no modification was required to the audited version of the accounts.

## Resolution

A prior period adjustment for 2021/22 has been recognised in the annual accounts to reduce the opening value of the council's housing stock to £1.070 billion, a reduction of £673.3 million. This has been adequately disclosed in the notes to the accounts.

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## 3. Early adoption of IFRS 16 Leases

The council has adopted International Financial Reporting Standard 16 (IFRS) for the first time in 2022/23, being one of the first local authorities in the UK to do so, one year ahead of mandatory implementation next year. The standard requires the council to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This effectively means that

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## Issue

many assets which were previously leased, but not owned, have been brought on to the authority's balance sheet as a 'right of use' asset.

The council has undertaken a significant amount of work since 2019 to correctly categorise current leases, to accurately reflect them in financial records and accounts, and to identify any subsequent new leases. Officers in finance have consulted with external IFRS 16 experts to effectively manage the process and calculation for the disclosures in the accounts. Our review of the accounting entries associated with adoption IFRS 16 did not identify any misstatements.

## Resolution

The adoption of the standard has resulted in an additional £149.7 million net book value (NBV) to the authority's group balance sheet recognised as 'right of use' assets, with an associated liability of £134.6 million.

## 4. Contingent liability in relation to use of RAAC concrete

In December 2022, the UK government issued a notice regarding Reinforced Autoclaved Aerated Concrete (RAAC), which was widely used in the construction of floors and roofs from the 1950s to the early 1990s. The Scottish and UK governments are working to research the extent of the use of RAAC in public buildings, with significant growing public concern over its safety. In September 2023, the council named seven schools which contained RAAC and is currently assessing other public buildings. We concluded that this potential liability qualified as a contingent liability in the 2022/23 annual accounts.

## Resolution

We concluded that this issue qualified as a contingent liability and consequently an appropriate disclosure has been made in the 2022/23 annual accounts.

Source: Audit Scotland

## Financial systems of internal control operated effectively overall

**21.** As part of our audit, we identify and assess the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that the body has systems for recording and processing transactions which provide a sound basis for the preparation of the financial statements. Overall, we concluded that the controls in place were satisfactory.

**22.** We share the concerns raised by internal audit's 2023 report on the Swift system used by the authority for social care case management. These concerns have also been raised in a recent Care Inspectorate report. Internal audit highlighted that the design and operating effectiveness of the controls in place to manage system security, data quality, and data loss prevention for the Swift system require significant improvement. A full business case for replacement of the system is timetabled for autumn 2023. We will continue to monitor the implementation of this new system during the course of our audit appointment.

## Management commentary

**23.** The Local Authority Accounts (Scotland) Regulations 2014 requires the annual accounts to include a Management Commentary prepared in accordance with statutory guidance, including a description of the principal risks and uncertainties faced by the council. Risks have been included in the management commentary. However, the description could be more tailored to the council so that a reader can better understand why they are important and the council's response to the risk. We will work with the council to enhance disclosures in this area in next year's accounts.

# Appendix 1. Summary of uncorrected misstatements

We report all uncorrected misstatements in the annual report and accounts that are individually greater than our reporting threshold of £250,000.

The table below summarises uncorrected misstatements that were noted during our audit testing and were not corrected in the financial statements. Cumulatively these errors are below our performance materiality level as explained in [Exhibit 1](#). We are satisfied that these errors do not have a material impact on the financial statements.

Narrative	Account areas	Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr £000	Cr £000	Dr £000	Cr £000
<b>Accounting Misstatements</b>					
1. Intra-group balances not eliminated on consolidation	Payables			1,239	
	Receivables				1,239
<b>Total</b>				1,239	1,239

# City of Edinburgh Council

## 2022/23 Annual Accounts Audit

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**2022/23**

**AUDITED ANNUAL ACCOUNTS**







# The City of Edinburgh Council

## Annual Accounts

Year to 31 March 2023

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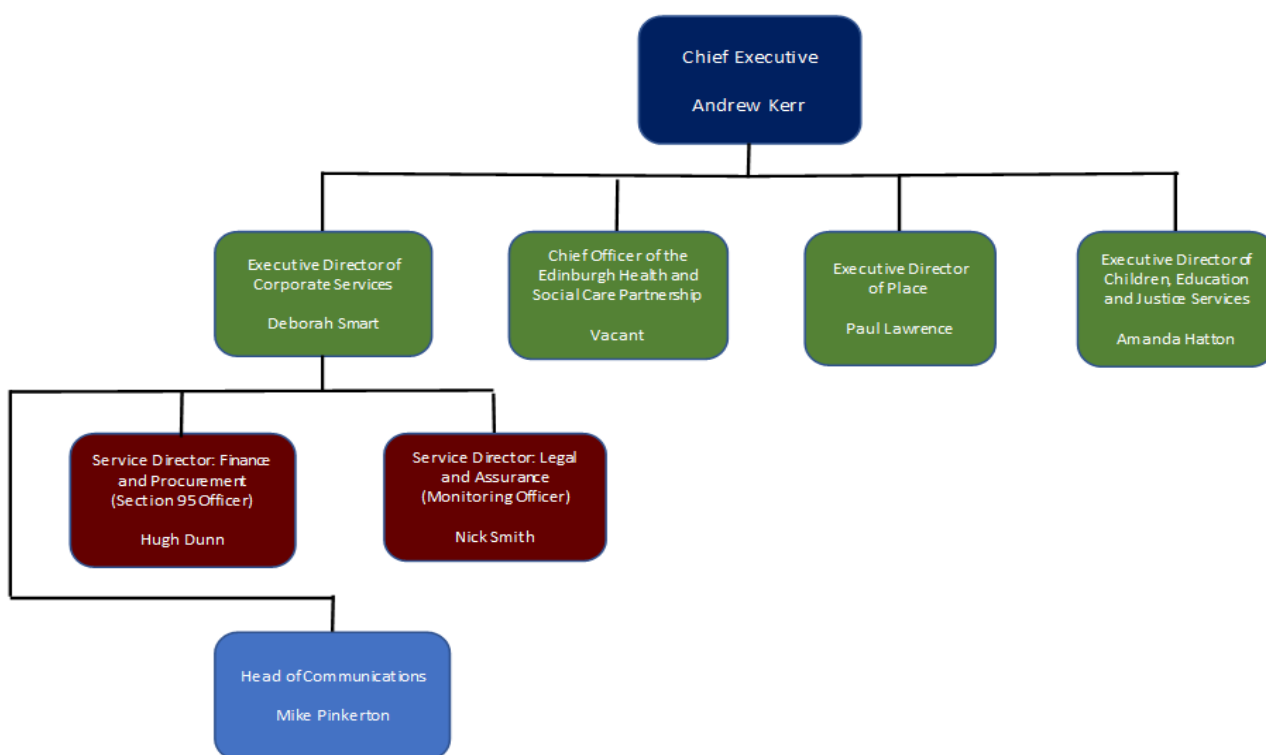
# MANAGEMENT COMMENTARY

## Introduction

The Audited Annual Accounts present the financial position and performance of the Council, together with the wider Council Group, for the year to 31 March 2023. They have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 using the Council's management structure as a reporting basis, the same as in the previous year.

The City of Edinburgh Council was constituted under the Local Government, etc. (Scotland) Act 1994 and became the unitary local authority to Scotland's capital city in April 1996. The Council brought together most of the services delivered by the previous regional and district councils, with its primary current frontline functions being the provision of education to school-age children within the city, social care services, economic development, a range of community-based services such as roads maintenance, street lighting and refuse collection and quality of life functions such as libraries, culture, recreation and parks. Services are delivered to some 534,000 citizens across the 102 square mile Council area. As of March 2023, the Council employed 15,109 FTE staff, compared to 15,085 FTE as of March 2022.

The structure of the Council continues to evolve but the Corporate Leadership Team (CLT) organisational chart and tables below indicate the position at the date the accounts were approved.



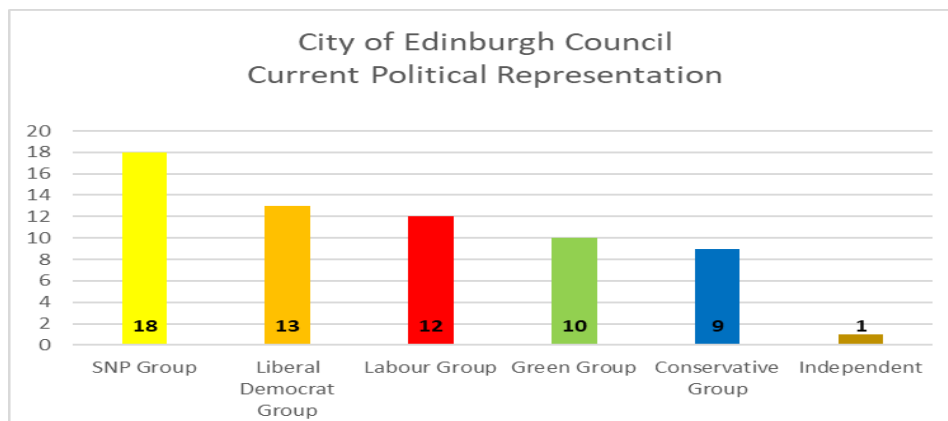
Corporate Services	Health and Social Care	Place
Customer and Digital Services	Edinburgh Integration Joint Board	Environment (inc. waste and parks)
Finance and Procurement	Older people's services	Transport (inc. parking)
Legal and Assurance	Learning and Physical disabilities	Roads, bridges and flood prevention
Human Resources	Mental Health	Housing and Regulatory Services
Strategy and Communications	Substance Misuse	Planning and building standards
	<b>Children, Education and Justice Services</b>	Culture, Museums and Galleries
	Schools and Lifelong Learning	Property and Facilities Management
	Children's social work	Libraries and Sports
	Community education	Homelessness services
	Early Years	
	Community Justice	

Further comprehensive detail of the services provided by the Council is included on its [website](#) and within the annual **Key Facts and Figures** publication.

## MANAGEMENT COMMENTARY

There was a Local Government Election on 5 May 2022 which resulted in a change in political representation for the Council, with a new minority Labour administration formed. Following a subsequent resignation, a local by-election was held on 9 March 2023.

The Council currently has **63 Councillors** representing 17 wards within the city.



The Full Council meets once a month and also delegates decisions to **committees** which meet regularly throughout the year.

Details of the senior councillors' remuneration and committee roles, for those in office during the financial year, are disclosed in the Remuneration Report from page 132 of these financial statements.

### The Council in 2022/23

The Council had a leading role in Scotland with its humanitarian response to the crisis caused by the war in Ukraine, welcoming almost 10,000 people to safety and refuge through our Welcome Hub. Against a backdrop of rates of inflation not seen for over forty years, we have also supported people through the cost-of-living crisis with an £8m investment in additional support to help those families most in need.

We have done this at the same time as continuing our city's recovery from the COVID pandemic, which greatly impacted our services and it was only during 2022 that some of these services were back to being fully operational. Our work with partners such as the NHS and voluntary sector is helping to meet our aim of ending poverty by 2030 along with building a stronger, greener, and fairer economy. We can see real progress with the number of employers in the city paying the real living wage and the number of suppliers that we work with paying it too.

### Demographic Trends

Edinburgh continues to see significant population growth, with a 10.2% increase in the ten years to 2021, compared to a national rise of 3.4% over the same period, and further projected growth of 11.6% by 2043. The main driver of this growth continues to be net overseas migration. The number of residents aged 65 and over continues to increase and it is projected that by 2032 the number of pupils in our schools will increase by 3%. This growth will place further demands on a range of frontline services and as a result, the Council's budget framework continues to provide additional annual sums in respect of growing numbers of school pupils, at-risk children, older people and those with physical and/or learning disabilities.

### City of Edinburgh Council's Corporate Strategy and Vision

In 2023, a new **Business Plan** was approved, which sets out the Council's priorities from 2023 to 2027 and the actions that will be taken to achieve these priorities. The Business Plan sets out three main priorities that the Council will focus on in the coming years:

1. Create good places to live and work in Edinburgh;
2. Take all the local actions needed to end poverty in Edinburgh; and
3. Work to deliver a net zero city by 2030

These priorities connect the major strategies and Council policies agreed in recent years, through the shared goals and commitments of the Edinburgh Partnership as set out in the **Edinburgh Partnership Community Plan 2022-28**.

This plan stands as one part of a golden thread linking and guiding operations through to the shared goals and commitments of the Edinburgh Partnership and towards the long-term ambitions for Edinburgh to be a thriving, connected, inspired and fair city, as outlined in the **2050 Edinburgh City Vision**.

A new Medium-Term Financial Plan is being developed alongside the Business Plan to ensure that the actions committed to are affordable and deliverable.

The Business Plan also meets the Accounts Commission's Best Value Report recommendations on aligning the Council's strategic direction.

## MANAGEMENT COMMENTARY

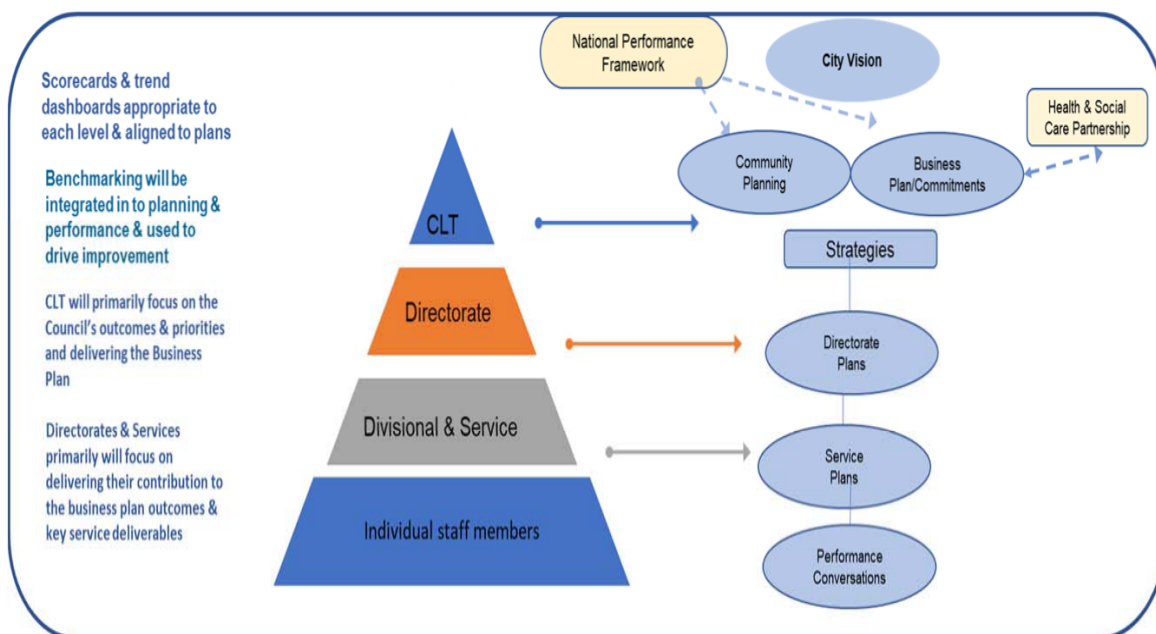
The actions identified in the Business Plan will ensure that:

- 1 Core services for people in need of care and support are improved;
- 2 People can access fair work and the support they need to prevent and stay out of poverty and homelessness;
- 3 Edinburgh is a cleaner, better maintained city that we can all be proud of;
- 4 People can access public services locally and digitally in ways that meet their needs and expectations and contribute to a greener net zero city;
- 5 People have decent, energy efficient, climate-proofed homes they can afford to live in;
- 6 Attainment, achievement and positive destinations are improved for all, with a particular focus on those in poverty;
- 7 People use decarbonised public transport and active travel as the first choice way to get round the city;
- 8 Edinburgh is a climate adapted city, with biodiverse green spaces, and cheaper, cleaner networks for energy use;
- 9 Edinburgh has a stronger, greener, fairer economy and remains a world leading cultural capital, and
- 10 We have the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost

The Business Plan forms the central part of the strategic Planning and Performance Framework and sits within the wider ecosystem of strategic planning for the Council as shown in the diagram below.

The framework has been designed to ensure that our priorities and outcomes are translated into clear actions and performance measures which are appropriately monitored, actioned and delivered. It is underpinned by the “Plan, Do, Check, Act/Review” continuous improvement model and delivered through a robust annual cycle.

The approach embeds a “golden thread” between the Business Plan, strategies, annual Directorate/ Divisional plans and colleague annual performance conversations, ensuring a clear understanding of our key deliverables across all our services.



### Scrutiny and Oversight

The Council’s executive committee structure is set out in the Annual Governance Statement. The six executive committees are Policy and Sustainability; Culture and Communities; Education, Children and Families; Finance and Resources; Housing, Homelessness and Fair Work; and Transport and Environment. These committees are responsible for policy and financial decision making and scrutiny within their designated areas of responsibility. Oversight is provided by the Governance, Risk and Best Value Committee, which scrutinises the Council’s financial and non-financial performance.

### Risks and Uncertainty

The Corporate Leadership Team’s (CLT) highest-prioritised risks as reported to the Governance, Risk and Best Value Committee (GRBV) on 2 May 2023 are outlined below, along with the key controls in place to mitigate them.

## MANAGEMENT COMMENTARY

### Risks and Uncertainty - continued

The main enterprise risks facing the Council are as follows:

R1	Strategic Delivery	Inability to design and / or implement a strategic plan for the Council, resulting in a lack of clarity regarding future direction and Council structure, impacting quality and alignment of strategic decisions
R2	Financial and Budget Management	Inability to perform financial planning; deliver an annual balanced budget; manage cash flows; and confirm ongoing adequacy of reserves, meaning that the Council is unable to continue to deliver services and implement change in line with strategic objectives, meet EIJB financial directions and/or be at risk of an adverse external audit opinion.
R3	Programme and Project Delivery	Inability to deliver major projects and programmes effectively, on time and within budget affecting delivery of strategy, service delivery improvements and savings targets
R4	Health and Safety (including Public Safety)	Employees and / or citizens (including those in the Council's care) suffer unnecessary injury and / or harm, with legal, financial and reputational consequences
R5	Resilience	Inability to respond to a sudden high impact event or major incident, resulting in service disruption and serious injury or harm to employees and/or citizens
R6	Supplier, Contractor and Partnership Management	Inability to effectively manage the Council's most significant supplier and partnership relationships, resulting in inability to achieve best value
R7	Technology and Information	Potential failure of cyber defences; network security; application security; and physical security and operational arrangements, resulting in Inability to use systems to deliver services; loss of data and information; regulatory and legislative breaches; and reputational consequence.
R8	Governance and Decision Making	Inability of management and elected members to effectively manage and scrutinise performance, and take appropriate strategic and operational decisions, meaning poor performance is not identified and decisions are not aligned with strategic direction.
R9	Service Delivery	Inability to deliver quality services that meet citizen needs effectively and in line with statutory requirements resulting in censure from national government and regulatory bodies and adverse reputational impacts.
R10	Workforce	Insufficient resources to support delivery of quality services that meet citizen needs effectively and in line with statutory requirements, resulting in ongoing employee health and wellbeing; increased trade union concerns; censure from national government and regulatory bodies; and adverse reputational impacts.
R11	Regulatory and Legislative Compliance	Delivery of Council services and decisions are not aligned with applicable legal and regulatory requirements resulting in regulatory censure and penalties; legal claims; and financial consequence.
R12	Reputational Risk	Adverse publicity as a result of decisions taken and / or inappropriate provision of sensitive strategic, commercial and / or operational information to external parties, resulting in significant adverse impact to the Council's reputation in the public domain.
R13	Fraud and Serious Organised Crime	Isolated or systemic instances of internal and / or external fraud and / or serious organised crime resulting in financial consequences; loss of systems; loss of data; inability to deliver services; regulatory censure and penalties; and adverse reputational impacts.

Details of the mitigating actions that are in progress in respect of each of these risks, are included in Appendix 3 of the **Risk Report**. Several risks currently exceed the Council's agreed Risk Appetite levels and mitigating actions for these are described below:

R2	Financial and Budget Management	Change Programme established with £2m funding; Quarterly Capital and Revenue budget monitoring; Directorate Revenue savings proposals being developed; Prioritisation / recasting of Capital Programme; Robust medium term financial plan being developed
R7	Technology and Information	New HR system; SWIFT replacement business case; Compliance Monitoring
R9	Service Delivery	Prioritisation of critical services; Operational efficiencies; Targeted recruitment
R10	Workforce	HR Workforce plan and succession planning; Robust capacity planning

The Council's **Enterprise Risk Management Policy** is reviewed and approved annually by the Policy and Sustainability Committee.

Once approved by the Committee, the Policy is shared and communicated across the Council, with the refreshed version published on the policy register maintained on the Council's website. The most recent Risk Management Policy was approved on 21 March 2023.

The Council's **Risk Appetite Statement**, covering its attitude to service delivery, infrastructure, compliance and financial risks, was approved at the meeting of the Policy and Sustainability Committee on 30 November 2021.

### Other Risks, Challenges and Uncertainties

On 1 December 2020, in response to the Poverty Commission's final report, the City of Edinburgh Council became the first UK local authority to set a target date for ending poverty by agreeing the proposals set out in the **End Poverty in Edinburgh Delivery Plan 2020-30**.

The Edinburgh Partnership has also published a **paper** setting out how partners will collectively work towards the aim of ending poverty in the city by 2030.

## MANAGEMENT COMMENTARY

### Other Risks, Challenges and Uncertainties - continued

The second [annual update report](#) on how Edinburgh is progressing in its aim details the actions taken by the Council and partners, in response to calls to action made by the Edinburgh Poverty Commission. The report covers the period from October 2021 to the end of September 2022 and includes the ongoing response to the Covid-19 pandemic and to the emerging cost of living crisis, both of which have been significant in informing current and future actions.

Ending poverty in Edinburgh is one of the Council's key priorities for 2023 to 2027 and this is firmly embedded in the new Business Plan.

### Performance Overview

The latest in-year [performance update report](#) was considered by the Policy and Sustainability Committee on 17 November 2022. This provides information to enable Elected Members to scrutinise performance in a structured way, following the approach set out in the Planning and Performance Framework (PPF) which was approved on 10 June 2021.

### Council Performance and Best Value

The Council's [2022/23 Annual Performance Report](#) was considered by members in August 2023.

The report is structured around the three key priorities (Ending Poverty by 2030; Becoming a Sustainable and Net Zero City by 2030; and Wellbeing and Equalities), along with the fifteen outcomes that sit under these priorities, and the associated KPIs.

The report includes analysis against 89 measures comprising 80 KPIs and 9 milestone measures. Of these:

- 63 KPIs have targets set for 2022/23 and have been assigned a red, amber or green status based on performance (38 ahead of target, 18 just behind target and 7 behind target)
- 9 KPIs have either no end of year figure or target for 2022/23 and so have been assigned a blue RAG status
- 8 KPIs are for monitoring purposes only and have been assigned a grey RAG status
- 9 milestones have been assigned a status of completed, in progress or delayed / behind target, depending on progress

Indicators where performance met, or exceeded, target were primarily in the wellbeing/equality and sustainability/net zero areas. These included most indicators for refuse collection, road and streetlighting repairs.

The seven KPIs assessed to be behind target were:

- Number of people supported with welfare rights queries by the Advice Shop
- Number of new Council apprenticeships
- Percentage of primary pupils who are Looked After achieving literacy
- Percentage of all leavers from deprived areas achieving one or more awards at SCQF Level 6 or higher
- Percentage of pupils with low attendance
- Develop initial delivery plans to reimagine at least two town centres by the end of March 2023
- Litter monitoring score

The Trams to Newhaven line [opened for service on 7 June 2023](#) and was completed on budget, despite delays early in the project, including the impact of Covid-19.

The Office for National Statistics reported that inflation for all households in the UK reached over 11% in October 2022 but for poorer households rates as high as 15% were estimated. The Poverty in Scotland 2022 publication showed that due to rising costs of food and energy in 2022, 73% of low-income families in Scotland have gone without essentials such as food or heat. We continue to act as set out in our End Poverty in Edinburgh Delivery Plan. Details of our progress can be found in our second [Annual Report](#) which was considered at the Policy and Sustainability Committee in November 2022. We have supported people through the cost-of-living crisis with an £8m investment in additional support to help those families most in need, including one-off direct cash payments and increasing funding available for crisis grant programmes.

The Council has supported refugees impacted by the war in Ukraine and we have welcomed over 10,000 displaced Ukrainian people through the Welcome Hub. This has involved setting up a project team and required input from across the Council, with partnership working and close co-operation with the UK and Scottish Governments being a key factor.

Reinforced Autoclaved Aerated Concrete (RAAC) panels are a form of lightweight concrete plank commonly used in roofs, walls, cladding, floors and eaves in the 1960s to 1980s with local authorities using them in a variety of buildings, including many schools. Safety concerns began to be raised in June 2023 as to the strength of these panels, initiating an urgent inspection process, with the initial focus being on the learning estate. Mitigation measures have been put in place where required and surveys will continue to be progressed across the operational estate. Due to the continuing nature of investigations, precise quantification of costs is not yet possible.

The Council's [Best Value Assurance Report](#) (BVAR) was considered by the Accounts Commission on 12 November 2020. The Accounts Commission accepted the Controller of Audit's report and endorsed his recommendations. The final report was published by the Accounts Commission on 26 November 2020.

The BVAR for the City of Edinburgh Council focused on five key areas: the Council's vision and strategic direction; performance and outcomes including public performance reporting; effective use of resources; partnership working and community engagement; and continuous improvement.

Actions were agreed at the Edinburgh Partnership Board on 23 March 2021, in response to the partnership working and empowerment findings of the Council Best Value Assurance Audit.

# MANAGEMENT COMMENTARY

## Performance Overview - continued

An update on progress made to date, in response to the Best Value Assurance Audit Report recommendations was reported to Policy and Sustainability Committee on 21 March 2023. The update report was referred to Governance Risk and Best Value Committee for consideration on 2 May 2023. Significant progress has been made on all of the key recommendations made in the audit: the medium-term financial plan is being taken forward as specific programme of work; the Planning and Performance Framework outlines an approach to committee reporting for performance; elected member training was covered by a comprehensive induction training programme with refresher training for elected members continuing throughout the life of the Council; a new policy on Community Engagement and Consultation has been agreed and this will be reviewed and updated by the Policy and Sustainability Committee; the Council and the Edinburgh Association of Community Councils have had constructive and practical meetings and this work will continue to develop and be reported and monitored at the Edinburgh Partnership.

Under Section (1) (1) (a) of the Local Government Act 1992, the Accounts Commission has a statutory power to define the performance and outcome information that councils must publish locally in the following financial year with a view to facilitating comparison over time within, and across, authorities, including their effectiveness in working with partners and communities. Councils also require to assess how they are performing against the duty of best value, including actions taken in response to audit recommendations for improvement.

## Financial Performance

### Revenue - General Fund

The Council's financial performance is presented in the Comprehensive Income and Expenditure Statement, which can be seen on page 23. This statement has been prepared as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23. To show the net position of the Council, it is necessary to adjust the Comprehensive Income and Expenditure Statement for statutory items that require to be taken into account in determining the position on the General Fund and Housing Revenue Account for the year. These are summarised in the Movement in Reserves Statement (page 20).

An Expenditure and Funding Analysis has been provided to reconcile adjustments between the Council's financial performance under the funding position and the surplus on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Expenditure and Funding Analysis can be found in Note 5 and the Expenditure and Income Analysed by Nature in Note 6.

The outturn position for the General Fund, excluding accounting practice adjustments, compared to budget is summarised below. This basis of presentation is the main one adopted for reporting purposes as it is consistent with both budget-setting and in-year monitoring and also best aligned to the Council's statutory responsibilities.

	Revised Budget 2022/23 £000	Actual 2022/23 £000	(Under) / Over Spend £000
<b>General Fund services</b>	<b>1,098,324</b>	<b>1,106,280</b>	<b>7,956</b>
<b>Non-service specific areas</b>			
Loans charges / interest on revenue balances	82,526	85,066	2,540
Other non-service specific costs	29,807	18,026	(11,781)
Council Tax Reduction Scheme*	28,800	25,993	(2,807)
Net Cost of Benefits	(127)	(117)	10
Dividend and other interest received	(1,341)	(8,210)	(6,869)
<b>Non-service specific areas total</b>	<b>139,665</b>	<b>120,758</b>	<b>(18,907)</b>
<b>Movements in Reserves</b>			
Net contribution to / (from) earmarked portion of the General Fund	(27,832)	(20,715)	7,117
Contribution to / (from) Capital Fund	(8,759)	(8,759)	0
<b>Movements in Reserves total</b>	<b>(36,591)</b>	<b>(29,474)</b>	<b>7,117</b>
<b>Sources of funding</b>			
General Revenue Grant	(627,905)	(627,905)	0
Distribution from Non-Domestic Rate pool	(249,861)	(249,861)	0
Council Tax **	(323,632)	(333,473)	(9,841)
<b>Sources of funding total</b>	<b>(1,201,398)</b>	<b>(1,211,239)</b>	<b>(9,841)</b>
<b>Transfer (to) / from earmarked portion of the General Fund</b>	<b>0</b>	<b>(13,675)</b>	<b>(13,675)</b>

Fees and charges levied by the Council have been offset against the cost of providing services and are included within the actual cost of General Fund Services shown above.

\*uncommitted funds linked to the in-year underspend in respect of the Council Tax Reduction Scheme of £2.807m were transferred to an earmarked portion of the General Fund.

\*\* Council Tax (excluding Council Tax Reduction Scheme)

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Revenue - General Fund - continued

On 24 February 2022, the Council set a **balanced budget for 2022/23** but with the delivery of approved savings and the prompt identification and management of underlying or emerging pressures key to maintaining financial stability in the year. In total, the approved budget was predicated on the delivery of some £19.2m of directorate-specific and corporate savings.

### Covid-19 Financial Impact and overall outturn

While the financial effects of the pandemic continued the reducing trend apparent in 2021/22, these impacts remained significant in 2022/23. The net cost to the Council during the year, including exposure through its Arm's-Length External Organisations (ALEOs), was some £19m. The largest single contributors were the loss of the Lothian Buses dividend of £6m, a reduction in parking income, net of enforcement costs, of £3.9m, additional homelessness expenditure of £3.0m and further support for Edinburgh Leisure of £3.0m. The budget framework assumes a reducing drawdown of COVID-related reserves funding for each of the next four years, the adequacy of which will be kept under review.

Taken as a whole, an in-year Council-wide underspend of £13.7m was achieved. Service areas overspent by some £8m (although when Homelessness services pressures of £11.2m were excluded, the three main service areas all recorded slight underspends) alongside in-year energy cost pressures of £5.7m. These were offset by £9.8m of additional Council Tax income (representing a combination of high in-year collection rates and a reduction in required bad debt provision for previous years), £8.2m of other corporate savings, including application of the budget framework risk contingency, £5m of unbudgeted income from the Millerhill Recycling and Energy Recovery Centre off-take agreement and £4.3m of net savings in loans charges, interest and investment income.

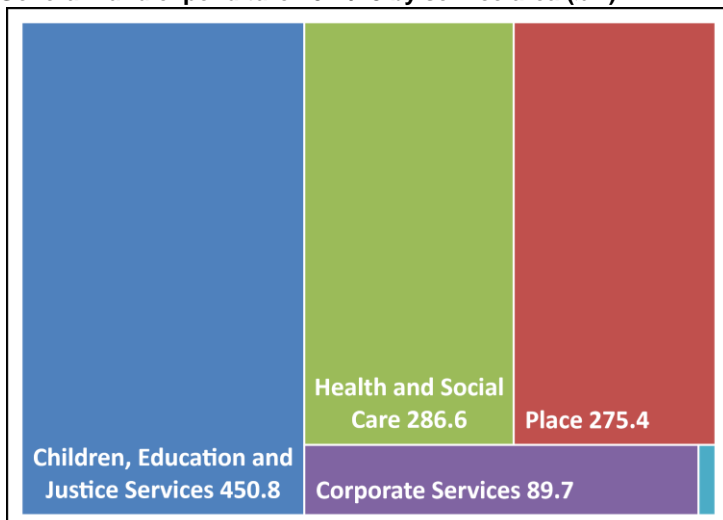
In overall terms, 98% of approved savings were delivered during the year. This marked a continuing improvement on the equivalent figures for 2021/22 (89%), 2020/21 (82%), 2019/20 (77%) and 2018/19 (60%).

### Principal Sources of Funding - General Fund

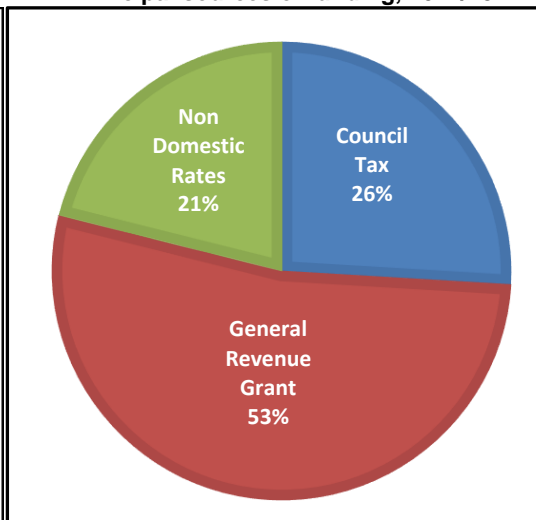
The principal sources of funding used by the Council during the year were:

	£000
Council Tax, net of Council Tax Reduction Scheme (CTRS) <i>(property-related tax from households)</i>	307,480
General Revenue Grant <i>(Government revenue grant funding based on city's relative needs assessment)</i>	627,905
Distribution from Non-Domestic Rates pool <i>(property-related tax primarily from businesses)</i>	249,861
<b>Total</b>	<b>1,185,246</b>

General Fund expenditure 2022/23 by service area (£m)\*



Principal sources of funding, 2022/23



\* - The turquoise-shaded box on the expenditure diagram represents the Council's requisition for the Lothian Valuation Joint Board of £3.8m.



## MANAGEMENT COMMENTARY

### Financial Performance - continued

#### Reserves

##### General Fund

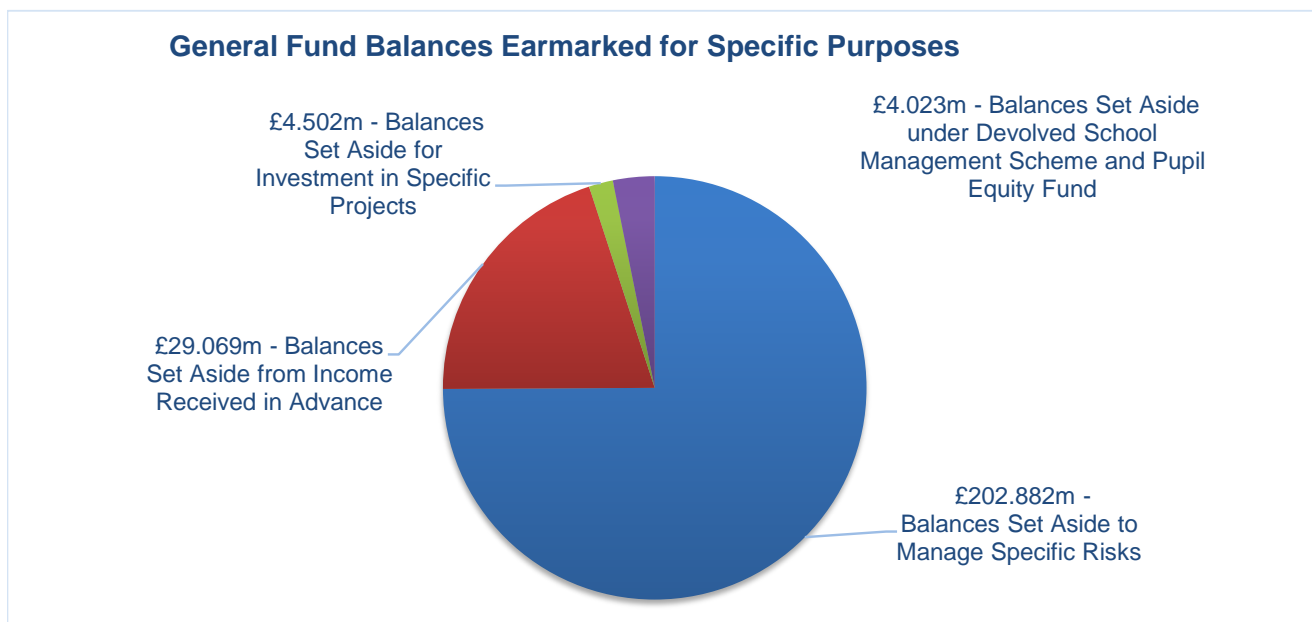
The Council's General Fund reserves comprise two elements:

- The unallocated General Fund; and
- Balances earmarked for specific purposes.

The unallocated General Fund is held against the risk of unanticipated expenditure and/or reduced income arising in any particular year. The level of this reserve is reviewed annually by the Council as part of the revenue budget-setting process. This review considers the level of balances held, the financial risks which could be realised and the arrangements in place to manage these.

**The latest review** was in February 2023, as part of the 2023/24 budget-setting process. The unallocated General Fund balance at 31 March 2023 was £25.831m, which equates to 2.15% of annual budgeted net expenditure.

In addition, the Council has a further £240.476m (2021/22 £228.224m) of balances earmarked for specific purposes. Details can be seen in note 12 to the Financial Statements. The chart below highlights the split of these balances.



- Balances set aside for specific financial risks which are likely to arise in the medium-term future. Examples include monies earmarked for staff release costs, dilapidations and other related contractual commitments and the insurance fund. The sums shown above include £33.317m of non-service specific COVID-related funding to be applied against expenditure and income losses in future years;
- Balances set aside from income received in advance are primarily from grant income, due to timing differences between the receipt of the grant income and the planned expenditure thereof. The sums above include £4.381m of service-specific COVID-related funding carried forward to be offset against expenditure in 2023/24, primarily in respect of the Discretionary Business Fund;
- Balances set aside to enable the Council to undertake investment in specific projects which will deliver savings in future years, such as Spend to Save. These savings are used, initially, to replenish the earmarked balances; and
- Balances held under the Devolved School Management scheme (DSM) and Pupil Equity Fund (PEF), which permits balances on individual school budgets to be carried forward to the following financial year and academic years.

While the overall balance of reserves held for specific purposes increased slightly during the year, this reflected the in-year underspend of £13.675m, the majority of which has been transferred to the Council Priorities Fund.

#### Other Reserves

The Council holds other usable reserves; these are the Capital Grants Unapplied Account with a balance of £31.189m, the Capital Fund with a balance of £42.194m and the Renewal and Repairs Fund with a balance of £37.430m, including £3.885m of monies for schools prepaid under PPP arrangements. These sums are used to support capital investment across the Council's property estate.

## MANAGEMENT COMMENTARY

### Financial Performance - continued

#### Financial Ratios

Financial ratios relating to Council Tax, debt and borrowing are shown below.

<b>Council Tax</b>	<b>2022/23</b>	<b>2021/22</b>	<b>Notes on interpretation of ratios</b>
In-year collection rate	97.13%	96.77%	This shows the % of Council Tax collected during the financial year that relates to bills issued for that year. It does not include collection of sums billed relating to previous financial years. The collection rate is stated on a line-by-line basis, adjusted for the impact of water-only debt in the joint collection of Council Tax and water charges. The indicator shows that the in-year collection levels have increased from levels achieved in prior years.
Council Tax income as a percentage of overall funding	25.94%	25.45%	This shows the proportion of total funding that is derived from Council Tax, net of Council Tax Reduction Scheme (CTRS) support. While Council Tax rates increased in 2022/23, the proportional increase was similar to prior years.
<b>Debt and Borrowing - Prudence</b>			<b>Notes on interpretation of ratios</b>
Capital Financing Requirement	£2,025.9m	£1,902.9m	The capital financing requirement represents the underlying need to borrow to fund expenditure on assets and shows an increase of around 6% during the year. Financing costs are provided for within the Council's Long-Term Financial Plan. Further details of the capital financing requirement can be seen in note 37 to the Financial Statements.
External debt levels	£1,680.9m	£1,736.1m	External debt levels include long-term commitments in respect of finance leases (mainly schools provided through PPP schemes) together with borrowing undertaken to finance capital expenditure. (Excludes Right of Use Assets)  External debt levels are lower than the capital financing requirement as the Council has adopted a position of under borrowing, as set out in the Treasury Strategy.
<b>Debt and Borrowing - Affordability</b>			<b>Notes on interpretation of ratios</b>
Financing costs to net revenue stream - General Fund	7.18%	6.80%	These ratios show the proportion of total revenue funding that is used to meet financing costs.
Financing costs to net revenue stream - HRA	33.89%	32.04%	
Impact of capital investment on Council Tax	2.49%	-0.73%	These ratios show incremental impact of financing costs, the increase or (decrease) in financing costs from the previous financial year, as a percentage of Council Tax, in respect of costs payable through the General Fund and house rents for the HRA. The ratios for 2022/23 reflect the effect of increased capital expenditure and rates.
Impact of capital investment on house rents	2.33%	-0.32%	

#### Treasury Management Strategy

The **Annual Treasury Management Strategy 2023/24** was approved on 16 March 2023. The key points are:

- the Council's total capital expenditure is forecast to be £2.473 billion between 2022/23 and 2027/28;
- the Council's underlying need to borrow at 31 March 2028 is forecast to be £2.321 billion;
- the Council will continue to fund its Capital Financing Requirement from temporary investment balances over the next year.

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Capital Strategy

The **Sustainable Capital Strategy 2023-33 - Annual Report** was approved at Full Council on 16 March 2023. The report provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services and is linked to a number of other key plans and policies such as the Annual Treasury Strategy, the Capital Investment Programme and HRA Budget Strategy.

The Capital Budget Strategy has been reviewed in light of COVID-19, the war in Ukraine, cost of living crisis and the Council's priorities and Council Business Plan.

Capital expenditure is controlled through the Prudential Code that provides the framework for investing in infrastructure. In Scotland, local authorities are required by regulation to comply with the Prudential Code under Part 7 of the Local Government (Scotland) Act 2003. The key objectives of the Prudential Code are to ensure that capital plans are affordable, prudent and sustainable and that treasury decisions are taken in accordance with professional guidance and best practice.

The 2022/23 outturn position for capital expenditure is summarised below:

	<b>Budget 2022/23 £000</b>	<b>Actual 2022/23 £000</b>	<b>(Slippage) / Acceleration £000</b>
Capital expenditure			
General Fund services	284,097	287,722	3,625
Housing Revenue Account	<u>118,755</u>	<u>121,335</u>	<u>2,580</u>
Total capital expenditure	<u>402,852</u>	<u>409,057</u>	<u>6,205</u>
Capital receipts and other contributions			
- General Fund services	(17,565)	(23,078)	(5,513)
- Housing Revenue Account	(27,288)	(36,878)	(9,590)
Government and other grants			
- General Fund services	(149,151)	(149,935)	(784)
- Housing Revenue Account	<u>(9,137)</u>	<u>(37,679)</u>	<u>(28,542)</u>
Total capital income	<u>(203,141)</u>	<u>(247,570)</u>	<u>(44,429)</u>
Balance to be funded through borrowing			
- General Fund services	117,381	114,709	(2,672)
- Housing Revenue Account	<u>82,330</u>	<u>46,778</u>	<u>(35,552)</u>
Total advances from loans fund	<u>199,711</u>	<u>161,487</u>	<u>(38,224)</u>

At budget setting, the gross General Fund capital budget was reduced by £21.694m to reflect anticipated slippage in the capital programme, however actual slippage was £17.996m therefore, as delivery of the programme has exceeded expectations, this has resulted in budget acceleration of £3.698m. Of the actual slippage, Asset Management Works was the biggest contributor (£8.105m), followed by the Fleet (£4.672m) and Depot Rationalisation (£4.206m) programmes. Increased costs of the North Bridge Refurbishment have led to an overspend in 2022/23 of £3.540m, however this has been addressed through the provision of additional funding in the 2023-33 Sustainable Capital Strategy. This and other acceleration of spend in Roads and Transport infrastructure has been offset by slippages elsewhere in the capital programme.

Delivery of the 2022/23 HRA Capital Programme is largely in line with the budget revised at Month 3 which took into account latest forecasts. Some small slippages in the housebuilding programme were offset by the purchase of a number of homes at Dreghorn for £5.792m which has led to budget acceleration of £2.580m. The much anticipated purchase of land at Liberton Hospital completed within the year at a cost of £15.605m including fees. Again, the capital advances were less than budget due to increased receipts.

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Capital Expenditure

The Council received £52.471m of general capital grant during 2022/23, £9.7m of which has, as with other local authorities, been transferred to the Capital Fund and subsequently allocated to the Pay Award. The support provided through general capital grant enables the Council to direct resources to its own priorities.

Capital expenditure for the year totalled £409.058m. Major capital projects undertaken during the year included:

- Creation and expansion of educational properties - £46.465m;
- Trams to Newhaven project - £53.419m;
- Investing in new council homes and enhancing existing assets through the Housing Revenue Account programme - £121.335m;
- Roads, carriageways and other transport infrastructure - £65.466m;
- Social housing through the housing development fund - £55.182m;
- Asset Management Works at operational properties - £10.497m;
- The Council's Environmental capital programmes including Waste, Parks and Greenspace, Depot Rationalisation and Fleet - £10.327m; and
- Providing funding for homes for mid-market rent through the Edinburgh Living LLP - £27.400m.

### Housing Revenue Account

The Council has a statutory obligation to maintain a housing revenue account (HRA) which records all income and expenditure for the management of, and investment in, Council homes. The HRA is entirely self-financing and receives no funding from the general Council budget. All expenditure is funded through the tenants' rent, related service charges and interests gained through HRA assets.

The Council approved the Housing Revenue Account Budget Strategy 2022-2032 on 24 February 2022 and the outline 10-year HRA capital programme with a second rent freeze in a row in 2022/23. It set out an ambitious strategy to deliver a £2.9bn investment over ten years to deliver Council commitments, including the delivery of new homes and net zero carbon emissions. It also agreed an accelerated contribution of £5m to support a programme of fabric upgrades to minimum Energy Efficiency Standard for Social Housing 2 (ESSH2) standard and to a further acceleration of £0.25m to facilitate stock condition survey work, prioritising surveys on the buildings known to have issues with damp.

The HRA revenue account secured income of £108.0m in 2022/23. This represents an over recovery of income against budget of £1.143m. However, when looking solely at income from dwelling rent, this element under-recovered by £2.816m. A significant element was due to lost rent on void properties (£2.324m). Despite normal working practices broadly having been resumed in 2022/23, there are a number of challenges still impacting on recovery of the position on void properties (for example in-house and contractor capacity).

The remaining under-recovery (£1.460m) was primarily attributable to time taken for property acquisitions to offset disposals in the year, and time to complete and let newly built properties.

The 2022/23 capital programme budget was first revised up from £121.819m to £126.819m to take account of the Council's decision to accelerate investment of £5m on fabric upgrades, but was later revised down to £118.755m at Month 3 forecast following a review to incorporate the most up to date cash flow projection for individual projects and programmes in the new build programme. The year end capital programme outturn for 2022/23 was £121.335m; £2.580m above the Month 3 revised budget and the largest capital spend delivered to date.

The Council Housebuilding Programme delivered just over 300 new homes in 2022/23 at Pennywell and North Sighthill. This included 54 social rented homes, 148 mid-market rented homes that were purchased by Edinburgh Living LLP and 99 homes for market sale. The delivery pipeline for new homes remains strong. There were 613 affordable homes under construction (as of the end of March 2023), and a further 1,054 in the design or pre-construction stage.

Throughout 2022/23 work has been progressing to transition the capital investment programme for existing homes towards a focus on area-based investment, combining wider building improvements and Whole House Retrofit (WHR). The first area-based low rise investment programme was selected for detailed design and development focussing on the Magdalene, Bingham and Christians area. Phase 1a will launch later in 2023/24 in Magdalene.

The WHR Design Principles study was completed in 2022/23 and helped to detail the costs and level of intervention required across the Council's most common housing archetypes to implement a WHR approach and deliver ESSH2. In addition, WHR pilot projects had been planned for a range of deep whole-house retrofit approaches across 10 blocks (52 homes), with the first three archetypes due for site start in spring 2023.

The Mixed Tenure Improvement Service (MTIS) pilot in Murrayburn/Dumbryden consists of 10 phases over three years. To date a total of 911 homes including 233 private and 678 Council homes in phases 1 to 8 are either complete or currently undergoing works to retrofit and improve the blocks. The MTIS Programme will move into its final year of works in 2023/24, with phases 9 to 11 to be progressed across Murrayburn, Dumbryden and Hailesland targeting a further 380 homes.

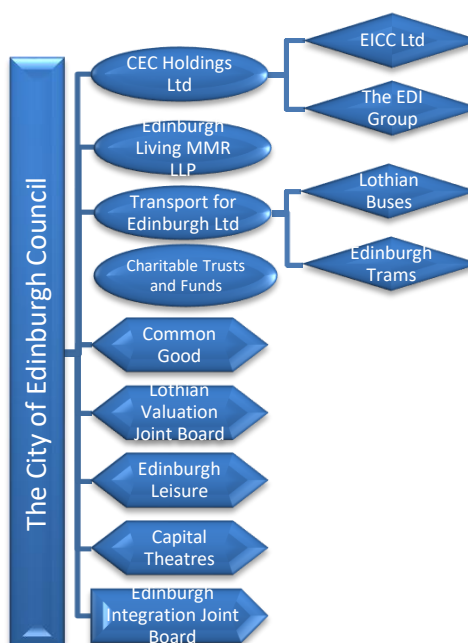
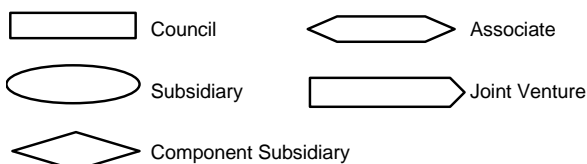
# MANAGEMENT COMMENTARY

## Financial Performance - continued

### Group Accounts

In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, Group Accounts have been prepared, which consolidate the financial interests the Council has in subsidiaries, associates and joint ventures, where the interest is considered material. Note 9 details the interests the Council holds and further financial details about the entities. The adjacent chart shows the components in the structure of the Group. Information on the Common Good can be found on page 118.

Key:



### CEC Holdings Ltd

#### EDI Group Ltd (subsidiary of CEC Holdings Ltd)

The EDI Group was established in 1988 by The City of Edinburgh Council to carry out the development of Edinburgh Park, now regarded as one of the principal business parks in Europe.

In 2017 the Council reviewed its approach to the use of surplus land and determined to prioritise the delivery of affordable housing rather than other developments. The Council therefore instructed the directors to begin a process of closure, which is currently underway, with only two of the group companies still trading. The group will continue to trade until such time as all projects currently being undertaken by EDI have either concluded or transferred to the Council.

For the year ended 31 December 2022, the EDI Group Ltd reported a net loss of £0.655m which was due to a reduction in the companies level of activity, resulting in minimal trading revenue and other income to offset costs.

#### Edinburgh International Conference Centre (EICC) Ltd (subsidiary of CEC Holdings Ltd)

EICC Ltd operates a prime conference venue in the centre of Edinburgh. The Centre was built in 1995 and since that time has welcomed 1.5 million delegates from more than 120 countries, generating £720m of economic impact for the city region.

The Conference Centre held 175 events in 2022, these events varied enormously in their size, duration, diversity and profitability. As well as holding conferences, meetings and exhibitions, the Conference Centre hosted, amongst other things: NHS vaccination centres; celebrity evenings; a variety of award ceremonies; dance competitions; ballet performances; comedy shows; comic book and horror movie exhibitions; theatre-circus performances; food and drink fairs; and university examinations.

The Company made significant progress towards its aim of operating a hotel, in close proximity to the Conference Centre, during the year. It is believed that this is essential in order to provide the necessary funding for the Conference Centre's long-term capital expenditure programme. An agreement for lease with the developer and a franchise agreement with the hotel brand were completed and signed off in April 2022. Construction commenced in August with the hotel due to open in late 2025. A new fully owned subsidiary, Edinburgh International Conference Centre Hotels Ltd, was incorporated in February 2022 prior to the formal sign off of the various agreements.

The year to December 2022 saw the Company produce operating profits of £0.327m which was due to the sales team securing the required business for the year. This was achieved despite the depressed economic outlook, increased levels of competition within the UK and from across the world and aggressive price competition.

## MANAGEMENT COMMENTARY

### Financial Performance - Group Accounts - continued

#### Edinburgh Living MMR LLP

Edinburgh Living MMR LLP was established as a housing delivery partnership to address housing needs in Edinburgh. The initiative is a partnership between the Council (99.999%) and Scottish Futures Trust (0.001%). The partnership delivers homes for mid-market rent to let to households in housing need.

Edinburgh Living is financed under a Facility Agreement with the Council to borrow up to £248m along with a contribution of up to £22.1m from a Scottish Government grant. Edinburgh Living bought its first homes in January 2019 and owned 502 homes across nine sites in the city by the end of December 2022.

The results for the year show an operating profit of £10.978m, which includes the gain from property valuation increases of £8.479m, the underlying operating profit being £2.499m, reflecting the increase in rental revenue relative to operating costs.

#### Transport for Edinburgh Ltd

The core purpose of Transport for Edinburgh Ltd (TfE) is to deliver a high-quality and integrated transport service for the city. It also maximises net revenue through a strong commercial focus and drive for efficiency across all of its activities. TfE's long-term vision is to be an integral part of the future success of the city and the Lothians, by providing world-class, environmentally-friendly and socially-inclusive public transport.

During 2020, it was agreed that Lothian Buses be reconstituted to be responsible for the management of all Council-owned public transport models in the city whilst retaining the brands and services of each of the transport companies. The formal project management support has been employed to develop a detailed Project Execution Plan to implement these reforms, with the hope that they will be completed by early 2024.

The Group retained a substantial share of the local public transport market in Edinburgh and the Lothians in 2022. Revenue has increased by 15.4% from the previous year to £181.5m, while the loss after tax was £6.5m. The results for the year were in line with expectations, with the main reason for the loss in the year resulting from the significant effect on patronage, due to the the Covid-19 pandemic and changing travel patterns. Throughout 2022, Transport for Edinburgh continued to receive some funding support from Scottish Government via Transport Scotland.

#### Lothian Valuation Joint Board (LVJB)

The Lothian Valuation Joint Board is a local authority organisation providing a range of services to and on behalf of City of Edinburgh, West Lothian, Midlothian, and East Lothian Councils. The services provided represent duties embedded in statute and associated case law. Specifically, they relate to the creation and maintenance of the Valuation Roll, Council Tax List and Electoral Register.

During 2022/23, the residual impact of the COVID-19 pandemic and the significant resources allocated to the preparation for the 2023 Non-Domestic rate revaluation influenced the Board's performance. The principal of these show that 86.26% of all new houses were entered onto the Council Tax List within three months following occupation and 6,326 new houses were added to the Council Tax list while 2,064 amendments were made to the Valuation Roll. Additionally, the Electoral Register was maintained throughout 2022 with 79,800 electors added and 77,152 deleted.

The Board reported expenditure of £6.376m for 2022/23. This required a net drawdown of £0.155m from the Board's reserves, mainly due to additional employee expenditure of £0.132m being incurred due to the cost of the COSLA pay award for 2022/23. The Board retains a General reserve of £1.294m. £0.180m is retained to meet the Board's commitment to a minimum level of Reserve of 3%. A balance of £0.311m relates to NDR Reform, with the remainder of the Board's Reserve retained to support costs of the Continual Improvement Programme in future years.

#### Edinburgh Leisure

Edinburgh Leisure is a charity dedicated to making a positive difference by creating opportunities for everyone to get active, stay active and achieve more. During the year, Edinburgh Leisure had over five million customer visits across fifty venues, offering hundreds of activities and opportunities for people who live, work and visit Edinburgh, to get active and protect their own health and wellbeing.

For Edinburgh Leisure, the key focus for 2022/23 was the opening of Meadowbank Sports Centre and delivering on the potential that this new state of art venue offers. Edinburgh Leisure continued to work with the Council and other stakeholders on a range of projects during the year, including the Active Communities Programme which supports around 10,000 people a year to get active to improve their health and wellbeing.

The year to 31 March 2023 saw the Company produce an underlying surplus of £1.481m which afforded the ability to transfer £0.300m into designated funds to assist with the refurbishment of Warrender Swim Centre and the Armoury building at Warriston Playing fields.

#### Capital Theatres

Capital Theatres is a registered Scottish charity which operates three busy theatre venues in Edinburgh; the Festival Theatre, the King's Theatre and The Studio. The theatres present world-class shows to entertain and inspire audiences of all ages with the mission to inspire a life-long love of theatres, present world-class shows to entertain and inspire audiences of all ages.

During 2022/23 the artistic reputation of Capital Theatres grew by staging six co-productions in both their own theatres and other venues across Scotland. At the end of the financial year, the organisation attained one of its biggest achievements, by securing the Scottish Premier of 'Hamilton', one of the biggest shows in the world. The Capital Theatres creative engagement also expanded with the introduction of the new talent development programme called Open@The Studio aimed at local theatre makers and producers forging their own way in the industry. In addition to the award-winning dementia-friendly events, further focus was placed on audience development and inclusion with the establishment of a Youth Advisory Board.

The results of the 2022/23 financial year shows an operating surplus of £3.543m including a revenue grant of £0.585 from the City of Edinburgh Council. £2.592m of this surplus is committed to restricted funds which cover The Studio, upgrade of the wi-fi and broadband infrastructure and the redevelopment project of the King's Theatre.

## MANAGEMENT COMMENTARY

### Financial Performance - Group Accounts - continued

#### Edinburgh Integration Joint Board

The Edinburgh Integration Joint Board (EIJB) was formally delegated the functions and resources of the Council's Health and Social Care Service and NHS Lothian's Community Health Partnership, with effect from 1 April 2016. In view of the basis of level of control being fifty percent, Board representation, and wider materiality levels, this Joint Venture has been consolidated into the Group accounts for the year to 31 March 2023, see note 9.4.

The Edinburgh Integration Joint Board agreed its strategic plan for 2019-22 in August 2019. A comprehensive programme was designed to deliver the vision set out in the strategic plan, working in tandem with other core strategies such as Carers, Thrive Edinburgh (mental health) and the Primary Care Improvement Plan (PCIP). The next EIJB strategy is under review. Publication of the refreshed plan is being delayed to ensure sufficient time to take account of the emerging financial context and approach to change and transformation going forward.

For the year to 31 March 2023, the EIJB reported an in-year deficit of £58m in the annual accounts, reflecting timing differences, with income received in 2021/22 to offset expenditure incurred during the year, resulting in an overall balanced position.

#### The City of Edinburgh Charitable Trusts and City of Edinburgh Charitable Funds

Due to the City of Edinburgh Council acting as sole trustee for the City of Edinburgh Charitable Trusts and Funds, it has been consolidated into the Group accounts as a subsidiary for the year to 31 March 2023.

The City of Edinburgh Council administers six charitable trusts, as listed below, which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR).

The funds are:

<b>Scottish Registered Charities</b>	<b>Scottish Charity Registration Number</b>
Lauriston Castle	SC020737
Jean F. Watson	SC018971
Edinburgh Education Trust	SC042754
Nelson Halls	SC018946
The Royal Scots Trust	SC018945
Boyd Anderson	SC025067

Approval has been granted to wind up the Boyd Anderson Trust once all of the trust's funds are fully distributed, therefore, the Boyd Anderson Trusts is not considered as a going concern.

On the 20th June, the Finance and Resources Committee approved, subject to onward ratification by Council on 31st August 2023, to apply to the Court of Session to use its exceptional power – the nobile officium – to wind up Lauriston Castle Trust and transfer ownership of the property to the Council.

For the year ending 31 March 2023, the Trusts and Funds reported a net loss of £0.060m and the total support funding received in year from the City of Edinburgh Council was £0.376m.

#### Group Summary

Net assets for 2022/23 include a combined group pension asset of £26.047m (2021/22 liability £114.886m), as shown in note 41.9. This reflects the inclusion of pension liabilities relating to the Council, other employees (including subsidiary companies) and the incorporation of Lothian and Borders Valuation Joint Board as an associate within the group. It should be noted that this is a snapshot of the position at 31 March 2023. The actuarial valuation, which takes a longer term view, will consider the appropriate employers' contribution rates and these, together with employee contributions and revenues generated from fund investments, will be utilised to meet the financing of these liabilities. It is therefore appropriate to adopt a going concern basis for the preparation of the group financial statements.

# MANAGEMENT COMMENTARY

## Financial Performance - continued

### COVID-19 Impact and Benchmarking

The Council continued to provide vital pandemic-related support to communities and businesses during 2022/23.

An overview of the 2021/22 benchmarking data provided by the **Scottish Local Government Benchmarking Framework (LGBF)** was reported to the Policy and Sustainability Committee on 23 May 2023. The report reflects the impact of the second year of Covid-19, providing an overview of Edinburgh's recovery as Covid-19 restrictions eased, and how this is reflected in the data during 2021/22, as well as a longer-term comparison with pre-Covid performance. The data analysis will be used to inform Senior Management Team discussions and the Council Planning and Performance Framework.

A report to the Finance and Resources Committee on 7 February 2023 provided a summary of the main issues and themes identified within the **Accounts Commission's Financial Bulletin 2021/22** published on 12 January 2023, and how these relate to the local context within Edinburgh. These included the following:

- an increasing proportion of external grant funding is either formally ring-fenced or provided with the expectation it will be spent on specific services;
- in-year collection rates for Council Tax have broadly returned to pre-pandemic levels; and
- the Council continues to face significant financial pressures resulting from increased demand for services, inflation, legislative reform and the on-going financial impacts of the pandemic, with these factors being set against a backdrop of core grant funding that is not increasing.

In the **Accounts Commission's Overview of Local Government** published in May 2023, it was reported that "Councils have never faced such a challenging situation, with demand and workforce pressures deepening after the Covid-19 pandemic and funding forecast to reduce in real terms. Radical change, achieved through greater collaboration, is urgently needed if councils are to maintain services."

### Climate Change and Sustainability

The Council published its **2030 Climate Strategy** in December 2021 with an ambitious target for Edinburgh to become a net zero city by 2030. This means that by 2030, we want to remove the same amount of greenhouse gases that we, as a city, put into the air. The 2030 target recognises the need for Edinburgh to play its part in helping to deliver on national goals to reduce emissions, with cities having to make faster progress on reducing greenhouse gas emissions if Scotland is to meet its national 2045 net zero target. Our longer-term vision for a greener, cleaner, fairer Edinburgh will only be possible through working with others, with people from across the city, across the Council and across our partners. There is a lot that needs to be done to deliver a net zero, climate ready capital but our focus will always be on making Edinburgh a better place to live, work and visit.

The **2030 Climate Strategy Environmental Assessment and Annual Review** provided the Policy and Sustainability Committee with an update report in November 2022. This included findings from the consultation process, proposed actions in response to the findings and an overview of key work undertaken to date.

The most significant climate impacts identified for Edinburgh are rising sea level and coastal erosion, heavy rainfall and storms, river flooding, surface-water flooding, drought, temperature change and heatwaves, wildfires, landslides and subsidence and multi-hazards affecting people, species and habitats. These impacts will result in risks to coastal communities, housing, cultural heritage assets, infrastructure assets, coastal habitats, transport infrastructure, business activity and communication services, other buildings (including schools and hospitals) within floodplains, water availability, local river water quality, wetland or loch environments, flora and fauna, food production, public health and wellbeing (heat stress, air and water quality), water and energy demand due to higher temperatures and biodiversity.

The **Sustainable Capital Budget Strategy 2023-2033** sets out priorities for £1.47bn of Council capital investment, in alignment with the Council Business Plan and our wider net-zero goals and responsibilities over the medium to long-term. A climate assessment has been carried out for capital spending proposals with 25% assessed as very favourable, 34% favourable under conditions, 33% neutral, 4% unfavourable and 4% undefined. Investments made for the construction of new buildings are evaluated using three criteria:

- energy-carbon performance of the construction in relation to the standard in force;
- land use change or soil artificialisation (the construction should not waterproof the soil or change the use of agricultural, forest or natural land); and
- access to essential services

Updated RICS Valuation Standards effective from January 2022 have been incorporated in the Council's asset valuation procedures. Environmental and sustainability information obtained from the Energy Team (including building-specific emissions data and Energy Performance Certificates) is used to inform assessments of remaining useful lives (RULs) for all buildings revalued in a given year. These assessments take into account planned programmes of property retrofitting with net-zero measures. As a result, both Environmental, Social and Governance definitions and sustainability have been taken into account in the calculation of asset valuations and RULs.



## MANAGEMENT COMMENTARY

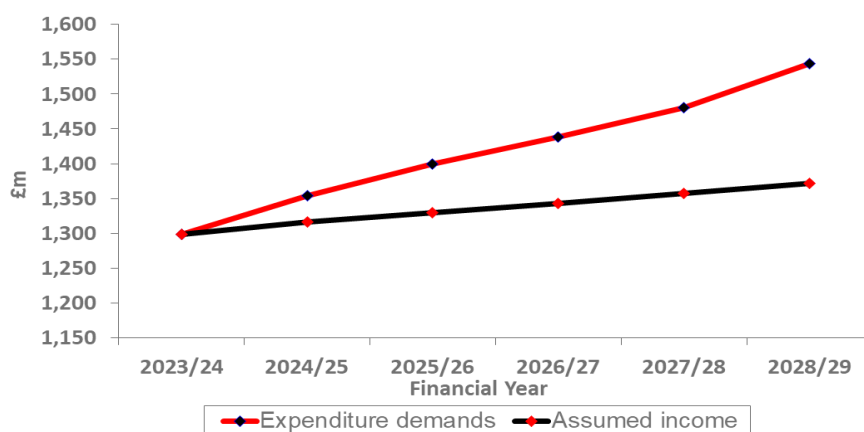
The latest **Performance Update Report** to the Policy and Sustainability Committee on 17 November 2022 provides an update on the Key Performance Indicators and Milestones associated with the Council's three main priorities: Wellbeing and Equalities; Ending Poverty by 2030; and Becoming a sustainable and net zero city.

### Medium-term financial planning

The Council continues to face significant financial challenges resulting from increased demand for services, inflation and legislative reform, as well as the continuing financial impacts of the pandemic. These factors are set against a backdrop of core grant funding (accounting for around three quarters of the Council's overall income) that is not keeping pace.

A series of assessments of the financial position has been reported to elected members. The most recent of these was considered by the Finance and Resources Committee on 20 June 2023.

While the Council has approved a balanced budget for 2023/24, we face significant financial challenges going forward. Current projections indicate a need to deliver at least £37.6m of recurring savings in 2024/25, increasing to £172.7m over the five-year period to 2028/29 as shown in the chart below:



The urgent need to initiate a structured medium to longer-term savings programme was highlighted in both the Council's Best Value Assurance Report and the external auditor's report for 2020/21. Development of the Council's Medium-Term Financial Plan (MTFP) will therefore place a greater emphasis on strategic and cross-cutting proposals, informed by the priorities included within the Business Plan, as a means of improving outcomes and ensuring continuing financial sustainability. The plan also emphasises the importance of the Council's services becoming more technologically enabled and digitally delivered, with a reorientation of work to focus, where appropriate, on more preventative practices. An update on development of the Plan was reported to the Finance and Resources Committee on 20 June 2023.

### CIPFA Financial Management Code (FM Code)

CIPFA's Financial Management Code (FM Code) was published in October 2019 and is designed to support good practice, and assist councils in demonstrating their financial sustainability and resilience by setting out expected standards of financial management. 2020/21 was a "shadow" year for adoption of the Code with full implementation in 2021/22.

Focus has been maintained to embed improvements introduced through the 2021/22 and 2022/23 budget processes including:

- (i) Maintaining an increased level of unallocated general reserve;
- (ii) Incorporating explicit revenue budget provision for exceptional inflationary pressures and underlying service pressures including temporary accommodation for homeless households;
- (iii) Continuing to reflect the ongoing impacts of the pandemic, particularly for losses of income; and
- (iv) Earlier publication of the schedule of proposed fees and charges for 2023/24.

Improvements then introduced for the 2023/24 process include the following:

- (i) Progress in the identification of service revenue budget savings with £13.4m of new service savings options approved in setting a balanced revenue budget for 2023/24;
- (ii) Improved financial performance in service revenue budgets with the provisional outturn for 2022/23 showing services delivered within the approved revenue budgets across the Place; Children, Education and Justice; and Corporate Services Directorates;
- (iii) The establishment of a formal change programme is underway to support the development of the Council's Medium-Term Financial Plan (MTFP). The Year 1 focus will include the Social Care Operating Model, Inclusion Services and the HR / Pay Core System. The MTFP remains in the formative stage and the Council's Leadership Team supported by service managers will need to develop realistic and robust savings options to address projected medium-term funding gaps; and
- (iv) Assessing the congruence of the capital investment programme to our wider net-zero goals and responsibilities.

## MANAGEMENT COMMENTARY

### Medium-term financial planning - continued

Further initiatives are completed or underway to support the Council's Section 95 Officer's assessment and further strengthen financial management arrangements including:

- (i) Positive outcomes from Internal Audit reviews of financial management arrangements for both the Council's Capital Investment Programme and Housing Revenue Account;
- (ii) A Financial Management customer survey has recently been completed based on CIPFA FM Code and will be used to agree and implement improvement actions. Areas for development are likely to include: greater use of benchmarking and other techniques to assess the value for money of services and to identify opportunities for improvement; and development of training necessary to support budget management including training in the use of core financial management systems;
- (iii) Updated Financial Management guidance is being finalised and will incorporate additional guidance on the Capital Investment Programme and Housing Revenue Account; and
- (iv) Business cases to recruit additional professional accounting staff have been approved to recognise additional workload, risk and complexity relating to the Council's Capital Investment Programme and areas of the revenue budget including Housing, Refugee Support and Homelessness.

The **Sustainable Capital Budget Strategy 2023 - 2033** details the priorities for Council capital investment, in alignment with the Business Plan, over the medium to long-term, and sets out a plan on how this could be funded. The Capital Budget Strategy is experiencing significant financial pressure due to current market conditions. The impact from factors such as COVID-19 and Brexit has been compounded by the Ukraine war and the cost-of-living crisis, resulting in very significant increases in costs across all capital projects. Funding assumptions have been reviewed, but there are limited opportunities to increase the level of funding to address inflationary pressures. It is therefore proposed that, where possible, budgets are cash limited, uncommitted learning estate projects are delayed pending the development of fully funded business plans and Balerno High School undergoes a retrofit, rather than a full replacement. Delivery of funded capital expenditure priorities is dependent on the achievement of a balanced medium-term revenue budget, to comply with the terms of the Prudential Code.

### Financial flexibilities - service concession arrangements

In June 2022, the Cabinet Secretary for Finance and the Economy agreed to the main elements of COSLA's request on changes to accounting for service concession arrangements as part of making available a wider suite of financial flexibilities, thus allowing councils to spread the principal element of capital repayments over the (longer) asset life as opposed to the existing contract term. It is important to emphasise, however, that this mechanism is a timing-related one that merely spreads an unchanged overall level of liability over a longer period. Council approval of this change as part of setting the 2023/24 budget will result in the transferring to a usable reserve (in 2023/24) of an estimated retrospective benefit up to 31 March 2023 of some £94.7m, with this benefit then applied equally over a five-year period. Timing-related savings generated going forward will be ringfenced both to provide for additional repairs and maintenance liabilities when the assets revert to Council ownership, consistent with the assumed extended asset lives, and to mitigate future principal repayment liabilities.

### Change Strategy and Business Plan

A Best Value Assurance Audit was carried out by a team from Audit Scotland and the Council's (then) external auditor, Azets. The resulting **Best Value Assurance Report (BVAR)** was published by the Accounts Commission on 26 November 2020.

As recommended in the report, the Council amalgamated its Change Strategy into its Business Plan which was approved in 2021. The Business Plan also addressed the other recommended improvement actions included in the BVAR.

In 2023, a new **Business Plan** was approved for 2023 - 2027, and this continues to meet the BVAR recommendations on aligning the Council's strategic direction.

In order to achieve the outcomes and objectives that the Council's services aim to deliver in 2023 - 2027, the Business Plan sets out the following key strategies:

- **2030 Climate Strategy**
- **Edinburgh Economy Strategy**
- **20 Minute Neighbourhoods Strategy**
- **Edinburgh Learns for Life**
- **Our People Strategy**
- **Digital and Smart City Strategy**
- **Sustainable Procurement Strategy**
- **Equality and Diversity Framework**

ANDREW KERR  
Chief Executive  
Date:

HUGH DUNN, CPFA  
Service Director: Finance and Procurement  
Date:

CAMMY DAY  
Council Leader  
Date:

# STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

## The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs, including group interests, and to secure that the proper officer of the authority has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Authority, that officer is the Service Director: Finance and Procurement.
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Finance and Resources Committee at its meeting on 21 September 2023.

CAMMY DAY  
Council Leader

Date

## The Section 95 Officer's responsibilities

The Section 95 Officer is responsible for the preparation of the Authority's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Section 95 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Local Authority Accounting Code (insofar as it is compatible with legislation), except where stated in the Policies and Notes to the Accounts.

The Section 95 Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

## Annual Accounts

I certify that the financial statements give a true and fair view of the financial position of the Council and its Group at the reporting date and the transactions of the Council and its Group for the year ended 31 March 2023.

HUGH DUNN, CPFA  
Service Director: Finance and Procurement  
Section 95 Officer

Date:

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Movement in Reserves Statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to Council Tax or rents for the year. The net increase/decrease line shows the statutory General Fund balance and Housing Revenue Account balance movements in the year following those adjustments.

<b>Council 2022/23</b>	<b>General Fund Balance</b>	<b>Housing Revenue Account Balance</b>	<b>Renewal and Repairs Fund</b>	<b>Capital Grants Unapplied Account</b>	<b>Capital Fund</b>	<b>Total Usable Reserves</b>	<b>Total Unusable Reserves</b>	<b>Total Reserves</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 31 March 2022	257,205	0	50,407	46,994	42,550	397,156	3,067,842	3,464,998
<b>Movement during 2022/23</b>								
Total Comprehensive Income and Expenditure	(110,444)	12,087	0	0	0	(98,357)	756,467	658,110
Adjustments to Usable Reserves permitted by accounting standards	68,364	5,420	0	0	0	73,784	(73,784)	0
Adjustments between accounting basis and funding basis under regulations (Note 11)	56,975	(36,278)	0	(15,805)	(356)	4,536	(4,536)	0
<b>Net increase / (decrease) before transfers to statutory reserves</b>	<b>14,895</b>	<b>(18,771)</b>	<b>0</b>	<b>(15,805)</b>	<b>(356)</b>	<b>(20,037)</b>	<b>678,147</b>	<b>658,110</b>
Transfer (to) / from other statutory reserves (Note 12.3)	(5,794)	18,771	(12,977)	0	0	0	0	0
Increase / (decrease) in year	9,101	0	(12,977)	(15,805)	(356)	(20,037)	678,147	658,110
<b>Balance at 31 March 2023</b>	<b>266,306</b>	<b>0</b>	<b>37,430</b>	<b>31,189</b>	<b>42,194</b>	<b>377,119</b>	<b>3,745,989</b>	<b>4,123,108</b>

<b>Group - 2022/23</b>	<b>Total Usable Reserves</b>	<b>Total Unusable Reserves</b>	<b>Council Total Reserves</b>	<b>Group Reserves</b>	<b>Minority Interest</b>	<b>Total Reserves</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 31 March 2022	397,156	3,067,842	3,464,998	223,955	15,562	3,704,515
Charitable Trusts Opening Reserves				16,127		16,127
	397,156	3,067,842	3,464,998	240,082	15,562	3,720,642
<b>Movement during 2022/23</b>						
Total Comprehensive Income and Expenditure	(98,357)	756,467	658,110	(56,881)	0	601,229
Adjustments to Usable Reserves permitted by accounting standards	73,784	(73,784)	0	0	0	0
Adjustments between accounting basis and funding basis under regulations	4,536	(4,536)	0	0	0	0
<b>Net increase / (decrease) before transfers to statutory reserves</b>	<b>(20,037)</b>	<b>678,147</b>	<b>658,110</b>	<b>(56,881)</b>	<b>0</b>	<b>601,229</b>
Transfer (to) / from other statutory reserves	0	0	0	0	0	0
Minority interest and other consolidation adjustments	0	0	0	(3,457)	(3,740)	(7,197)
Increase / (decrease) in year	(20,037)	678,147	658,110	(60,338)	(3,740)	594,032
<b>Balance at 31 March 2023</b>	<b>377,119</b>	<b>3,745,989</b>	<b>4,123,108</b>	<b>179,744</b>	<b>11,822</b>	<b>4,314,674</b>

## MOVEMENT IN RESERVES STATEMENT

Re-stated Council	General Fund Balance £000	Housing Revenue Account Balance £000	Renewal and Repairs Fund £000	Capital Grants Unapplied Account £000	Capital Fund £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
<b>2021/22 Comparative Data</b>								
Balance at 31 March 2021	<u>221,033</u>	<u>0</u>	<u>41,162</u>	<u>47,949</u>	<u>49,731</u>	<u>359,875</u>	<u>2,310,236</u>	<u>2,670,111</u>
<b>Movement during 2021/22</b>								
Total Comprehensive Income and Expenditure	(265,059)	24,337	0	0	0	(240,722)	1,035,608	794,886
Adjustments to Usable Reserves permitted by accounting standards	38,372	291	0	0	0	38,663	(38,663)	0
Adjustments between accounting basis and funding basis under regulations (Note 11)	263,449	(15,975)	0	(955)	(7,181)	239,338	(239,338)	0
<b>Net increase / (decrease) before transfers to statutory reserves</b>	<u>36,762</u>	<u>8,653</u>	<u>0</u>	<u>(955)</u>	<u>(7,181)</u>	<u>37,279</u>	<u>757,607</u>	<u>794,886</u>
Transfer (to) / from other statutory reserves (Note 12.3)	(590)	(8,653)	9,245	0	0	2	(2)	0
Increase / (decrease) in year	<u>36,172</u>	<u>0</u>	<u>9,245</u>	<u>(955)</u>	<u>(7,181)</u>	<u>37,281</u>	<u>757,605</u>	<u>794,886</u>
<b>Balance at 31 March 2022</b>	<b><u>257,205</u></b>	<b><u>0</u></b>	<b><u>50,407</u></b>	<b><u>46,994</u></b>	<b><u>42,550</u></b>	<b><u>397,156</u></b>	<b><u>3,067,842</u></b>	<b><u>3,464,998</u></b>

Re-stated Group - 2021/22	Total Usable Reserves £000	Total Unusable Reserves £000	Council Total Reserves £000	Group Reserves £000	Minority Interest £000	Total Reserves £000
Balance at 31 March 2021	<u>359,875</u>	<u>2,310,236</u>	<u>2,670,111</u>	<u>156,121</u>	<u>11,187</u>	<u>2,837,419</u>
<b>Movement during 2021/22</b>						
Total Comprehensive Income and Expenditure	(240,722)	1,035,608	794,886	99,843	0	894,729
Adjustments to Usable Reserves permitted by accounting standards	38,663	(38,663)	0	0	0	0
Adjustments between accounting basis and funding basis under regulations	239,338	(239,338)	0	0	0	0
<b>Net increase / (decrease) before transfers to statutory reserves</b>	<u>37,279</u>	<u>757,607</u>	<u>794,886</u>	<u>99,843</u>	<u>0</u>	<u>894,729</u>
Transfer (to) / from other statutory reserves	2	(2)	0	0	0	0
Minority interest and other consolidation adjustments	0	0	0	(32,009)	4,375	(27,634)
Increase / (decrease) in year	<u>37,281</u>	<u>757,605</u>	<u>794,886</u>	<u>67,834</u>	<u>4,375</u>	<u>867,095</u>
<b>Balance at 31 March 2022</b>	<b><u>397,156</u></b>	<b><u>3,067,842</u></b>	<b><u>3,464,998</u></b>	<b><u>223,955</u></b>	<b><u>15,562</u></b>	<b><u>3,704,515</u></b>

## GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services for the Group in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover its expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

for the year ended 31 March 2023

Re-stated 2021/22 £000		Notes	Gross Expend. £000	Income £000	Net Expend. £000
	<b>SERVICES</b>				
462,825	Children, Education and Justice Services		570,617	(124,213)	446,404
540,434	Place *		739,748	(288,377)	451,371
(16,935)	Housing Revenue Account		119,825	(107,958)	11,867
266,334	Health and Social Care		707,682	(408,247)	299,435
97,566	Corporate Services		123,168	(20,559)	102,609
3,833	Lothian Valuation Joint Board		3,817	0	3,817
(349)	Net cost of benefits		160,688	(160,805)	(117)
11,940	Other non-service specific costs		8,477	1,839	10,316
6,703	Subsidiary Companies		194,277	(198,827)	(4,550)
<u>1,372,351</u>	<b>COST OF SERVICES</b>		<u>2,628,299</u>	<u>(1,307,147)</u>	1,321,152
(3,255)	Gains on disposal of non-current assets				(1,719)
83,749	Financing and Investment Income and Exp.	13.			68,991
(1,206,662)	Taxation and Non-Specific Grant Income	14.			(1,302,254)
<u>246,183</u>	<b>(SURPLUS) / DEFICIT ON PROVISION OF SERVICES</b>				86,170
(29,297)	Associates and Joint Ventures Accounted for on an Equity Basis				29,107
3,670	Taxation of Group entities	14.			(681)
<u>220,556</u>	<b>GROUP (SURPLUS) / DEFICIT</b>				<u>114,596</u>
(471,108)	Surplus on Revaluation of Non-Current Assets			(475,430)	
(287,525)	Return on assets excluding amounts incl. in Financing and Investment Inc / Exp			18,797	
(276,974)	Changes in Financial and Demographic Assumptions / Other Experience			(244,119)	
(79,678)	Other Unrealised (Gains) / Losses			(15,073)	
<u>(1,115,285)</u>	Other Comprehensive Income				(715,825)
<u>(894,729)</u>	<b>TOTAL COMPREHENSIVE INCOME</b>				<u>(601,229)</u>

\* Homelessness was reported separately last year, now in Place

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing Council services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover its expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

		for the year ended 31 March 2023		
Re-stated 2021/22		Gross Expend.	Income	Net Expend.
£000	SERVICES	£000	£000	£000
	Notes			
462,825	Children, Education and Justice Services	570,617	(124,213)	446,404
540,434	Place *	739,748	(288,377)	451,371
(16,935)	Housing Revenue Account	119,825	(107,958)	11,867
266,334	Health and Social Care	707,682	(408,247)	299,435
97,566	Corporate Services	123,168	(20,559)	102,609
3,833	Lothian Valuation Joint Board	3,817	0	3,817
(349)	Net cost of benefits	160,688	(160,805)	(117)
9,017	Other non-service specific costs	8,477	5,839	14,316
<u>1,362,725</u>	<b>COST OF SERVICES</b>	<u>2,434,022</u>	<u>(1,104,320)</u>	1,329,702
(2,405)	Gains on disposal of non-current assets			(1,527)
87,064	Financing and Investment Income and Exp.	13.		72,436
<u>(1,206,662)</u>	Taxation and Non-Specific Grant Income	14.		<u>(1,302,254)</u>
240,722	<b>(SURPLUS) / DEFICIT ON PROVISION OF SERVICES</b>			98,357
(471,109)	Surplus on Revaluation of Non-Current Assets		(474,726)	
(287,525)	Return on assets excluding amounts incl. in Financing and Investment Inc / Exp		18,797	
(276,974)	Changes in Financial and Demographic Assumptions / Other Experience		(300,538)	
<u>(1,035,608)</u>	Other Comprehensive Income			<u>(756,467)</u>
<u>(794,886)</u>	<b>TOTAL COMPREHENSIVE INCOME</b>			<u>(658,110)</u>
<b>RECONCILIATION OF THE COUNCIL'S POSITION TO THE GROUP POSITION</b>				
<b>£000</b>				<b>£000</b>
(794,886)	Total Comprehensive Income on the Council's Comprehensive Income and Expenditure Statement (CIES)			(658,110)
2,082	Subsidiary and associate transactions included in the Council's CIES			(5,983)
(63,249)	(Surplus) / deficit arising from other entities included in the Group Accounts Subsidiaries			33,027
<u>(38,676)</u>	Associates and Joint Ventures			<u>29,837</u>
<u>(894,729)</u>	Group total Comprehensive Income for the year			<u>(601,229)</u>

\* Homelessness was reported separately last year, now in Place

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council and Group. The net assets (assets less liabilities) are matched by the reserves held by the Council and Group. Reserves are reported in two categories. The first is usable reserves, i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category are those that are not able to be used to provide services. This includes reserves that hold unrealised gains and losses (for example, the revaluation reserve) where amounts would only become available if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

Re-stated					
31 March 2022				31 March 2023	
Group	Council		Notes	Group	Council
£000	£000			£000	£000
182	182	Intangible Assets	17.	68	68
5,207,586	5,074,225	Property, Plant and Equipment	15.	5,837,790	5,659,687
87,650	19,996	Investment Properties	16.	125,900	21,532
31,426	31,426	Heritage Assets	18.	44,504	31,426
56	56	Assets Held for Sale	23.	117	117
88,072	0	Other Long-Term Assets (Pension)	41	26,047	0
1,854	21,455	Long-Term Investments	22.	619	20,219
75,674	0	Investments in Associates and Joint Ventures		45,836	0
81,944	152,986	Long-Term Debtors	20.	66,887	162,661
<b>5,574,444</b>	<b>5,300,326</b>	<b>Long-Term Assets</b>		<b>6,147,768</b>	<b>5,895,710</b>
77,105	77,105	Short-Term Investments	22.	15,549	9,995
81	81	Assets Held for Sale	23.	4,216	4,216
39,633	39,633	Financial Assets	42.	36,147	36,147
9,888	3,677	Inventories	19.	9,241	3,982
235,855	220,105	Short-Term Debtors	20.	213,271	196,546
183,225	144,579	Cash and Cash Equivalents	21.	184,586	139,636
<b>545,787</b>	<b>485,180</b>	<b>Current Assets</b>		<b>463,010</b>	<b>390,522</b>
(70,453)	(70,453)	Short-Term Borrowing	42.	(59,744)	(59,744)
(274,723)	(223,102)	Short-Term Creditors	24.	(315,487)	(263,450)
(10,237)	(8,342)	Provisions	25.	(14,424)	(12,909)
<b>(355,413)</b>	<b>(301,897)</b>	<b>Current Liabilities</b>		<b>(389,655)</b>	<b>(336,103)</b>
(1,453,032)	(1,453,032)	Long-Term Borrowing	42.	(1,419,176)	(1,419,176)
(295,706)	(276,529)	Other Long-Term Liabilities	39.1	(362,324)	(298,930)
(23,081)	(23,081)	Long-Term Provisions	25.	(24,477)	(24,477)
(22,515)	0	Deferred Tax		(16,033)	0
(62,144)	(62,144)	Deferred Liability	42.	(84,438)	(84,438)
(203,825)	(203,825)	Other Long-Term Liabilities (Pensions)	27.5	0	0
<b>(2,060,303)</b>	<b>(2,018,611)</b>	<b>Long-Term Liabilities</b>		<b>(1,906,448)</b>	<b>(1,827,021)</b>
<b>3,704,515</b>	<b>3,464,998</b>	<b>Net Assets</b>		<b>4,314,674</b>	<b>4,123,108</b>
3,189,912	3,067,842	<b>Unusable Reserves</b>	27.	3,893,701	3,745,989
514,603	397,156	<b>Usable Reserves</b>	12.	420,973	377,119
<b>3,704,515</b>	<b>3,464,998</b>	<b>Total Reserves</b>		<b>4,314,674</b>	<b>4,123,108</b>

The unaudited financial statements were issued on 16 June 2023 and the audited financial statements were authorised for issue by the Service Director: Finance and Procurement on 13 September 2023

HUGH DUNN, CPFA  
 Service Director: Finance and Procurement  
 Date:



## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council and Group during the reporting period. The statement shows how the Council and Group generate and use cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council and Group are funded by way of taxation and grant income or from the recipients of services provided by the Council and Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council and Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council and Group.

Re-stated				Year to 31 March 2023	
Year to 31 March 2022				Group	Council
Group	Council		Notes	£000	£000
£000	£000				
		<b>Operating Activities</b>			
246,183	240,722	(Surplus) / Deficit on the Provision of Services		86,170	98,357
3,670	0	Adjustment to (Surplus) / Deficit for Taxation of Group entities		(681)	0
(509,519)	(478,315)	Adjustments to (Surplus) / Deficit on the Provision of Services for non-cash		(356,267)	(330,458)
81,007	77,693	Adjustments for items included in the (Surplus) / Deficit on the Provision of Services that are investing or Financing		120,691	117,246
<u>(178,659)</u>	<u>(159,900)</u>	Net cash flows from operating activities	28.	<u>(150,087)</u>	<u>(114,855)</u>
		<b>Investing Activities</b>			
310,245	275,652	Net cash flows from investing activities	30.	157,275	123,236
<u>(118,834)</u>	<u>(94,773)</u>	Net cash flows from financing activities	31.	<u>(8,144)</u>	<u>(3,438)</u>
<u>12,752</u>	<u>20,979</u>	<b>Net decrease / (increase) in cash and cash equivalents</b>		<u>(956)</u>	<u>4,943</u>
<u>(195,977)</u>	<u>(165,558)</u>	Cash and cash equivalents at 1 April		(183,225)	(144,579)
		CEC Trusts Cash and cash equivalent at 1 April		(405)	
		Total Cash and cash equivalents at 1 April		<u>(183,630)</u>	<u>(144,579)</u>
<u>(183,225)</u>	<u>(144,579)</u>	Cash and cash equivalents at 31 March	21.	<u>(184,586)</u>	<u>(139,636)</u>
<u>12,752</u>	<u>20,979</u>	<b>Net decrease / (increase) in cash and cash equivalents</b>		<u>(956)</u>	<u>4,943</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies

The Annual Accounts summarise the authority's and the authority's group transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. The authority is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that these accounts be prepared in accordance with proper accounting practices. The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code) and supported by International Financial Reporting Standards (IFRS).

### 1.1 Material Items

Items of income and expenditure are material if individually or collectively they could influence the decisions or assessments of users of the financial statements, by omission, misstatement or obscuring of information. Materiality is an expression of the relative significance of a matter in the context of the annual accounts as a whole.

The principle of materiality does not, however, override the need for relevant statutory disclosures (such as those included within the remuneration report), even if the amounts concerned would otherwise fall below the materiality threshold. Similarly, the assessment of materiality also considers the nature of transactions, irrespective of amount, insofar as these might influence a user of the financial statements.

### 1.2 Recognition of Income and Expenditure

- The revenue and capital accounts have been prepared on an accruals basis in accordance with the Code. Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

Income from service recipients is recognised when the goods or services are transferred to the service recipient.

Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date the supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded on the Balance Sheet.
- Provision has been made in the relevant accounts for bad and doubtful debts.
- Revenue from Council Tax and Non Domestic Rates is recognised when it is probable that the economic benefits will flow and the amount of revenue can be measured reliably. Revenue is measured at the full amount receivable (net of any bad debt provision) as they are non-contractual, non-exchange transactions.

### 1.3 Value Added Tax

Value added tax (VAT) is excluded from the financial statements unless it is non-recoverable from HM Revenue and Customs.

### 1.4 Overheads

The costs of support services are reported in accordance with the current management structure. Certain support service costs are recovered through direct charges during the year.

### 1.5 Going Concern

The Council's Statement of Accounts for 2022/23 has been prepared on a going concern basis. The concept of a going concern assumes that the Council's functions and services will continue in operational existence for the foreseeable future. The provisions in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. In accordance with the CIPFA Code of Local Government Accounting (2022/23), the Council is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity. The accounts are prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies - continued

### 1.6 Events after the balance sheet date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Annual Accounts are adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period - the Annual Accounts are not adjusted to reflect such events, but where the effect would have been material, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

### 1.7 Prior period adjustments, changes in accounting policies and estimates

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting policy are only made when required by proper accounting practice or to provide more reliable or relevant information on the Council's financial position. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied. Changes in accounting estimation techniques are applied in the current and future years and do not give rise to a prior period adjustment.

### 1.8 Public Private Partnership - School Buildings, Maintenance and Other Facilities

Public Private Partnership (PPP) contracts are agreements to receive services, where the responsibility for making available the non-current assets required to provide the services passes to the PPP contractor. As the Council is deemed to control the services that are provided under this scheme and as ownership of the schools and other facilities will pass to the Council at the end of the contracts for no additional charge, the Council carries the non-current assets used under the contracts on its Balance Sheet.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as other assets owned by the Council.

The amounts payable to the PPP operators each year are analysed into five elements:

- fair value of the services received during the year - debited to services in the Comprehensive Income and Expenditure Statement.
- finance cost - an interest charge of 8.968% (PPP1 scheme), 5.895% (PPP2 scheme), 8.197% (James Gillespie's High School), 4.36% (Queensferry High School) and 6.84% (Millerhill Residual Waste Facility) on the outstanding balance sheet liability - debited to 'financing and investment income and expenditure' in the Comprehensive Income and Expenditure Statement.
- contingent rent - increases in the amount to be paid for the property arising during the contract - debited to 'financing and investment income and expenditure' in the Comprehensive Income and Expenditure Statement.
- payment towards liability - applied to write down the value of the finance lease on the Balance Sheet.
- lifecycle replacement costs - recognised as non-current assets on the Balance Sheet.

Service Concession Agreements are accounted for in accordance with IFRIC 12 'Service Concession Arrangements'. The Standard recognises that the Council is in control of services provided under the PPP scheme. As ownership of the long-term assets will pass to the Council at the end of the contract for no additional charge, the Council carries the assets on the Balance Sheet.

### 1.9 Right of Use Assets

The Council has adopted IFRS16 (Leases) with effect from 1 April 2022. The adoption of the new standard resulted in the balance sheet recognition of a right-of-use asset and related lease liability in relation to all former operating leases. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases i.e. existing leases that expire on or before 31 March 2024, and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2022 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies - continued

### 1.10 Fair Value measurement - surplus assets and investment properties

Surplus assets, investment properties and relevant financial instruments are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In measuring the fair value, the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use is taken into account.

Appropriate valuation techniques have been applied, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - unobservable inputs for the asset or liability.

### 1.11 Property, Plant and Equipment

#### • Categories of Assets

Property, plant and equipment is categorised into the following classes:

Council dwellings	Other land and buildings
Surplus assets (assets that are surplus to requirements, but there are no clear plans to sell these at the current time)	Infrastructure assets, e.g. roads and footways
Assets under construction	Community assets, e.g. parks
Vehicles, plant, furniture and equipment	

#### • Recognition

Expenditure on the acquisition, creation or enhancement of non-current assets has been capitalised on an accruals basis. Expenditure lower than £10,000 on individual assets is charged to revenue.

Interest costs associated with qualifying assets are capitalised to better match costs to income streams, with an approved de minimis limit of £2m.

#### • Measurement

Infrastructure, community assets and assets under construction are initially measured at historic cost, comprising their purchase price and any costs attributable to bringing the assets into use for their intended purpose.

All other classes of property, plant and equipment are measured at fair value.

- Other land and buildings - fair value is the amount that would be paid for the assets in their existing use.
- Council dwellings - fair value is measured at existing use value - social housing.
- Vehicles, plant, furniture and equipment - fair value is the amount equivalent to depreciated historical cost for short life and/or low value assets. For assets with longer lives and/or high values, fair value is the amount that would be paid for the asset in its existing use or depreciated replacement cost for specialised /rarely sold assets where insufficient market-based evidence exists.
- Surplus assets - fair value is the price that would be paid for an asset in its highest and best

#### • Components

Component accounting is applied to all assets that comprise land and buildings. Land and buildings are treated as separate components of an asset and accounted for separately.

The building component of an asset is separated into further components primarily to those with a carrying value of over £5 million. This policy is also applied to buildings with a carrying value of less than £5 million where enhancement expenditure is considered significant in relation to the overall carrying value of the building component.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies - continued

### 1.11 Property, Plant and Equipment - continued

- **Depreciation**

Depreciation is provided on all property, plant and equipment, other than freehold land, community assets and assets under construction.

The Council depreciates its non-current assets in the year of acquisition. The Council operates a five-year rolling revaluation programme for assets and provides for depreciation on a straight line basis on the opening book value plus the cost of acquisitions and enhancements during the year over the remaining useful life of the asset. Thus the charge to the Comprehensive Income and Expenditure Statement for the year is impacted by changes in asset value during the year arising from enhancements but not revaluation.

Component accounting is applied as part of the revaluation process. As a result, where a building asset is split down into further components for the first time in year, the depreciation charge is based on the opening book value over the opening remaining useful life of the asset rather than subsequent component values and associated lives. The difference is not considered material.

- **Charges to Revenue for use of Non-Current Assets**

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- impairment losses attributable to the clear consumption of economic benefits on property, plant and equipment used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.

The Council is not required to raise Council Tax to cover depreciation or impairment losses.

Depreciation and impairment losses are therefore a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account by way of an adjusting transaction with the capital adjustment account.

- **Revaluations**

Where assets are included in the Balance Sheet at fair value, revaluations are carried out at intervals of no more than five years. The Council operates a rolling programme for revaluations. The determination of fair value of land and buildings is undertaken by the Council's Operational Estate Manager. Changes in the market are monitored throughout the year and any property which has a material change during the year that impacts its value is revalued at the time of the change. This includes extensions, improvements, demolitions, new construction and property damage.

The Council has reviewed the potential for indexation of the Other Land and Buildings within our asset base and it was deemed by our senior surveyors and external advisors that in their professional judgement, an indexation of 6% should be applied to build cost components of Other Land and Buildings that are not revalued in the year, to reflect the conditions in the external market.

- **De-recognition**

An asset is de-recognised either on its disposal, or where no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition of an asset is included in 'surplus or deficit on the provision of services' within the Comprehensive Income and Expenditure Statement when the asset is de-recognised.

The gain or loss on de-recognition of property, plant and equipment assets is a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account.

The Scottish Government issued a Statutory Override under section 12(2)(b) of the Local Government in Scotland Act 2003 to manage historic issues surrounding the derecognition of Infrastructure asset components, which had the potential for the gross cost of assets to be overstated, albeit that the Net Book Value was still materially correct. The Council has adopted the Statutory Overrides in full, but particularly relevant to derecognition is Override 2, which is detailed overleaf:-

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies - continued

### 1.11 Property, Plant and Equipment - continued

#### • De-recognition - continued

##### **Statutory Override 2**

For accounting periods commencing from 1 April 2010 until 31 March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken to be and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

Where it is necessary to break a building down into further components, the following categories are applied:

- Structural - includes external and internal walls, traditional roofing, doors, etc.
- Non-traditional roofing - includes flat roof, non-traditional roof coverings and industrial type roofs.
- Finishes - includes doors, windows and room finishes.
- Mechanical and electrical services - includes water, heat, ventilation, electrical, lifts, fire and communications.
- Fittings and furnishings - includes fittings, furnishings and sanitary appliances.

### 1.12 Revenue Expenditure Funded from Capital Under Statute

Expenditure that may be capitalised under statutory provisions that does not result in the creation of assets for the Council has been charged to the 'cost of services' in the Comprehensive Income and Expenditure Statement.

These costs are a reconciling item in the Movement in Reserves Statement for the General Fund by way of an adjusting transaction with the capital adjustment account.

### 1.13 Group Account Consolidation

The group has reviewed its investments in other entities and has determined to consolidate the City of Edinburgh Council Charitable Trusts and Funds into the Group accounts with effect from 1 April 2022.

Group accounts have been prepared on the following basis:

- Accounting policies for group members have been aligned unless highlighted below.
- The following methods of consolidation have been used:
  - Subsidiaries - line-by-line basis;
  - Associates and Joint Ventures - equity method.
- Transport for Edinburgh Limited's, CEC Holdings Limited's and Edinburgh Living MMR LLP's reporting periods are to 31 December. As this is within three months of the Council's reporting period (to 31 March) a review was undertaken to establish the potential impact of the different reporting periods on the financial position of the companies. An adjustment has been made for the B Shares issue of Transport for Edinburgh, as a result of this review, but no other consolidation adjustments have been assessed as being required.
- Transport for Edinburgh Limited and CEC Holdings Limited have adopted Accounting Standard IFRS 16 Finance Leases for the years to 31 December 2021 and 2022. The Council has adopted this standard from 1 April 2022 and therefore no consolidation adjustments have been made in the current financial year.
- Edinburgh Living MMR LLP accounts for government grants for acquisition of properties on a deferred income basis, which is not aligned to the Council's income recognition policy requirements. Adjustments have been made for this on consolidation.
- Inter-company transactions have been eliminated on consolidation.
- Group members' financial statements have been prepared on an accruals basis.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Accounting Standards that have been issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2023/24 Code:

The Code requires implementation from 1 April 2023 and there is therefore no impact on the 2022/23 financial statements.

- IFRS 16 Leases (adoption for PFI/PPP arrangements)
- Updating Reference to the Conceptual Framework (Amendments to IFRS 3)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

### 3. Judgements Made in Applying Accounting Policies

In applying the accounting policies set out in Note 1 and elsewhere in the notes to the Financial Statements, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The most significant judgements made in these Financial Statements are detailed below:

#### 3.1 Provision of School Buildings and Waste Facility

The Council has entered into Public Private Partnership (PPP) and Design, Build, Finance and Maintain (DBFM) agreements for provision of school buildings and waste facilities. For each of these contracts the Council has considered the tests under IFRIC12 and concluded these to be service concessions.

The Council is deemed to control the services provided under the Public Private Partnership agreements (PPP1 and PPP2) and the Design, Build, Finance and Maintain (DBFM) for James Gillespie's High School (JGHS) and Queensferry High School (QHS), for the provision of school buildings, maintenance and other facilities with Edinburgh Schools Partnership (PPP1), Axiom Education Limited (PPP2), Hub South East Scotland (JGHS) and QHS DBFMCO Ltd (QHS).

The Council is deemed to control 80% of the services provided under the DBFM for Millerhill Residual Waste Facility (20% controlled by Midlothian Council).

The accounting policies for public private partnerships have been applied to these arrangements and the schools and waste facility (valued at net book value of £659.759m and £93.561m respectively at 31 March 2023) are recognised as Property, Plant and Equipment on the Council's Balance Sheet.

#### 3.2 Group Membership

The Council has an interest in a number of subsidiary and associate companies and trusts. The most significant of these companies in terms of the size of trading operations, shareholding and board representation and other factors have been assessed and where deemed material to the Council, are included in the Group Accounts. Full details of these interests are shown in note 9 to the Financial Statements.

#### 3.3 Materiality

The assessment of materiality is based on 1% of gross expenditure, at net cost of services level, as this is considered to be the principal consideration for users when assessing the Group and Council's performance. The materiality assessment is set out in the table below.

Specific levels of materiality are considered appropriate for the Housing Revenue Account. The Housing Revenue Account has been assessed on 1% of gross expenditure.

Group	Council	HRA
£m	£m	£m
26.484	24.544	1.198

#### 3.4 Agency Arrangements

The Council is in receipt of funding which it administers on behalf of other bodies. The Council has assessed the nature of these transactions to determine if it is acting as a Principal or Agent in the process. Under the Code an Agent is acting as an intermediary, whereas a Principal is acting on its own behalf. Details of those arrangements which have been assessed as agency are disclosed in Note 33.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The following table details uncertainties on assumptions and estimates, and outlines the potential effect if actual results differ from the assumptions made.

Item	Uncertainty	Effect if Actual Results Differ from Assumptions																																																																	
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. A reduction in spending on repairs and maintenance would bring into doubt the useful lives assigned to the assets. The Council have used data available on repairs and maintenance to improve the identification of impairments as part of the valuation process. A formal procedure has been put in place in accordance with that procedure and included within the Checklist for Asset Valuation Process. The valuation process also includes a material changes spreadsheet which includes both impairments from unexpected events, the scrutiny of the repairs and maintenance data and the condition score data, as well as changes from capital expenditure on assets, demolitions, etc. No estimations and assumptions about the estimated cost of dismantling, removing or restoring items of property, plant and equipment have been included in the Capital Expenditure in the Accounts. The Council has reviewed the potential for indexation of the Other, Land and Buildings within our asset base and it was deemed by our senior surveyors and external advisors that in their professional judgement, an indexation of 6% should be applied to build cost components of Other Land and Buildings that are not revalued in the year, to reflect the conditions in the external market. Council dwellings are valued using the Beacon Method under which the values of groups of similar properties are calculated by assessing the capital value of one of them (a beacon) then extrapolating the value across the rest of the group. The beacon discount factor is determined by comparing levels of private rent with social rent for each beacon property and calculating the average to apply across the whole portfolio to take account of the difference between private stock (the source of the comparable sales data) and social rented stock. This methodology takes account of regional variations in capital values, stock condition, rent arrears and voids. The discount factor applied in the 2022-23 revaluations is 62%, reflecting the application of 38% multiplier to the market value, with a 4% uplift (62% and 2.8% uplift previously).	<p>If the useful life of assets is reduced, depreciation increases and the carrying value of the assets falls.</p> <p>It is estimated that the annual depreciation charge would increase and the carrying value would fall by £18.338m for each year that useful lives were reduced.</p>																																																																	
	Per Accounting Policy 1.11, the building component of an asset is separated into further components primarily to those with a carrying value of over £5 million. This policy is also applied to buildings with a carrying value of less than £5 million where enhancement expenditure is considered significant in relation to the overall carrying value of the building component.	<p>If the discount factor is increased by 1%, this would lead to a corresponding reduction in the total value of council dwellings of £29.289m.</p>																																																																	
	<p>We have also introduced a new system for calculating the remaining useful lives for each property rather than using an assumed useful life and are part way through the five-year programme to calculate them all. In any given financial year, we also calculate useful lives for each property we revalue. This is used as the basis for the useful life of the building component.</p> <p>The Council uses the table below as the basis for its standard apportionments of components:</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th colspan="6">Standard Apportionments</th> </tr> <tr> <th>Type</th> <th>B - Structural</th> <th>D - Finishes</th> <th>F - Fittings</th> <th>R - Non-Traditional Roof</th> <th>S - Services</th> </tr> </thead> <tbody> <tr> <td>High School</td> <td>38%</td> <td>17%</td> <td>3%</td> <td>6%</td> <td>36%</td> </tr> <tr> <td>Primary School</td> <td>38%</td> <td>17%</td> <td>3%</td> <td>6%</td> <td>36%</td> </tr> <tr> <td>Care Home</td> <td>36%</td> <td>19%</td> <td>4%</td> <td>3%</td> <td>38%</td> </tr> <tr> <td>Sport Centre</td> <td>39%</td> <td>17%</td> <td>4%</td> <td>6%</td> <td>34%</td> </tr> <tr> <td>Waverley Court</td> <td>43%</td> <td>16%</td> <td>2%</td> <td>3%</td> <td>36%</td> </tr> <tr> <td>City Chambers</td> <td>46%</td> <td>16%</td> <td>2%</td> <td>0%</td> <td>36%</td> </tr> <tr> <td>Offices, Galleries and Other</td> <td>44%</td> <td>16%</td> <td>2%</td> <td>2%</td> <td>36%</td> </tr> <tr> <td>Millerhill Residual Waste</td> <td>38%</td> <td>16%</td> <td>4%</td> <td>5%</td> <td>37%</td> </tr> <tr> <td><b>Est. Useful Life</b></td> <td><b>Various</b></td> <td><b>25 Years</b></td> <td><b>15 Years</b></td> <td><b>35 Years</b></td> <td><b>20 Years</b></td> </tr> </tbody> </table>	Standard Apportionments						Type	B - Structural	D - Finishes	F - Fittings	R - Non-Traditional Roof	S - Services	High School	38%	17%	3%	6%	36%	Primary School	38%	17%	3%	6%	36%	Care Home	36%	19%	4%	3%	38%	Sport Centre	39%	17%	4%	6%	34%	Waverley Court	43%	16%	2%	3%	36%	City Chambers	46%	16%	2%	0%	36%	Offices, Galleries and Other	44%	16%	2%	2%	36%	Millerhill Residual Waste	38%	16%	4%	5%	37%	<b>Est. Useful Life</b>	<b>Various</b>	<b>25 Years</b>	<b>15 Years</b>	<b>35 Years</b>	<b>20 Years</b>
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		This table and the relevant splits will be reviewed annually by the valuer.																																																																	



## NOTES TO THE FINANCIAL STATEMENTS

### 4. Assumptions Made About the Future and Other Major Sources of Estimation

#### Uncertainty - continued

Pensions Liability	<p>Estimation of the net asset / liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p> <p>The interim solution to avoid inequalities between men and women's benefits following the introduction of the Single Status Pension in 2016 has resulted in a recalculation of pension liabilities related to the estimated impact of Guaranteed minimum pension (GMP) indexation changes.</p> <p>Accounting Standards impose a limit on the maximum amount of pension surplus recognised on the Balance Sheet Note 41 provides further information</p> <p>A further ruling on GMP has been made, in relation to historic transfers.</p> <p>Legislation requires the Local Government Pension Scheme (LGPS) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. The costs management process has been paused following the Court of Appeal ruling that the transitional arrangements in both the Judges' Pension Scheme (McCloud) and Firefighters' Pension Scheme (Sargeant) were age discriminatory. These cases could have knock on implications for the LGPS (potentially increasing the liabilities).</p> <p>The Goodwin case judgement, in respect of deemed discrimination in spousal transfer on death of a member, may also result in the potential increasing of the pension liabilities.</p> <p>The Walker and O'Brien cases, may impact LGPS benefits in the future, in respect of retrospective discrimination in spousal transfer of benefits for same sex couples.</p>	<p>The effects on the net pensions asset / liability of changes in individual assumptions can be measured.</p> <p>Note 41.6 provides further information on the Council's pension asset / liability.</p> <p>The increased liability has been reflected in the pension liability as a past service cost.</p> <p>The Council's actuary has provided a basis of restriction calculation.</p> <p>The Council's actuary has not included any allowance for this as they deem it unlikely to have a significant impact on the pension obligations of a typical Employer.</p> <p>The Council's actuary has included an estimate within the pension asset / liability as a past service cost.</p> <p>The Council's actuary has not included an estimate of the impact of the Goodwin case in the valuation due to the uncertainty of the final outcome. The estimated impact on the Employer's future obligations may be around 0.1-0.2% higher.</p> <p>The Council's actuary has not included an estimated of the impact of these cases as they are unlikely to result in significant impact on the pension obligations.</p>
Arrears	<p>At 31 March, the Council had a balance of sundry debtors of £32.328m. A review of significant balances suggested that an impairment of doubtful debts of £6.618m (20.5%) was appropriate. In the current economic climate it is not certain that this will be sufficient.</p>	<p>If collection rates were to deteriorate, a 5% increase in the rate of the impairment of doubtful debts would require an additional £1.616m to be set aside as an allowance.</p>
House Rent Arrears	<p>At 31 March, the Council had a balance of housing rent arrears of £13.160m. A review of significant balances suggested that an impairment of doubtful debts of £11.508m (87.45%) was appropriate. In the current economic climate it is not certain that this will be sufficient.</p>	<p>There is a relatively high level of arrears and the impairment set aside should help protect against potential loss of income to the Council arising from welfare reforms such as Universal Credit and the reduction in the benefits cap which will potentially impact on the level of rent arrears.</p>

This list does not include assets and liabilities that are carried at fair value based on recently observed market prices.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council

The objective of the Expenditure and Funding Analysis is to demonstrate to Council Tax and rent payers how the funding available to the authority (i.e. government and other grants, rents, fees and charges, Council Tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on Page 23.

2022/23	Net Expend. Chargeable to the General Fund and HRA Balances £000	Adjustments £000	Net Expenditure in the CIES £000
Children, Education and Justice Services Place	450,841	(4,437)	446,404
Housing Revenue Account	275,366	176,005	451,371
Health and Social Care	0	11,867	11,867
Corporate Services	286,571	12,864	299,435
Lothian Valuation Joint Board	89,684	12,925	102,609
	3,817	0	3,817
<b>Cost of Services</b>	<b>1,106,279</b>	<b>209,224</b>	<b>1,315,503</b>
<b>Other income and expenditure</b>			
Net cost of benefits	(117)	0	(117)
Other non-service specific costs	18,027	(3,711)	14,316
Net income and changes in relation to investment properties and changes in their fair value	0	(3,460)	(3,460)
Interest and investment income	(8,210)	(1,813)	(10,023)
Interest payable and similar charges ( <i>loan charges in management reporting</i> )	85,066	(5,476)	79,590
Net pension interest cost	0	6,449	6,449
Gains on disposal of assets	0	(1,527)	(1,527)
Gains on derecognition or revaluation of financial assets	0	(120)	(120)
Contribution from Capital Fund	(8,759)	8,759	0
Contribution from General Fund	(20,715)	20,715	0
Income from Council Tax	(307,480)	0	(307,480)
Government Grants	(627,905)	0	(627,905)
Distribution from NDR1 pool	(249,861)	0	(249,861)
Movement in donated assets	0	239	239
Capital grants and contributions	0	(117,247)	(117,247)
<b>(Surplus) / Deficit on the provision of services</b>	<b>(13,675)</b>	<b>112,032</b>	<b>98,357</b>
Opening General Fund and HRA Balance	257,205		
Contributions to / (from) reserves, including those within services ( <i>see notes 12.1 and 12.3 for detail</i> )	(4,574)		
Surplus on the provision of services	13,675		
Closing General Fund and HRA Balance at 31 March	266,306		

For a split of the balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 20.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued Re-stated

2021/22 Comparative Data	Net Expend. Chargeable to the General Fund and HRA		Net
	Balances £000	Adjustments £000	Expenditure in the CIES £000
Children, Education and Justice Services	444,004	18,821	462,825
Place	242,743	297,691	540,434
Housing Revenue Account	0	(16,935)	(16,935)
Health and Social Care	252,662	13,672	266,334
Corporate Services	87,136	10,430	97,566
Lothian Valuation Joint Board	3,833	0	3,833
<b>Cost of Services</b>	<b>1,030,378</b>	<b>323,679</b>	<b>1,354,057</b>
<b>Other income and expenditure</b>			
Net cost of benefits	(349)	0	(349)
Other non-service specific costs	12,664	(3,647)	9,017
Net income and changes in relation to investment properties and changes in their fair value	0	(1,507)	(1,507)
Interest and investment income	81	(224)	(143)
Interest payable and similar charges ( <i>loan charges in management reporting</i> )	76,773	(2,198)	74,575
Net pension interest cost	0	14,232	14,232
Gains on disposal of assets	0	(2,405)	(2,405)
Gains on derecognition or revaluation of financial assets	0	(93)	(93)
Contribution from Capital Fund	(26)	26	0
Contribution from General Fund	6,157	(6,157)	0
Income from Council tax	(287,487)	0	(287,487)
Government Grants	(653,272)	0	(653,272)
Distribution from NDRI pool	(188,796)	0	(188,796)
Movement in donated assets	0	586	586
Capital grants and contributions	0	(77,693)	(77,693)
<b>Surplus on the provision of services</b>	<b>(3,877)</b>	<b>244,599</b>	<b>240,722</b>
Opening General Fund and HRA Balance	221,033		
Contributions to / (from) reserves, including those within services ( <i>see notes 12.1 and 12.3 for detail</i> )	32,295		
Deficit on the provision of services	3,877		
Closing General Fund and HRA Balance at 31 March	257,205		

For a split of the balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 21.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council

#### 5.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure

##### Statement amounts

<b>2022/23</b>	<b>Adjusts. For Capital Purposes £000</b>	<b>Net Change for Pensions Adjusts. £000</b>	<b>Other Differences £000</b>	<b>Total Statutory Adjusts. £000</b>
Children, Education and Justice Services Place	1,390	25,598	519	27,507
Housing Revenue Account	165,242	25,832	(143)	190,931
Health and Social Care	(8,080)	2,149	(973)	(6,904)
Corporate Services	151	13,315	(182)	13,284
	905	9,618	(116)	10,407
<b>Cost of Services</b>	<b>159,608</b>	<b>76,512</b>	<b>(895)</b>	<b>235,225</b>
<b>Other income and expenditure</b>				
Net cost of benefits	0	0	0	0
Other non-service specific costs	17,503	(5,043)	(17,085)	(4,625)
Net income and changes in relation to investment properties and changes in their fair value	0	0	(1,536)	(1,536)
Interest and investment income	(921)	0	0	(921)
Interest payable and similar charges	(28,101)	0	(2,232)	(30,333)
Net pension interest cost	0	6,449	0	6,449
Gains on disposal of assets	(1,527)	0	0	(1,527)
Gains on derecognition or revaluation of financial assets	0	0	0	0
Capital grants and contributions	(117,247)	0	0	(117,247)
Income from donated assets	239	0	0	239
<b>Total Adjustments</b>	<b>29,554</b>	<b>77,918</b>	<b>(21,748)</b>	<b>85,724</b>

Notes -

Adjustments for capital purposes include the replacement of depreciation and impairment costs with repayment of borrowing to the Loans Fund.

Net changes for pensions adjustment relate to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.

Other differences include reversal of the value of entitlement to accrued leave, the revaluation of investment properties and the timing differences for premiums and discounts associated with borrowing within the Loans Fund.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued

#### 5.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

2022/23	Total Statutory Adjusts. b/fwd £000	Presentation Adjusts. £000	Use of Reserves £000	Total Adjusts. £000
Children, Education and Justice Services Place	27,507	(64)	(31,880)	(4,437)
Housing Revenue Account	190,931	(17,612)	2,686	176,005
Health and Social Care	(6,904)	0	18,771	11,867
Corporate Services	13,284	(420)	0	12,864
	10,407	0	2,518	12,925
<b>Cost of Services</b>	<b>235,225</b>	<b>(18,096)</b>	<b>(7,905)</b>	<b>209,224</b>
<b>Other income and expenditure</b>				
Net cost of benefits	0	0	0	0
Other non-service specific costs	(4,625)	(4,643)	5,557	(3,711)
Net income and changes in relation to investment properties and changes in their fair value	(1,536)	(1,924)	0	(3,460)
Interest and investment income	(921)	(74)	(818)	(1,813)
Interest payable and similar charges	(30,333)	24,857	0	(5,476)
Net pension interest cost	6,449	0	0	6,449
Gains on disposal of assets	(1,527)	0	0	(1,527)
Gains on derecognition or revaluation of financial assets	0	(120)	0	(120)
Use of reserves	0	0	29,474	29,474
Capital grants and contributions	(117,247)	0	0	(117,247)
Income from donated assets	239	0	0	239
<b>Total Adjustments</b>	<b>85,724</b>	<b>0</b>	<b>26,308</b>	<b>112,032</b>

Notes -

Presentational adjustments relate primarily to the presentation of interest payments on finance leases (*including PPP schemes*), internal recharges and income and expenditure on investment properties for decision making purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued

#### 5.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

Re-stated

	Adjusts. For Capital Purposes £000	Net Change for Pensions Adjusts. £000	Other Differences £000	Total Statutory Adjusts. £000
<b>2021/22 Comparative Data</b>				
Children, Education and Justice Services Place	(7,939)	28,082	(805)	19,338
Housing Revenue Account	315,570	19,963	(455)	335,078
Health and Social Care	(9,779)	2,428	(930)	(8,281)
Corporate Services	94	14,472	(471)	14,095
	1,044	13,190	(271)	13,963
<b>Cost of Services</b>	<b>298,990</b>	<b>78,135</b>	<b>(2,932)</b>	<b>374,193</b>
<b>Other income and expenditure</b>				
Net cost of benefits	0	0	0	0
Other non-service specific costs	(2,607)	5,454	6	2,853
Net income and changes in relation to investment properties and changes in their fair value	0	0	318	318
Interest and investment income	(209)	0	0	(209)
Interest payable and similar charges	(23,594)	0	(2,174)	(25,768)
Net pension interest cost	0	14,232	0	14,232
Gains on disposal of assets	(2,405)	0	0	(2,405)
Gains on derecognition or revaluation of financial assets	0	0	0	0
Capital grants and contributions	(77,693)	0	0	(77,693)
Income from donated assets	586	0	0	586
<b>Total Adjustments</b>	<b>193,068</b>	<b>97,821</b>	<b>(4,782)</b>	<b>286,107</b>

Notes -

Adjustments for capital purposes include the replacement of depreciation and impairment costs with repayment of borrowing to the Loans Fund.

Net changes for pensions adjustment relates to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.

Other differences include reversal of the value of entitlement to accrued leave, the revaluation of investment properties and the timing differences for premiums and discounts associated with borrowing within the Loans Fund.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued

#### 5.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

Re-stated

	Total Statutory Adjusts. b/fwd £000	Presentation Adjusts. £000	Use of Reserves £000	Total Adjusts. £000
<b>2021/22 Comparative Data</b>				
Children, Education and Justice Services Place	19,338	(18)	(499)	18,821
Housing Revenue Account	335,078	(19,630)	(17,757)	297,691
Health and Social Care	(8,281)	0	(8,654)	(16,935)
Corporate Services	14,095	(423)	0	13,672
	13,963	1,825	(5,358)	10,430
<b>Cost of Services</b>	<b>374,193</b>	<b>(18,246)</b>	<b>(32,268)</b>	<b>323,679</b>
<b>Other income and expenditure</b>				
Net cost of benefits	0	0	0	0
Other non-service specific costs	2,853	(3,402)	(3,098)	(3,647)
Net income and changes in relation to investment properties and changes in their fair value	318	(1,825)	0	(1,507)
Interest and investment income	(209)	(4)	(11)	(224)
Interest payable and similar charges	(25,768)	23,570	0	(2,198)
Net pension interest cost	14,232	0	0	14,232
Gains on disposal of assets	(2,405)	0	0	(2,405)
Gains on derecognition or revaluation of financial assets	0	(93)	0	(93)
Use of reserves	0	0	(6,131)	(6,131)
Capital grants and contributions	(77,693)	0	0	(77,693)
Income from donated assets	586	0	0	586
<b>Total Adjustments</b>	<b>286,107</b>	<b>0</b>	<b>(41,508)</b>	<b>244,599</b>

Notes -

Presentational adjustments relate primarily to the presentation of interest payments on finance leases (*including PPP schemes*), trading operations, internal recharges and income and expenditure on investment properties for decision making purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council

#### 5.2 Segmental Analysis of Expenditure and Income included in Expenditure and Funding Analysis

2022/23	Children, Education and Justice Services	Place	Housing Revenue Account	Health and Social Care
	£000	£000	£000	£000
<b>Expenditure</b>				
Employee expenses	395,324	157,681	14,319	91,231
Other service expenses	192,191	436,717	49,326	317,203
Support service recharges	0	2,510	9,392	0
Interest payments	64	19,611	17,957	0
Debt repayments ( <i>HRA only</i> )	0	0	40,403	0
<b>Total Expenditure</b>	<b>587,579</b>	<b>616,519</b>	<b>131,397</b>	<b>408,434</b>
<b>Income</b>				
Revenues from external customers	(3,661)	(229,870)	(103,904)	(20,579)
Income from recharges for services	0	(8,351)	(526)	0
Government grants and other contribs.	(133,077)	(102,932)	(26,046)	(101,284)
Interest and investment income	0	0	(921)	0
<b>Total Income</b>	<b>(136,738)</b>	<b>(341,153)</b>	<b>(131,397)</b>	<b>(121,863)</b>
<b>Cost of Services</b>	<b>450,841</b>	<b>275,366</b>	<b>0</b>	<b>286,571</b>

Expenditure	Corporate Services	Lothian Valuation Joint Board	Council Total
	£000	£000	£000
Employee expenses	63,530	0	722,085
Other service expenses	61,671	3,817	1,060,925
Support service recharges	(917)	0	10,985
Interest payments	0	0	37,632
Debt repayments ( <i>HRA only</i> )	0	0	40,403
<b>Total Expenditure</b>	<b>124,284</b>	<b>3,817</b>	<b>1,872,030</b>
<b>Income</b>			
Revenues from external customers	(4,669)	0	(362,683)
Income from recharges for services	(12,066)	0	(20,943)
Government grants and other contribs.	(17,865)	0	(381,204)
Interest and investment income	0	0	(921)
<b>Total Income</b>	<b>(34,600)</b>	<b>0</b>	<b>(765,751)</b>
<b>Cost of Services</b>	<b>89,684</b>	<b>3,817</b>	<b>1,106,279</b>

Expenditure	Subsidiaries	Associates and Joint Ventures	Group Total
	£000	£000	£000
Employee expenses	99,908	0	821,993
Other service expenses	115,739	0	1,176,664
Support service recharges	0	0	10,985
Depreciation, amortisation and impairment	(21,370)	0	(21,370)
Interest payments	0	0	37,632
Debt repayments ( <i>HRA only</i> )	0	0	40,403
Net expend from Associates and Joint Ventures	0	29,787	29,787
<b>Total Expenditure</b>	<b>194,277</b>	<b>29,787</b>	<b>2,096,094</b>
<b>Income</b>			
Revenues from external customers	(243,791)	0	(606,474)
Income from recharges for services	0	0	(20,943)
Government grants and other contribs.	44,964	0	(336,240)
Interest and investment income	0	0	(921)
Net income from Associates and Joint Ventures	0	(680)	(680)
<b>Total Income</b>	<b>(198,827)</b>	<b>(680)</b>	<b>(965,258)</b>
<b>Cost of Services</b>	<b>(4,550)</b>	<b>29,107</b>	<b>1,130,836</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 5. Expenditure and Funding Analysis - Council - continued

#### 5.2 Segmental Analysis of Expenditure and Income included in Expenditure and Funding Analysis

##### Re-stated

2021/22 Comparative Data	Children, Education and Justice		Housing Revenue	Health and Social Care
	Services	Place	Account	
Expenditure	£000	£000	£000	£000
Employee expenses	376,747	128,854	13,722	88,517
Other service expenses	172,804	387,952	45,411	295,003
Support service recharges	0	37	7,293	0
Interest payments	13	19,644	16,883	0
Debt repayments ( <i>HRA only</i> )	0	0	17,356	0
<b>Total Expenditure</b>	<b>549,564</b>	<b>536,487</b>	<b>100,665</b>	<b>383,520</b>
<b>Income</b>				
Revenues from external customers	(8,263)	(203,755)	(96,634)	(17,242)
Income from recharges for services	0	(4,163)	(208)	0
Government grants and other contribs.	(97,297)	(85,826)	(3,614)	(113,616)
Interest and investment income	0	0	(209)	0
<b>Total Income</b>	<b>(105,560)</b>	<b>(293,744)</b>	<b>(100,665)</b>	<b>(130,858)</b>
<b>Cost of Services</b>	<b>444,004</b>	<b>242,743</b>	<b>0</b>	<b>252,662</b>

Expenditure	Corporate	Lothian	Council Total
	Services	Valuation Joint Board	
	£000	£000	£000
Employee expenses	59,411	0	667,251
Other service expenses	57,954	3,833	962,957
Support service recharges	(817)	0	6,513
Interest payments	0	0	36,540
Debt repayments ( <i>HRA only</i> )	0	0	17,356
<b>Total Expenditure</b>	<b>116,548</b>	<b>3,833</b>	<b>1,690,617</b>
<b>Income</b>			
Revenues from external customers	(5,310)	0	(331,204)
Income from recharges for services	(9,980)	0	(14,351)
Government grants and other contribs.	(14,122)	0	(314,475)
Interest and investment income	0	0	(209)
<b>Total Income</b>	<b>(29,412)</b>	<b>0</b>	<b>(660,239)</b>
<b>Cost of Services</b>	<b>87,136</b>	<b>3,833</b>	<b>1,030,378</b>

Expenditure	Subsidiaries	Associates and Joint Ventures	Group Total
	£000	£000	
Employee expenses	94,644	0	761,895
Other service expenses	108,024	0	1,070,981
Support service recharges	0	0	6,513
Depreciation, amortisation and impairment	(21,887)	0	(21,887)
Interest payments	0	0	36,540
Debt repayments ( <i>HRA only</i> )	0	0	17,356
Net expend from Associates and Joint Ventures	0	963	963
<b>Total Expenditure</b>	<b>180,781</b>	<b>963</b>	<b>1,872,361</b>
<b>Income</b>			
Revenues from external customers	(207,949)	0	(539,153)
Income from recharges for services	0	0	(14,351)
Government grants and other contribs.	33,871	0	(280,604)
Interest and investment income	0	0	(209)
Net income from Associates and Joint Ventures	0	(30,260)	(30,260)
<b>Total Income</b>	<b>(174,078)</b>	<b>(30,260)</b>	<b>(864,577)</b>
<b>Cost of Services</b>	<b>6,703</b>	<b>(29,297)</b>	<b>1,007,784</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Expenditure and Income Analysed by Nature Group

6.1 The authority's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows:

	2022/23	Re-stated 2021/22
	£000	£000
<b>Expenditure</b>		
Employee expenses	894,578	846,111
Other service expenses	1,495,667	1,359,129
Support service recharges	10,985	6,513
Depreciation, amortisation and impairment	226,390	336,721
Interest payments	197,062	166,037
Net Interest in the (profit) / loss of associates and joint ventures	29,107	(29,297)
<b>Total Expenditure</b>	<b><u>2,853,789</u></b>	<b><u>2,685,214</u></b>
<b>Income</b>		
Fees, charges and other service income	(1,007,676)	(913,103)
Gain on the disposal of assets	(1,718)	(3,255)
Movement on donated assets	238	586
Interest and investment income	(119,472)	(75,124)
Income from Council Tax and Non-Domestic Rates	(557,341)	(476,283)
Government grants and other contributions	(927,498)	(912,716)
Recognised capital income	(125,726)	(84,763)
<b>Total Income</b>	<b><u>(2,739,193)</u></b>	<b><u>(2,464,658)</u></b>
<b>Group (Surplus) / Deficit</b>	<b><u>114,596</u></b>	<b><u>220,556</u></b>

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### Council

6.2 The authority's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows

	2022/23	Re-stated 2021/22
	£000	£000
<b>Expenditure</b>		
Employee expenses	794,669	751,467
Other service expenses	1,380,609	1,247,435
Support service recharges	10,985	6,513
Depreciation, amortisation and impairment	247,760	358,608
Interest payments	183,122	153,743
<b>Total Expenditure</b>	<b><u>2,617,145</u></b>	<b><u>2,517,766</u></b>
<b>Income</b>		
Fees, charges and other service income	(759,884)	(708,077)
(Gain) / Loss on the disposal of assets	(1,526)	(2,405)
Interest and investment income	(110,566)	(66,586)
Income from Council Tax and Non-Domestic Rates	(557,341)	(476,283)
Government grants and other contributions	(972,462)	(946,586)
Recognised capital income	(117,247)	(77,693)
Donated asset income	238	586
<b>Total Income</b>	<b><u>(2,518,788)</u></b>	<b><u>(2,277,044)</u></b>
<b>(Surplus) / Deficit on the Provision of Services</b>	<b><u>98,357</u></b>	<b><u>240,722</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Material Items of Income and Expense

There has been material income and expense during this financial year related to the continuing impacts of the Covid 19 pandemic, further details of this are contained in the Management Commentary page 8.

### 8. Events After the Balance Sheet Date

There have been no material events to disclose after the Balance Sheet date.

### 9. Subsidiaries and Associates

The Council holds shares in various trading companies, either as a controlling or minority shareholder.

The Council is also represented on the Boards of various companies that are limited by guarantee and have no share capital. It participates in these companies by means of Board membership and the provision of funding and management support.

The following entities have a significant impact on the Council's operations and have been consolidated into the Group Accounts:

<b>Subsidiaries:</b>	<b>Shareholding</b>	
• CEC Holdings Limited	100.00%	
• Transport for Edinburgh Limited	100.00%	
• Edinburgh Living MMR LLP	99.999%	
• City of Edinburgh Charitable Trusts	Sole Trustee	
<b>Associates:</b>		
• Edinburgh Leisure	33.33%	Board representation
• Capital Theatres	16.67%	Board representation
• Lothian Valuation Joint Board	61.36%	Funding percentage
• Common Good	100.00%	
<b>Joint Venture</b>	<b>Interest</b>	
• Edinburgh Integration Joint Board	50.00%	Board representation

The following companies are not consolidated into the Group Accounts. An assessment has been carried out on these companies, their activities and the level of Council control. These companies are not considered to be a material part of the Group and have therefore been excluded from the Group Accounts:

	<b>Shareholding</b>	
• Capital City Partnership Limited	100.00%	
• CEC Recovery Limited (formerly tie Limited)	100.00%	
• Marketing Edinburgh Limited	100.00%	(dissolved 25.04.23)
• Energy for Edinburgh Limited	100.00%	
• Edinburgh Living MR LLP	99.00%	(dormant to 31.12.22)
• Telford NHT LLP	> 75% controlling interest	

In January 2019 the Council bought out the developer's share in Telford NHT LLP and held majority control of this associate during the financial year, in conjunction with the Scottish Futures Trust. The properties held were sold on 4 May 2021, however the controlling interest has been retained.

LFPE Limited and LPFI Limited are consolidated in the annual accounts of Lothian Pension Fund.

The accounts of the subsidiary bodies may be accessed, as they become available, through **the Council's website**.

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Subsidiaries and Associates - continued

#### 9.1 Analysis of Minority Interest Shares in the Group Comprehensive Income and Expenditure Statement

Attributable shares of income and expenditure 2022/23	Authority £000	Minority Interest £000	Total £000
(Surplus) or Deficit on the Provision of Services	114,123	474	114,597
Other Comprehensive Income and Expenditure	(719,093)	3,267	(715,826)
	<u>(604,970)</u>	<u>3,741</u>	<u>(601,229)</u>
<b>Re-stated 2021/22</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
(Surplus) or Deficit on the Provision of Services	225,912	(5,356)	220,556
Other Comprehensive Income and Expenditure	(1,116,266)	981	(1,115,285)
	<u>(890,354)</u>	<u>(4,375)</u>	<u>(894,729)</u>

#### 9.2 Subsidiary Companies

- **CEC Holdings Limited**

The principal activities of the company are property development and the operation of an international conference centre. The company is wholly owned by the City of Edinburgh Council.

	<b>31.12.22</b>	<b>Re-stated 31.12.21</b>
	<b>£000</b>	<b>£000</b>
The most recent audited results of the company are as follows:		
Net assets	13,537	14,699
Net (profit) / loss before taxation	1,416	(1,032)
Retained profit / (loss) carried forward	(56,767)	(55,073)

The Council inherited its interest in CEC Holdings Limited following the local government reorganisation in 1996. It is considered that this was on an acquisition basis, however, as no consideration was given for these interests, there was no goodwill involved in these transactions.

- **Transport for Edinburgh Limited**

The principal activities of the company are as a holding company for the City of Edinburgh Council's interest in public transport companies; Lothian Buses Limited and Edinburgh Trams Limited. The company is wholly owned by the City of Edinburgh Council.

The Council's major shareholding in Lothian Buses of 5,824,139 (91.01%) £1 ordinary shares (fully paid) was transferred to Transport for Edinburgh Limited in 2014.

The Council inherited its interest in Lothian Buses Limited, following the reorganisation of local government in 1996. It is considered that this was on an acquisition basis, however, as no consideration was given for these interests, there was no goodwill involved in these transactions.

Edinburgh Trams Limited commenced a fare paying revenue service on 31 May 2014.

The most recent audited results of the company are as follows:

	<b>31.12.22</b>	<b>31.12.21</b>
	<b>£000</b>	<b>£000</b>
<b>Transport for Edinburgh Limited (Consolidated Group)</b>		
Net assets	123,710	132,032
Net loss before taxation	7,180	15,937
Retained earnings	(12,320)	4,858
Dividend paid in March 2022 and March 2021	0	0

A copy of the latest accounts can be obtained by writing to the Finance Director, Lothian Buses Limited, Annandale Street, Edinburgh, EH7 4AZ.

# NOTES TO THE FINANCIAL STATEMENTS

## 9. Subsidiaries and Associates - continued

### 9.2 Subsidiary Companies - continued

- **Edinburgh Living MMR LLP**

The limited liability partnership (LLP) members are the City of Edinburgh Council and Scottish Futures Trust (SFT). The principal activities of the partnership are to acquire and manage homes for mid-market rent.

The most recent audited results of the partnership are as follow	<b>31.12.22</b>	<b>31.12.21</b>
	<b>£000</b>	<b>£000</b>
Net assets	87,379	60,104
Net profit before taxation (including revaluation gains)	(9,777)	(8,085)
Retained profit carried forward	(2,454)	(1,157)

- **The City of Edinburgh Charitable Trusts and Funds**

The City of Edinburgh Council acts as sole Trustee for the charitable trusts and funds. The charities that the Council administers are constituted in a variety of different ways. Details of how each charity was originally established are available from the Council.

The most recent audited results of the trusts are as follows:	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Net assets	16,064	16,034
Net (profit) / loss before taxation	63	(227)

### 9.3 Associates

- **Edinburgh Leisure**

This is a non-profit-distributing company limited by guarantee and registered as a Charity. Each member has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the company being wound up.

The principal activity of the company is the provision of recreation and leisure facilities.

The City of Edinburgh Council is represented on the company's Board of Directors and contributes a substantial sum to the company towards the cost of operating sport and leisure facilities.

The City of Edinburgh Council leases its sport and leisure centres to the company.

The most recent unaudited results of the company are as follow	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Net assets / (liabilities)	6,616	6,995
Net operating (profit) / loss	379	1,578
Earnings / (Losses) carried forward	6,616	6,995

Although Edinburgh Leisure is included in the Group Accounts, as the nature of its activities is a core part of Council policy, the Council has no legal interest in the assets or liabilities of the company.

- **Capital Theatres**

This is a non-profit-distributing company limited by guarantee and registered as a Charity.

The City of Edinburgh Council is represented on the trust's board of directors and gives substantial financial assistance. The City of Edinburgh Council leases the King's Theatre and the Festival Theatre to the trust.

The most recent audited results of the company are as follows:	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Net assets	11,550	8,104
Net operational (profit) / loss	(3,543)	(2,412)
Fund balances carried forward	11,550	8,104

Although Capital Theatres is included in the Group Accounts, due to its activities being a core part of Council policy, the Council has no legal interest in the assets or liabilities of the company.

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Subsidiaries and Associates - continued

#### 9.3 Associates - continued

- **Lothian Valuation Joint Board**

The Lothian Valuation Joint Board provides Valuation Appeals, Lands Valuation, Electoral Registration and Council Tax Valuation Services.

The Board comprises 16 members of whom nine are elected by the City of Edinburgh, three by West Lothian and two each by East and Midlothian Councils. Costs incurred by the Lothian Valuation Joint Board are apportioned in accordance with the non-domestic rateable subjects and dwellings valued for Council Tax within the areas of each constituent authority.

	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Deficit for the year	974	711
Net Assets / (Liabilities)	1,370	3,042
Usable reserves	1,295	1,450
Unusable reserves	75	1,592
Total reserves	<u>1,370</u>	<u>3,042</u>

#### 9.4 Joint Ventures

- **Edinburgh Integration Joint Board**

The Edinburgh Integration Joint Board (EIJB) was established by order of Scottish Ministers on 27 June 2015 under the Public Bodies (Joint Working) (Scotland) Act 2014.

The Board comprises 10 voting members, made up of five elected members appointed by the City of Edinburgh Council and five NHS non-executive directors appointed by NHS Lothian, along with a number of non voting members.

The most recent audited results of the Board are as follows:	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Gross expenditure	923,269	881,767
(Surplus) / Deficit for the year	58,126	(56,749)
Usable reserves	24,033	82,159

The expenditure incurred by the EIJB is covered in full by income received from the partner bodies, NHS Lothian and the City of Edinburgh Council. EIJB therefore commissions services from the parent bodies based on the approved strategic plan.

Notable transactions between EIJB and the Council are as follows:	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£000</b>	<b>£000</b>
Contribution made to the IJB	(281,077)	(260,781)
Commissioning income received from the IJB	310,197	276,258
Corporate Services payments made to the IJB	(152)	(145)
Services in Kind contributions to the IJB	(743)	(725)
Amounts the EIJB is due to/(from) the Council	(6,329)	(11,336)
Share of Net Assets/(Liabilities)	12,017	41,080
Share of (Surplus) / Deficit for the year	29,063	(28,375)

#### 9.5 Audit Opinions noted on the Accounts of the Companies

Unless otherwise indicated, the companies' accounts are audited.

# NOTES TO THE FINANCIAL STATEMENTS

## 9. Subsidiaries and Associates - continued

### 9.6 Shareholder Support to Council Companies

A number of companies within the group are currently dependent on the continued financial support of the Council. The companies are EICC Limited, a subsidiary of CEC Holdings Limited - (the Council owns 100% of the shares in CEC Holdings Limited), Transport for Edinburgh Ltd - (including Lothian Buses and Edinburgh Trams Ltd), Capital Theatres and Edinburgh Leisure.

### 9.7 Financial Impact of Consolidation

The effect of inclusion of subsidiaries and associates on the Group Balance Sheet is to increase both reserves and net assets by £195.400m (2021/22 £239.517m) representing the Council's share of the realisable surpluses or deficits in these companies.

## 10. Contingent Liabilities

Contingent Assets and Liabilities are not recognised in the accounting statements. Where there is probable inflow or outflow of economic benefits or service potential, these are disclosed in the notes to the financial statements.

There may be outstanding liability claims or claims to be submitted against the Council in relation to insured and uninsured losses or incidents. The actual cost and timing of any claims cannot be estimated with reasonable accuracy and consequently no specific provision has been made in the financial statements in respect of any such claims.

The work of the Scottish Child Abuse Inquiry, which began in 2015, is continuing under Lady Smith. Since early 2022, this has focussed on historic foster carer provision and the Council is contributing accordingly. As the Redress scheme for survivors of historical child abuse and the introduction of Qualified One-Way Costs Shifting (QOCS) have now both been introduced, there are increased avenues for survivors to seek compensation for alleged abuse which took place whilst in the care of an organisation. The Council's project team continues to support the inquiry, review historic records and respond to requests from the Inquiry for information. Local authorities across Scotland will be presented with claims, however the extent of the exposure remains unknown in 2022 as there is no time bar on the presentation of claims. The introduction of the Prescription (Scotland) Act 2018 may also have an impact on claims in coming years.

The Inquiry has identified a number of Council operated or commissioned facilities which it wishes to review as part of its investigation. Separately, some civil litigation claims have been submitted to the City of Edinburgh Council, as successor authority to Lothian Regional Council. Where claims are ongoing, it is impossible to confirm the likely cost to the Council as reserves change regularly and accurate costs are only known when a claim is settled. The total cost to the Council will include any settlement amount, fees (both first and third party), which may be offset by the insurance coverage in force at the time of the alleged abuse. It is worth noting that discussions are due to take place to ensure an equitable distribution of legacy claims across all Lothian councils which will further impact the exposure to the Council.

The Council has finalised the details of a redress scheme for survivors who suffered physical and sexual abuse at the hands of a former Council employee, which closed for claims on 4 March 2023. The total amounts paid out under this scheme will depend on the number of eligible claimants, nature of the claims being brought and the tariffs for each type of injury.

The Council recognises an exposure to risk of remedial costs associated with Reinforced Autoclaved Aerated Concrete (RAAC) potentially used in the construction of council properties prior to 1990. Initial surveys have identified seven properties where RAAC has been detected, with an ongoing systematic review of all Council buildings being undertaken. The risk and subsequent recommendations will be dependent on structural engineer surveys which have yet to be concluded.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	Usable Reserves		
	General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000
<b>2022/23</b>			
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	130,865	42,998	0
Movements in the market value of investment properties	(1,536)	0	0
Amortisation and impairment of intangible assets	114	0	0
Capital grants and contributions applied	(79,078)	(38,169)	0
Capital funded from revenue	(2,767)	(21,742)	0
Donated assets	239	0	0
Capital fund used to finance new capital expenditure	0	0	0
Revenue expenditure funded from capital under statute	64,847	0	0
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	(64,744)	(18,661)	0
Capital expenditure charged against General Fund and HRA balances	(64,847)	0	0
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net (gain) / loss on sale of property, plant and equipment and assets held for sale	450	(2,061)	23,703
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(23,703)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(2,233)	(941)	0
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	154,221	4,469	0
Employer's pension contributions and direct payments to pensioners payable in the year	(78,635)	(2,139)	0
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	79	(32)	0
<b>Total Adjustments</b>	<b>56,975</b>	<b>(36,278)</b>	<b>0</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

2022/23	Usable Reserves		Movement in Unusable Reserves £000
	Capital Grants Unapplied Account £000	Capital Fund £000	
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	0	0	(173,863)
Movements in the market value of investment properties	0	0	1,536
Amortisation of intangible assets	0	0	(114)
Capital grants and contributions applied	803	9,700	106,744
Capital funded from revenue	0	0	24,509
Donated assets	0	0	(239)
Capital fund used to finance new capital expenditure	0	(1,297)	1,297
Revenue expenditure funded from capital under statute	0	0	(64,847)
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	0	(8,759)	92,164
Capital expenditure charged against General Fund and HRA balances	0	0	64,847
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	(16,608)	0	16,608
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net gain / (loss) on sale of property, plant and equipment and assets held for sale	0	0	(22,092)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	23,703
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	3,174
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	(158,690)
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	80,774
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	0	0	(47)
<b>Total Adjustments</b>	<b>(15,805)</b>	<b>(356)</b>	<b>(4,536)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

Re-stated 2021/22 Comparative Data	Usable Reserves		
	General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	296,778	23,053	0
Movements in the market value of investment properties	318	0	0
Amortisation of intangible assets	114	0	0
Capital grants and contributions applied	(57,579)	(20,114)	0
Capital funded from revenue	(15,043)	0	0
Donated assets	586	0	0
Capital fund used to finance new capital expenditure	0	0	0
Revenue expenditure funded from capital under statute	58,999	0	0
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	(53,599)	(17,356)	0
Capital expenditure charged against General Fund and HRA balances	(58,999)	0	0
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net loss / (gain) on sale of property, plant and equipment and assets held for sale	1,041	(3,446)	16,442
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(16,442)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(2,174)	(906)	0
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	169,526	4,780	0
Employer's pension contributions and direct payments to pensioners payable in the year	(74,523)	(1,961)	0
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	(1,996)	(25)	0
<b>Total Adjustments</b>	<b>263,449</b>	<b>(15,975)</b>	<b>0</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Adjustments Between Accounting Basis and Funding Basis Under Regulations - continued

Re-stated 2021/22 Comparative Data	Usable Reserves		Movement in Unusable Reserves £000
	Capital Grants Unapplied Account £000	Capital Fund £000	
<b>Adjustments primarily involving the Capital Adjustment Account</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>			
Charges for depreciation and impairment of non-current assets	0	0	(319,831)
Movements in the market value of investment properties	0	0	(318)
Amortisation of intangible assets	0	0	(114)
Capital grants and contributions applied	2,506	0	75,187
Capital funded from revenue	0	0	15,043
Donated assets	0	0	(586)
Capital fund used to finance new capital expenditure	0	(7,150)	7,150
Revenue expenditure funded from capital under statute	0	0	(58,999)
<b>Insertion of items not debited or credited to the CIES</b>			
Statutory provision for the financing of capital investment	0	(31)	70,986
Capital expenditure charged against General Fund and HRA balances	0	0	58,999
<b>Adjustments primarily involving the Capital Grant Unapplied Account</b>			
Application of grants to capital financing transferred to the Capital Adjustment Account	(3,461)	0	3,461
<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
Net (loss) / gain on sale of property, plant and equipment and assets held for sale	0	0	(14,037)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	16,442
<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	3,080
<b>Adjustments primarily involving the Pensions Reserve</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	(174,306)
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	76,484
<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>			
Amount by which officer remuneration charges to the CIES are different from remuneration chargeable in the year in accordance with statutory requirements	0	0	2,021
<b>Total Adjustments</b>	<b>(955)</b>	<b>(7,181)</b>	<b>(239,338)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves

#### 12.1 Transfers to and from Usable Reserves

This note sets out the amounts set aside in the Group's and the Council's usable reserves and the amounts posted back from these reserves to meet expenditure during the year.

	Balance at 01.04.22 £000	Net Transfers Out 2022/23 £000	Net Transfers In 2022/23 £000	Balance at 31.03.23 £000
<b>Group Reserves</b>				
<b>Subsidiaries</b>				
CEC Holdings Limited				
Revenue reserves	(55,280)	(1,487)	0	(56,767)
Capital grants unapplied account	1,128	(67)	0	1,061
Transport for Edinburgh Limited				
Revenue reserves	98,396	(50,787)	0	47,609
Minority interests	15,560	(3,747)	0	11,813
Edinburgh Living MMR LLP				
Revenue reserves	7,982	0	10,963	18,945
The City of Edinburgh Council Charitable Trusts				
Revenue reserve	1,437	0	52	1,489
<b>Total Usable Reserves - Subsidiaries</b>	<b>69,223</b>	<b>(56,088)</b>	<b>11,015</b>	<b>24,150</b>
<b>Associates and Joint Ventures</b>				
Common Good Fund - Reserves	2,657	0	105	2,762
Edinburgh Leisure - Reserves	2,331	(126)	0	2,205
Capital Theatres - Reserves	2,701	(776)	0	1,925
Lothian Valuation Joint Board - Reserves	892	(97)	0	795
Edinburgh Integration Joint Board - Reserves	41,080	(29,063)	0	12,017
<b>Total Usable Reserves - Associates and Joint Ventures</b>	<b>49,661</b>	<b>(30,062)</b>	<b>105</b>	<b>19,704</b>
<b>Total Usable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<b>118,884</b>	<b>(86,150)</b>	<b>11,120</b>	<b>43,854</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.21 £000	Net Transfers Out 2021/22 £000	Net Transfers In 2021/22 £000	Balance at 31.03.22 £000
<b>Re-stated</b>				
<b>Group Reserves</b>				
<b>Subsidiaries</b>				
CEC Holdings Limited				
Revenue reserves	(56,030)	0	750	(55,280)
Capital grants unapplied account	1,213	(85)	0	1,128
Transport for Edinburgh				
Revenue reserves	82,539	0	15,857	98,396
Minority interests	11,187	0	4,373	15,560
Edinburgh Living MMR LLP				
Revenue reserves	5,375	0	2,607	7,982
	<u>44,284</u>	<u>(85)</u>	<u>23,587</u>	<u>67,786</u>
<b>Total Usable Reserves - Subsidiaries</b>				
<b>Associates and Joint Ventures</b>				
Common Good Fund - Reserves	2,669	(12)	0	2,657
Edinburgh Leisure - Reserves	297	0	2,034	2,331
Capital Theatres - Reserves	1,875	0	826	2,701
Lothian Valuation Joint Board - Reserves	755	0	137	892
Edinburgh Integration Joint Board - Reserves	12,705	0	28,375	41,080
	<u>18,301</u>	<u>(12)</u>	<u>31,372</u>	<u>49,661</u>
<b>Total Usable Reserves - Associates and Joint Ventures</b>				
<b>Total Usable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<u><u>62,585</u></u>	<u><u>(97)</u></u>	<u><u>54,959</u></u>	<u><u>117,447</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.22 £000	Transfers Out 2022/23 £000	Transfers In 2022/23 £000	Balance at 31.03.23 £000
<b>Council's Usable Reserves</b>				
<b>General Fund</b>				
<b>Balances Set Aside to Manage Financial Risks and for Specific Investment</b>				
Balances set aside for specific inv.	59,685	(13,866)	69,527	115,346
Council Priorities Fund	2,628	(2,628)	13,638	13,638
Contingency funding, Workforce Transformation	11,274	0	2,323	13,597
Dilapidations Fund	3,957	0	300	4,257
Insurance Funds*	22,258	(4,862)	5,330	22,726
Covid Funds	71,178	(38,165)	304	33,317
	<u>170,980</u>	<u>(59,521)</u>	<u>91,422</u>	<u>202,881</u>
<b>Balances Set Aside from Income Received in Advance</b>				
Licensing Income*	5,712	(523)	314	5,503
Revenue grants and contributions received in advance of planned expenditure	12,385	(5,645)	5,934	12,674
Council Tax Discount Fund*	11,305	(9,674)	3,619	5,250
Other earmarked balances	175	0	4	179
City Strategic Investment Fund	1,055	(118)	145	1,082
Covid service-specific advance funding	15,159	(10,778)	0	4,381
	<u>45,791</u>	<u>(26,738)</u>	<u>10,016</u>	<u>29,069</u>
<b>Balances Set Aside for Investment in Specific Projects which will Generate Future Savings</b>				
Energy Efficiency Fund	334	(72)	7	269
Spend to Save Fund and similar projects	3,873	(280)	640	4,233
	<u>4,207</u>	<u>(352)</u>	<u>647</u>	<u>4,502</u>
<b>Balances Set Aside under Devolved School Management Scheme and Pupil Equity Fund</b>				
Balances held by schools under Devolved School Management (DSM) and Pupil Equity Fund (PEF)*	7,246	(7,246)	4,023	4,023
<b>Unallocated General Fund</b>	<u>28,981</u>	<u>(3,150)</u>	<u>0</u>	<u>25,831</u>
<b>Total General Fund</b>	<u>257,205</u>	<u>(97,007)</u>	<u>106,108</u>	<u>266,306</u>
<b>Housing Revenue Account Balance</b>	0	0	0	0
<b>Renewal and Repairs Fund</b>	50,407	(22,003)	9,026	37,430
<b>Capital Fund</b>	42,550	(1,297)	941	42,194
<b>Capital Receipts Reserve</b>	0	(23,703)	23,703	0
<b>Capital Grants Unapplied Account</b>	46,994	(16,608)	803	31,189
<b>Total Usable Reserves - Council</b>	<u>397,156</u>	<u>(160,618)</u>	<u>140,581</u>	<u>377,119</u>
<b>Total Usable Reserves - Group</b>	<u>516,040</u>	<u>(246,768)</u>	<u>151,701</u>	<u>420,973</u>

\* - mandatory earmarked General Fund balances

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.1 Transfers to and from Usable Reserves - continued

	Balance at 01.04.21 £000	Transfers Out 2021/22 £000	Transfers In 2021/22 £000	Balance at 31.03.22 £000
<b>Re-stated General Fund</b>				
<b>Balances Set Aside to Manage Financial Risks and for Specific Investment</b>				
Balances set aside for specific inv.	28,005	(1,289)	32,969	59,685
Council Priorities Fund	0	0	2,628	2,628
Contingency funding, Workforce Transformation	11,237	0	37	11,274
Dilapidations Fund	4,000	(43)	0	3,957
Insurance Funds*	19,580	(3,012)	5,690	22,258
Covid Funds	78,473	(11,867)	4,572	71,178
	<u>141,295</u>	<u>(16,211)</u>	<u>45,896</u>	<u>170,980</u>
<b>Balances Set Aside from Income Received in Advance</b>				
Licensing Income*	3,973	(66)	1,805	5,712
Revenue grants and contributions received in advance of planned expenditure	11,678	(5,206)	5,913	12,385
Council Tax Discount Fund*	6,063	0	5,242	11,305
Other earmarked balances	175	0	0	175
City Strategic Investment Fund	2,034	(1,124)	145	1,055
Covid service-specific advance funding	22,382	(14,284)	7,061	15,159
	<u>46,305</u>	<u>(20,680)</u>	<u>20,166</u>	<u>45,791</u>
<b>Balances Set Aside for Investment in Specific Projects which will Generate Future Savings</b>				
Energy Efficiency Fund	311	0	23	334
Spend to Save Fund and similar projects	3,409	(102)	566	3,873
	<u>3,720</u>	<u>(102)</u>	<u>589</u>	<u>4,207</u>
<b>Balances Set Aside under Devolved School Management Scheme</b>				
Balances held by schools under Devolved School Management (DSM) and Pupil Equity Fund (PEF)*	4,688	(4,688)	7,246	7,246
<b>Unallocated General Fund</b>	<u>25,025</u>	<u>0</u>	<u>3,956</u>	<u>28,981</u>
<b>Total General Fund</b>	<u>221,033</u>	<u>(41,681)</u>	<u>77,853</u>	<u>257,205</u>
<b>Housing Revenue Account Balance</b>	0	0	0	0
<b>Renewal and Repairs Fund</b>	41,162	(3,701)	12,946	50,407
<b>Capital Fund</b>	49,731	(7,226)	45	42,550
<b>Capital Receipts Reserve</b>	0	0	0	0
<b>Capital Grants Unapplied Account</b>	47,949	(3,461)	2,506	46,994
<b>Total Usable Reserves - Council</b>	<u>359,875</u>	<u>(56,069)</u>	<u>93,350</u>	<u>397,156</u>
<b>Total Usable Reserves - Group</b>	<u>422,460</u>	<u>(56,166)</u>	<u>148,309</u>	<u>514,603</u>

\* - mandatory earmarked General Fund balances

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.2 Devolved School Management and Pupil Equity Funding

A net credit balance of £4.023m (2021/22 £7.246m) is held within the General Fund in accordance with the Devolved School Management scheme and permitted carry forward of the Pupil Equity Fund.

#### 12.3 Reconciliation of transfers to and from earmarked reserves in Movement of Reserves Statement to Transfers to and from Usable Reserves

2022/23

	General Fund £000	HRA Balance £000	Renewal / Repairs Fund £000	Capital Receipts Reserve £000
Transfers out	(97,007)	0	(22,003)	(23,703)
Transfers in	106,108	0	9,026	23,703
Total movements in fund	<u>9,101</u>	<u>0</u>	<u>(12,977)</u>	<u>0</u>
Recognised in Comprehensive Income and Expenditure Statement	14,895	(18,771)	0	0
Transfers to other earmarked reserves	<u>(5,794)</u>	<u>18,771</u>	<u>(12,977)</u>	<u>0</u>
Total movements in fund	<u>9,101</u>	<u>0</u>	<u>(12,977)</u>	<u>0</u>

	Capital Grants Unapplied £000	Capital Fund £000	Group Usable Reserves £000	Total £000
Transfers out	(16,608)	(1,297)	(86,150)	<b>(246,768)</b>
Transfers in	803	941	11,120	<b>151,701</b>
Total movements in fund	<u>(15,805)</u>	<u>(356)</u>	<u>(75,030)</u>	<u><b>(95,067)</b></u>
Recognised in Comprehensive Income and Expenditure Statement	(15,805)	(356)	(81,125)	<b>(101,162)</b>
Transfers to other earmarked reserves	0	0	0	<b>0</b>
Group account adjustments unusable reserves	<u>0</u>	<u>0</u>	<u>6,095</u>	<u><b>6,095</b></u>
Total movements in fund	<u>(15,805)</u>	<u>(356)</u>	<u>(75,030)</u>	<u><b>(95,067)</b></u>

Re-stated

2021/22 Comparative Data

	General Fund £000	HRA Balance £000	Renewal / Repairs Fund £000	Capital Receipts Reserve £000
Transfers out	(41,681)	0	(3,701)	0
Transfers in	77,853	0	12,946	0
Total movements in fund	<u>36,172</u>	<u>0</u>	<u>9,245</u>	<u>0</u>
Recognised in Comprehensive Income and Expenditure Statement	36,762	8,653	0	0
Transfers to other earmarked reserves	<u>(590)</u>	<u>(8,653)</u>	<u>9,245</u>	<u>0</u>
Total movements in fund	<u>36,172</u>	<u>0</u>	<u>9,245</u>	<u>0</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 12. Usable Reserves - continued

#### 12.3 Reconciliation of transfers to and from earmarked reserves in Movement of Reserves Statement to Transfers to and from Usable Reserves - continued

2021/22 Comparative Data	Capital Grants Unapplied £000	Capital Fund £000	Group Usable Reserves £000	Total £000
Transfers out	(3,461)	(7,226)	(97)	(56,166)
Transfers in	2,506	45	54,959	148,309
Total movements in fund	<u>(955)</u>	<u>(7,181)</u>	<u>54,862</u>	<u>92,143</u>
Recognised in Comprehensive Income and Expenditure Statement	(955)	(7,181)	72,911	110,190
Transfers to other earmarked reserves	0	0	(18,049)	(18,047)
Total movements in fund	<u>(955)</u>	<u>(7,181)</u>	<u>54,862</u>	<u>92,143</u>

### 13. Financing and Investment Income and Expenditure

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Interest payable and similar charges	85,303	79,590	78,295	74,575
Interest cost on defined benefit obligation	111,759	103,532	87,741	79,168
Interest receivable and similar income	(10,034)	(10,023)	(156)	(143)
Interest income on plan assets	(105,978)	(97,083)	(73,460)	(64,936)
Net income in relation to investment properties and changes in their fair value	(11,939)	(3,460)	(8,578)	(1,507)
Net income in relation to financial assets derecognised or revalued	(120)	(120)	(93)	(93)
	<u>68,991</u>	<u>72,436</u>	<u>83,749</u>	<u>87,064</u>

### 14. Taxation and Non-Specific Grant Income

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Council Tax income	(307,480)	(307,480)	(287,487)	(287,487)
Non-domestic rates	(249,861)	(249,861)	(188,796)	(188,796)
Non-ring fenced government grants	(627,905)	(627,905)	(653,272)	(653,272)
Capital grants and contributions	(117,247)	(117,247)	(77,693)	(77,693)
Movement on donated assets	239	239	586	586
Taxation expenses / (refund)	(681)	0	3,670	0
	<u>(1,302,935)</u>	<u>(1,302,254)</u>	<u>(1,202,992)</u>	<u>(1,206,662)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment

#### 15.1 Depreciation

Depreciation is provided in the year of an asset's purchase. Assets in the course of construction are not depreciated until they are brought into use. Where depreciation is provided for, assets are depreciated using the straight line method over the following periods:

Council dwellings	50 years
Buildings	Up to 120 years as advised by the valuer (assets not subject to component accounting)
Buildings - structural	50 years
Buildings - non-traditional roofing	35 years
Buildings - finishes	25 years
Buildings - mechanical and electrical	20 years
Buildings - fittings and furnishings	15 years
PPP - Millerhill Residual Waste Facility	30 years
PPP - Schools	40 years (PPP1 schools) and 35 years (PPP2 schools) 50 years (JGHS and QHS)
Infrastructure assets	20 years (up to 30 years for Tram assets, 5 years for Spaces for People)
Vehicles, plant, furniture and equipment	5 years to 30 years, to reflect estimated useful life 3 years to 15 years, Group Companies

#### 15.2 Capital Commitments

At 31 March 2023, the Council had entered into a number of contracts for the construction or enhancement of property, plant and equipment. These are budgeted to cost £336.604m. A number of these amounts relate to contract retentions, as projects are now complete. Similar commitments at 31 March 2022 were £204.614m.

	£000	Expected Completion Date
Trams to Newhaven	9,662	Jun-23
Maybury Primary School	19,753	Aug-23
General Fund - Asset Management Works Programme	10,263	23/24
Tram Lifecycle	3,418	23/24
St James GAM	525	23/24
Place General Fund Other	3,553	23/24
City Centre West Edinburgh Link	4,952	23/24
Carriageway and Footways	14,684	23/24
Smart City Operation Centre	1,428	23/24
Council House Building - Macmillan Hub Homes	1,072	23/24
Council House Building - Western Villages	127,794	23/24
HRA New Build Homes Other	4,083	23/24
HRA - Other	39,276	23/24
Bankhead Depot	2,395	Jul-24
Currie High School	51,018	Feb-25
Impact - Dunard Centre	5,000	24/25
North Bridge Refurbishment	7,207	24/25
Gas Holder Park	17,191	24/25
Council House Building - GRANTON D1 (EHD)	10,518	24/25
Council House Building - Greendykes - K&L	1,536	24/25
George Street and First New Town	1,276	27/28
	<b><u>336,604</u></b>	

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.3 Movements on Balances - Group Movements in 2022/23

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Community Assets £000
<b>Cost or Valuation</b>				
At 1 April 2022	1,070,167	2,963,146	301,132	7,754
Recognition of Right of Use Assets	0	86,142	0	0
Additions	60,042	38,994	13,705	956
Revaluation increases / (decreases) recognised in the Revaluation Reserve	2,753	336,742	0	62
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(21,329)	22,140	(2,979)	(1,883)
Derecognition - disposals	(2,454)	(1,402)	(711)	(1)
Derecognition - other	0	0	0	0
Assets reclassified (to) / from held for sale	0	3,334	0	0
Other increases / (decreases) in cost or valuation	8,313	96,537	(8,012)	83
At 31 March 2023	<u>1,117,492</u>	<u>3,545,633</u>	<u>303,135</u>	<u>6,971</u>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2022	105	(90,285)	(133,111)	0
Recognition of Right of Use Assets	0	(23,420)	0	0
Depreciation charge	(23,539)	(117,403)	(25,729)	0
Depreciation charge written out to Revaluation Reserve	23,492	114,443	0	0
Depreciation written out to the Surplus on the Provision of Services	0	0	0	0
Derecognition - disposals	59	70	572	0
Derecognition - other	0	0	0	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	2,979	0
Depreciation on assets transferred to Held for Sale	(213)	351	7,563	0
At 31 March 2023	<u>(96)</u>	<u>(116,244)</u>	<u>(147,726)</u>	<u>0</u>
<b>Net book value</b>				
At 31 March 2023	<u>1,117,396</u>	<u>3,429,389</u>	<u>155,409</u>	<u>6,971</u>
At 31 March 2022	<u>1,070,272</u>	<u>2,872,861</u>	<u>168,021</u>	<u>7,754</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.3 Movements on Balances - Group Movements in 2022/23

	Surplus Assets £000	Assets Under Construction £000	Right of Use Asset £000	Total Property Plant and Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2022	15,501	203,261	0	4,560,961
Recognition of Right of Use Assets	0	0	1,189	87,331
Additions	0	80,449	2	194,148
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(450)	0	0	339,107
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	473	0	0	(3,578)
Derecognition - disposals	0	(10,221)	0	(14,789)
Derecognition - other	0	0	0	0
Assets reclassified (to) / from held for sale	(14,457)	0	0	(11,123)
Other increases / (decreases) in cost or valuation	0	(104,842)	69,434	61,513
At 31 March 2023	1,067	168,647	70,625	5,213,570
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2022	0	0	0	(223,291)
Recognition of Right of Use Assets	0	0	(358)	(23,778)
Depreciation charge	0	0	(18,664)	(185,335)
Depreciation charge written out to Revaluation Reserve	0	0	0	137,935
Depreciation written out to the Surplus on the Provision of Services	0	0	0	0
Derecognition - disposals	0	0	0	701
Derecognition - other	0	0	0	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	2,979
Depreciation on assets transferred to Held for Sale	0	0	0	7,701
At 31 March 2023	0	0	(19,022)	(283,088)
<b>Net book value</b>				
At 31 March 2023	1,067	168,647	51,603	4,930,482
At 31 March 2022	15,501	203,261	0	4,337,670

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.4 Movements on Balances - Group Accounts 2021/22 Comparative Data

<b>Re-stated Cost or Valuation</b>	<b>Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Community Assets £000</b>
Restated At 1 April 2021	1,015,715	2,736,869	352,795	7,619
Additions	32,221	62,218	26,685	135
Revaluation increases / (decreases) recognised in the Revaluation Reserve	9,509	268,924	0	0
Revaluation decreases recognised in the Surplus on the Provision of Services	(179)	(158,710)	(2,296)	0
Derecognition - disposals	(2,066)	(85)	(24,813)	0
Derecognition - other	0	0	(51,239)	0
Assets reclassified (to) / from held for sale	0	0	0	0
Other increases / (decreases) in cost or valuation	14,967	53,930	0	0
<b>At 31 March 2022</b>	<b>1,070,167</b>	<b>2,963,146</b>	<b>301,132</b>	<b>7,754</b>
<b>Accumulated Depreciation and Impairment</b>				
Restated At 1 April 2021	42	(175,608)	(183,016)	0
Depreciation charge	(21,352)	(85,956)	(26,994)	0
Depreciation charge written out to Revaluation Reserve	16,987	156,087	0	0
Depreciation written out to the Surplus on the Provision of Services	4,383	15,192	0	0
Derecognition - disposals	45	0	23,364	0
Derecognition - other	0	0	51,239	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	2,296	0
<b>At 31 March 2022</b>	<b>105</b>	<b>(90,285)</b>	<b>(133,111)</b>	<b>0</b>
<b>Net book value</b>				
<b>At 31 March 2022</b>	<b>1,070,272</b>	<b>2,872,861</b>	<b>168,021</b>	<b>7,754</b>
<b>At 31 March 2021</b>	<b>1,015,757</b>	<b>2,561,261</b>	<b>169,779</b>	<b>7,619</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.4 Movements on Balances - Group 2021/22 Comparative Data

<b>Re-stated Cost or Valuation</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total Property Plant and Equipment £000</b>
Restated At 1 April 2021	15,819	186,278	<b>4,315,095</b>
Additions	329	89,793	<b>211,381</b>
Revaluation increases / (decreases) recognised in the Revaluation Reserve	67	0	<b>278,500</b>
Revaluation decreases recognised in the Surplus on the Provision of Services	(342)	(7)	<b>(161,534)</b>
Derecognition - disposals	(373)	(3,906)	<b>(31,243)</b>
Derecognition - other	0	0	<b>(51,239)</b>
Assets reclassified (to) / from held for sale	0	0	<b>0</b>
Other increases / (decreases) in cost or valuation	1	(68,897)	<b>1</b>
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u><b>4,560,961</b></u>
<b>Accumulated Depreciation and Impairment</b>			
Restated At 1 April 2021	0	0	<b>(358,582)</b>
Depreciation charge	0	0	<b>(134,302)</b>
Depreciation charge written out to Revaluation Reserve	0	0	<b>173,074</b>
Depreciation written out to the Surplus on the Provision of Services	0	0	<b>19,575</b>
Derecognition - disposals	0	0	<b>23,409</b>
Derecognition - other	0	0	<b>51,239</b>
Impairment losses recognised in the Surplus on the Provision of Services	0	0	<b>2,296</b>
At 31 March 2022	<u>0</u>	<u>0</u>	<u><b>(223,291)</b></u>
<b>Net book value</b>			
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u><b>4,337,670</b></u>
At 31 March 2021	<u>15,819</u>	<u>186,278</u>	<u><b>3,956,513</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.5 Movements on Balances - Council Movements in 2022/23

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Community Assets £000
<b>Cost or Valuation</b>				
At 1 April 2022	1,070,167	2,890,293	125,394	7,754
Additions	60,042	38,994	10,521	956
Revaluation increases / (decreases) recognised in the Revaluation Reserve	2,753	336,038	0	62
Revaluation increases / (decreases) recognised in the Surplus on the Provision of Services	(21,329)	22,140	(2,979)	(1,883)
Derecognition - disposals	(2,454)	(1,402)	(271)	(1)
Derecognition - other	0	0	0	0
Assets declassified (to) / from held for sale	0	3,332	0	0
Other increases / (decreases) in cost or valuation	8,313	96,539	(8,012)	83
At 31 March 2023	<u>1,117,492</u>	<u>3,385,934</u>	<u>124,653</u>	<u>6,971</u>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2022	105	(58,180)	(49,986)	0
Depreciation charge	(23,539)	(109,396)	(11,295)	0
Depreciation charge written out to Revaluation Reserve	23,492	114,443	0	0
Depreciation written out to the Surplus on the Provision of Services	0	0	0	0
Derecognition - disposals	59	70	271	0
Derecognition - other	0	0	0	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	2,979	0
Other increases / (decreases) in cost or valuation	(213)	351	7,563	0
At 31 March 2023	<u>(96)</u>	<u>(52,712)</u>	<u>(50,468)</u>	<u>0</u>
<b>Net book value</b>				
At 31 March 2023	<u>1,117,396</u>	<u>3,333,222</u>	<u>74,185</u>	<u>6,971</u>
At 31 March 2022	<u>1,070,272</u>	<u>2,832,113</u>	<u>75,408</u>	<u>7,754</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.5 Movements on Balances - Council

##### Movements in 2022/23

<b>Cost or Valuation</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Right of Use Assets £000</b>	<b>Total Property Plant and Equipment £000</b>	<b>PPP and similar Assets £000</b>
At 1 April 2022	15,501	203,261	0	<b>4,312,370</b>	739,131
Additions	0	80,449	0	<b>190,962</b>	973
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(450)	0	0	<b>338,403</b>	19,004
Revaluation decreases recognised in the Surplus on the Provision of Services	473	0	0	<b>(3,578)</b>	17,775
Derecognition - disposals	0	(10,221)	0	<b>(14,349)</b>	(17)
Derecognition - other	0	0	0	<b>0</b>	0
Assets reclassified (to) / from held for sale	(14,457)	0	0	<b>(11,125)</b>	0
Other increases / (decreases) in cost or valuation	0	(104,842)	69,434	<b>61,515</b>	(4,909)
At 31 March 2023	<u>1,067</u>	<u>168,647</u>	<u>69,434</u>	<u><b>4,874,198</b></u>	<u>771,957</u>
<b>Accumulated Depreciation and Impairment</b>					
At 1 April 2022	0	0	0	<b>(108,061)</b>	(15,533)
Depreciation charge	0	0	(18,541)	<b>(162,771)</b>	(24,002)
Depreciation charge written out to Revaluation Reserve	0	0	0	<b>137,935</b>	20,898
Depreciation written out to the Surplus on the Provision of Services	0	0	0	<b>0</b>	0
Derecognition - disposals	0	0	0	<b>400</b>	0
Derecognition - other	0	0	0	<b>0</b>	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	0	<b>2,979</b>	0
Other increases / (decreases) in cost or valuation	0	0	0	<b>7,701</b>	0
At 31 March 2023	<u>0</u>	<u>0</u>	<u>(18,541)</u>	<u><b>(121,817)</b></u>	<u>(18,637)</u>
<b>Net book value</b>					
At 31 March 2023	<u>1,067</u>	<u>168,647</u>	<u>50,893</u>	<u><b>4,752,381</b></u>	<u>753,320</u>
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u>0</u>	<u><b>4,204,309</b></u>	<u>723,598</u>

The disclosure for PPP and similar assets is for information only. The costs and depreciation are included in 'Other Land and Buildings' and 'Assets Under Construction'.



## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.6 Movements on Balances - Council 2021/22 Comparative Data

<b>Re-stated Cost or Valuation</b>	<b>Council Dwellings £000</b>	<b>Re-stated Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Community Assets £000</b>
Restated 1 April 2021	1,015,715	2,664,014	175,279	7,619
Additions	32,221	62,220	3,996	135
Revaluation increases / (decreases) recognised in the Revaluation Reserve	9,509	268,924	0	0
Revaluation decreases recognised in the Surplus on the Provision of Services	(179)	(158,710)	(2,296)	0
Derecognition - disposals	(2,066)	(85)	(346)	0
Derecognition - other	0	0	(51,239)	0
Assets reclassified (to) / from held for sale	0	0	0	0
Other increases / (decreases) in cost or valuation	14,967	53,930	0	0
At 31 March 2022	<u>1,070,167</u>	<u>2,890,293</u>	<u>125,394</u>	<u>7,754</u>
<b>Accumulated Depreciation and Impairment</b>				
Restated 1 April 2021	42	(143,691)	(91,978)	0
Depreciation charge	(21,352)	(85,768)	(11,889)	0
Depreciation charge written out to Revaluation Reserve	16,987	156,087	0	0
Depreciation written out to the Surplus on the Provision of Services	4,383	15,192	0	0
Derecognition - disposals	45	0	346	0
Derecognition - other	0	0	51,239	0
Impairment losses recognised in the Surplus on the Provision of Services	0	0	2,296	0
At 31 March 2022	<u>105</u>	<u>(58,180)</u>	<u>(49,986)</u>	<u>0</u>
<b>Net book value</b>				
At 31 March 2022	<u>1,070,272</u>	<u>2,832,113</u>	<u>75,408</u>	<u>7,754</u>
At 31 March 2021	<u>1,015,757</u>	<u>2,520,323</u>	<u>83,301</u>	<u>7,619</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.6 Movements on Balances - Council

##### 2021/22 Comparative Data

<b>Re-stated Cost or Valuation</b>	<b>Surplus Assets £000</b>	<b>Total Assets Under Construction £000</b>	<b>Total Property Plant and Equipment £000</b>	<b>Re-stated PPP and similar Assets £000</b>
Restated At 1 April 2021	15,819	186,278	<b>4,064,724</b>	676,187
Additions	329	89,793	<b>188,694</b>	1,372
Revaluation increases / (decreases) recognised in the Revaluation Reserve	67	0	<b>278,500</b>	0
Revaluation decreases recognised in the Surplus on the Provision of Services	(342)	(7)	<b>(161,534)</b>	61,572
Derecognition - disposals	(373)	(3,906)	<b>(6,776)</b>	0
Derecognition - other	0	0	<b>(51,239)</b>	0
Assets reclassified (to) / from held for sale	0	0	<b>0</b>	0
Other increases / (decreases) in cost or valuation	1	(68,897)	<b>1</b>	0
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u><b>4,312,370</b></u>	<u>739,131</u>
<b>Accumulated Depreciation and Impairment</b>				
Restated At 1 April 2021	0	0	<b>(235,627)</b>	(27,447)
Depreciation charge	0	0	<b>(119,009)</b>	(15,481)
Depreciation charge written out to Revaluation Reserve	0	0	<b>173,074</b>	27,395
Depreciation written out to the Surplus on the Provision of Services	0	0	<b>19,575</b>	0
Derecognition - disposals	0	0	<b>391</b>	0
Derecognition - other	0	0	<b>51,239</b>	0
Impairment losses recognised in in the Surplus on the Provision of Services	0	0	<b>2,296</b>	0
At 31 March 2022	<u>0</u>	<u>0</u>	<u><b>(108,061)</b></u>	<u>(15,533)</u>
<b>Net book value</b>				
At 31 March 2022	<u>15,501</u>	<u>203,261</u>	<u><b>4,204,309</b></u>	<u>723,598</u>
At 31 March 2021	<u>15,819</u>	<u>186,278</u>	<u><b>3,829,097</b></u>	<u>648,740</u>

The disclosure for PPP and similar assets is for information only. The costs and depreciation are included in 'Other Land and Buildings' and 'Assets Under Construction'.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.7 Infrastructure Assets

The Council has adopted the Statutory Overrides contained within the Local government finance circular 09/2022: statutory override - accounting for infrastructure assets ([www.gov.scot/publications/local-governmentfinance-circular-09-2022-statutory-overrideaccounting-for-infrastructure-assets/](http://www.gov.scot/publications/local-governmentfinance-circular-09-2022-statutory-overrideaccounting-for-infrastructure-assets/)) issued by the Scottish Government under section 12(2)(b) of the Local Government in Scotland Act 2003 in relation to Infrastructure assets. The overrides were put in place to manage historic issues surrounding the derecognition of Infrastructure asset components, which had the potential for the gross cost of assets to be overstated, albeit that the Net Book Value was still materially correct. The Statutory Overrides that the Council has adopted are detailed below: -

Statutory Override 1: For accounting periods commencing from 1 April 2021 until 31 March 2024 a local authority is not required to report the gross cost and accumulated depreciation for infrastructure assets.

Statutory Override 2: For accounting periods commencing from 1 April 2010 until 31 March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken to be and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

Movements in Year	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>Net Book Value</b>				
At 1 April	869,916	869,916	791,128	791,128
Additions	120,618	120,618	156,383	156,383
Depreciation	<u>(83,226)</u>	<u>(83,226)</u>	<u>(77,595)</u>	<u>(77,595)</u>
<b>At 31 March</b>	<u>907,308</u>	<u>907,308</u>	<u>869,916</u>	<u>869,916</u>

#### Reconciliation of Property, Plant and Equipment

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Infrastructure Assets	907,308	907,308	869,916	869,916
Other Property, Plant and Equipment Assets	<u>4,930,482</u>	<u>4,752,379</u>	<u>4,337,670</u>	<u>4,204,309</u>
<b>Total Property Plant and Equipment</b>	<u>5,837,790</u>	<u>5,659,687</u>	<u>5,207,586</u>	<u>5,074,225</u>

#### 15.8 Council Dwellings, Other Land and Buildings and Investment Properties

The Council carries out a rolling programme of revaluations that ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out internally. Valuations of land and buildings were carried out under the direction of the Council's Operational Estate Manager, L. Turner RICS, in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institution of Chartered Surveyors. Fixtures and fittings are included in the valuation of the buildings where appropriate.

In 2021/22 the Council first applied an indexation, per audit recommendation, to those Land and Building assets valued at depreciated replacement cost that were not revalued during the year. The indexation was applied only to the building element. These assets were not revalued but they were treated as such for accounting purposes. This policy has continued in 2022/23.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.8 Council Dwellings, Other Land and Buildings and Investment Properties - continued

The significant assumptions applied in estimating fair value are:

- Unless otherwise stated, all properties with a greater than de minimis value were taken into account based on the actual condition of the property and its actual residual useful life. Where the Council has a planned replacement programme asset life is reviewed accordingly;
- The valuations were prepared using information from the Council's internal records, together with the valuation roll produced by Lothian Valuation Joint Board; and
- Not all properties were inspected.

The following statement shows the progress of the Council's five-year rolling programme for the revaluation of property, plant and equipment.

<b>Council assets</b>	<b>Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture and Equipment £000</b>	<b>Right of Use Assets £000</b>
Carried at historical cost	1,065,545	162,889	124,653	69,434
Valued at fair value as at:				
31 March 2023	25,702	1,163,288	0	0
31 March 2022	11,502	792,252	0	0
31 March 2021	6,531	394,163	0	0
31 March 2020	30	222,313	0	0
31 March 2019	8,182	651,029	0	0
<b>Total cost or valuation</b>	<b>1,117,492</b>	<b>3,385,934</b>	<b>124,653</b>	<b>69,434</b>

<b>Council assets</b>	<b>Community Assets £000</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total £000</b>
Carried at historical cost	6,971	1,047	168,647	1,599,186
Valued at fair value as at:				
31 March 2023	0	0	0	1,188,990
31 March 2022	0	0	0	803,754
31 March 2021	0	0	0	400,694
31 March 2020	0	0	0	222,343
31 March 2019	0	20	0	659,231
<b>Total cost or valuation</b>	<b>6,971</b>	<b>1,067</b>	<b>168,647</b>	<b>4,874,198</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Property, Plant and Equipment - continued

#### 15.9 Surplus Assets and Investment Properties - Fair Value Disclosure

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair Value as at 31 March 2023
	£000	£000	£000	£000
Surplus assets	0	1,067	0	1,067
Investment properties - advertising hoardings	0	21,532	0	21,532
<b>Total cost or valuation</b>	<b>0</b>	<b>22,599</b>	<b>0</b>	<b>22,599</b>

- There were no transfers between levels during the year.
- The fair value for surplus assets has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in similar locations. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs is significant, leading to the properties being categorised at level 2 in the fair value hierarchy. In estimating the fair value of the Council's surplus assets, the assumption has been made that these would be disposed of for highest and best use consideration.
- The fair value for investment properties has been based on the market approach using current rent receivable with a capitalisation rate applied. The rate reflects the return that an investor would expect from the capital employed. There is evidence of lettings from the Council's property information systems which have been used to determine valuation parameters and the level of observable inputs is significant, leading to the investment properties being categorised at level 2 in the fair value hierarchy. In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

### 16. Investment Properties

#### Policy

Investment properties are initially measured at cost. After initial recognition, investment properties are measured at fair value (the price that would be received for the asset in its highest and best use).

Any gains or losses arising from a change in the fair value of investment properties are recognised in the Comprehensive Income and Expenditure Statement for the period in which they arise.

Investment properties are revalued annually.

Investment properties held at fair value are not depreciated.

Investment properties are de-recognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

The gain or loss arising from the retirement or disposal of an investment property is recognised in the 'surplus or deficit on provision of services' within the Comprehensive Income and Expenditure Statement in the period of the retirement or disposal.

#### Note

#### 16.1 Income and Expenses on Investment Properties

Income of £1.924m (£1.825m 2021/22) and expense £Nil (£Nil 2021/22) have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

There are no restrictions on the Council's ability to realise the value inherent in its investment properties or on the Council's right to the remittance of income and the proceeds of disposal.

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Investment Properties - continued

#### 16.2 Movement in Fair Value - continued

The following table summarises the movement in the fair value of investment properties over the year.

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Value at 1 April	87,650	19,996	65,631	19,239
Additions	28,704	469	15,266	1,075
Disposals	0	0	0	0
Net (loss) / gain from fair value adjustments	10,015	1,536	6,753	(318)
Other increases / (decreases) in cost or valuation	(469)	(469)	0	0
Value at 31 March	<u>125,900</u>	<u>21,532</u>	<u>87,650</u>	<u>19,996</u>

### 17. Intangible Assets

#### Policy

Intangible fixed assets represent software licences purchased by the Council.

Expenditure on the acquisition, creation or enhancement of intangible fixed assets has been capitalised on an accruals basis.

Intangible fixed assets are initially measured at cost. Software licences are depreciated over the period of the licence, commencing in the year of acquisition.

#### Note

The carrying value of intangible assets of the Group and the Council is £0.068m in 2022/23 (£0.182m in 2021/22).

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £0.114m in 2022/23 (2021/22 £0.114m) was charged to Corporate Services.

### 18. Heritage Assets

#### Policy

Heritage assets comprise the following:

Monuments and statues	Civic regalia and artefacts
Archival collections	Libraries' special collections
Museum and gallery collections	

Intangible heritage assets represent three private vehicle registration plates.

It has not been practical or possible to split out all heritage assets belonging to the common good fund, charities or trusts. Therefore, the Council's Balance Sheet may hold elements of heritage assets that belong to other entities. Work is on-going to establish and maintain a common good register, in accordance with the Community Empowerment (Scotland) Act 2015.

Expenditure on the acquisition, creation or enhancement of heritage assets has been capitalised on an accruals basis.

Heritage asset valuations may be made by any method that is appropriate and relevant. Furthermore valuations need not be carried out by external valuers and there is no prescribed period between valuations.

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Heritage Assets - continued

Heritage assets are deemed to have indeterminate lives and a high residual value; hence it is not considered appropriate to charge depreciation.

#### Reconciliation of the Carrying Value of Heritage Assets Note

##### Movements in 2022/23

	<b>Monuments and Statues £000</b>	<b>Civic Regalia and Artefacts £000</b>	<b>Archival Collections £000</b>
At 1 April 2022	964	2,047	6,797
Additions	1,960	0	0
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	(1,960)	0	0
At 31 March 2023	<u>964</u>	<u>2,047</u>	<u>6,797</u>
<b>Net book value</b>			
At 31 March 2023	<u>964</u>	<u>2,047</u>	<u>6,797</u>
At 31 March 2022	<u>964</u>	<u>2,047</u>	<u>6,797</u>

	<b>Libraries' Special Collections £000</b>	<b>Museum and Gallery Collections £000</b>	<b>Total Council Heritage Assets £000</b>
At 1 April 2022	1,975	19,643	31,426
Additions	0	0	1,960
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	0	0	(1,960)
At 31 March 2023	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>
<b>Net book value</b>			
At 31 March 2023	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>
At 31 March 2022	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>

	<b>City of Edinburgh Council Charitable Trusts £000</b>	<b>Total Group Heritage Assets £000</b>
At 1 April 2022	13,064	44,490
Additions	14	1,974
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	0	(1,960)
At 31 March 2023	<u>13,078</u>	<u>44,504</u>
<b>Net book value</b>		
At 31 March 2023	<u>13,078</u>	<u>44,504</u>
At 31 March 2022	<u>13,064</u>	<u>44,490</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Heritage Assets - continued

#### 18.1 Reconciliation of the Carrying Value of Heritage Assets - continued 2021/22 Comparative Data

	<b>Monuments and Statues £000</b>	<b>Civic Regalia and Artefacts £000</b>	<b>Archival Collections £000</b>
<b>Cost or Valuation</b>			
Restated At 1 April 2021	929	2,047	6,797
Additions	2,664	0	0
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	(2,629)	0	0
At 31 March 2022	<u>964</u>	<u>2,047</u>	<u>6,797</u>
<b>Net book value</b>			
At 31 March 2022	<u>964</u>	<u>2,047</u>	<u>6,797</u>
At 31 March 2021	<u>929</u>	<u>2,047</u>	<u>6,797</u>
	<b>Libraries' Special Collections £000</b>	<b>Museum and Gallery Collections £000</b>	<b>Total Council Heritage Assets £000</b>
<b>Cost or Valuation</b>			
Restated At 1 April 2021	1,975	19,643	31,391
Additions	0	0	2,664
Revaluation decreases recognised in the Surplus / Deficit on the Provision of Services	0	0	(2,629)
At 31 March 2022	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>
<b>Net book value</b>			
At 31 March 2022	<u>1,975</u>	<u>19,643</u>	<u>31,426</u>
At 31 March 2021	<u>1,975</u>	<u>19,643</u>	<u>31,391</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 18. Heritage Assets - continued

#### 18.2 Details of Heritage Assets

- Valuations on Monuments and Statues are carried out under the direction of the Council's Operational Estate Manager. Monuments and Statues are valued on a historic basis.
- Civic Regalia and artefacts include items such as the Lord Provost's Badge and Chain of Office and the Rosebery Jewel. The value of these assets is based on an insurance purposes valuation carried out in 1998.
- Archival collections include historical records which relate to the history of Edinburgh and its surrounding areas. The value of these assets is based on a current insurance purposes valuation based on restoration costs only. This valuation has not changed since 2008/09.
- Libraries' special collections include items such as rare book collections and pictures in Calotype. The value of these assets is based on an insurance purposes valuation carried out in 2007 with a minor proportions valuation being updated in 2014.
- Museums and Gallery collections include various collections held at a number of museums across Edinburgh. They include items held within the Social History, Applied Art, Writers' Museum, Childhood, City Art Centre and Picture Loan Scheme. The value of these assets is based on insurance purposes valuations carried out in 2003 along with a minor proportions valuation being updated in 2014. A small minority of the assets are based on insurance purposes valuations carried out in 1996.
- The valuations for heritage assets have all been carried out internally and although they are from earlier periods, they are considered the most appropriate and relevant. Carrying out valuations for the majority of collections held is very costly and time consuming so it is not practicable to obtain recent valuations at a cost which is commensurate with the benefits to users of the financial statements. The carrying amounts of these heritage assets will be reviewed with sufficient regularity in the future to ensure they are brought up to date and remain appropriate.
- The Council has three private vehicle registration plates which meet the definition of intangible heritage assets. These have not been recognised on the balance sheet due to lack of information on cost or current value. They are limited registration numbers that rarely become available for sale and therefore no relevant or appropriate current value can be placed on these. It is also almost certain they are below the materiality threshold for the Council.

### 19. Inventories

#### Policy

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired through a non-exchange transaction are measured at their fair value as at the date of acquisition.

Inventories held for distribution at no charge or a nominal charge are measured at the lower of cost and current replacement cost.

Note	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Total				
Balance at 1 April	9,888	3,677	13,569	3,448
Purchases	94,248	17,941	75,030	14,699
Held by a third party	195	195	114	114
Recognised as an expense in the year	(95,089)	(17,830)	(74,720)	(14,538)
Stock written off	(1)	(1)	(4,105)	(46)
Balance at 31 March	<u>9,241</u>	<u>3,982</u>	<u>9,888</u>	<u>3,677</u>

The majority of the Council inventory transactions and balances relate to fuel and building materials, with catering supplies, community equipment and clothing making up the remainder. The Group inventory mainly relates to fuel and work in progress.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Debtors

#### 20.1 Long-term Debtors

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Council Tax	118,121	118,121	104,517	104,517
Trade Debtors	50,081	50,081	52,258	52,258
Other Debtors	48,014	143,788	61,143	132,185
Total long-term debtors before provision for impairment	216,216	311,990	217,918	288,960
Less: Provision for impairment	(149,329)	(149,329)	(135,974)	(135,974)
Total net long-term debtors	66,887	162,661	81,944	152,986

Long-term debtors include £8.978m (2021/22 £9.567m) for sums recoverable from Police Scotland. These sums relate to monies advanced to the former joint board for capital expenditure.

#### 20.2 Short-term Debtors

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Council Tax	110,784	110,784	118,413	118,413
Trade Debtors	81,245	79,463	44,326	42,333
Prepayments	13,594	7,179	9,496	7,530
Other Debtors	122,179	113,651	182,204	170,413
Total current debtors before provision for impairment	327,802	311,077	354,439	338,689
Less: Provision for impairment	(114,531)	(114,531)	(118,584)	(118,584)
Total net current debtors	213,271	196,546	235,855	220,105

#### 20.3 Provision for Impairment

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>Long-term provision for impairment</b>				
Council Tax	(108,687)	(108,687)	(97,449)	(97,449)
Trade Debtors	(31,203)	(31,203)	(30,013)	(30,013)
Other Debtors	(9,439)	(9,439)	(8,512)	(8,512)
Total long-term provision for impairment	(149,329)	(149,329)	(135,974)	(135,974)
<b>Current provision for impairment</b>				
Council Tax	(99,262)	(99,262)	(108,082)	(108,082)
Trade Debtors	(14,328)	(14,328)	(9,334)	(9,334)
Other Debtors	(941)	(941)	(1,168)	(1,168)
Total current provision for impairment	(114,531)	(114,531)	(118,584)	(118,584)

### 21. Cash and Cash Equivalents

The balance of cash and cash equivalents comprises the following elements. Investments maturing within three months of the balance sheet are deemed to be cash and cash equivalents.

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Cash held	348	348	352	352
Bank current accounts	31,031	(13,919)	24,531	(14,115)
Short-term deposits:				
With banks or building societies	16,629	16,629	56,129	56,129
With other local authorities	116,481	116,481	24,777	24,777
Treasury bills	20,097	20,097	21,288	21,288
Other	0	0	56,148	56,148
	184,586	139,636	183,225	144,579

## NOTES TO THE FINANCIAL STATEMENTS

### 22. Investments

#### 22.1 Long-Term Investments

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Transport for Edinburgh	0	5,824	0	5,824
Tudor Trust	350	350	350	350
TIE	1	1	1	1
CEC Holdings	268	14,044	267	14,044
Telford NHT	0	0	1,236	1,236
	<u>619</u>	<u>20,219</u>	<u>1,854</u>	<u>21,455</u>

#### 22.2 Short-Term Investments

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Local Authority Loans	0	0	10,654	10,654
Other short-term investments	15,549	9,995	66,451	66,451
	<u>15,549</u>	<u>9,995</u>	<u>77,105</u>	<u>77,105</u>

### 23. Assets Held for Sale

#### Policy

Current assets held for sale are assets that the Council has identified as surplus to requirements, are being actively marketed and it is expected that the sale will be realised within twelve months of the Balance Sheet date.

Non-current assets held for sale are assets that the Council has identified as surplus to requirements, are being actively marketed, but it is not expected that the sale will be realised within twelve months of the Balance Sheet date.

Assets held for sale are measured at the lower of carrying value and fair value less costs to sell at the Balance Sheet date. Where the sale is expected to occur in more than twelve months, the cost is measured at present value.

Current and non-current assets held for sale are not depreciated.

#### Note

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>23.1 Non-Current Assets - Held for Sale</b>				
Balance at 1 April	56	56	56	56
Additions	1,764	1,764	0	0
Revaluation gains/(losses) recognised in the revaluation reserve	61	61	0	0
Revaluation gains/(losses) recognised in Surplus on the Provision of Services	0	0	0	0
Assets Sold	(1,717)	(1,717)	0	0
Assets Declassified as held for sale	(47)	(47)	0	0
	<u>117</u>	<u>117</u>	<u>56</u>	<u>56</u>

#### 23.2 Current Assets - Held for Sale

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Balance at 1 April	81	81	6,135	6,135
Additions		0	1,645	1,645
Revaluation gains/(losses) recognised in the revaluation reserve	(1,810)	(1,810)	61	61
Revaluation gains/(losses) recognised in Surplus on the Provision of Services	909	909	0	0
Assets Sold	(6,512)	(6,512)	(7,760)	(7,760)
Assets declassified as held for sale	11,170	11,170	0	0
Other movements	378	378	0	0
Balance at 31 March	<u>4,216</u>	<u>4,216</u>	<u>81</u>	<u>81</u>

## NOTES TO THE FINANCIAL STATEMENTS

24. Creditors	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Trade Creditors	(138,813)	(133,748)	(119,951)	(115,114)
Council Tax Creditors	(4,584)	(4,584)	(6,903)	(6,903)
Other Tax payable	(15,328)	(11,879)	(14,981)	(11,508)
Other Creditors	(114,746)	(84,717)	(108,667)	(76,629)
PPP Creditor (Note 39.1)	(11,306)	(11,306)	(11,379)	(11,379)
Right of Use Asset (Note 38.4)	(30,307)	(16,813)	0	0
Finance Leases (non PPP - Note 38.1)	(403)	(403)	(12,842)	(1,569)
	<u>(315,487)</u>	<u>(263,450)</u>	<u>(274,723)</u>	<u>(223,102)</u>

### 25. Provisions Policy

The value of provisions is based upon the Council's obligations arising from past events, the probability that a transfer of economic benefit will take place and a reasonable estimate of the obligation. An assessment of long and short-term provisions has been made at the 31 March 2023 year end and provisions disclosed separately.

Note	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>Long-Term</b>				
Balance at 1 April	(23,081)	(23,081)	(25,703)	(25,703)
Transfers	0	0	3,569	3,569
Additional provisions made in year	(1,675)	(1,675)	(1,180)	(1,180)
Amounts used during the year	279	279	233	233
Unused amounts reversed during year	0	0	0	0
Balance at 31 March	<u>(24,477)</u>	<u>(24,477)</u>	<u>(23,081)</u>	<u>(23,081)</u>

Short-Term	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Balance at 1 April	(10,237)	(8,342)	(12,446)	(7,380)
Transfers	0	0	(3,569)	(3,569)
Additional provisions made in year	(8,885)	(7,129)	(2,010)	(1,188)
Amounts used during the year	2,149	13	4,070	77
Unused amounts reversed during year	2,549	2,549	3,718	3,718
Balance at 31 March	<u>(14,424)</u>	<u>(12,909)</u>	<u>(10,237)</u>	<u>(8,342)</u>

The Council provisions include estimates of settlements on outstanding equal pay, compensation, insurance and other claims, contract arrangements, land acquisition costs for the tram project and Council Tax discounts that require to be set aside for housing projects.

### 26. Reserves Policy

Reserves held on the Balance Sheet are classified as either usable or unusable reserves.

Usable reserves hold monies that can be applied to fund expenditure or reduce Council Tax.

Unusable reserves cannot be applied to fund expenditure.

#### Usable Reserves

The Council operates the following usable reserves:

- Capital receipts reserve - this represents capital receipts available to finance capital expenditure in future years.
- Capital grants unapplied account - holds capital grants and contributions that have been received towards specific works that have yet to be completed.
- Capital fund - under Schedule 3 of the Local Government (Scotland) Act 1975, certain receipts derived from the sale of property may also be used to create a capital fund "to be used for defraying any expenditure of the authority to which capital is properly applicable, or in providing money for repayment of the principal of loans".
- Renewal and repairs fund - holds monies set aside for the renewal and repair of Council property and funds for PPP school lifecycle maintenance. This fund is operated under the terms of Schedule 3 to the Local Government (Scotland) Act 1975.
- General Fund - held to mitigate financial consequences of risks and other events impacting on the Council's resources. Monies within the General Fund can be earmarked for specific purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves

#### Note

Movements in the Group and the Council's usable reserves are detailed in the Movement in Reserves Statement (on pages 20 to 21) and Note 12.

#### Policy

The Council operates the following unusable reserves:

- Revaluation reserve - holds unrealised gains arising since 1 April 2007 from holding non-current assets.
- Capital adjustment account - provides a mechanism between the different rates at which assets are depreciated and are financed through the capital controls system.
- Financial instruments adjustment account - provides a mechanism between the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under the Code and are required by statute to be met from the General Fund.
- Available for sale financial assets - provides a mechanism to recognise the unrealised gains and losses on the revaluation of financial assets (such as investment bonds).
- Pensions reserve - represents the net monies which the Council requires to meet its pension liability, as calculated under IAS19, Employee Benefits. The Council operates a pensions reserve fund under the terms of the Local Government Pension Reserve Fund (Scotland) Regulations 2003.
- Employee statutory adjustment account - represents the net monies which the Council requires to meet its short-term compensated absences for employees under IAS19.

#### 27.1 Summary of Unusable Reserves

	Balance as at:	
	31 March	31 March
	2023	Re-stated
	£000	2022
		£000
Revaluation Reserve	2,414,245	2,019,466
Capital Adjustment Account	1,422,691	1,346,276
Financial Instruments Adjustment Account	(76,676)	(79,850)
Pensions Reserve	0	(203,825)
Employee Statutory Adjustment Account	(14,271)	(14,225)
Total Council Unusable Reserves	3,745,989	3,067,842
Subsidiaries, Associates and Joint Ventures	147,712	122,070
Total Group Unusable Reserves	<u>3,893,701</u>	<u>3,189,912</u>

#### 27.2 Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are: revalued downwards or impaired and the gains are lost; used in the provision of services and the gains are consumed through depreciation; or disposed of and the gains are realised.

The reserve contains unrealised gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before 1 April 2007 were consolidated into the capital adjustment account.

	2022/23	Re-stated
	£000	2021/22
		£000
Balance at 1 April	2,019,466	1,591,221
Upward revaluation of assets	560,437	768,264
Downward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	(85,711)	(297,155)
Surplus on revaluation of non-current assets not posted to the Surplus on the Provision of Service	474,726	471,109
Difference between fair value depreciation and historical cost depreciation	(73,784)	(38,663)
Accumulated gains on assets sold written off to the capital adjustment account	(6,163)	(4,201)
Balance at 31 March	<u>2,414,245</u>	<u>2,019,466</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves - continued

#### 27.3 Capital Adjustment Account

The capital adjustment account provides a balancing mechanism for timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (CIES) (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council to finance the costs for acquisition, construction and enhancement of non-current assets. The account also holds accumulated gains and losses on investment properties and revaluation gains accumulated on property, plant and equipment prior to 1 April 2007.

Note 11 provides details of the source of the transactions posted to this account, except those involving the revaluation reserve.

	2022/23 £000	2021/22 £000
Balance at 1 April	1,346,276	1,488,692
<u>Reversal of items relating to capital expenditure debited or credited to the CIES</u>		
Charges for depreciation and impairment of non-current assets	(173,863)	(319,831)
Amortisation and impairment of intangible assets	(114)	(114)
Capital funded from revenue	24,509	15,043
Revenue exp. funded from capital under statute	(64,847)	(58,999)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the CIES	(22,178)	(14,037)
	<u>(236,492)</u>	<u>(377,938)</u>
Adjusting amounts written out of the revaluation reserve	6,163	4,201
	<u>(230,329)</u>	<u>(373,738)</u>
Net written out amount of the costs of non-current assets consumed in the year		
<u>Capital financing applied in the year:</u>		
Use of the capital receipts reserve to finance new capital expenditure	23,703	16,442
Donated assets	(239)	(586)
Use of capital fund for new capital expenditure	1,297	7,150
Capital grants and contributions credited to the CIES that have been applied to capital financing	106,744	75,186
Application of grants from the capital grants unapplied account / capital fund	16,608	3,461
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	92,164	70,986
Capital expenditure charged against the General Fund and HRA balances	64,847	58,999
	<u>305,125</u>	<u>231,639</u>
Movements in the market value of investment properties credited to the CIES	1,536	(318)
Movements in value of finance leases	83	0
Balance at 31 March	<u><u>1,422,691</u></u>	<u><u>1,346,276</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves - continued

#### 27.4 Financial Instruments Adjustment Account

The financial instruments adjustment account provides a balancing mechanism between the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under the Code and are required by statute to be met from the General Fund and Housing Revenue Account. This account also holds the equivalent interest rate adjustment on lender option / borrower option loans.

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	(79,850)	(82,929)
Proportion of premiums incurred in previous financial years to be charged against the General Fund and HRA balances in accordance with statutory requirements	3,009	3,008
Proportion of equivalent interest rate calculation on lender option / borrower option loans (LOBOs)	165	71
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in accordance with statutory requirements	3,174	3,079
Balance at 31 March	<u>(76,676)</u>	<u>(79,850)</u>

The Council operates a loans pool on behalf of the General Fund and Housing Revenue Account.

#### 27.5 Pensions Reserve

The pensions reserve provides a balancing mechanism arising from the different arrangements for accounting for post employment benefits (pension costs) and for funding pensions in accordance with statutory provisions. The Council accounts for pensions in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

Statutory arrangements, however, require benefits to be financed as the Council makes its contributions to Lothian Pension Fund or pays any pensions for which it is directly responsible.

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves - continued

#### 27.5 Pensions Reserve - continued

The balance on the pension reserve shows that there is no shortfall between the benefits earned by past and current employees and the resources that the Council has set aside to meet them, as outlined in Note 41.3.

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	(203,825)	(670,502)
Actuarial gains or (losses) on pension assets and liabilities	281,741	564,499
Reversal of items relating to retirement benefits debited or credited to the Surplus on the Provision of Services in the Comprehensive Income and Expenditure Statement	(158,690)	(174,306)
Employer's pension contributions and direct payments to pensioners payable in the year	80,774	76,484
	<u>                    </u>	<u>                    </u>
Balance at 31 March	<u>                    0</u>	<u>                    (203,825)</u>

#### 27.6 Employee Statutory Adjustment Account

The employee statutory adjustment account provides a balancing mechanism arising from the different arrangements that would otherwise impact on the General Fund and HRA balances from accruing for compensated absences earned but not taken in the year (annual leave entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund and HRA balances is mitigated by transfers to or from this account.

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	(14,225)	(16,246)
Settlement or cancellation of accrual made at the end of the preceding year	14,225	16,246
Amount accrued at the end of the current year	<u>                    (14,271)</u>	<u>                    (14,225)</u>
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(46)	2,021
	<u>                    </u>	<u>                    </u>
Balance at 31 March	<u>                    (14,271)</u>	<u>                    (14,225)</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 27. Unusable Reserves - continued

#### 27.7 Unusable Reserves - Group Members

	Balance as at:	
	31 March 2023 £000	31 March 2022 £000
<b>Subsidiaries</b>		
CEC Holdings Limited	58,306	57,169
Transport for Edinburgh	22,410	21,080
Edinburgh Living MMR LLP	26,287	17,808
The City of Edinburgh Council Charitable Trusts	14,576	0
<b>Associates and Joint Ventures</b>		
Common Good	26,087	25,033
Lothian Valuation Joint Board	46	980
<b>Total Unusable Reserves - Subsidiaries, Associates and Joint Ventures</b>	<b>147,712</b>	<b>122,070</b>

### 28. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Cash paid to and on behalf of employees	724,822	724,822	676,092	676,092
General Revenue Grant	(627,905)	(627,905)	(653,272)	(653,272)
Non-Domestic Rates receipts from national pool	(249,861)	(249,861)	(188,796)	(188,796)
Other net operating cash payments / (receipts)	38,089	38,089	6,076	6,076
Net cash flows from subsidiary companies	(35,232)	0	(18,759)	0
<b>Net cash flows from operating activities</b>	<b>(150,087)</b>	<b>(114,855)</b>	<b>(178,659)</b>	<b>(159,900)</b>

### 29. Cash Flow Statement - Operating Activities - continued

The cash flows for operating activities include the following items:

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Interest received	(10,148)	(10,023)	(151)	(143)
Interest paid	81,825	79,209	76,242	74,201
Investment income received	0	0	0	0
The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:				
Proceeds from short-term and long-term investments	3,445	0	3,314	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets				
Recognised Capital Income	117,485	117,485	78,279	78,279
Movement in Donated Assets	(239)	(239)	(586)	(586)
	<b>120,691</b>	<b>117,246</b>	<b>81,007</b>	<b>77,693</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 29. Cash Flow Statement - Operating Activities - continued

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Depreciation	(268,675)	(246,111)	(227,786)	(196,728)
Impairment	(1,649)	(1,649)	(161,880)	(161,880)
Increase/(decrease) in impairment for bad debts	(15,655)	(15,361)	(1,005)	(1,278)
Increase/(decrease) in creditors	(38,148)	(30,035)	(7,936)	(26,525)
Increase/(decrease) in debtors	35,784	35,442	(4,501)	2,270
Increase/(decrease) in inventories	(648)	304	(3,680)	229
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	10,005	1,526	9,476	2,405
Other non-cash items charged to the net surplus or deficit on the provision of services	(77,281)	(74,574)	(112,207)	(96,808)
	<u>(356,267)</u>	<u>(330,458)</u>	<u>(509,519)</u>	<u>(478,315)</u>

### 30. Cash Flow Statement - Investing Activities

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	349,662	318,241	413,800	376,916
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(24,185)	(23,854)	(20,498)	(18,211)
Net purchase of Short-Term and Long-Term Investments	(70,596)	(70,596)	(524)	(524)
Other payments for investing activities	0	0	4,222	4,222
Other receipts from investing activities	<u>(97,606)</u>	<u>(100,555)</u>	<u>(86,755)</u>	<u>(86,751)</u>
<b>Net cash flows from investing activities</b>	<u>157,275</u>	<u>123,236</u>	<u>310,245</u>	<u>275,652</u>

### 31. Cash Flow Statement - Financing Activities

	2022/23		Re-stated 2021/22	
	Group £000	Council £000	Group £000	Council £000
Cash Receipts of Short- and Long-Term Borrowing	(37,496)	(11,096)	(254,156)	(206,264)
Other Receipts for Financing Activities	(58,121)	(58,121)	45,793	45,793
Cash Payments for the Reduction of the Outstanding Liability relating to Finance Leases and on-Balance Sheet PPP Contracts	31,678	10,657	35,096	11,763
Repayment of short-term and long-term borrowing	55,795	55,122	54,433	53,935
<b>Net cash flows from financing activities</b>	<u>(8,144)</u>	<u>(3,438)</u>	<u>(118,834)</u>	<u>(94,773)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 32. Financial Support and Guarantees

#### 32.1 Loans and guarantees

The Council has made a loan to Spartans at less than market interest rates (soft loans).

The Spartans loan relates to the lease of an area of ground lying immediately to the west of Ainslie Park Leisure Centre, Pilton Drive, Edinburgh. The original outstanding payment was £120,000, with £3,000 paid annually for ten consecutive years up to 31 March 2021 and £9,000 to be paid for ten consecutive years on or before 31 March from 31 March 2022.

	2022/23 £000	2021/22 £000
Opening Balance	56	60
New Loans	0	0
Increase in the Discounted Amount	4	5
Fair Value Adjustment	0	0
Loan Repayment	(9)	(9)
Balance Carried Forward	<u>51</u>	<u>56</u>
Nominal Value Carried Forward	<u>72</u>	<u>81</u>

Adjustments have been made under the requirements of IFRS 9 Financial Instruments, as required by the Code.

#### 32.2 Guarantees

In February 2018 the Council agreed to provide a formal pension guarantee to Lothian Pension Fund on behalf of Edinburgh Leisure.

From 1 April 2018 Lothian Pension Fund introduced a new investment strategy, whereby those employers closed to new entrants but who do not meet the criteria for the Fund's low-risk strategy, would be moved to a medium risk strategy.

Edinburgh Leisure would fall into this category and the impact would be a considerable increase in contribution rates and would likely result in a significant impact on services provided by this entity.

The Council approved providing a pension guarantee which enabled Edinburgh Leisure to be moved back to a low-risk strategy, avoiding the additional financial costs.

In June 2018 the Council also approved to provide a pension guarantee to Lothian Pension Fund on behalf of Lothian Buses, to enable them to merge their existing pension fund into Lothian Pension Fund, to streamline the pension portfolio and bring associated financial efficiencies.

## NOTES TO THE FINANCIAL STATEMENTS

### 32. Financial Support and Guarantees - continued

#### 32.3 Shared Equity Scheme / Scheme of Assistance

In 2010/11, the Council approved a shared equity scheme to help buyers purchase homes from PARC. The Council provided assistance to sixteen purchasers, at a cost of £0.484m. No further assistance has been provided since 2012/13.

The monies are required to be repaid to the Council either on sale of the property or after twenty years, whichever occurs earlier.

Purchasers have the option to pay interest annually or accumulate charges on the same terms as the original equity. Sums due to the Council, including accrued interest, where owners have opted to defer interest, are included in long-term debtors, the balance at 31 March 2023 is £0.207m.

The assisted purchase scheme was an initiative administered on behalf of the Council to allow home owners to enter into a lifetime mortgage agreement to finance repairs to their properties. Forty loans were made between 2007 and 2012, with an original loan principal value of £0.762m. These sums are included in long-term debtors, the balance at 31 March 2023 is £0.738m.

The loans are repayable on sale of the property or on the death of the home owner. The amount repayable is a minimum of the original loan principal and a maximum of the original loan as a percentage of the property value on signing the agreement, as applied to the value on redeeming the loan.

In June 2018 the Council purchased the interest in a shared equity loan scheme from PARC for £0.512m. The scheme provided assistance to buyers to purchase homes from PARC and twenty two loans remain in the scheme. These sums are included in long-term debtors, the balance at 31 March 2023 is £0.268m.

The loans are repayable on sale of the property or on the death of the home owner. The amount repayable is a minimum of the original loan principal and a maximum of the original loan as a percentage of the property value on signing the agreement, as applied to the value on redeeming the loan.

#### 32.4 National Housing Trust

The National Housing Trust (NHT) is a housing initiative developed by the Scottish Government, in partnership with the Scottish Futures Trust (SFT) and local authorities. The aim is to deliver new homes for mid-market rent while at the same time stimulating the housing market. The scheme is underwritten by the Scottish Government, by way of a guarantee against the borrowing and associated interest costs. The Council works with the Scottish Government and SFT to procure private developers to build homes for mid-market rent and enter into joint ventures with the Council, by way of Limited Liability Partnerships through the NHT initiative.

Phase 1 and 2 of NHT are now complete and have delivered 518 new homes.

All Phase 1 NHT developments have now been repaid in full.

NHT Phase 3 is complete and has delivered 829 homes.

## NOTES TO THE FINANCIAL STATEMENTS

### 32. Financial Support and Guarantees - continued

#### 32.4 National Housing Trust - continued

The Council has advanced and had repaid the following sums through the NHT scheme:

Developer	Development Site	Phase	Total No. of Units	Advanced 2022/23 £000	Repaid 2022/23 £000	Prior Years £000	Total £000
Places for People	Lochend North	1	0	0	(1,527)	1,527	0
Places for People	Lighthouse Court	1	0	0	(1,336)	1,336	0
FP Newhaven Ltd	Sandpiper Road	2	96	0	0	11,908	11,908
Ediston Homes Ltd	Fruitmarket	3	0	0	(9,153)	9,153	0
Cruden Homes	Western Harbour	3	138	0	0	17,284	17,284
Places for People	Shrubhill	3	93	0	0	14,923	14,923
			<b>327</b>	<b>0</b>	<b>(12,016)</b>	<b>56,131</b>	<b>44,115</b>

These sums are included within long-term debtors, as detailed in note 20.1.

### 33. Agency Income and Expenditure

The Council has entered into agency agreements with other public bodies to provide and receive services, the income and expenditure for which is included in the Comprehensive Income and Expenditure Statement.

During the financial year the total Agency income was £97.799m (2021/22 £157.552m) and Agency Expenditure £83.518m (2021/22 £148.607m).

During the financial year the Council undertook the administration of the Energy Bill Support Scheme and several Covid-19 related funding streams on behalf of the UK and Scottish Governments, on an agency basis. During the year income and expenditure amounted to £25.925m (2021/22 £88.87m), grants of £24.265m were paid out, utilising funding carried forward from the prior year and funds received in year (2021/22 £112.665m).

The council also undertakes, on an agency basis, the financial administration on behalf of the Scottish Cities Alliance. During the year £0.338m (2021/22 £0.197m) was paid out to the respective lead authorities of the projects concerned, included in the totals above.

The Council acts as the Billing Authority for a number of Business Improvement Districts (BIDs). The Council collects a levy from the business rate payers on behalf of the BID bodies, Essential Edinburgh and Edinburgh West End. During the year income of £1.049m (2021/22 £1.049m) was collected and £1.028m (2021/22 £0.997m) paid out to BID schemes, included in the totals above.

In August 2018 the Edinburgh and South-East Scotland City Region Deal (ESESCR Deal) was signed and committed a total of £600m of funding from both the Scottish and UK Governments, over 15 years. The Council has undertaken, on an agency basis, to act as the accountable body for the management of the Deal. During the year income and expenditure amounted to £57.716m (2021/22 £57.413m).

### 34. Audit Costs

The fees payable to Audit Scotland in respect of external audit services undertaken in accordance with the Code of Audit Practice are £0.682m (2021/22 Azets Audit Services £0.617m).

In addition, the Council paid audit fees to Azets Audit Services for the audit of CEC Recovery Limited's (formerly tie Limited) accounts. The Council paid £0.002m during 2022/23 (2021/22 £0.002m) for the audit of the 2021/22 financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 35. Grant Income

#### Policy

##### • Revenue

Revenue grants and contributions have been included in the financial statements on an accruals basis.

Where such funds remain unapplied at the Balance Sheet date, but approval has been given to carry these funds forward to the next financial year, these amounts have been set aside in the General Fund.

##### • Capital

Capital grants and contributions are recognised in the Comprehensive Income and Expenditure Statement except to the extent there are conditions attached to them that have not been met.

Where there are no conditions attached to capital grants and contributions, these funds are a reconciling item in the Movement in Reserves Statement for the General Fund and Housing Revenue Account by way of an adjusting transaction with the capital adjustment account, where expenditure has been incurred, and the unapplied capital grants account, where expenditure has not been incurred.

Where there are outstanding conditions attached to capital grants and contributions that have not been met at the Balance Sheet date, the grant or contribution will be recognised as part of capital grants receipts in advance. Once the condition has been met, the grant or contribution will be transferred from capital grants received in advance and recognised as income in the Comprehensive Income and Expenditure Statement, as above.

#### Note

Grants and contributions credited to the Comprehensive Income and Expenditure Statement include the following:

	2022/23		Re-stated	
	£000	£000	2021/22	£000
			£000	£000
<b>Credited to taxation and non-specific grant income</b>				
General revenue funding	(627,905)		(653,272)	
Non-domestic rates	(249,861)		(188,796)	
Capital grants and contributions	<u>(117,247)</u>		<u>(77,693)</u>	
		(995,013)		(919,761)
<b>Credited to services</b>				
Central Government Bodies	(259,766)		(277,566)	
Other Local Authorities	(4,102)		(3,325)	
NHS bodies	(84,119)		(73,701)	
Other entities and individuals	<u>(49,499)</u>		<u>(22,249)</u>	
		<u>(397,486)</u>		<u>(376,841)</u>
<b>Total</b>		<u><u>(1,392,499)</u></u>		<u><u>(1,296,602)</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 36. Related Parties

During the year, the Council entered into a number of transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. The most material of these transactions, including Outstanding Balances where normal terms and conditions apply, are shown below.

	2022/23	2022/23	2022/23	Re-stated	
	2021/22	2021/22	2021/22	2021/22	2021/22
	Expenditure	Income	Debtor /	Net	Debtor /
	£000	£000	(Creditor)	Expenditure	(Creditor)
			£000	/ (Income)	£000
				£000	£000

#### Subsidiaries and Associates

Subsidiaries and Associates are independent bodies over which the Council is considered to have control or influence, see Note 9 (page 43) for further details. The following entities have a significant impact on the Council's operations and have been consolidated into the Group Accounts:

CEC Holdings (incl. EDI Group, EICC)	74	(577)	2,429	(294)	2,335
Transport for Edinburgh (inc. Edinburgh Trams and Lothian Buses)	3,597	(8,603)	(443)	(7,220)	(377)
Edinburgh Living MMR	18,400	(11,074)	44,930	3,110	41,979
Edinburgh Leisure Limited	11,112	(260)	163	13,692	251
Capital Theatres	588	(200)	0	307	(150)
Lothian Valuation Joint Board	3,778	(501)	(1,524)	3,485	(1,728)
Common Good	0	0	(384)	0	(411)
Edinburgh Integration Joint Board	281,972	(310,197)	(6,329)	(14,607)	(11,336)

The following companies are not consolidated into the Group Accounts as, following an assessment, the companies are not considered to be a material part of the Group and have therefore been excluded from the Group Accounts:

Capital City Partnership	6,922	(250)	(249)	5,058	3
CEC Recovery (formerly Tie Limited)	0	0	1	0	(1)
Marketing Edinburgh	0	0	0	57	0
Energy for Edinburgh	0	(2)	0	(16)	0
Telford NHT	0	(1,247)	6	(11)	203

The Council is the administering authority for the Lothian Pension Fund which is a Local Government Pension Scheme, details of the scheme, including contributions paid to the fund are shown in Note 41. LFPE Limited and LPFI Limited are corporate bodies wholly owned by the City of Edinburgh Council. Both bodies' accounts are consolidated in the annual accounts of Lothian Pension Fund.

Lothian Pension Fund	6,416	(264)	(2,710)	5,362	(4,084)
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#### Scottish Government

The Scottish Government has control over the general operations of the Council. It outlines the statutory framework in which the Council operates, specifies the terms of various transactions that the Council has with other parties such as council tax, and provides the majority of the Council's funding through grants. Grants received from government are shown in the Note 35. Grant Income.

Scottish Government	264	(95,642)	66,518	(75,966)	107,273
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## NOTES TO THE FINANCIAL STATEMENTS

### 36. Related Parties - continued

	2022/23 Expenditure	2022/23 Income	2022/23 Debtor / (Creditor)	2021/22 Net Expenditure / (Income)	2021/22 Debtor / (Creditor)
	£000	£000	£000	£000	£000

#### Other Public Bodies

If a public body has had a related party transaction during the year, IAS 24 requires information to be disclosed about the transactions and any outstanding balances. Of the bodies sampled, the most common transactions related to loans and grants, and the rendering or receiving of services.

Business Stream	2,523	0	288	2,106	322
Criminal Justice Bodies	425	0	0	491	0
NHS Bodies	4,167	(29,567)	1,289	(26,471)	2,515
Other Local Authorities	3,783	(2,100)	(889)	1,813	298
Police Scotland	135	(1,045)	9,018	(893)	9,482
Scottish Fire and Rescue Service	56	0	(28)	62	(14)
Scottish Police Authority	171	(133)	0	162	0
Scottish Qualifications Authority	1,524	0	0	1,492	0
Scottish Water	255	(50)	(3,007)	316	71
Transport Scotland	0	(1,762)	764	(706)	66

#### Members Interest

Under the Council Code of Conduct, elected members must declare any registered interests in any bodies where the Council *itself* does not have significant influence over their operations. Each member's Register of Interest is available in the Your Councillors section of the City of Edinburgh Council website.

In 2022/23, the Council made payments totalling £29.123m to 40 bodies where members hold an interest, i.e. they held or hold a position where they have significant influence or control. Material payments (in excess of £0.250m) have been detailed below:

Bethany Christian Trust	1,254	(0)	419	994	10
Church of Scotland	379	(47)	0	450	0
Dean and Cauvin Charitable Trust	1,079	0	6	1,061	0
Harbour Homes Scotland Limited (formerly Port of Leith Housing Association)	4,143	(0)	0	16,464	0
Lifecare Edinburgh	551	0	0	457	0
Royal Blind Asylum and School	355	0	(192)	682	(75)
Smilechildcare	277	0	0	240	0
The Citadel Youth Centre	276	0	0	275	0
University of Edinburgh	638	(209)	25	288	22

#### Other Organisations

Other related parties include bodies in which the Council has an interest in collaboration with other local authorities, but are not Associates together with bodies to which the Council provides substantial funding or in which it holds a significant interest.

Axiom Education Limited	25,675	0	(92,628)	24,666	(97,372)
Edinburgh International Festival Society	1,931	(298)	43	1,926	44
Edinburgh and Lothians Greenspace Trust	684	0	0	460	0
Edinburgh School Partnership	21,407	0	(40,394)	19,784	(44,470)
Edinburgh Vol. Org. Council	427	0	0	448	0
Handicab	536	(240)	0	370	112
Hubco	1,165	0	(28,330)	15,967	(29,196)
Millerhill	0	0	(267,669)	0	(261,123)
South East of Scotland Transport Partnership	2	(0)	525	(12)	601
SUSTRANS	66	(13,494)	10,573	(4,224)	3,053
QHS DBFMCO	3,576	0	(34,575)	3,809	(35,542)



## NOTES TO THE FINANCIAL STATEMENTS

### 36. Related Parties - continued

#### Senior Officers

Senior Officers have control over the Council's financial and operating policies. The total remuneration paid to senior officers is shown in the Remuneration Report. In 2022/23, a senior officer, R. Carr was employed by an external company, details of the salary and additional costs are listed in the Remuneration paid to Senior Officers section of the Remuneration Report.

Officers have the responsibility to adhere to a Code of Conduct, which requires them to declare an interest in matters that may directly or indirectly influence, or be thought to influence their judgement or decisions taken during the course of their work. In terms of any relevant parties, officers with declarations of interest would opt out of taking part in any discussion or decisions relating to transactions with these parties.

### 37. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred during the year is shown below (including the value of assets acquired under finance leases and PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years through charges to revenue (loan charges), capital expenditure results in an increase in the capital financing requirement. This shows the amount of capital expenditure that has yet to be financed. The capital financing requirement is analysed below.

	2022/23		Re-stated 2021/22	
	£000	£000	£000	£000
Opening capital financing requirement		1,902,866		1,749,002
<b>Capital Investment</b>				
Property, plant and equipment	312,045		346,158	
Heritage Assets / Common Good Assets	1,960		2,664	
Assets held for sale	1,764		1,645	
Capital Receipts transferred to Capital Fund	10,503		0	
Capital Investment applied to debtors	18,400		23,393	
Revenue expenditure funded from capital under statute	64,847		58,999	
Right of Use Asset Recognised in year	66,863		0	
PPP Lease Agreements Recognised In-Year	(504)		990	
		475,878		433,849
<b>Sources of Finance</b>				
Capital receipts	(23,703)		(16,442)	
Capital Funded from Current Revenue	(24,509)		(15,043)	
Government grants and other contributions	(200,058)		(145,099)	
PPP schools -				
- under construction and lifecycle additions	239		(404)	
Loans fund / finance lease repayments	(104,866)		(102,997)	
		(352,897)		(279,985)
<b>Closing capital financing requirement</b>		<u>2,025,847</u>		<u>1,902,866</u>
<b>Explanation of movements in year</b>				
(Decrease) / increase in underlying need to borrow or fund from credit arrangements		123,485		152,874
Assets acquired under finance leases		(504)		990
<b>(Decrease) / Increase in capital financing requirement</b>		<u>122,981</u>		<u>153,864</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 38. Leases

#### 38.1 Assets Leased in - Finance Leases

##### Policy

Finance leases, which have substantially transferred to the authority the benefits and risks of ownership of a non-current asset, are treated as if the asset had been purchased outright.

Assets acquired under finance leases are included in non-current assets at the lower of the fair value or the present value of the minimum lease payments. The capital element of the lease is included as obligations under finance leases / creditors.

The lease rentals comprise capital and interest elements. The capital element is applied to reduce the outstanding obligation and the interest element is charged to revenue on a straight line basis over the terms of the lease.

##### Note

The Council has acquired a waste treatment facility and its IT equipment under finance leases. The assets classified under these leases are included in property, plant and equipment in the Balance Sheet. In 2022/23 all IT liabilities were derecognised and the asset ownership passed to the Council

The Council has adopted IFRS 16 from 1 April 2022, therefore no further consolidation adjustments have been made to the finance lease disclosures for 2022/23, to adjust for right of use assets and related lease liabilities in connection with all former operating leases.

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
Value at 1 April	52,013	6,358	33,612	8,240
Adjustment for Right of Use Assets	(45,655)	0	0	0
Additions during the year	0	0	24,943	63
Depreciation charge for the year	(1,569)	(1,569)	(6,542)	(1,945)
Derecognition	(448)	(448)	0	0
Value at 31 March	<u>4,341</u>	<u>4,341</u>	<u>52,013</u>	<u>6,358</u>
Vehicles, plant, equipment and furniture	<u>4,341</u>	<u>4,341</u>	<u>52,013</u>	<u>6,358</u>
Value at 31 March	<u><u>4,341</u></u>	<u><u>4,341</u></u>	<u><u>52,013</u></u>	<u><u>6,358</u></u>
<b>Analysed by:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Current	403	403	12,842	1,569
Non-Current	3,938	3,938	23,434	4,789
Finance costs payable in future years	463	463	1,634	599
	<u>4,804</u>	<u>4,804</u>	<u>37,910</u>	<u>6,957</u>
<b>Finance Lease Liabilities</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within one year	486	486	13,368	1,696
Between 2 and 5 years	1,943	1,943	21,681	2,400
Over 5 years	2,375	2,375	2,861	2,861
Total liabilities	<u>4,804</u>	<u>4,804</u>	<u>37,910</u>	<u>6,957</u>

#### 38.2 Assets Leased in - Operating Leases

##### Policy

Leases that do not meet the definition of a finance lease are accounted for as operating leases.

Rental payments, net of benefits received, under operating leases are charged to the relevant service on a straight line basis over the life of the lease.

## NOTES TO THE FINANCIAL STATEMENTS

### 38. Leases - continued

#### 38.2 Assets Leased in - Operating Leases - continued

##### Note

The Council adopted IFRS 16 from 1 April 2022, therefore consolidation adjustments are no longer required for Group bodies who adopted prior to this date. Properties and other vehicles, plant and equipment that fall under the scope of IFRS16 have now been reclassified as right of use assets on the balance sheet. The disclosures below relate to low value (below £10k assets) and leases that have less than 12 months to run.

The Group leases in property, vehicles and copying equipment. The amount charged to the Comprehensive Income and Expenditure Statement under these arrangements and the value of future payments under operating leases is shown below.

Under these operating leases, the Group and Council is committed to paying the following sums:

	2022/23		2021/22	
	Group £000	Council £000	Group £000	Council £000
<b>Future Repayment Period</b>				
Not later than one year	139	139	10,571	1,316
Later than one year and not later than five years	283	283	39,868	3,262
Later than five years	1	1	28,368	851
	<b>423</b>	<b>423</b>	<b>78,807</b>	<b>5,429</b>
<b>Value at 31 March</b>				
Other land and buildings	35	35	12,934	2,962
Vehicles, plant, equipment and furniture	388	388	65,873	2,467
	<b>423</b>	<b>423</b>	<b>78,807</b>	<b>5,429</b>
<b>Recognised as an expense during the year</b>	<b>306</b>	<b>306</b>	<b>9,094</b>	<b>1,259</b>

#### 38.3 Assets Leased Out by the Council - Operating Leases

##### Policy

Rental income received under operating leases is credited to the relevant service in accordance with the terms specified in the lease agreement.

##### Note

The Council leases out property, equipment and infrastructure under operating leases for a number of purposes, including:

- for economic development purposes, including regeneration and to provide suitable affordable accommodation for local businesses.
- to arm's-length companies for the provision of services such as sport and leisure and theatres.
- an operating lease arrangement with Edinburgh Trams for the lease of the tram infrastructure.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	2022/23 £000	2021/22 £000
Not later than one year	21,318	21,043
Later than one year and not later than five years	72,653	72,312
Later than five years	312,390	319,292
Total liabilities	<b>406,361</b>	<b>412,648</b>

The Council has a number of leases that are agreed for a period of over 100 years, the majority of which relate to land.

## NOTES TO THE FINANCIAL STATEMENTS

### 38. Leases - continued

#### 38.4 Right of Use Assets

The Council adopted IFRS 16 from 1 April 2022, to recognise all right of use assets. IFRS 16 will mean that the majority of leases where the Council acts as lessee will come onto the balance sheet and lessor accounting is effectively unchanged. Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2022/2023 and not by adjusting prior year figures.

A weighted average incremental borrowing rate of 0.95% has been applied to lease liabilities as at 1 April 2022.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are now on the balance sheet at 1 April 2022. Leases for items of low value and leases that expire on or before 31 March 2024 are exempt from the new arrangements.

As a lessee, the Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases.

The Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	<b>2022/23</b>	
	<b>Group £000</b>	<b>Council £000</b>
Value at 1 April	0	0
Additions during the year	176,919	66,863
Principal repaid in year	(27,196)	(15,434)
	<u>149,723</u>	<u>51,429</u>
Value at 31 March	149,723	51,429
Other land and buildings	57,856	49,998
Vehicles, plant, equipment and furniture	91,867	1,431
	<u>149,723</u>	<u>51,429</u>
<b>Analysed by:</b>	<b>£000</b>	<b>£000</b>
Current	30,307	16,813
Non-Current	97,789	34,616
	<u>128,096</u>	<u>51,429</u>
<b>Finance Lease Liabilities</b>	<b>£000</b>	<b>£000</b>
Within one year	31,854	16,813
Between 2 and 5 years	77,627	27,862
Over 5 years	25,184	6,754
Total liabilities	<u>134,665</u>	<u>51,429</u>

Amount charged to the Council Comprehensive Income and Expenditure amounted to £1.3m in 2022/23, related to interest expense on the lease liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

### 39. Public Private Partnerships and Similar Contracts

#### 39.1 PPP, Finance Lease and Other Liabilities

	Note	2022/23		2021/22	
		Group	Council	Group	Council
		£000	£000	£000	£000
<b>Short Term Creditors</b>					
PPP Residual Waste	39.2	2,598	2,598	2,607	2,607
PPP Education	39.3	8,707	8,707	8,772	8,772
Finance Leases	38.1	403	403	12,842	1,569
Right of Use Assets	38.4	30,307	16,813	0	0
		<u>42,015</u>	<u>28,521</u>	<u>24,221</u>	<u>12,948</u>
<b>Other Long-Term Liabilities</b>					
PPP Residual Waste	39.2	23,368	23,368	23,673	23,673
PPP Residual Waste Donated Asset	39.2	48,158	48,158	50,452	50,452
PPP Education	39.3	188,850	188,850	197,615	197,615
Finance Leases	38.1	3,938	3,938	23,434	4,789
Right of Use Assets	38.4	97,789	34,616	0	0
Group other liabilities		221	0	532	0
		<u>362,324</u>	<u>298,930</u>	<u>295,706</u>	<u>276,529</u>

#### 39.2 PPP - Residual Waste

In 2016, the Council entered into a twenty five year contract with FCC to supply residual waste treatment at Millerhill. The contract is a joint arrangement between the Council and Midlothian Council on an 80:20 split respectively. This contract became operational in April 2019. The Council's 80% share of the facility value is included in the Fixed Assets on the balance sheet.

Under the agreements the Council is committed to paying the following sums as detailed in the contractor's final bid model:

	Payment for Services £000	Reimburse. of Capital Expenditure £000	Interest £000	Total £000	Donated Asset £000
Payable in 2023/24	4,992	305	3,651	8,948	2,293
Within two to five years	21,628	1,293	14,091	37,012	9,173
Within six to ten years	30,229	2,537	16,317	49,083	11,466
Within eleven to fifteen years	33,671	5,511	13,415	52,597	11,466
Within sixteen to twenty years	38,386	10,504	7,682	56,572	11,466
Within twenty one to twenty five years	9,053	3,523	429	13,005	4,587
	<u>137,959</u>	<u>23,673</u>	<u>55,585</u>	<u>217,217</u>	<u>50,451</u>

The payments for service disclosed have had uplifts applied to reflect the current inflationary position and estimated potential future impacts, as set out below.

Payable	2023/24	2024/25	2025/26 onwards
	12.86%	2.84%	2.50%

## NOTES TO THE FINANCIAL STATEMENTS

### 39. Public Private Partnerships and Similar Contracts - continued

#### 39.3 PPP - Education Projects

In 2001, the Council entered into a Public Private Partnership (PPP1) for the provision of school buildings, maintenance and other facilities with Edinburgh Schools Partnership. This agreement was supplemented by a further agreement in April 2004, which now requires Edinburgh Schools Partnership either to replace or substantially renovate ten primary, five secondary and two special schools, together with one close support unit and a community wing, and to maintain these schools to an agreed standard. When the agreement ends in July 2033 the schools will be handed to the Council with a guaranteed maintenance-free life of five years.

In April 2007, the Council entered into a second Public Private Partnership (PPP2) for the provision of school buildings, maintenance and other facilities with Axiom Education Limited. This required Axiom Education Limited to replace six secondary schools and two primary schools and to maintain these schools to a high standard. When the agreement ends in July 2038 the schools will be handed to the Council with an agreed major maintenance-free life of five years.

In December 2013, the Council entered in to an agreement with Hub South East Scotland for the provision of a new building for James Gillespie's High School. This has been procured using a Design, Build, Finance and Maintain (DBFM) agreement with Hub South East Scotland. The concession is due to terminate in July 2041.

In June 2018, the Council entered in to an agreement with QHS DBFMCO Ltd for the provision of a new building for Queensferry High School. This has been procured using a Design, Build, Finance and Maintain (DBFM) agreement with QHS DBFMCO Ltd. The concession is due to terminate in March 2045.

Under the agreements the Council is committed to paying the following sums as detailed in the contractor's final bid model:

	<b>Payment for Services £000</b>	<b>Reimburse. of Capital Expenditure £000</b>	<b>Interest £000</b>	<b>Total £000</b>
Payable in 2023/24	27,297	8,707	20,878	56,882
Payable within two to five years	115,155	40,442	80,140	235,737
Payable within six to ten years	163,878	61,957	87,032	312,867
Payable within eleven to fifteen years	106,667	58,877	59,362	224,906
Payable within sixteen to twenty years	15,947	21,794	8,787	46,528
Payable within twenty one to twenty five years	1,229	5,780	1,421	8,430
	<u>430,173</u>	<u>197,557</u>	<u>257,620</u>	<u>885,350</u>

The payments for service disclosed have had uplifts applied to reflect the current inflationary position and estimated potential future impacts, subject to the terms of the separate contracts, as set out below.

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26 onwards</b>
Payable			
PPP1	6.50%	1.42%	1.11%
PPP2	10.89%	1.90%	1.67%
James Gillespie's High School	13.84%	2.84%	2.50%
Queensferry High School	13.84%	2.84%	2.50%

The amounts disclosed as reimbursement of capital expenditure are included in creditors and other long-term liabilities on the Balance Sheet. These are not subject to the above inflationary uplifts.

The unitary charges paid to the service providers include amounts to compensate them for the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the service providers for capital expenditure incurred is as follows:

	<b>2022/23 £000</b>	<b>2021/22 £000</b>
Balance at 1 April	206,387	212,915
PPP unitary charge restatement adjustment	(55)	4
Additions during the year	0	2,973
Repayments during the year	<u>(8,775)</u>	<u>(9,505)</u>
Balance at 31 March	<u>197,557</u>	<u>206,387</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 39. Public Private Partnerships and Similar Contracts - continued

#### 39.4 Provision of Information Technology services

In 2015 the Council entered into a seven year contract with CGI for the provision of information technology services. This contract became operational on 1 April 2016. A six year contract extension was approved to 31 March 2029.

Under the agreement the Council is committed to paying the following sums in cash terms (assuming an inflationary uplift). These sums exclude amounts disclosed under finance leases for ICT asset additions.

Future Repayment		Inflationary	
Period	£000	Uplift	
2023/24	23,778	2.5%	
2024/25 - 2028/29	119,841	2.5%	
	<u>143,619</u>		

#### 39.5 Provision of Parking Enforcement

The Council entered into a five year contract with NSL for the provision of parking enforcement on 1 October 2014 which ended on 30 September 2019. There was a five year extension clause which has been approved with the contract extended to 30 September 2024.

The Council is committed to paying the following sums in cash terms (renegotiated annually):

Future Repayment	
Period	£000
2023/24	7,128
2024/25	3,564
	<u>10,692</u>

#### 39.6 Other Rolling Contracts

The Council has entered into a number of rolling contracts to provide services, which are mainly care orientated through 'Supporting People'. The annual value of these contracts is £33.251m.

### 40. Pension schemes accounted for as defined contribution schemes

The Scottish Teachers' Superannuation Scheme is an unfunded scheme administered by the Scottish Public Pensions Agency. The scheme is excluded from the accounting requirements of IAS 19 as it is a national scheme which does not allow for the identification of pension liabilities consistently and reliably between participating authorities. The accounts, therefore, only include the payments made by the Council to the scheme in year and do not reflect the estimated pension assets or liabilities of the scheme. The exception to this are payments in relation to unfunded pension enhancements for members of the scheme as they are administered through the Local Government Pension Scheme and are taken into consideration in accounting for pension costs under IAS 19.

	2022/23		Re-stated 2021/22	
	£000	%	£000	%
Amount paid to Scottish Government in respect of teachers' pension costs	36,260		37,327	
As a percentage of teachers' pensionable pay		23.00		23.00
Amount paid in respect of added years	0		0	
As a percentage of teachers' pensionable pay		0.00		0.00
Capitalised value of discretionary awards	11,342		13,491	

At 31 March 2023, creditors include £4.401m (2021/22 £4.408m) in respect of teachers' superannuation.

### 41. Defined Benefit Pension Schemes

#### 41.1 Participation in Pension Scheme

The Council is operating as an administering authority for the Local Government Pension Scheme.

The Council also makes contributions towards the cost of its own employees' post-employment benefits. Although these benefits will not be payable until employees retire, the Council has a commitment to make payment for those benefits and to disclose them at the time that employees earn their future entitlement.

Employees other than teachers are eligible to join the Local Government Pension Scheme. The pension costs charged to Services in respect of these employees have been calculated under IAS 19 - Employee Benefits.

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.1 Participation in Pension Scheme - continued

In terms of this scheme, in 2022/23 the Council paid an employer's contribution into the Lothian Pension Fund, representing 22.7% (2021/22 22.7%) of pensionable pay. Contribution rates are determined by the Fund's Actuary based on triennial actuarial valuations of the pension fund. The data is based on the valuations as at March 2020, at which point the funding level (i.e. the percentage of assets to past service liabilities) was 106%.

The Fund's Actuary is unable to provide an analysis of IAS19 pension costs by individual service. The charge in the Comprehensive Income and Expenditure Statement applied against each service included in 'Cost of Services' reflects an apportionment of costs in line with the actual cash payments made by the Council to Lothian Pension Fund.

#### 41.2 Transactions Relating to Post-Employment Benefits

The cost of pension benefits, as assessed by the Fund's Actuary and reflected within 'Cost of Services', differed from the cash payment to the Fund charged against Council Tax. The following summarises the entries reflected within the Comprehensive Income and Expenditure Statement in respect of accounting for pensions under IAS19. The amount by which pension costs calculated in accordance with IAS19 are different from the contributions due under the pension scheme regulations is included in the Movement in Reserves Statement.

Comprehensive Income and Expenditure Statement	2022/23		2021/22	
	£000	£000	£000	£000
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	152,506		158,312	
Past service costs	366		1,762	
Effect of Settlements	<u>(631)</u>		<u>0</u>	
		152,241		160,074
<i>Financing and investment income:</i>				
Net interest expense		<u>6,449</u>		<u>14,232</u>
<b>Total post employee benefit charged to the surplus on the provision of services</b>		<b>158,690</b>		<b>174,306</b>
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Re-measurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount incl. in the net interest expense above.	18,797		(287,525)	
Actuarial (gains) and losses arising on changes in financial assumptions	(1,445,895)		(258,742)	
Restrictions in pension assets	977,992		0	
Actuarial (gains) and losses arising on changes in demographic assumptions	(29,569)		(23,887)	
Other experience	<u>196,934</u>		<u>5,655</u>	
		<u>(281,741)</u>		<u>(564,499)</u>
<b>Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement</b>		<b><u>(123,051)</u></b>		<b><u>(390,193)</u></b>
<b>Movement in Reserves Statement</b>				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>(158,690)</u>		<u>(174,306)</u>
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>				
Employer's contributions payable to the scheme		75,947		71,514
Contributions in respect of unfunded benefits		<u>4,827</u>		<u>4,970</u>
		<u>80,774</u>		<u>76,484</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.3 Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligations in respect of its defined benefit plan is as follows:

The net asset value has been determined using the projected unit credit method of valuation in accordance with Accounting Standards.

The actuaries valuation of the pension fund at 31 March 2023 was a net asset of £977.9m, however IAS19 limits the measurement of a net defined benefit scheme. There are no unconditional rights to reduced contributions or refunds from the scheme therefore an asset ceiling has been calculated to bring the net value to £nil, in accordance with IAS19 and IFRIC 14.

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Fair value of employer assets	3,676,015	3,599,772
Present value of funded liabilities	(2,646,925)	(3,742,162)
Present value of unfunded liabilities	(51,098)	(61,435)
Other movements in the liability/ asset	<u>(977,992)</u>	<u>0</u>
Net asset / (liability) arising from defined benefit obligation	<u>0</u>	<u>(203,825)</u>

#### 41.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	3,599,772	3,250,790
Effect of settlements	(1,173)	0
Interest income	97,083	64,936
Re-measurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	(18,797)	287,525
Contributions from employer	75,947	71,514
Contributions from employees into the scheme	20,408	18,965
Contributions in respect of unfunded benefits	4,827	4,970
Benefits paid	(97,225)	(93,958)
Unfunded benefits paid	<u>(4,827)</u>	<u>(4,970)</u>
Closing fair value of scheme assets	<u>3,676,015</u>	<u>3,599,772</u>

#### Reconciliation of Present Value of the Scheme Liabilities

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Present value of funded liabilities	(3,742,162)	(3,853,353)
Present value of unfunded liabilities	<u>(61,435)</u>	<u>(67,939)</u>
Opening balance at 1 April	(3,803,597)	(3,921,292)
Current service cost	(152,506)	(158,312)
Interest cost	(103,532)	(79,168)
Contributions from employees into the scheme	(20,408)	(18,965)
Re-measurement gain / (loss):		
Change in financial assumptions	1,445,895	258,742
Restriction in pension asset	(977,992)	0
Change in demographic assumptions	29,569	23,887
Other experience	(196,934)	(5,655)
Past service (cost) / gain	(366)	(1,762)
Effects of settlements	1,804	0
Benefits paid	97,225	93,958
Unfunded benefits paid	<u>4,827</u>	<u>4,970</u>
Closing balance at 31 March	<u>(3,676,015)</u>	<u>(3,803,597)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.5 Fair Value of Employer Assets

The following asset values are at bid value as required under IAS19.

	2022/23 £000	%	2021/22 £000	%
Consumer *	450,692.4	12	442,852.8	12
Manufacturing *	506,731.1	14	476,414.6	13
Energy and Utilities *	221,748.1	6	198,727.3	6
Financial Institutions *	221,131.6	6	207,470.4	6
Health and Care *	270,018.3	7	249,356.4	7
Information technology *	152,669.4	4	163,571.8	5
Other *	<u>251,005.4</u>	7	<u>268,373.9</u>	7
Sub-total Equity Securities	<u>2,073,996.3</u>		<u>2,006,767.2</u>	
Debt Securities:				
UK Government *	426,162.1	12	314,362.2	9
Corporate Bonds (investment grade) *	57,330.7	2	0.0	0
Other *	<u>76,773.4</u>	2	<u>67,519.2</u>	2
Sub-total Debt Securities	<u>560,266.2</u>		<u>381,881.4</u>	
Private Equity				
All *	2,299.7	0	377.0	0
All	<u>12,060.4</u>	0	<u>16,549.0</u>	0
Sub-total Private Equity	<u>14,360.1</u>		<u>16,926.0</u>	
Real Estate:				
UK Property *	24,635.2	1	33,516.4	1
UK Property	140,956.0	4	156,783.9	4
Overseas Property *	4,883.0	0	1,013.9	0
Overseas Property	<u>1,018.4</u>	0	<u>0.0</u>	0
Sub-total Real Estate	<u>171,492.6</u>		<u>191,314.2</u>	
Investment Funds and Unit Trusts:				
Equities *	48,939.8	1	61,879.0	2
Equities	2,848.5	0	2,781.1	0
Bonds *	0.0	0	67,648.4	2
Bonds	106,437.8	3	100,920.7	3
Infrastructure	<u>523,901.9</u>	14	<u>364,979.6</u>	10
Sub-total Investment Funds and Unit Trusts	<u>682,128.4</u>		<u>598,208.8</u>	
Derivatives:				
Foreign Exchange *	<u>156.1</u>	0	<u>170.9</u>	0
Sub-total Derivatives	<u>156.1</u>		<u>170.9</u>	
Cash and Cash Equivalents				
All *	<u>173,615.7</u>	5	<u>404,503.4</u>	11
Sub-total Cash and Cash Equivalents	<u>173,615.7</u>		<u>404,503.4</u>	
Total Fair Value of Employer Assets	<u><u>3,676,015</u></u>	<u>100</u>	<u><u>3,599,772</u></u>	<u>100</u>

**Scheme assets marked with an asterisk (\*) have quoted prices in active markets.**

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.6 Basis for Estimating Assets and Liabilities

Hymans Robertson, the independent actuaries to Lothian Pension Fund, have advised that the financial assumptions used to calculate the components of the pension expense for the year ended 31 March 2023 were those from the beginning of the year (i.e. 31 March 2022) and have not been changed during the year. The main assumptions in the calculations are:

#### Investment returns

Actual return for period from 31 March 2022 to 31 March 2023	(2.20%)
Total return for period from 1 April 2022 to 31 March 2023	(2.20%)

#### Average future life expectancies at age 65:

	<b>31.03.23</b>	<b>31.03.22</b>
Current pensioners	male 19.9 years	20.3 years
Current pensioners	female 22.9 years	23.1 years
Future pensioners	male 21.2 years	21.6 years
Future pensioners	female 24.7 years	25.0 years
Period ended	<b>31.03.23</b>	<b>31.03.22</b>
Pension increase rate	2.95%	3.20%
Salary Increase rate	3.45%	3.70%
Discount rate	4.75%	2.70%

As at the date of the most recent valuation, the duration of the Employer's funded obligations is 19 years.

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2023 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

For example, to quantify the uncertainty around life expectancy, the Actuary has calculated the difference in cost to the Employer of a one year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption and changes in some of the assumptions may be interrelated.

Change in assumptions at 31 March 2023	Approximate % Increase to Employer	Approximate Monetary Amount £000
0.1% decrease in Real Discount Rate	2%	47,972
1 year increase in member life expectancy	4%	107,921
0.1% increase in the Salary Increase Rate	0%	4,268
0.1% increase in the Pension Increase Rate	2%	44,423

#### 41.7 Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council agreed a contribution stability mechanism with the scheme's actuary until 31 March 2024. The rate was increased by 1.1% from 1 April 2021 and thereafter, for the remainder of the actuarial valuation period, rates will remain fixed.

#### 41.8 Information about the defined benefit obligation

	<b>£000</b>	<b>%</b>
Active members	1,159,300	43.8%
Deferred members	337,065	12.7%
Pensioner members	<u>1,150,730</u>	<u>43.5%</u>
Total	<u>2,647,095</u>	<u>100.0%</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Defined Pension Schemes - continued

#### 41.8 Information about the defined benefit obligation - continued

The figures are for funded obligations only and do not include the unfunded pensioner liabilities. The durations are effective as at the previous formal valuation of 31 March 2020.

Unfunded liabilities relate to benefits provided to employees over and above those provided by Lothian Pension Fund. These costs are reducing as where additional benefits are now given, employers require to pick up the costs upfront whereas in the past they were only met by employers as these costs were incurred. The unfunded element will also reduce over time as these payments are no longer required

The unfunded pensioner liability at 31 March 2023 comprises approximately £39.756m (2021/22 £47.944m) in respect of LGPS unfunded pensions and £11.342m (2021/22 £13.491m) in respect of teachers' unfunded pensions. For unfunded liabilities as at 31 March 2023, it is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension between 37.5% and 50% of the member's pension as at the date of the member's death.

#### 41.9 Pension Reserves - Group Position

The pension reserves shown in the Group Balance Sheet relate to the Council. Pension reserves for the Lothian Valuation Joint Board are included in unusable reserves. Pension reserves for other companies in the group are included in usable reserves. The value of the pension reserves is shown separately below;

	2022/23 Pension Reserve £000	Re-stated 2021/22 Pension Reserve £000
<b>Unusable Reserves</b>		
Council	0	(203,825)
Lothian Valuation Joint Board	0	867
	<u>0</u>	<u>(202,958)</u>
<b>Usable Reserves</b>		
Transport for Edinburgh Ltd	26,047	88,072
	<u>26,047</u>	<u>88,072</u>
<b>Net Pension Reserves</b>	<u>26,047</u>	<u>(114,886)</u>

The 2021/22 note has been re-stated to reflect the nil value of the Edinburgh Leisure pension reserve per their audited accounts.

#### 41.10 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2024

	Assets £000	Obligations £000	Net (liability) / asset	
	£000	£000	£000	% of pay
Current service cost	0	(69,200)	(69,200)	(20.7%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(69,200)	(69,200)	(20.7%)
Interest income on plan assets	174,530	0	174,530	52.3%
Interest cost on defined benefit obligation	0	(127,797)	(127,797)	(38.3%)
Total Net Interest Cost	174,530	(127,797)	46,733	14.0%
Total included in Profit or Loss	<u>174,530</u>	<u>(196,997)</u>	<u>(22,467)</u>	<u>(6.7%)</u>

The Council's estimated contribution to Lothian Pension Fund for 2023/24 is £75.753m.

# NOTES TO THE FINANCIAL STATEMENTS

## 41. Defined Pension Schemes - continued

### 41.11 Strain on the Pension Fund

Lothian Pension Fund has the right to require the Council to make additional payments to the pension fund to reflect the extra cost to the pension fund of immediate payment of benefits to employees who retire early on efficiency, redundancy or voluntary grounds. This amounted to £0.194m, including accrued payments (2021/22 £1.598m).

### 41.12 Further Information

Further information on Lothian Pension Fund can be found in the Council's Pension Fund's Annual Report which is available upon application to the Chief Executive Officer, Lothian Pension Fund, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

## 42. Financial Instruments

### Policy

#### Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits and government grants, do not give rise to financial instruments.

#### Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

All of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders,
- lease payables detailed in note 38,
- PPP contracts detailed in note 39, and
- trade payables for goods and services received.

#### Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications:

Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows comprising):

- cash in hand,
- current, call and notice accounts with banks
- fixed term deposits with banks and building societies,
- loans to other local authorities,
- certificates of deposit and covered bonds issued by banks and building societies,
- treasury bills and gilts issued by the UK Government,
- trade receivables for goods and services provided.

Fair value through other comprehensive income (where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category) comprising:

- money market funds

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

## NOTES TO THE FINANCIAL STATEMENTS

### 42. Financial Instruments - continued

#### 42.1 Categories of Financial Instruments

The following categories of financial instrument are carried on the Council's Balance Sheet:

	2022/23		2021/22	
	Long-Term £000	Current £000	Long-Term £000	Current £000
<b>Assets</b>				
At amortised cost				
- Bank Call Accounts (Note 21)	0	16,629	0	56,129
- Local Authority Loans - S-T (Note 22.2)	0	0	0	10,654
- Local Authority Loans - S-T (Note 21)	0	116,482	0	24,777
- Sovereign / Supranational debt	0	30,092	0	143,887
		<u>163,203</u>		<u>235,447</u>
At fair value through profit and loss				
- Money Market Funds	0	36,147	0	39,633
		<u>36,147</u>		<u>39,633</u>
Total Financial Instruments - Assets	<u>0</u>	<u>199,350</u>	<u>0</u>	<u>275,080</u>
The Investment total does not include £21.1m (2021/22 £21.1m) in unquoted equity in subsidiary companies which are not deemed to be Financial Instruments.				
<b>Debtors</b>				
At amortised cost	143,789	113,651	143,258	170,963
Total debtors	<u>143,789</u>	<u>113,651</u>	<u>143,258</u>	<u>170,963</u>
<b>Borrowings</b>				
- Public Works Loans Board	(1,120,924)	(53,790)	(1,152,648)	(64,538)
- Salix	(74)	(147)	(221)	(233)
- Market debt	(298,178)	(5,807)	(300,163)	(5,682)
Total borrowings	<u>(1,419,176)</u>	<u>(59,744)</u>	<u>(1,453,032)</u>	<u>(70,453)</u>
<b>Other Liabilities</b>				
Financial liabilities at amortised cost	0	(51,366)	0	(40,113)
PPP and finance lease liabilities	(250,772)	(26,228)	(226,077)	(10,655)
PPP and finance lease liabilities (donated assets)	(48,158)	(2,293)	(50,452)	(2,293)
Deferred liability	(84,438)	0	(62,144)	0
Total other long-term liabilities	<u>(383,368)</u>	<u>(79,887)</u>	<u>(338,673)</u>	<u>(53,061)</u>

Lothian Regional Council entered into an agreement for the disposal of Norton Park Annex to the Tudor Trust. The terms of the disposal included the creation of a Title Company with share capital of 100 ordinary shares, held by the Tudor Trust, and 350,000 £1 preference shares held by City of Edinburgh Council. The preference shares carry rights that, in the event of the company being wound up or the property sold, the Council will receive the first £0.35m of the sale proceeds. This is included in the Balance Sheet as a 'Deferred Liability' of £0.35m, and as a long-term investment.

## NOTES TO THE FINANCIAL STATEMENTS

### 42. Financial Instruments - continued

#### 42.1 Categories of Financial Instruments - continued

Other deferred liabilities relate to income received in advance, which is required to be put on interest bearing deposit.

Further detail on the finance lease and PPP liabilities can be seen in notes 38 and 39.

#### 42.2 Income, Expenses, Gains and Losses

	<b>Financial Liabilities: Measured at Amortised Cost £000</b>	<b>Financial Assets: Measured at Amortised Cost £000</b>	<b>Fair Value through Profit / Loss £000</b>	<b>Total £000</b>
Interest expense	57,997	0	0	57,997
Interest on leases	19,001	0	0	19,001
Total expense in Surplus on the Provision of Services	76,998	0	0	76,998
Interest income	0	(4,154)	(2,146)	(6,300)
Total Interest and investment income	0	(4,154)	(2,146)	(6,300)
Net (gain) / loss for the year	76,998	(4,154)	(2,146)	70,698

In addition to the above interest expense, £3.008m (2021/22 £3.008m) was charged to the loans pool from the financial instruments adjustment account during the year, but not reflected in the Comprehensive Income and Expenditure Statement. It also excludes £0.132m (2021/22 £0.193m) of loans fund expenses charged to the Council.

Dividend income of £nil (2021/22 £nil) was received from a subsidiary council company.

#### 42.3 Fair Value of Assets and Liabilities

The Council has adopted IFRS 13 for the calculation of fair values. Financial assets classified as available for sale are carried in the Balance Sheet at fair value. For Treasury Bills and shares in Money Market Funds, the fair value is taken from the market price. Financial assets classified as loans and receivables and all financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2023, using the following methods and assumptions:

- Loans, including PWLB loans, borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of "Lender's Option Borrower's Option" (LOBO) loans has been increased by the value of the embedded options.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.

## NOTES TO THE FINANCIAL STATEMENTS

### 42. Financial Instruments - continued

#### 42.3 Fair Value of Assets and Liabilities - continued

- The fair value of soft loan assets has been calculated using the cash flows implied by the appropriate market interest rate which has been deemed to be the appropriate PWLB rate plus a credit spread of between 2% and 5% depending on the party to whom the advance has been made.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices.
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

The fair values are calculated as follows:

	Fair Value Level	2022/23		2021/22		
		Principal Outstanding £000	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Public Works Loans Board	2	(1,163,723)	(1,174,713)	(967,201)	(1,217,186)	(1,313,405)
Salix	2	(225)	(221)	(212)	(454)	(452)
Market debt	2	(291,400)	(303,985)	(323,147)	(305,845)	(448,848)
Borrowings		(1,455,348)	(1,478,919)	(1,290,560)	(1,523,485)	(1,762,704)
Other long-term liabilities	n/a	(84,438)	(84,438)	(84,438)	(62,144)	(62,144)
Trade creditors	n/a	(51,366)	(51,366)	(51,366)	(40,113)	(40,113)
PPP	3	(276,024)	(276,024)	(270,762)	(289,477)	(337,807)
Total		(1,867,176)	(1,890,747)	(1,697,126)	(1,915,219)	(2,202,768)
Lease Payables *		(51,429)	(51,429)			
Total Financial liabilities		<u>(1,918,605)</u>	<u>(1,942,176)</u>	<u>(1,697,126)</u>	<u>(1,915,219)</u>	<u>(2,202,768)</u>

\* Liabilities for which fair value is not disclosed

The fair value is lower than the carrying amount this year because the authority's portfolio of loans includes a significant value of fixed rate loans which were taken out when interest rates were substantially lower than the rates available for similar loans at the Balance Sheet date. With the adoption of IFRS16 by the Council, under IFRS7, Right of Use Liabilities are exempt from the Fair Value disclosures.

	Fair Value Level	2022/23		2021/22	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Investments held at Fair Value through Profit and Loss</b>					
Money Market Funds	1	36,147	36,147	39,633	39,633
		<u>36,147</u>	<u>36,147</u>	<u>39,633</u>	<u>39,633</u>
<b>Investment held at Amortised Cost</b>					
Bank Call Accounts	n/a	16,629	16,629	56,129	56,132
Local Authority Loans	2	116,482	116,532	35,431	35,391
Sovereign / Supranational debt	1 / 2	30,092	30,579	143,886	144,096
		<u>163,203</u>	<u>163,740</u>	<u>235,446</u>	<u>235,619</u>
<b>Debtors</b>					
Loan Stock	n/a	2,240	2,240	2,240	2,240
Soft Loans	3	49	49	53	53
Other trade debtors	n/a	113,651	113,651	170,963	170,963
		<u>115,940</u>	<u>115,940</u>	<u>173,256</u>	<u>173,256</u>
<b>Total Investments</b>		<u>315,290</u>	<u>315,827</u>	<u>448,335</u>	<u>448,508</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 42. Financial Instruments - continued

#### 42.4 Financial Assets classified as Fair Value through Profit and Loss

	Fair Value Level	2022/23		2021/22	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Investments held at Fair Value through Profit and Loss</b>					
Money Market Funds	1	36,147	36,147	39,633	39,633
		<u>36,147</u>	<u>36,147</u>	<u>39,633</u>	<u>39,633</u>

There was no unrealised gain on the available for sale financial assets (2021/22 £nil).

### 43. Nature and Extent of Risks Arising from Financial Instruments

#### 43.1 Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The Council complies with the CIPFA Prudential Code and has adopted the CIPFA Treasury Management in the Public Services Code of Practice. Overall these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years limiting:
  - the Council's overall borrowing;
  - its maximum and minimum exposures to fixed and variable rates;
  - its maximum and minimum exposures in the maturity structure of its debt;
- by selecting investment counterparties in compliance with the Council's Treasury Policy Statement.

The annual treasury management strategy which incorporates the prudential indicators was approved by the Council on 16 March 2023 and is available on the Council website. The key issues within the strategy are:

- The authorised limit for 2023/24 has been set at £2.596bn. This is the maximum limit for external borrowings and other short and long term liabilities.
- The operational boundary for 2023/24 has been set at £2.546bn. This is the expected upper level of borrowing and other short and long term liabilities during the year.

The prudential indicators are reported and approved as part of the Council's annual budget setting process. Actual performance is also reported annually to members of the Council.

#### 43.2 Key Risks

The Council's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

## NOTES TO THE FINANCIAL STATEMENTS

### 43. Nature and Extent of Risks Arising from Financial Instruments - continued

#### 43.3 Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are with banks, building societies, and other institutions in line with the Council's prevailing counterparty limits as set out in the Council's treasury policy statement. Investment decisions are considered daily as part of the daily cash flow management by the Council's Treasury Team who can, and do, restrict the list further in light of market conditions.

The Council's funds are managed along with those of Lothian Pension Fund and some other related organisations which are pooled for investment purposes as a treasury cash fund. Management of the cash fund is on a low risk, low return basis, with security of the investments the key consideration while at the same time seeking innovative and secure cash investment opportunities. This arrangement has allowed a better management of the Council's risk in the exceptional financial and market circumstances in recent years.

As well as lending monies to other local authorities, the Council purchases UK Government Treasury Bills, short dated UK Government Gilts and short dated EIB and other commercial Paper. At 31 March 2023, the Council had £10.0m in short term investments, all of which was in UK Treasury Bills. Of the net Cash and Cash Equivalents, 61.5% were loans to other local authorities, a further 19.1% was held in three AAA rated Money Market Funds, 10.6% was in UK Treasury Bills, leaving only 8.8% with banks. All of the monies held on deposit with banks at 31 March 2023 were in call or near call accounts.

The principal outstanding on monies held by the Council under its treasury management arrangements at 31 March 2023 was £198.6m (31 March 2022: £275.1m). This was held with the following institutions:

Summary	Standard and Poor's Rating	Principal Outstanding 31.03.23 £000	Carry Value 31.03.23 £000	Fair Value 31.03.23 £000	Carry Value 31.03.22 £000
<b>Money Market Funds</b>					
Deutsche Bank AG, London	AAAm	27,907	27,991	27,991	10,274
Goldman Sachs	AAAm	927	930	930	7,187
Standard Life	AAAm	7,170	7,225	7,225	22,172
<b>Bank Call Accounts</b>					
Bank of Scotland	A+	14	14	14	27,416
Royal Bank of Scotland	A	7,392	7,393	7,393	1,244
Santander UK	A	26	26	26	27
Barclays Bank	A	14	14	14	14
Handelsbanken	AA-	9,137	9,169	9,169	16
HSBC Bank Plc 31 dn	A+	5	5	5	24,327
HSBC Bank Plc	A+	9	9	9	3,085
<b>UK Pseudo-Sovereign Risk Instruments</b>					
Local Authorities (see below)	n/a	116,195	116,482	116,532	35,431
Supranational CP	AAA	0	0	0	21,153
DMADF	AAu	0	0	0	56,148
UK Government Treasury Bills/Gilts	AAu	29,821	30,092	30,579	66,586
<b>Total</b>		<b>198,617</b>	<b>199,350</b>	<b>199,887</b>	<b>275,080</b>

Local Authorities are generally assumed to have a pseudo-sovereign credit rating (which in the UK at 31 March 2023 would have been 'AA' from S&P) due to their tax raising powers and the perceived government support. Very few have their own credit rating.

The Council's maximum exposure to credit risk in relation to its direct investments in banks and building societies of £16.6m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but the Council takes a low risk approach to investment. There was no evidence at 31 March 2023 that this risk was likely to crystallise.

## NOTES TO THE FINANCIAL STATEMENTS

### 43. Nature and Extent of Risks Arising from Financial Instruments - continued

#### 43.3 Credit Risk - continued

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

In line with the Investment Regulations governing local authorities introduced in 2010, the Council approved an annual investment strategy and treasury policy statement for both the Council and the Cash Fund at its March 2023 meeting. The papers are available on the Council's website. A full list of the deposits outstanding at 31 March 2023 is contained in the Treasury Cash Fund Investment Report for Quarter 1 2023. This is available on request from [corporate.finance2@edinburgh.gov.uk](mailto:corporate.finance2@edinburgh.gov.uk), marked for the attention of Treasury.

All Council invoices become due for payment on issue. Excluding pre-payments of £2.256m (2021/22 £2.062m), trade debtors past due date can be analysed by age as follows:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Less than two months	13,647	15,135
Two to four months	3,116	1,334
Four to six months	3,865	1,268
Six months to one year	2,370	4,654
More than one year	8,627	8,584
Total	<u>31,625</u>	<u>30,975</u>

Collateral – During the reporting period the Council held no collateral as security.

#### Credit Risk: Trade Debtors

Loss allowances on debtors have been calculated by reference to the Council's historic experience of default. The Council will continue to take appropriate and proportionate action to recover what is due even where the related debts are written off for the purposes of the financial statements.

Debtors are collectively assessed for credit risk in the following groups:

<b>31.03.23</b>			
		<b>Gross</b>	<b>Loss</b>
	<b>Range</b>	<b>Receivable</b>	<b>Allowance</b>
Council Tax	3% - 100%	228,905	(207,949)
Non Domestic Rates	1% - 100%	6,162	(5,086)
HRA tenants and other debtors	5% - 95%	13,145	(11,508)
Housing Benefits	75% - 85%	27,781	(23,176)
Trade and Other Debtors	7.5% - 100%	38,537	(19,941)
Total		<u>314,530</u>	<u>(267,660)</u>

#### 43.4 Liquidity risk

The Council carries out short and medium term cash flow management to ensure that it will have sufficient liquidity to cover all of its payment obligations. This includes monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs. The Council also has ready access to borrowings from the money markets to cover any day to day cash flow needs.

## NOTES TO THE FINANCIAL STATEMENTS

### 43. Nature and Extent of Risks Arising from Financial Instruments - continued

#### 43.4 Liquidity risk - continued

Whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to the Council. The Council is also required by statute to achieve a balanced budget, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through cash flow management procedures required by the Code of Practice.

#### 43.5 Re-financing and Maturity Risk

The Council maintains significant debt and investment portfolios. The re-financing risk to the Council relates to managing the exposure to replacing financial instruments as they mature. As shown in the chart in 43.6, the majority of the Council's debt portfolio consists of fixed rate longer term loans, and as such, the Council has a relatively low re-financing risk on its liabilities. However, the Council has market debt which allows the lender the option to ask for a rate increase at set dates and at that point the Council may choose to repay the loan at no additional cost. This gives a potential re-financing risk which the Council monitors and manages.

The Council's approved treasury strategy addresses the main risks and the treasury team address the operational risks within approved parameters. This includes monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt. With the margin on new borrowing rates and a separate rate for the premature repayment of loans, it is unlikely that there will be much scope for any substantial rescheduling of PWLB debt. However if interest rates increase further, there may be some opportunities for restructuring.

The maturity analysis of the principal outstanding on the Council's debt is as follows:

	2022/23	2021/22
	£000	£000
Less than one year	(73,289)	(68,048)
Between one and two years	(67,260)	(56,764)
Between two and five years	(248,964)	(226,989)
Between five and ten years	(199,653)	(216,668)
More than ten years	<u>(1,193,635)</u>	<u>(1,220,381)</u>
Financial Liabilities	<u>(1,782,801)</u>	<u>(1,788,850)</u>

All trade and other payables are due to be paid in less than one year and trade creditors of £51.366m (2021/22 £40.113m) are not shown in the table above. The above figures show the principal outstanding, therefore, neither accrued interest of £14.978m (2021/22 £15.358m) nor net equivalent interest rate (EIR) adjustments of £8.593m (2021/22 £8.753m) to the carrying amounts of market debt shown in the financial liabilities are included.

The only investment which the Council has with a maturity of greater than one year is £2.24m in EDI loan stock.

#### 43.6 Market risk

##### Interest rate risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- borrowings at fixed rates – the fair value of the borrowing liability will fall;
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- investments at fixed rates – the fair value of the assets will fall.

# NOTES TO THE FINANCIAL STATEMENTS

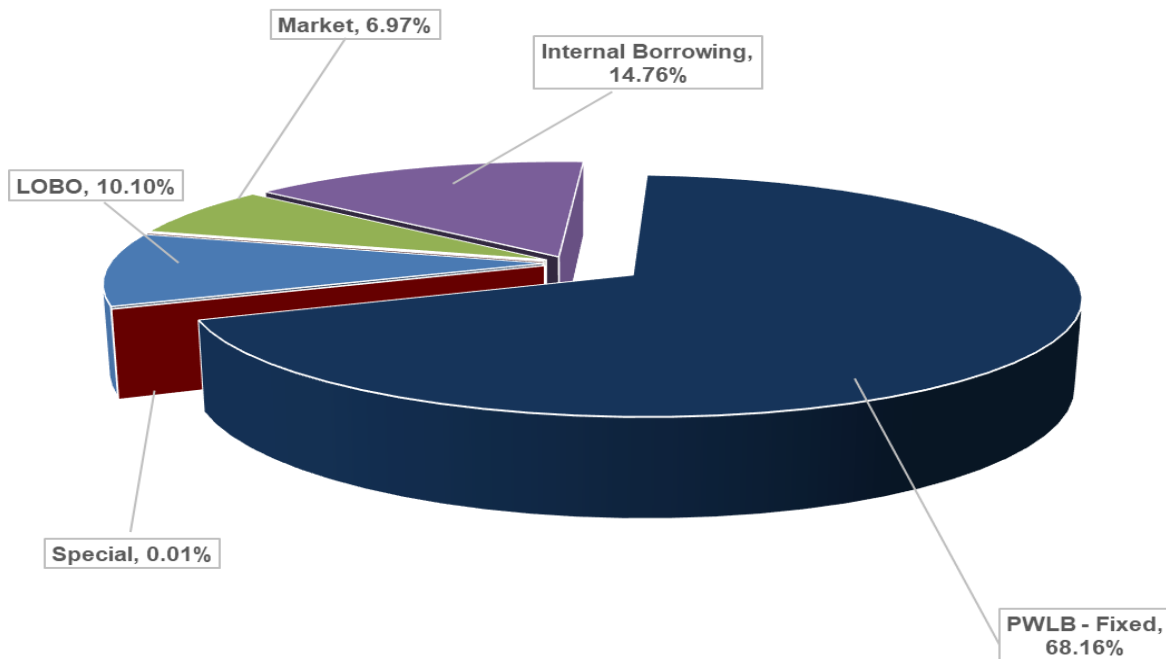
## 43. Nature and Extent of Risks Arising from Financial Instruments - continued

### 43.6 Market risk - continued

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement or Movement in Reserves Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments will be reflected in the Movement in Reserves Statement, unless the investments have been designated as fair value through the Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The treasury team continue to monitor market and forecast interest rates during the year and adjust investment policies accordingly. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns. The Council has run such a strategy over the last three years, borrowing £500m in fixed rate loans at historically low interest rates.

The following chart shows the source of the Council's borrowing. Most of the Council's borrowings are from the Government by way of the Public Works Loans Board (PWLB). As interest rates were historically low, none of the recent PWLB borrowing was variable rate.



Sources of Borrowing 2022/23

## NOTES TO THE FINANCIAL STATEMENTS

### 43. Nature and Extent of Risks Arising from Financial Instruments - continued

#### 43.6 Market risk - continued

If all interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest receivable on variable rate investments	(305)
Impact on Comprehensive Income and Expenditure Statement	(305)
Decrease in fair value of fixed rate borrowings liabilities	(162,584)

#### Price Risk

The Council does not generally invest in equity shares but does have shareholdings of £21.105m (2021/22 £21.105m) in a number of Council owned Companies and joint ventures. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio.

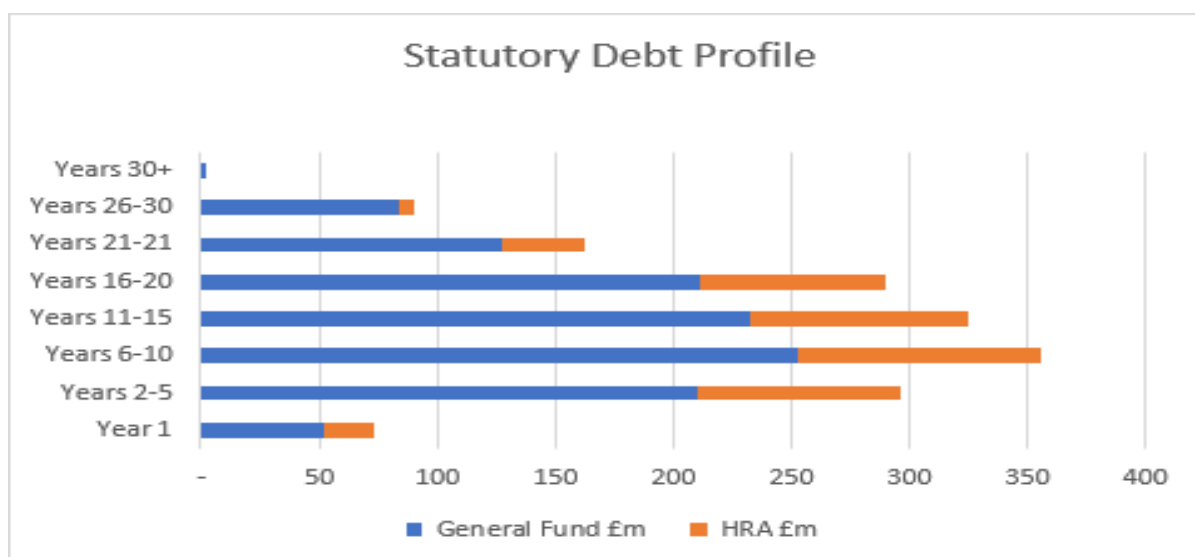
#### Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

#### 43.7 Repayment Profile

The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 require the statutory loans fund to be administered in accordance with the 2016 Regulations, proper accounting practices and prudent financial management.

The Council operates a consolidated loans fund under the terms of these Regulations. Capital payments made by services are financed by capital advances from the loans fund. As part of the 2020/21 budget process the Council received a report on the review carried out on the loans fund. The report recommended changes in the method of calculating loans fund repayments for current and historical capital advances. Those changes mean that the repayments for both historical and new capital advances (with the exception of those detailed below) will be calculated using the Asset Life method. For capital advances relating to loans to the Edinburgh Living LLPs and capital advances for the "Trams to Newhaven" project, all advances from the loans fund in the current year have a repayment profile set out using the funding/income method and these capital advances will be repaid using an annuity structure with fixed interest rate and principal repayments. The business cases brought forward for other projects involving major capital expenditure funded by borrowing will consider the appropriate repayment method depending on the structure of the business case. The Council operates the loans fund to manage historic debt and the balance therefore represents historic borrowing for capital spend.



## NOTES TO THE FINANCIAL STATEMENTS

### 44. Prior Period Adjustment

#### Council - Infrastructure Assets

The Council has undertaken a review of assets classified as infrastructure and identified a number of assets incorrectly categorised. A prior year adjustment has been included in the Council's accounts to correct these mis-categorisations.

#### Council - HRA Council Dwellings valuation

A prior year adjustment has been included in the accounts to reflect the adjustments that have been made to the disclosure of the HRA housing stock valuation, to revise the valuation discount to 38%.

#### Council - Presentation and Other

A prior year adjustment has been made to reflect a presentational adjustment on income received from repayment of housing loans.

	2021/22 Infrastructure Statements £000	Assets £000	HRA Valuation £000	Presentation and Other £000	2021/22 Re-stated £000
<b>Council Movement in Reserves Statement</b>					
Balance at 31 March 2021	3,315,183	(5,638)	(639,434)	0	2,670,111
Total Comprehensive Income and Expenditure	828,710	(29)	(33,885)	90	794,886
Net increase / (decrease) before transfers to statutory reserves	828,710	(29)	(33,885)	90	794,886
Increase / (decrease) in year	828,710	(29)	(33,885)	90	794,886
<b>Balance at 31 March 2022</b>	<b>4,143,894</b>	<b>(5,667)</b>	<b>(673,319)</b>	<b>90</b>	<b>3,464,998</b>
<b>Council Comprehensive Income and Expenditure Statement</b>					
Place	541,973	(1,449)	0	(90)	540,434
HRA	(3,613)	0	(13,322)	0	(16,935)
Other non-service specific costs	11,310	0	0	(2,293)	9,017
Cost of Service	1,379,879	(1,449)	(13,322)	(2,383)	1,362,725
Gains on disposal of non-current assets	(1,045)	0	(1,360)	0	(2,405)
Taxation and non-Specific Grant Income	(1,210,418)	1,478	0	2,278	(1,206,662)
(Surplus) / Deficit on provision of service	255,480	29	(14,682)	(105)	240,722
Surplus on Revaluation of Non-Current Assets	(519,676)	0	48,567	0	(471,109)
Other Unrealised (Gains) / Losses	(15)	0	0	15	0
Total Comprehensive Income	(828,710)	29	33,885	(90)	(794,886)
<b>Council Balance Sheet</b>					
Property, Plant and Equipment	5,753,118	(5,667)	(673,319)	90	5,074,225
Long-Term Assets	5,979,222	(5,667)	(673,319)	90	5,300,326
Net Assets	4,143,894	(5,667)	(673,319)	90	3,464,998
Unusable Reserves	3,746,738	(5,667)	(673,319)	90	3,067,842
Total Reserves	4,143,894	(5,667)	(673,319)	90	3,464,998
<b>Council Cash Flow Statement</b>					
(Surplus) / Deficit on the Provision of Services	255,480	29	(14,682)	(105)	240,722
Adjustments to (Surplus) / Deficit on the Provision of Services for non-cash movements	(494,536)	1,449	14,682	90	(478,315)
Adjustments for items included in the Surplus on the Provision of Services that are investing or Financing Activities	81,449	(1,478)	0	(2,278)	77,693
Net cash flows from operating activities	(157,607)	0	0	(2,293)	(159,900)
Net cash flows from investing activities	277,555	0	0	(1,903)	275,652
Net cash flows from financing activities	(98,969)	0	0	4,196	(94,773)

## NOTES TO THE FINANCIAL STATEMENTS

### 44. Prior Period Adjustment - continued

#### CEC Holdings Ltd

A prior year adjustment has been included in the Group accounts to reflect a change in the group tax relief of CEC Holdings Ltd, along with an adjustment for historic rounding balances.

	2021/22 Statements £000	Council Adj £000	CEC Holdings £000	Group £000	2021/22 Re-stated £000
<b>Group Movement in Reserves Statement</b>					
Balance at 31 March 2021	3,482,491	(645,072)	0	0	2,837,419
Total Comprehensive Income and Expenditure	928,831	(33,824)	(278)	0	894,729
Net increase / (decrease) before transfers to	928,831	(33,824)	(278)	0	894,729
Increase / (decrease) in year	901,197	(33,824)	(278)	0	867,095
<b>Balance at 31 March 2022</b>	<b>4,383,690</b>	<b>(678,896)</b>	<b>(278)</b>	<b>0</b>	<b>3,704,515</b>
<b>Group Comprehensive Income and Expenditure Statement</b>					
Place	541,973	(1,539)	0	0	540,434
HRA	(3,613)	(13,322)	0	0	(16,935)
Other non-service specific costs	14,233	(2,293)	0	0	11,940
Cost of Service	1,389,505	(17,154)	0	0	1,372,351
Gains on disposal of non-current assets	(1,895)	(1,360)	0	0	(3,255)
Taxation and non-Specific Grant Income	(1,210,418)	3,756	0	0	(1,206,662)
(Surplus) / Deficit on provision of service	260,941	(14,758)	0	0	246,183
Taxation of Group entities	3,392	0	278	0	3,670
Group (Surplus)/Deficit	235,036	(14,758)	278	0	220,556
Surplus on Revaluation of Non-Current Assets	(519,675)	48,567	0	0	(471,108)
Other Unrealised (Gains) / Losses	(79,693)	15	0	0	(79,678)
Total Comprehensive Income	(928,831)	33,824	278	0	(894,729)
<b>Group Balance Sheet</b>					
Property, Plant and Equipment	5,886,488	(678,896)	0	(9)	5,207,586
Investments in Associates and Joint Ventures	75,665	0	0	9	75,674
Long-Term Assets	6,253,340	(678,896)	0	0	5,574,444
Short-Term Creditors	(274,445)	0	(278)	0	(274,723)
Current Liabilities	(355,135)	0	(278)	0	(355,413)
Net Assets	4,383,689	(678,896)	(278)	0	3,704,515
Unusable Reserves	3,868,808	(678,896)	0	0	3,189,912
Usable Reserves	514,881	0	(278)	0	514,603
Total Reserves	4,383,689	(678,896)	(278)	0	3,704,515
<b>Group Cash Flow Statement</b>					
(Surplus) / Deficit on the Provision of Services	260,941	(14,758)	0	0	246,183
Adjustment to (Surplus) / Deficit for Taxation of Group entities	3,392	0	278	0	3,670
Adjustments to (Surplus) / Deficit on the Provision of Services for non-cash movements	(525,462)	16,221	(278)	0	(509,519)
Adjustments for items included in the Surplus on the Provision of Services that are investing or Financing Activities	84,763	(3,756)	0	0	81,007
Net cash flows from operating activities	(176,366)	(2,293)	0	0	(178,659)
Net cash flows from investing activities	312,148	(1,903)	0	0	310,245
Net cash flows from financing activities	(123,030)	4,196	0	0	(118,834)



# HOUSING REVENUE ACCOUNT

## INCOME AND EXPENDITURE STATEMENT

for the year ended 31 March 2023

The Housing Revenue Account (HRA) Income and Expenditure Statement shows in more detail the income and expenditure on HRA services included in the Council's Comprehensive Income and Expenditure Statement.

### Re-stated

2021/22		2022/23	
£000	EXPENDITURE	£000	£000
29,357	Repairs and maintenance	30,852	
23,318	Supervision and management	26,448	
23,344	Depreciation and impairment of non-current assets	48,418	
9,097	Other expenditure	10,406	
1,731	Impairment of debtors	729	
<u>86,847</u>			116,853
	<b>INCOME</b>		
(100,407)	Dwelling rents	(102,951)	
(69)	Non-Dwelling rents (gross)	(37)	
(6,236)	Other income	(4,970)	
<u>(106,712)</u>			<u>(107,958)</u>
(19,865)	Net (income) / expenditure for HRA Services (as included in the Council's Comprehensive Income and Expenditure Statement)		8,895
208	HRA share of corporate and democratic core		526
2,722	HRA share of other amounts included in the Council's Net Cost of Services but not allocated to specific services		<u>2,446</u>
(16,935)	Net income for HRA Services		11,867
	HRA share of other operating expenditure included in the Council's Comprehensive Income and Expenditure Statement		
(3,445)	(Gain) / loss on sale of HRA fixed assets	(2,061)	
15,978	Interest payable and similar charges	17,016	
2,169	Interest cost on defined benefit obligation ( <i>pension-related</i> )	2,916	
(209)	Interest and investment income	(922)	
(1,781)	Interest income on plan assets ( <i>pension-related</i> )	(2,734)	
(20,114)	Capital grants and contributions	<u>(38,169)</u>	
<u>(7,402)</u>			<u>(23,954)</u>
<u>(24,337)</u>	Surplus for the year on HRA services		<u>(12,087)</u>

# HOUSING REVENUE ACCOUNT

## MOVEMENT ON THE HRA STATEMENT

2021/22 £000		2022/23 £000
0	Balance on the HRA at the end of the previous year	0
24,337	Surplus for the year on the HRA Income and Exp Account	12,087
(15,684)	Adjustments between accounting basis and funding basis under statute	(30,858)
<u>8,653</u>	<b>Net increase before transfers to reserves</b>	<u>(18,771)</u>
<u>(8,653)</u>	Contribution (to) / from renewal and repairs fund, via the General Fund	<u>18,771</u>
<u><u>0</u></u>	<b>Balance on the HRA at the end of the current year</b>	<u><u>0</u></u>

## Adjustments Between Accounting Basis and Funding Basis Under Regulations

£000		£000
	<b>Adjustments primarily involving the Capital Adjustment Account</b>	
	<b>Reversal of items debited or credited to the Income and Expenditure Statement</b>	
23,344	Charges for depreciation and impairment of non-current assets	48,418
(20,114)	Capital grants and contributions applied	(38,169)
	<b>Insertion of items not debited or credited to the Income and Expenditure Statement</b>	
(17,356)	Statutory provision for the financing of capital investment	(18,661)
0	Capital funded from revenue	(21,742)
	<b>Adjustments primarily involving the Capital Receipts Reserve</b>	
(3,446)	Transfer of cash sale proceeds credited as part of the gain / loss on disposal of assets	(2,061)
	<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>	
(906)	Amount by which finance costs charged are different from finance costs chargeable in the year in accordance with statutory requirements	(941)
	<b>Adjustments primarily involving the Pensions Reserve</b>	
4,780	Reversal of items relating to retirement benefits debited or credited to the Income and Expenditure Statement	4,469
(1,961)	Employer's pension contributions and direct payments to pensioners payable in the year	(2,139)
	<b>Adjustments primarily involving the Employee Statutory Adjustment Account</b>	
(25)	Amount by which officer remuneration charged to the Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(32)
<u>(15,684)</u>		<u>(30,858)</u>

# HOUSING REVENUE ACCOUNT

## Notes to the Housing Revenue Account

1. The number and types of dwellings in the authority's housing stock at 31 March 2023 are as follows:

Types of Houses	2023		2022	
	Number	Annual Average Rent (£)	Number	Annual Average Rent (£)
<b>Main provision Council dwellings</b>				
1 Apartment	262	4,118.00	285	4,105.00
2 Apartment	5,645	4,616.00	5,629	4,612.00
3 Apartment	10,225	5,350.00	10,182	5,350.00
4 Apartment	3,560	6,161.00	3,545	6,160.00
5 Apartment	539	6,581.00	536	6,606.00
6 Apartment	12	6,678.00	12	6,678.00
7 Apartment	4	6,463.00	4	6,463.00
8 Apartment	1	6,463.00	1	6,463.00
<b>Mid-market rent dwellings</b>				
2 Apartment	19	5,983.00	22	6,005.00
3 Apartment	80	7,368.00	83	7,372.00
4 Apartment	22	9,307.00	22	9,307.00
	<u>20,369</u>		<u>20,321</u>	

- The stock figure represents all types of residential properties, including furnished tenancies, sheltered housing and homelessness units.
- The amount of rent arrears included as debtors in the Council's Consolidated Balance Sheet was £13.160m (£12.115m 2021/22) against which a provision amounting to £11.508m (£10.695m 2021/22), has been created in respect of non collectable debts.
- The total value of uncollectable void rents for main provision properties was £2.324m (2021/22 £2.045m). This has been netted against rental income.

## COUNCIL TAX INCOME ACCOUNT

The Council Tax Income Account (Scotland) shows the gross income raised from council taxes levied and deductions made under Statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement.

2021/22		2022/23	
£000		£000	£000
(392,527)	Gross council tax levied and contributions in lieu		(409,832)
63,681	Less: - Exemptions and other discounts	66,066	
11,475	- Provision for bad debts	9,425	
26,124	- Council Tax Reduction Scheme	25,993	
4,810	- Other reductions	4,817	
<u>106,090</u>			<u>106,301</u>
(286,437)			(303,531)
<u>(1,051)</u>	Previous years' adjustments		<u>(3,949)</u>
<u><b>(287,488)</b></u>	<b>Total transferred to General Fund</b>		<u><b>(307,480)</b></u>

### Notes to the Council Tax Income Account

The in-year collection rate for Council Tax was 97.1% (2021/22 96.8%).

Each household or occupied dwelling is allocated to a Council Tax band by the Assessor. The charge per Council Tax band is calculated as a proportion of band D - these proportions are determined by legislation. Bands E to H were rebased in 2017/18 by the Scottish Government as per the Council Tax Base table below, with a 3% increase applied to Council Tax in 2022/23 (2021/22 0%).

Unoccupied properties are eligible for 10% discount for up to 12 months, from the date the property was last occupied, thereafter 100% additional charge, with certain exceptions. For Council Tax purposes, students and certain other categories of people are not regarded as occupants. Reductions in Council Tax payable are also granted to properties, with certain attributes, that are the sole and main residence of permanently disabled persons.

Charges in respect of water and sewerage are the responsibility of Scottish Water. The Council collects both water and sewerage charges and makes payment to the Water Authority.

### Calculation of the Council Tax Base 2022/23

Band	Number of Properties	Disabled Relief	Exemptions	Discounts	Effective Properties	Ratio to Band D	Band D Equivalents	Charges per Band
A Up to £27,000	24,723	72	(4,134)	(3,673)	16,988	6/9	11,325	£919.17
B £27,001 - £35,000	48,817	51	(4,022)	(7,215)	37,631	7/9	29,269	£1,072.36
C £35,001 - £45,000	46,208	16	(2,949)	(5,819)	37,456	8/9	33,294	£1,225.56
D £45,001 - £58,000	42,479	75	(2,755)	(4,627)	35,172	9/9	35,172	£1,378.75
E £58,001 - £80,000	44,421	(13)	(3,607)	(3,969)	36,832	473/360	48,393	£1,811.52
F £80,001 - £106,000	26,734	(45)	(1,556)	(2,061)	23,072	585/360	37,492	£2,240.47
G £106,001 - £212,000	23,305	(124)	(509)	(1,328)	21,344	705/360	41,799	£2,700.05
H Over £212,000	4,313	(32)	(129)	(220)	3,932	882/360	9,633	£3,377.94
					Total		246,377	
					Add: Contributions in Lieu		475	
					Less: Provision for Non-Payment		<u>(6,788)</u>	
					<b>Council Tax Base</b>		<u><b>240,064</b></u>	

## NON-DOMESTIC RATES INCOME ACCOUNT

The Non-Domestic Rate Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national Non-Domestic Rate pool.

<b>2021/22</b>		<b>2022/23</b>	
<b>£000</b>		<b>£000</b>	<b>£000</b>
(470,059)	Gross rates levied and contributions in lieu		(479,113)
235,563	Less: - Reliefs and other deductions	109,120	
3,360	- Uncollectable debt written off and provision for impairment	5,366	
<u>238,923</u>			<u>114,486</u>
(231,136)			(364,627)
<u>25,642</u>	Previous years' adjustments		<u>21,700</u>
<b><u>(205,494)</u></b>	<b>Non-Domestic Rate Income</b>		<b><u>(342,927)</u></b>
	Allocated to:		
(206,212)	Contribution to Non-Domestic Rate Pool		(343,696)
718	City of Edinburgh Council		769
<u>(205,494)</u>			<u>(342,927)</u>

### Notes to the Non-Domestic Rates Income Account

#### Rateable Values as at 1 April 2022

	<b>Number</b>	<b>Rateable Value £000</b>
Shops, offices and other commercial subjects	15,955	641,060
Industrial and freight transport	3,135	78,728
Telecommunications	5	21
Public service subjects	355	47,138
Miscellaneous	4,036	166,738
	<u>23,486</u>	<u>933,685</u>

1. The amount distributed to the council from the national non-domestic rate income pool in the year was £249.861m (2021/22 £188.796m).
2. Occupiers of non-domestic property pay rates based on the valuation of the property within the valuation roll for Edinburgh. The non-domestic rate poundage is determined by the Scottish Ministers, and was 49.8p per £ in 2022/23 (2021/22 49.0p per £).

Properties with a rateable value between £51,001 and £95,000 had their rate charges calculated using the poundage of 51.1p per £ (2021/22 50.3p per £). Properties with rateable value greater than £95,000 had their rate charges calculated using the poundage of 52.4p per £ (2021/22 51.6p).

3. From 1 April 2008, the Scottish Government introduced the small business bonus scheme. Business properties with a rateable value of £18,000 or less may receive relief as set out below.

100% relief	below	£ 15,000
25% relief	£ 15,001 to	£ 18,000
Upper limit for combined rateable value *		£ 35,000

\* Businesses with multiple properties whose combined rateable value is £35,000 or less will be eligible for relief of 25% for each property with a rateable value of £18,000 or less.

There are changes being introduced to the small business bonus scheme from 1st April 2023.

## COMMON GOOD FUND

### Common Good Fund Foreword

The Common Good Fund stands separate from the Council's accounts and has been described as "the ancient patrimony of the community". It was originally derived from the grants by the Sovereigns of Scotland at various times. The present fund is an amalgam of the funds of the City and Royal Burgh of Edinburgh and the Royal Burgh of South Queensferry.

A report on the (Edinburgh) Common Good prepared by the Town Clerk and City Chamberlain in 1905 set out the historical background of the fund and listed its then assets in some detail. The report also stated a "General Principle" that the Fund should be administered "for the purpose of upholding the dignity and suitable hospitality of the City; performing the duties incumbent upon a Royal Burgh ..... maintaining the municipal establishment and managing the municipal affairs; vindicating or extending the corporate rights of the community and defending its interests; acquiring additional land or property for the corporate benefit, or improving existing corporation property, and generally for any purpose which, in the bona fide judgement of the Town Council, is for the good of the community as a whole, or in which the inhabitants at large may share, as distinct from the separate interests or benefit of any particular individual or class, however deserving or needy. The purpose must be limited to those which concern the City and its interests".

The Local Government etc. (Scotland) Act 1994 confirms this interpretation that use of the Fund shall "have regard to the interests of all the inhabitants" of the area.

The Common Good accounts are prepared in accordance with the Council's accounting policies.

In 2015/16, £2m of the Common Good Fund was earmarked to be utilised to fund a planned property maintenance programme. £123,000 of this funding has been used to fund Scott Monument lighting work and surveys, £33,000 on surveys and work at the City Observatory, £50,000 on engineering consultancy and repair works at the Queensferry Harbour, £13,000 on surveys and work on the Portobello Municipal Clock, and £1,000 on Civic Regalia repairs.

The balance of the Common Good Fund is £2.762m as at 31 March 2023 (£2.657m 2021/22). This is split £0.982m in the fund and £1.780m in the planned property maintenance fund.

Assets under construction as at 31 March 2023 relates to a community hub in the former tennis pavilion on Leith Links, which was substantially complete but not yet operational at the year end.

During 2022/23, the Common Good made a surplus of £0.105m (2021/22 £0.012m deficit).

The lease of 329 High Street was completed in January 2020 with a lease premium of £3.036m received in the Common Good. The lease premium is being amortised over the lease term of 125 years. The in-year deficit, as mentioned above, includes a lease premium of £0.024m for 2022/23. Recommendations for the use of the funds from the lease will be presented to the Finance and Resources Committee for approval.

The Common Good Annual Performance Report will be considered by the Finance and Resources Committee in September 2023, along with the Audited Annual Accounts.

## COMMON GOOD FUND - INCOME AND EXPENDITURE ACCOUNT

2021/22	2022/23	
£000	£000	£000
<b>Income</b>		
(6) Investment income	(119)	
(358) Rent Income	(919)	
(1,090) Capital Funding	(477)	
(24) Lease Premium	(24)	
<u>(3,930) Recharges Income</u>	<u>(3,487)</u>	
<b>(5,408) Total Income</b>		(5,026)
<b>Expenditure</b>		
42 Common Good Fund	38	
<u>4,307 Common Good Property Costs</u>	<u>4,883</u>	
<b>4,349 Total Expenditure</b>		4,921
<b>(1,059) (Surplus) / Deficit for the Year</b>		<u>(105)</u>
1,071 Transfer to Capital Contribution Reserve		0
<b><u>12 (Surplus) / Deficit for the Year after Transfers to Reserves</u></b>		<b><u>(105)</u></b>

## COMMON GOOD FUND - BALANCE SHEET

31 March 2022		31 March 2023	
£000		£000	£000
2,913	Community Assets	3,093	
<u>1,071</u>	Assets Under Construction	<u>1,071</u>	
<b>3,984</b>	<b>Property, Plant and Equipment</b>		4,164
17,947	Long-Term Debtors	18,845	
<u>144</u>	Heritage Assets	<u>144</u>	
<b>18,091</b>	<b>Long-Term Assets</b>		18,989
1,867	Short-Term Investments	650	
9	Debtors	9	
<u>3,739</u>	Cash and Cash Equivalents	<u>5,037</u>	
<b>5,615</b>	<b>Current Assets</b>		<u>5,696</u>
<b>27,690</b>	<b>Net Assets</b>		<b>28,849</b>
25,046	Capital Contribution	26,100	
<u>(13)</u>	Capital Adjustment Account	<u>(13)</u>	
<b>25,033</b>	<b>Unusable Reserves</b>		26,087
863	Common Good Fund	982	
<u>1,794</u>	Earmarked Portion of the General Fund	<u>1,780</u>	
<b>2,657</b>	<b>Usable Reserves</b>		<u>2,762</u>
<b>27,690</b>	<b>Total Reserves</b>		<b>28,849</b>

The unaudited financial statements were issued on 16 June 2023 and the audited financial statements were authorised for issue by the Service Director: Finance and Procurement on 13 September 2023

HUGH DUNN, CPFA  
 Service Director: Finance and Procurement  
 Date:

## COMMON GOOD FUND - NOTES TO FINANCIAL STATEMENTS

### 1. Property, Plant and Equipment and Heritage Assets

#### 1.1 Movements on Balances

	Community Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	Heritage Assets £000
<b>Cost or Valuation</b>				
At 1 April 2022	2,913	1,071	3,984	144
Additions	0	0	0	0
Transfer between categories	0	0	0	0
Transfer from General Fund	180	0	180	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	0	0	0	0
Derecognition - disposals / transfers	0	0	0	0
At 31 March 2023	3,093	1,071	4,164	144
<b>Net Book Value</b>				
At 31 March 2023	3,093	1,071	4,164	144
At 31 March 2022	2,913	1,071	3,984	144
<b>Cost or Valuation</b>				
At 1 April 2021	2,558	0	2,558	146
Additions	0	1,071	1,071	0
Transfer between categories	1	0	1	(1)
Transfer from General Fund	354	0	354	0
Derecognition - disposals / transfers	0	0	0	(1)
At 31 March 2022	2,913	1,071	3,984	144
<b>Net Book Value</b>				
At 31 March 2022	2,913	1,071	3,984	144
At 31 March 2021	2,558	0	2,558	146

These asset categories are not depreciated.

#### 1.2 Developing a Common Good Register

Significant progress has been made to collate information regarding properties considered by the Council to be Common Good.

A response to the Community Empowerment (Scotland) Act 2015 consultation on Common Good matters was approved by the Finance and Resources Committee on 28 September 2017 and submitted to the Scottish Government.

The relevant provisions came into force on 27 June 2018, and the Scottish Government published the accompanying guidance in July 2018. The Community Empowerment (Scotland) Act 2015 places a duty on Local Authorities to "establish and maintain a register of property which is held by the authority as part of the Common Good" (a Common Good Register).

Before establishing a Common Good Register, the Act requires a Local Authority to prepare and publish a list of properties that it proposes to include in the register. The Common Good Asset Register for **public consultation** was approved for issuing at the 27 September 2018 Finance and Resources Committee. The consultation closed on 31 December 2018.

The first version of the Common Good Register was published on the Council's Common Good webpage on 28 June 2019, complying with Scottish Government guidance. The Register was subsequently presented and approved by the Finance and Resources Committee on 26 September 2019 as part of the 2018-19 Common Good Annual Performance Report.

The Council maintains a **web page** with a link to the latest Common Good Register on its website.

Work continues to be ongoing to ensure the completeness of the Common Good register, and to reconcile this to the Common Good register of assets for accounting purposes.



## COMMON GOOD FUND - NOTES TO FINANCIAL STATEMENTS

### 2. Unusable Reserves

#### 2.1 Capital Contribution

This balance contains the gains made by the Common Good Fund arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- transferred from Common Good;
- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains unrealised gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before 1 April 2007 were consolidated into the capital adjustment account.

The reserve also contains capital grants used to fund assets.

	2022/23		2021/22	
	£000	£000	£000	£000
Balance at 1 April		25,046		23,522
Movement of assets	0		0	
Transfer from General Fund	1,054		354	
Transfer from Income and Expenditure Account	0		1,071	
Upward revaluation of assets	0		100	
Downward revaluation of assets and impairment losses not charged to the Surplus/ Deficit on the Provision of Service	0		0	
Surplus / (Deficit) on revaluation of non-current assets not posted to the Surplus / Deficit on the Provision of Service		1,054		1,525
Derecognition of asset disposals / transfers		0		(1)
Balance at 31 March		<u>26,100</u>		<u>25,046</u>

£0.874m of the transfer from General Fund is included in long-term debtors (2021/22 £nil) and £0.180m is included in community assets (2021/22 £0.354m). The 2021/22 upward revaluation of assets is included in long-term debtors.

#### 2.2 Capital Adjustment Account

The capital adjustment account provides a balancing mechanism for timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (CIES) (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis).

The account also holds revaluation gains accumulated on property, plant and equipment prior to 1 April 2007, the date the revaluation reserve was created to hold such gains.

	2022/23	2021/22
	£000	£000
Balance at 1 April	(13)	(13)
Movement in Year	0	0
Balance at 31 March	<u>(13)</u>	<u>(13)</u>

# ANNUAL GOVERNANCE STATEMENT

## Introduction

The past three years have been demanding for elected members and officers and, post Covid, there remains no shortage of challenges and difficulties which put additional strain on the Council's resources and governance arrangements. The significant financial strain on resources only increases the pressures on service delivery and the need for innovative solutions, effective service delivery and greater partnership in the City is evident. Despite these challenges the Council's governance has been effective during this period, although the strains on the system cannot be underestimated and there is a need for improvements to be made to tighten controls and provide greater support to frontline services. The Council has also had to take steps to support refugees impacted by the war in Ukraine, which has involved setting up a project team and has required input from across the Council. Partnership working has been a key factor, as well as close co-operation with the UK and Scottish Governments.

## Scope of Responsibility

The City of Edinburgh Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, effectively and ethically. The Council also has a statutory duty, under the Local Government in Scotland Act 2003, to make arrangements to secure best value, which is demonstrated by continuous improvement in the way its functions are carried out.

In discharging these responsibilities, elected members and senior officers are responsible for implementing effective arrangements for governing the Council's affairs, and facilitating the effective exercise of its functions, including securing appropriate arrangements for the identification and management of risk.

This statement also covers the organisations included in the Council's Group Accounts, a list of which is included on page 43 of the Accounts.

## Council's Strategy and Vision

In February 2021 the Council approved a new Council Business Plan: Our Future Council, Our Future City which set out the Council's strategic priorities and how the aims set out in the Community Plan would be taken forward over the next 3 years. In June 2022 it was agreed that a refreshed business plan would be submitted for consideration. A revised business plan was agreed by Council in December 2022 and further updated in March 2023 following the budget.

The plan sets out three strategic priorities that will be the focus for all Council teams over the next phase of the city's development and for the way the Council will reform its services. These three strategic priorities are:

- Create good places to live and work;
- End poverty in Edinburgh; and
- Become a net-zero city by 2030.

To meet these three strategic priorities, the business plan identifies the specific outcomes, objectives and actions that Council services will deliver during 2023-27. The plan is also aligned to the Council Budget and the strategic priorities in this plan should be used to guide and inform resource allocation, including implementing service reductions in areas of lower impact and strategic priority, and exploring options to deliver all services differently.

## Decision making structures

### Political Governance Arrangements

The Council operates an executive committee structure (see figure 1.1) which consists of six executive committees which are responsible for policy and financial decision making and scrutiny within their designated areas of responsibility. These executive committees are Policy and Sustainability; Culture and Communities; Education, Children and Families; Finance and Resources; Housing, Homelessness and Fair Work; and Transport and Environment. The Finance and Resources Committee is the committee responsible for monitoring the Council's financial plan, as well as the revenue and capital budgets and general budget policy.

The Governance, Risk and Best Value Committee is responsible for seeking assurance over the adequacy of governance and risk management frameworks and the internal control environment. It also scrutinises the Council's financial and non-financial performance, approves and monitors progress against the internal audit risk-based plan and monitors performance of the internal audit service.

The Council also operates a range of other committees, some of which are quasi-judicial, such as the Development Management Sub-Committee and the Licensing Sub-Committee, to consider individual applications.

# ANNUAL GOVERNANCE STATEMENT

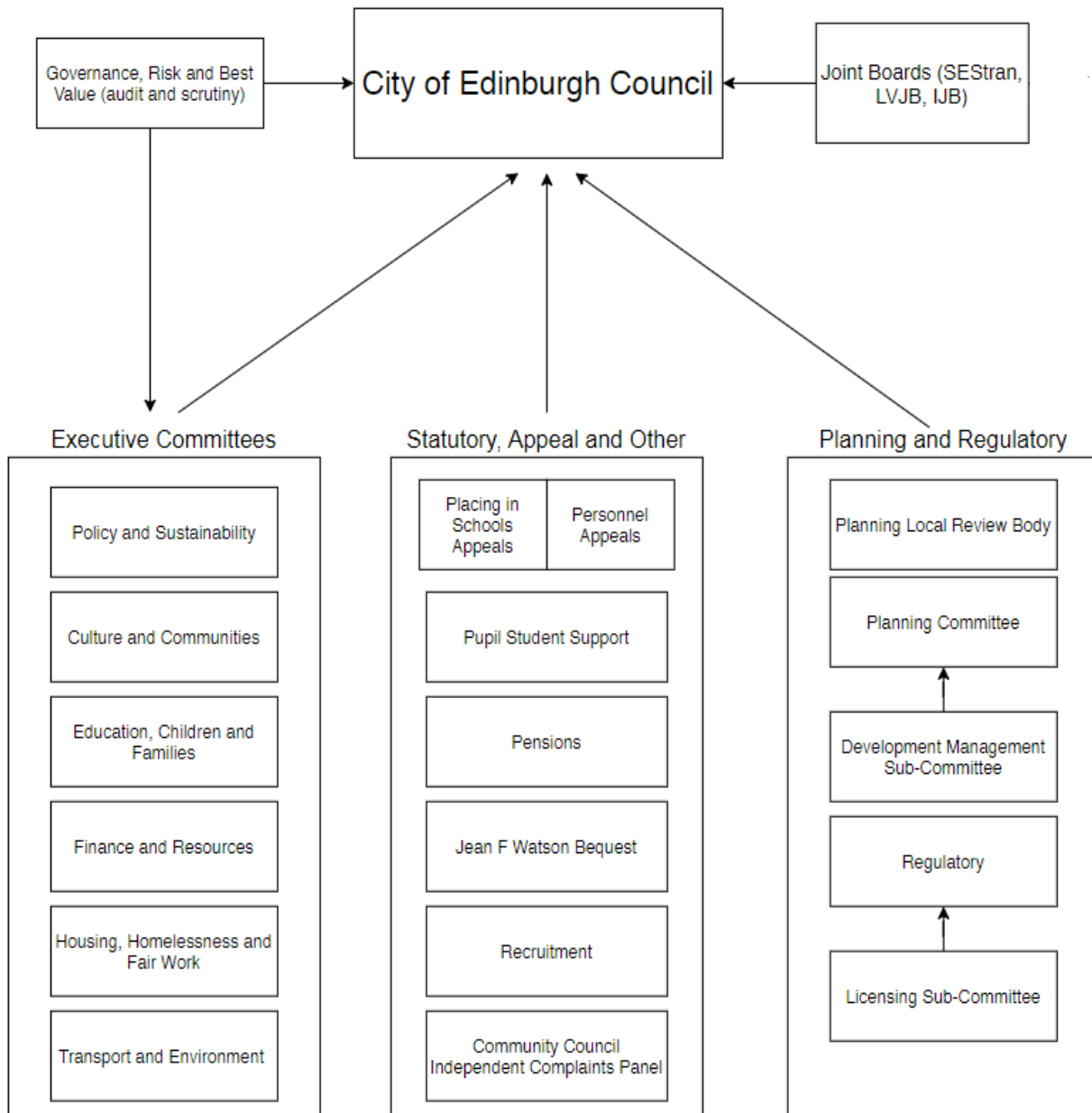


Figure 1.1 Executive Committee Structure

## Officer Decision Making

The Corporate Leadership Team (CLT) meets weekly, led by the Chief Executive, and includes all executive directors and key officers including the Section 95 Officer and Monitoring Officer.

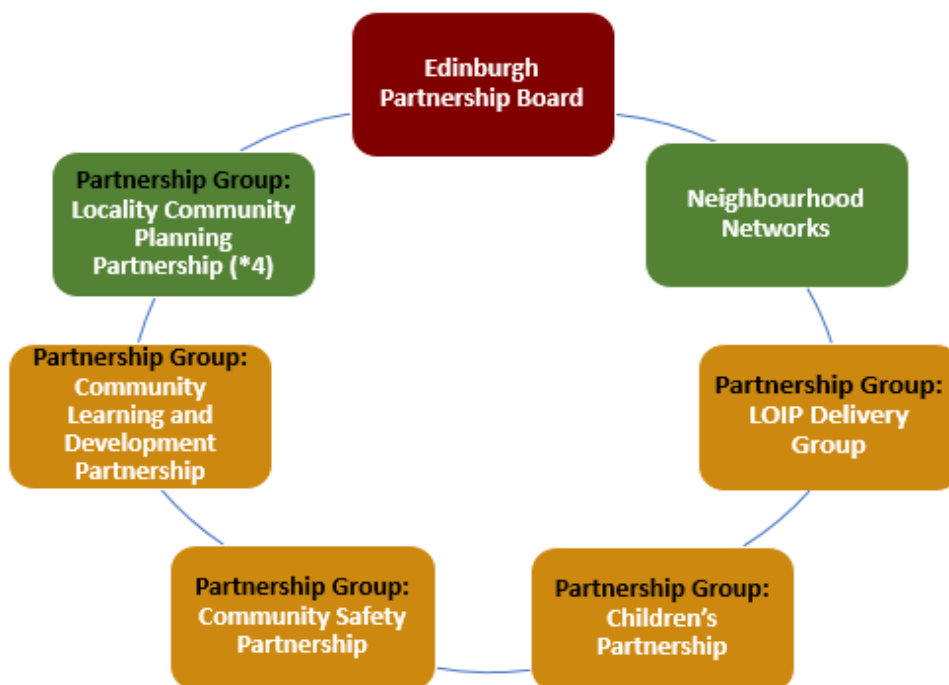
CLT is supported by a range of groups covering key matters such as risk, health and safety and programme management. There is a robust health and safety reporting structure which includes directorate health and safety groups, a quarterly Council health and safety group and a quarterly consultative forum involving the trade unions. Health and safety working groups are in place for key life safety issues including: fire; water safety; and asbestos. All directorates have risk and assurance committee meetings at least quarterly and ensure appropriate escalation of risks. The CLT also has a specific risk committee meeting which reviews the corporate risk register on a quarterly basis.

A key area of governance for the Council is its involvement in national, regional and city-wide bodies. The Chief Executive and members of CLT represent the Council on a number of groups. Examples of these include SOLACE, Scottish Government Directors, City Deal Executive, Edinburgh Guarantee and Edinburgh Chamber of Commerce Council. Partnership working has increased during the Pandemic, building on strong relationships and the need to work together to provide holistic solutions for the City and its region. Arm's Length External Organisations (ALEOs) reporting in terms of the Annual Governance Statement is reported through assurance schedules being submitted to their relevant directorate. The Executive Director then determines whether they feel it is appropriate for any issues highlighted to be included in their assurance schedules and reported in the Annual Governance Statement.

# ANNUAL GOVERNANCE STATEMENT

## Partnership Working

The Council plays an important role in the Edinburgh Partnership, the Community Planning Partnership in Edinburgh, and its community planning structure. The framework agreed by the Edinburgh Partnership comprises a Board, four city wide partnerships, four locality partnerships and thirteen neighbourhood networks. The arrangements are designed to support a different way of working and to support the delivery of the Partnership's priorities for the city as set out in the community plan. The plan focuses on reducing poverty and inequality in the city through making sure people have enough money to live on; access to work, learning and training opportunities; and have a good place to live.



The Council, NHS Lothian and the Edinburgh Integration Joint Board work closely together in delivering a more caring, healthier and safer Edinburgh. Responsibility for the budget does not sit with the Council but it plays a key role in supporting the processes in place to ensure sound financial management and budget control.

## Internal Controls

A significant part of the governance framework is the system of internal controls in place to ensure that risks are being identified and managed effectively. The Council has adopted a local Corporate Governance Code (CGC). The CGC is based on the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives and Senior Managers (SOLACE) model framework Delivering Good Governance in Local Government. The CGC outlines how the Council embeds good governance throughout the organisation and is available on the Council's website.

## Review of Effectiveness

An assurance statement on the effectiveness of the system of internal controls has been provided and was informed by:

- the work of the Corporate Leadership Team which develops and maintains the governance environment;
- the certified annual assurance statements provided by all Executive Directors;
- the certified assurance statements provided by the Chief Executives and Directors of Finance of the Council's group companies;
- council officers' management activities;
- the Chief Internal Auditor's annual report and internal audit reports, risk-based, across a range of Council services;
- reports from the Council's external auditor; and
- reports by external, statutory inspection agencies.

In November 2020 the Accounts Commission published Best Value Assurance report into the City of Edinburgh Council. The report highlighted a number of key achievements and areas for the Council to improve since the 2016 Best Value Audit and reflects on this as mixed progress.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

### **Best Value and Strategy and Vision**

The key achievements outlined in the Best Value Assurance report include:

- The Council's ambitious plans for the City specifically, referencing the Council's Sustainability Programme, approach to tackling poverty, major housing and community regeneration projects in Fountainbridge, Meadowbank and at Granton Waterfront; retail, hospitality and cultural developments, such as the St James Quarter; and extending the tram network;
- The Council's long track record of maintaining revenue expenditure within budget;
- Aspects of leadership and service performance. Specifically, refencing improved performance across many of KPIs – schools and education, waste and cleansing and time taken to process benefit and grant claims;
- Improvements in asset management, procurement and risk management.

The Best Value Assurance report also notes areas where further progress is required:

- To align better strategic priorities;
- The implementation of effective community planning governance arrangements, the pace of change within the Community Planning Partnership and community empowerment;
- The Council's approach to self-assessment, continuous improvement and public performance reporting; and
- Long-term financial planning and workforce planning.

The Chief Executive put in place an improvement plan for all the areas of improvement outlined in the Best Value Audit report and updates on progress have been reported throughout the year. As outlined above, the Business Plan has been created to ensure strategic priorities are aligned to a set of key priorities. Changes have been made to ensure the Council is working to the business plan, including senior management structural changes and work will continue to align work streams and governance with the Business Plan and the priorities within.

As outlined earlier, the Best Value report highlighted that the Council and its partners had not established effective community planning governance arrangements. The report acknowledged that it was too early to conclude if the review undertaken in 2019 would effectively support the Partnership to deliver the Local Outcome Improvement Plan (LOIP). There was further commentary on the Partnership not delivering effective Local Improvement Plans. The Edinburgh Partnership has considered the recommendations outlined in the Best Value report and has agreed a series of actions to address the concerns, with a number of these being led by the Council. This includes a partnership plan to deliver the 20 minute neighbourhood model, strengthening the resourcing and capacity to support neighbourhood networks and developing a framework for collaboration with the Edinburgh Association of Community Councils and Community Councils themselves.

Elected member training was addressed in a comprehensive induction training programme following the local government elections. The initial training programme was designed for both new and returning councillors and included mandatory training on subjects such as the Code of Conduct which was been completed by all 63 members. Recommended and committee-specific training was also well attended, particularly by new members, and each training session was delivered twice with an online and in-person option to allow members the best opportunity to attend at a convenient time. Sessions were also recorded and stored for future viewing on the member's section of myLearning Hub, the Council's online learning portal.

The Council agreed a new Consultation Policy in April 2021, recognising the need to strengthen community engagement but also introduce more robust controls to manage significant consultations. The policy strengthens the management and governance of consultation activity by introducing a sign off process to ensure oversight and challenge at an early stage. The policy and framework have provided additional support and guidance for Council officers when conducting a consultation. The framework also includes a self-assessment exercise and a Panel to consider significant consultations with an escalation to the Corporate Leadership Team for those consultations rated highest in the criteria. The review of the Policy found that the policy itself was understood widely by officers and the additional guidance and support was beneficial. The review did however note that there was often confusion between what constituted engagement and what was consultation, and that the standard 12 week consultation period was too inflexible for smaller consultations. The implementation of the Consultation Policy and framework has supported the improvement of consultations from the Council, it has provided consistency and guidance and raised the overall quality of Council consultations. The consultation advisory panel and the control and escalation aspect of the framework adds a layer of assurance and is a practical tool in improving the quality of consultations. Improvements following the review will make the policy and framework more agile and flexible, but caution should be exercised that the control elements of the framework are not diminished by the additional flexibility.

An integrated planning and performance framework was approved in June 2021 and aimed to ensure that the Council's priorities and outcomes, as established by the Business Plan were translated into clear actions and performance measures which would be monitored, actioned and delivered. The framework aimed to create a culture of robust performance management and continuous improvement. The approach has embedded a "golden thread" between the Business Plan, annual directorate and divisional plans and colleague annual performance conversations. Performance scorecards and trend dashboards are also aligned to plans and monitored regularly.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

An updated Planning and Performance Framework 2023-2027 was agreed in March 2023. This did not change the approach, model or methodology from what was agreed in June 2021 but was updated to align with the new revised business plan. The updated Planning and Performance Framework 2023 -2027 primarily focuses on:

- our approach to measuring the Business Plan priorities and outcomes and how we will track the actions detailed in the delivery plan;
- the key measures we will use to measure the delivery of the Business Plan;
- the development of the Public Performance Scorecard measures to further enhance performance reporting and monitoring.

The Council agreed a three-year People Strategy in April 2021. The Strategy sets out what employees should expect from the Council as their employer and what the Council expects from its workforce. The Strategy has three themes:

- Living our behaviours;
- Maximising our capacity and performance; and
- Enhancing our colleague experience.

The People Strategy should also be cross-referenced with the Strategic Workforce Plan 2021-2024 which sets out how the Council addresses the gaps between its current workforce and the future workforce needed to meet the priorities of the Business Plan.

## Election

In May 2022, the local government elections were held, and a new Council was elected. The election was carried out smoothly and successfully with a turnout of 47.2%. This election resulted in 32 new members joining the Council.

## Decision Making

During the Covid-19 pandemic remote meetings were established to allow the committee system to operate whilst physical distancing rules were in place. In 2021-22, as the rules surrounding physical distancing relaxed, hybrid meetings were trialled to allow for physical meetings to resume while retaining the added benefits of flexibility by allowing some members and officers to join remotely. These meetings were successful and, although meetings have continued to take longer than pre-Covid, the system has run effectively, with meetings continuing to be webcast and available to the public in the archive. In 2022/23 physical meetings have resumed and the majority of meetings are now physical meetings held in the City Chambers but with a hybrid option to allow members, officers and deputations to appear virtually if this is convenient.

In December 2022, the political management arrangements of the Council were reviewed. The review concluded that the current committee model had some deficiencies and imbalances, but it was not fundamentally flawed; indeed it was functioning well and facilitated competent and lawful decision-making. However, the review also found that the City of Edinburgh Council model has an extremely high volume of business running through its structure. This volume is significantly greater than other comparable local authorities in Scotland and this has a significant impact on officer resources and on elected member time. Options for changes to the committee model were presented and Council chose to maintain the status quo but with some amendments to improve the balance of workloads for committees.

Although hybrid meetings have generally been very successful, there is concern that having members attend virtually may pose an increased risk in relation to quasi-judicial meetings. This risk needs to be analysed in the context of accessibility and will be considered further later in 2023.

The Council has extensive governance in place at officer level to support operational decision making. The current system has evolved through custom and practice and can sometimes be unwieldy and difficult to navigate. However, improvements could be made to ensure there is a structure in place that is more efficient and better encourages cross-directorate working.

A review of the Council's main governance documentation was carried out in February 2023 and included changes to the Scheme of Delegation to Officers, updating the values within the Scheme and reflecting changes to legislation and the structure of the Council. It also introduced distinct delegation to service directors, reflecting their senior role in the Council and the decisions they are routinely required to take. This delegation is not specific to any service but covers matters relating to staff, health and safety, grant offers and consultations. Changes to Standing Orders were also implemented to improve the effectiveness of committee meetings, however there remain issues with the resource demands of committee meetings and further work is required to consider wider accessibility issues.

Edinburgh was inspected in relation to its multi-agency Adult Support and Protection work in the last quarter of 2022 and a report published in February 2023. The report identified the following areas of weakness:

- requests for capacity assessments;
- case-related chronologies;
- quality of case conferences;
- quality assurance activity;
- social work workforce capacity; and
- consistency of support and protection for all people when required.

# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

A further report was published in March 2023 on adult social work and social care in Edinburgh which identified the following areas for improvement:

- the design, structure, implementation and oversight of key processes, including the assessment of people's needs and in their case management;
- approaches to early intervention and prevention, which were uncoordinated and inconsistent;
- self-directed support, which had not been implemented effectively;
- insufficient support for unpaid carers;
- staff being under considerable pressure and sometimes overwhelmed;
- strategic leadership and management oversight of key processes, meeting legislative requirements, policies, procedures and guidance and to ensure sufficient capacity and capability to deliver safe and effective services for vulnerable people;
- embedding approaches to self-evaluation for improvement and quality assurance;
- Social Work governance with strategic decisions being well informed by a social work perspective.

An improvement plan addressing these weaknesses has been created and is being regularly reported to the Integration Joint Board (IJB) and the Council's Policy and Sustainability Committee.

In early 2023 failings in the delivery of adult social care identified weaknesses with the scrutiny of those services delegated to the IJB. Further work needs to be undertaken in 2023 to ensure that the governance arrangements of the IJB and how this interacts with the Council's committee governance are improved to ensure there is greater clarity on which body carries out the scrutiny of key services and compliance with the duties set out in legislation.

### **Internal Controls**

The Internal Audit team operates in accordance with CIPFA's Code of Practice for Internal Audit and the Public Sector Internal Audit Standards (PSIAS). The team undertakes an annual work programme based on an agreed audit strategy and formal assessments of risk that are reviewed regularly. During the year, the Chief Internal Auditor reported to the Service Director: Legal and Assurance but had free access to the Chief Executive, all Executive Directors and Elected Members along with direct reporting to the Governance, Risk and Best Value Committee.

Each Executive Director has reviewed the arrangements in their directorate and reported on their assessment of the effectiveness of control arrangements, together with any potential areas requiring improvement, to the Chief Executive. Where improvement actions are identified, an action plan will be developed and will be subject to regular monitoring. In reviewing the overall governance framework, the Council has also considered relevant third-party reviews and recommendations. Assurance has also been taken from each organisation's most recent audited accounts, together with the Council's detailed knowledge of these organisations as a consequence of their continued involvement.

Each directorate's assurance schedule is scrutinised by the Governance, Risk and Best Value Committee.

The Council carries out a review each year of the Corporate Governance Code which is then scrutinised by the Governance, Risk and Best Value Committee. The Corporate Governance Code outlines the Council's internal controls and is aligned with the questions in the annual assurance schedules that are issued to directorates. In addition to the Code a self-assessment is carried out which scores the design of the controls in place. The aim is to provide a subjective picture of the quality of the design of controls which will inform the full picture when considering whether directorates have implemented the relevant controls. There is also a benefit of senior officers discussing, reflecting and rating the Council's controls.

The Chief Internal Auditor had highlighted in her 2020/21 annual opinion that the weaknesses identified in internal audit reports are, in part, attributable to and/or exacerbated by a lack of capacity and skills to support effective governance; risk management; control; and assurance activities within first line divisions and directorates. The Chief Executive and Executive Directors have acknowledged that additional resource is necessary to strengthen the Council in these areas and gave a commitment to add additional resource to address the situation. In response, a first line governance and assurance model has been implemented on a permanent basis across the Council. The objective of the new model is to address the concerns highlighted in both current and recent Internal Audit annual opinions in relation to lack of capacity and skills within first line divisions and directorates to ensure that key controls; governance; and risk management processes are consistently and effectively applied, by increasing first line capacity, and first and second line assurance across these areas. Staff have been recruited in the directorates and have now been working to improve controls in their area. Further recruitment has also taken in place in the Governance Team and a new business partnering approach will be initiated in 2023. Work has been ongoing to support directorates but currently there has been insufficient time for this approach to be embedded. A report outlining the wider approach to assurance and how this was being developed with directorates was considered by the Governance, Risk and Best Value Committee in August 2023.

In 2021, the Council asked Susanne Tanner QC, supported by the legal firm Pinsent Masons, to conduct an independent review into the Council's whistleblowing and organisational culture. The review findings were considered by the Council in December 2021 with a report from the Chief Executive in February 2022 setting out how the recommendations in the review would be taken forward.

## ANNUAL GOVERNANCE STATEMENT

### Review of Effectiveness - continued

The Council's whistleblowing arrangements continue to operate with oversight from an independent external service provider, with the autonomy to decide how and by whom investigations take place. The Governance, Risk and Best Value Committee receives a quarterly update on whistleblowing and the whistleblowing policy is reviewed annually by committee. The whistleblowing policy is currently being reviewed and will take on board the recommendations of the Cultural Review. The Council's approach to investigations has also been changed through the recruitment of an investigatory team as recommended by the Tanner Review. This has replaced the previous practice of managers taking on an investigatory role and covers both whistleblowing and HR matters. A new Whistleblowing Sub-Committee of the Governance, Risk and Best Value Committee, a recommendation of the Tanner Review, has also been established with its first meeting in May 2023 and Speak up Supporters (another Tanner Review recommendation) have been appointed and are currently undertaking a programme of training. The Council is well on the way to implementing all of Tanner's recommendations and an update in this regard was provided to Policy and Sustainability Committee in March 2023.

The Whistleblowing annual report in March 2023 confirmed that there had been a significant increase in the number of disclosures in the period from 48 the previous year to over 70. This was highlighted as being significantly higher than the average for the independent provider's client base. The Governance Team has been expanded to help deal with the resource pressures of the increase in disclosures.

External Audit had previously highlighted the importance of adhering to approved member-officer protocols in respect of sensitive information and the importance of all Councillors and senior officers having a clear understanding of their respective rights and responsibilities in relation to information held by the Council. A new Member/Officer Protocol was agreed in August 2022 that removed duplication and improved the flow of the document. The links to the Councillors' Code of Conduct were also updated and strengthened. Sections on the roles of elected members and officers were simplified, restructured and duplication removed to make the document easier to read and to ensure that the guidance was concise and to the point. The rights of access to information section was significantly re-written to reflect that the principle of "need to know" be included in the revised Member/Officer Protocol. This reflected the guidance provided by the Standards Commission and was in line with other local authorities in Scotland.

External Audit concluded in the Annual Accounts for 2021-22 that the governance arrangements at the Council were satisfactory and appropriate.

In compliance with standard accounting practice, the Section 95 Chief Financial Officer has provided the Chief Executive with a statement of the effectiveness of the Group's internal financial control system for the year ended 31 March 2023. It is the Chief Financial Officer's opinion that although a degree of assurance can be placed upon the adequacy and effectiveness of the Group's systems of internal financial control, further improvements, including some embedding of actions taken in response to previous recommendations, are still required.

2022/23 is the second year of implementation of the requirements of the CIPFA Financial Management Code. The Code is designed to support good practice and assist councils in demonstrating their financial sustainability and resilience by setting out expected standards of financial management. The Chief Financial Officer highlighted the focus on embedding improvements introduced throughout the 2021/22 and 2022/23 budget processes and the range of further initiatives underway to strengthen financial management arrangements. However, there continues to be a need for additional savings proposals to be brought forward to maintain the Council's financial sustainability which will require increasingly difficult choices about the Council's priorities including service reductions. Finally, the Chief Financial Officer concluded that further improvements to the effectiveness of current service arrangements in demonstrating value for money and their contribution to wider Council objectives were required.

The urgent need to initiate a structured medium to longer-term savings programme was highlighted in both the Council's Best Value Assurance Report and the external auditor's report for 2020/21. Work has commenced to ensure the development and delivery of a Medium-Term Financial Plan (MTFP) although this has been delayed from the originally anticipated timescale. To date three phases of work have been delivered as follows:

- Phase 1 – May to July 2022 was to develop options and proposals to address the projected budget gap through identifying opportunities for efficiencies/cost improvements, together with prioritisation of activity.
- Phase 2 – August to December 2022 was to lead the development of a project based approach, timeline and process for producing and agreeing a refreshed Council Business Plan, MTFP and budget proposals. This phase also included the design of a comprehensive Change Programme and agreement to a prioritised Year 1 programme to begin in April 2023.
- Phase 3 - January to March 2023 – mobilisation of the Change Programme and projects included in the Year 1 priority programme.

In March 2023, further funding was provided to ensure that the project was fully resourced and to support the development and delivery of the plan.

An audit was carried out on fraud and serious and organised crime in 2022/23. It identified significant and numerous control weaknesses in both the design and effectiveness of the Council's fraud and serious organised crime (SOC) (including anti-money laundering (AML)) control environment and governance and risk management frameworks. A group has been created to monitor the implementation of the audit actions and this work is progressing well in 2023.



# ANNUAL GOVERNANCE STATEMENT

## Review of Effectiveness - continued

A number of senior management appointments have been made in 2023, including recruitment to the permanent Executive Director of Corporate Services post. The Chief Officer of the Integration Joint Board left the Council in May 2023 and interim arrangements have been put in place alongside plans for permanent recruitment.

The Chief Internal Auditor's Annual Opinion for the year ended 31 March 2023 stated that Reasonable Assurance can be placed upon the adequacy and effectiveness of the Council's governance, risk management and internal control systems, reflecting that assurance activity has assessed the Council as having a generally sound system of governance, risk management and control in place.

The Head of Internal Audit regularly reports to the Governance, Risk and Best Value Committee on the progress directorates are making with the closure of open and overdue internal audit actions. This has continued to be a focus for directorates although improvement is still needed in some areas.

Following a whistleblowing disclosure, an investigation into practices and activities within Edinburgh Secure Services identified significant failings over a lengthy period of time (over 10 years). Given the serious and sustained failings recorded in the investigation outcome report, the Monitoring Officer reported these matters to the Council in terms of section 5 of the Local Government and Housing Act 1989 in March 2022. A consolidated improvement plan has been put in place to address the failings and improvements in the governance arrangements within the service and directorate have been put in place by the Executive Director of Children's Services, Education and Justice Services. This has included the creation of an Improvement Board to oversee the delivery of the plan with external organisations represented on the Board as critical friends.

Meeting the demands of new data protection legislation has led to significant increases in the volume of data protection work. The work necessary to deal with complex subject access requests has increased, significantly reducing the number of staff working on Freedom of Information requests. This has resulted in several resource and operational challenges which have had a detrimental effect on related statutory obligations and associated timescales. Remedial plans continue to be maintained to reduce risks in this area and to ensure that statutory obligations are met.

Work is still outstanding on reviewing how the Council works with its Arm's Length External Organisations (ALEOs), in particular examining the Shareholder and Service Level Agreements in place to ensure a greater degree of consistency, alignment with key outcomes and clarity of relationship. The absence of an ALEO framework is an identified weakness that needs to be addressed, with work commencing in 2023 but not expected to be completed until 2024.

In July 2020, the Council approved an approach to reform the Council's transport ALEOs. In August 2021 a preferred approach was agreed by the Council and work is ongoing to reconstitute the ALEOs.

Arrangements for the reporting of the Council's ALEOs have been set out in previous years. However, it has become clear in 2023 that these arrangements are not always strictly followed and a new set of guidance is required to ensure greater understanding of the process.

Following concerns raised at committee, the Council began looking into its governance arrangements for Trusts where it is sole trustee. In August 2021 a report was considered on the governance of trusts run by the Council and in particular Lauriston Castle Trust. The review into governance found that improvements were required both to the Council's governance arrangements surrounding trusts and to the governance of the trusts themselves. A report is expected in Summer 2023 taking forward the improvements outlined in the review.

A Rapid Recovery Transition Plan has been put in place to address, over a five-year period, areas where the homelessness service was not compliant with legislation.

There are established, well exercised, resilience incident management processes and protocols in place to effectively plan for and respond to emergencies. The Council Resilience Group, for example, drives and monitors the Council Resilience Management Programme, reporting to CLT, with the flexibility to convene working groups as required, e.g. Brexit planning. In the event of an incident there is a flexible framework, including directorate and Council-wide levels, that can be stood up as required, reporting to CLT and the appropriate committee(s). The Council feeds into Scotland's resilience structures on a multi-agency basis, through the Lothian and Borders Local Resilience Partnership and East of Scotland Regional Resilience Partnership. The incident management used for Covid-19 is a good example of the effectiveness and agility of these structures.

## ANNUAL GOVERNANCE STATEMENT

### Review of Effectiveness - continued

The Council could improve its reporting and publication of integrated impact assessments (IIAs). There is a need for the Council to evidence how these IIAs are an integral part of decision making, reporting this to committee and demonstrating that this has been scrutinised as part of the decision making process. There is a robust process in place, alongside guidance for officers in how and when IIAs should be carried out which supports officers in the completion and reporting of IIAs but there continues to be a gap in implementation.

The Council's Risk Management Policy describes the Council's overarching risk management approach and is supported by a risk management framework that describes how the policy will be applied by all Council directorates and divisions. A new policy is currently expected to be presented and approved in Autumn 2023. In refreshing the policy good practice has been considered and incorporated from a number of sources, including the risk management guidance included in the Scottish Government's Public Finance Manual; CIPFA; the International Organisation for Standardisation's ISO31000 Risk Management Guidelines; the Institute of Risk Management; and other public bodies. The policy will create a clear, simple framework but the success of the policy will be determined by its implementation across Council directorates.

The Council has adapted how it works on some of its key priorities enabling it to work flexibly with its partners with a view to achieving its ambitious objectives. An example of this is the Poverty Commission where the Council worked with a newly created independent body and chair and agreed that recommendations proposed by the Commission would be used to inform future Council policies and actions to prevent, reduce, and mitigate poverty in Edinburgh. A further example is the governance arrangements that have been set up to support the Climate Strategy and involve partners across the city. A silo Council approach would not deliver the necessary change to realise the Strategy's objectives and the approach taken ensures leadership comes from different organisations and that city-wide solutions can be explored. The flexible governance approach taken in these two examples has enabled the Council to be informed by external experts from across a range of sectors with the aim of achieving better outcomes and work closely with partners to explore city wide solutions while respecting the separate decision making processes for each organisation.

Partnership working strengthened considerably over the Covid-19 pandemic and though engagement with local communities has been more challenging, there has been progress on how the Council works with communities. The Council is aware of the need to constantly improve how it empowers communities and is reviewing its locality arrangements to see how it can best support this work.

The status of the previous year's actions is outlined below. Where actions are incomplete, they will be rolled forward and their progress will be monitored alongside the new actions.

	<b>Governance Issue</b>	<b>Responsible Party</b>	<b>Status</b>
1	Implementation of the Risk Framework	Service Director: Legal and Assurance	Autumn 2023
2	Rollout of governance and assurance framework	Service Director: Legal and Assurance	In progress
3	Agreement of the Member/Officer protocol	Service Director: Legal and Assurance	Completed August 2022
4	Review of the Scheme of Delegation to Officers	Service Director: Legal and Assurance	Completed February 2023
5	Review of Political Management Arrangements	Service Director: Legal and Assurance	Completed December 2022
6	Implementation of the recommendations from the Tanner Review	Chief Executive, Service Director; Human Resources and Service Director: Legal and Assurance	Expected to be completed by end of 2023
7	Implementation of Corporate ALEO framework	Service Director: Legal and Assurance	In progress - expected Spring 2024
8	Implementation of the review into governance of Trusts	Service Director: Legal and Assurance	In progress - direction of travel on Lauriston Castle Trust, August 2023
9	Development of a medium term financial plan	Executive Director of Corporate	In progress

## ANNUAL GOVERNANCE STATEMENT

Following the review of effectiveness and the assurance statements from directorates and ALEOs, the following actions (in addition to those carried forward from 2022/23) have been identified to improve the Council's governance arrangements:

	Action	Action Owner	Action Deadline
1	Review of effectiveness of current arrangements for developing and reporting Integrated Impact Assessments	Head of Strategic Change and Delivery	December 2023
2	Review of effectiveness of current scrutiny arrangements for services delegated to Edinburgh Integration Joint Board, particularly as these interact with the Council's committee governance structures	Head of Democracy, Governance and Resilience	December 2023
3	Review of effectiveness of current officer-level governance structures and procedures	Head of Democracy, Governance and Resilience	March 2024
4	Implementation of agreed improvement actions resulting from investigation into practices and activities within Edinburgh Secure Services	Executive Director of Children's, Education and Justice Services	December 2023

### Conclusion

In conclusion, the Council's governance and control framework provides a satisfactory level of assurance, although there is a need for improvements to be embedded and sustained within services. The Council understands its areas for improvement and there are robust arrangements to deal with issues when they do arise. Improvements are needed in a number of areas to ensure that the Council's controls are strengthened and embedded fully and in particular capacity issues in services have to be addressed. There has been a strong commitment shown by the Chief Executive and Executive Directors in providing additional resource to address weaknesses when they are identified.

### Certification

It is our opinion that, in light of the foregoing, assurance can be placed upon the adequacy and effectiveness of City of Edinburgh Council and its Group's systems of governance. The annual review demonstrates sufficient evidence that the Code is operated effectively, and the Council and its Group comply with the Local Code of Corporate Governance in all significant respects.

ANDREW KERR  
Chief Executive

CAMMY DAY  
Council Leader

Date:

Date:

## REMUNERATION REPORT

The Council is required under statute to provide information on the remuneration of each senior officer and each senior elected member, together with any other officer not otherwise included whose remuneration was over £150,000 during the year covered by these accounts. In addition, the Council is required to provide information for the most senior employee within each of its subsidiary companies, together with all other employees whose remuneration exceeds £150,000 in that year.

The information disclosed in the tables Remuneration Paid and Members' Salaries and Expenses on pages 133 to 136, Number of Employees by Pay Band and Exit Packages on page 137 and Pension Rights on pages 138 to 142 in this remuneration report has been audited by Audit Scotland. The other sections of the remuneration report were reviewed by Audit Scotland to ensure that they are consistent with the Financial Statements.

### Remuneration Arrangements Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) as amended by the Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2017. The Regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Civic Head (the Lord Provost), senior councillors or councillors. The Leader of the Council and the Civic Head cannot be the same person for the purposes of payment of remuneration. A senior councillor is a councillor who holds a significant position of responsibility in the Council's political management structure.

When determining the level of Councillors' remuneration, Scottish Ministers consider the recommendations of the Scottish Local Authority Remuneration Committee (SLARC). SLARC's recommendations were first implemented for councillors elected in the local government elections in May 2007. SLARC was stood down as a committee in February 2013, but the principles of its work continue. In 2022, SLARC was reconstituted to undertake a review on Councillors' remuneration with a final report, including recommendations, to be presented to the Minister for Local Government, Empowerment and Planning by the end of November 2023.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2022/23, the remuneration for the Leader of the City of Edinburgh Council was £58,719. The Regulations permit the Council to remunerate one Civic Head. The Regulations set out the maximum remuneration that may be paid to the Civic Head (currently the Lord Provost). For 2022/23 this was £44,039. The Council's policy is to pay the Civic Head at the national maximum.

The Regulations also set out the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have (24 for the City of Edinburgh Council). The maximum yearly amount that may be paid to a Senior Councillor is 75% of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all Senior Councillors shall not exceed £763,323. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their remuneration within these maximum limits. The Council's current policy is summarised below:

	No. of Posts	% of amount payable to Leader of the Council
Depute Leader of the Council	1	75%
Depute Convener	1	50%
Conveners of Culture and Communities, Housing, Homelessness and Fair Work, Education, Children and Families, Finance and Resources, Planning, Regulatory, Transport and Environment, Development Management Sub-Committee, Licensing Board and Integration Joint Board Committees	10	62.5%
Convener of Governance, Risk and Best Value	1	50%
Vice-Convener of Licensing Board	1	50%
Opposition Group Leaders - Conservative, Green, Liberal Democrat Groups, Scottish National Party	4	50%

In addition, the Council has an arrangement with the Joint Boards to reimburse the Council for any additional costs for councillors that arise from their being a Convener or Vice Convener of the Joint Boards.

# REMUNERATION REPORT

## Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for Chief Officials of Scottish local authorities. Circular CO/152 set the amount of salary for the Chief Executive of the City of Edinburgh Council for the period April 2022 to March 2023.

There is no formal percentage relationship for salaries between the Chief Executive and other chief officers. The national salary points to be applied to Executive Directors and Service Directors posts are determined using the Hay job evaluation method. The decision on whether there is to be an annual pay increase applied to the national salary points, and at what level, for Chief Executive and Chief Officer posts is made by the SJNC for local authority services and thereafter applied locally by the Council.

The council has a number of subsidiary bodies, which are governed via their company documents, service agreements and boards of directors. The council is represented on each of the subsidiary bodies boards but does not have any direct influence over the remuneration arrangements for the employees of any of these subsidiary bodies. The powers to set remuneration for employees lies solely with the board of each subsidiary

The Integration Joint Board Chief Officer is a joint appointment and the terms and conditions, including pay for the post, are set by the Council, who employ the post holder directly. The appropriate costs are then recharged to NHS Lothian and the Integration Joint Board.

## Remuneration Paid

The following tables provide details of the remuneration paid to the Council's Senior Councillors, Senior Employees and the remuneration paid to the Chief Executive (or the most senior manager of that body) of each of the Council's subsidiary bodies. Where a Councillor has held more than one post during the year, he/she is only included once within the following table. Salary, fees and allowances represents the total amount received during the year, where the individual was a Senior Councillor for part or all of the year.

There have been a number of changes in Senior Councillors during the year, mainly as a result of the local government election held on 5 May 2022. The new administration was formed on 26 May 2022 therefore the senior roles were vacant from the date of the election to this date, unless otherwise stated. Former senior roles ended on 4 May 2022.

	Salary, Fees and Allowances £	Taxable Expenses £	Non-Cash Expenses / Benefits- -in-kind £	Total Remun. 2022/23 £	Total Remun. 240,722 £
<b>Council's Leader, Civic Head and Senior Councillors</b>					
C. Day, Leader of the Council (full year equivalent)	55,194 58,719	0	2,582	57,775	42,339
R. Aldridge, Lord Provost and Liberal Democrat Group Leader (to 04.05.22) (full year equivalent)	41,303 44,039	0	374	41,677	27,908
M. Watt, Deputy Leader of the Council and Convener Finance and Resources and Vice Convener Housing, Homelessness and Fair Work (to 04.05.22) (full year equivalent)	41,303 44,039	0	746	42,049	28,634
L. M. Cameron, Depute Convener (full year equivalent)	26,386 29,360	0	736	27,123	18,304
<b>Former Civic Head</b>					
F. Ross, Lord Provost* (full year equivalent)	16,257 44,039	0	209	16,466	42,075

## REMUNERATION REPORT

### Remuneration Paid - continued

Council's Leader, Civic Head and Senior Councillors - continued	Salary, Fees and Allowances £	Taxable Expenses £	Non-Cash Expenses / Benefits-in-kind £	Total Remun. 2022/23 £	Total Remun. 2021/22 £
<u>Conveners (FYE £36,699)</u>					
V. Walker, Convener Culture and Communities	32,227	0	129	32,356	n/a
J. Griffiths, Convener Education, Children and Families	35,068	0	205	35,273	28,048
J. Meagher, Convener Housing, Homelessness and Fair Work	32,227	0	121	32,347	n/a
S. Arthur, Convener Transport and Environment	34,121	0	42	34,162	18,604
K. Campbell, Convener Governance, Risk and Best Value (from 30.06.22) and Convener Housing, Homelessness and Fair Work (to 04.05.22)	30,807	0	726	31,533	35,011
L. Young, Convener Licensing Board	34,121	0	126	34,247	18,604
J. Mowat, Convener of Licensing Sub-Committee and Convener Governance, Risk and Best Value (to 04.05.22)	35,068	0	726	35,794	28,034
J. Dalgleish, Convener Planning	32,227	0	6	32,232	n/a
N. Ross, Convener Regulatory	34,121	0	126	34,247	18,604
H. Osler, Convener Development Management Sub-Committee	34,121	0	126	34,247	18,730
T. Pogson, Chair Edinburgh Integration Joint Board	32,227	0	122	32,348	n/a
<u>Former Conveners</u>					
D. Wilson, Convener Culture and Communities*	3,552	0	126	3,678	35,011
I. Perry, Convener Education, Children and Families*	3,552	0	6	3,558	35,011
R. Munn, Convener Finance and Resources*	3,552	0	42	3,594	35,000
L. Macinnes, Convener Transport and Environment	21,229	0	126	21,355	35,011
N. Work, Convener Licensing Board	21,229	0	148	21,376	35,052
N. Gardiner, Convener Planning	21,229	0	124	21,353	35,011
C. Fullerton, Convener Regulatory	21,229	0	128	21,356	35,011
R. Henderson, Chair Edinburgh Integration Joint Board*	3,552	0	79	3,630	35,011
<u>Vice-Conveners (FYE £29,360)</u>					
J. Rust, Vice Convener Licensing Board (from 26.05.22)	27,886	0	726	28,612	18,604

\* - indicates former councillor

# REMUNERATION REPORT

## Remuneration Paid - continued

Council's Leader, Civic Head and Senior Councillors - continued	Salary, Fees and Allowances £	Taxable Expenses £	Non-Cash Expenses / Benefits-in-kind £	Total Remun. 2022/23 £	Total Remun. 2021/22 £
<u>Former Vice-Conveners</u>					
A. McNeese-Mechan, Vice Convener Culture and Communities	20,518	0	266	20,784	28,075
E. Bird, Vice Convener Education, Children and Families*	4,143	0	49	4,192	18,730
K. Doran, Vice Convener Transport and Environment*	2,841	0	2	2,843	28,114
M. Child, Vice Convener Planning*	2,841	0	49	2,891	28,034
D. Dixon, Vice Convener Regulatory*	20,518	0	126	20,645	28,034
<u>Opposition Group Leaders (FYE £36,699)</u>					
I. Whyte, Conservative Group	35,068	0	600	35,668	28,624
A. Mumford, Green Group Co-Leader (from 22.09.22 to 05.02.23)	25,963	0	734	26,697	n/a
B. Parker, Green Group Co-Leader (from 06.02.23)	20,277	0	722	20,999	n/a
K. Lang, Liberal Democrat Group	34,121	0	49	34,170	18,604
A. McVey, Scottish National Party and and Leader of the Council (to 04.05.22)	37,909	0	727	38,636	56,842
<u>Former Opposition Group Leaders</u>					
C. Miller, Green Group Leader (to 30.06.22)	22,174	0	126	22,300	21,893
A. Staniforth, Green Group Co-Leader (from 01.07.22 to 21.09.22)	21,436	0	126	21,562	18,730
<u>Councillors</u>					
A. Beal, Vice Convener to the Lothian Valuation Joint Board (from 13.06.22) (Note 1) (full year equivalent)	20,615 23,244	0	722	21,338	n/a
D. Key, Convener to the Lothian Valuation Joint Board (to 04.05.22) (Note 1) (full year equivalent)	20,045 24,467	0	96	20,141	23,353

\* - indicates former councillor

### Notes:

1. The amount recharged to Lothian Valuation Joint Board in 2022/23 was £3,412.18 (2021/22 £4,676.82). Expenses relate to Councillor role.
2. During 2022/23, the overall pay award for Senior Councillors was 5.2%.
3. For Councillors whose Senior role has covered part-year, the Salary, Fees and Allowances disclosed relates to the full year remuneration, not just the current appointment.
4. Non-Cash Expenses / Benefits-in-kind include payments for mobile phones, accommodation, training courses, bus passes and other travel.

### Members' Salaries and Expenses

The Council paid the following amounts to members of the Council during the year (these sums include the totals shown above):

	2022/23 £	2021/22 £
<b>Salaries</b>	1,568,090	1,503,070
<b>Expenses</b>		
<i>Claimed by councillors</i>	42	72
<i>Paid directly by the Council</i>	31,602	12,301
<b>Total</b>	<u>1,599,734</u>	<u>1,515,443</u>

## REMUNERATION REPORT

### Remuneration Paid - continued

#### Remuneration paid to Senior Officers

	Salary, Fees and Allowances	Non-Cash Expenses / Benefits- in-kind	Total Remun. 2022/23	Total Remun. 2021/22
	£	£	£	£
<b>Council's Senior Officers</b>				
A. Kerr, Chief Executive (Note 1)	189,834	3,472	193,306	180,364
A. Hatton, Executive Director of Education and Children's Services	171,237	614	171,851	67,520
J. Proctor, Integration Joint Board Chief Officer (Note 2)	85,074	276	85,350	81,374
P. Lawrence, Executive Director of Place	170,149	412	170,561	162,247
J. Irvine, Chief Social Work Officer (to 16.09.22) (full year equivalent)	62,519 125,563	1,488	64,006	122,888
Dr. D. Smart, Executive Director of Corporate Services (full year equivalent)	14,204 170,149	34	14,238	n/a
R. Carr, Interim Executive Director of Corporate Services	191,520	284	191,804	18,900
H. Dunn, Service Director - Finance and Procurement	127,786	255	128,041	120,936
<b>Total</b>	<b>1,012,323</b>	<b>6,835</b>	<b>1,019,157</b>	<b>754,229</b>

#### Notes:

1. Remuneration shown above excludes any fees payable in respect of returning officer or other election duties. The approved remuneration for A Kerr for Returning Officer Duties in 2022/23 amounted to £3,568.
2. J. Proctor was the Chief Officer of the Integration Joint Board and was employed by the City of Edinburgh Council where 50% of her salary costs were recharged to the EIJB and NHS Lothian. The above figures therefore show the Council's share.
3. The City of Edinburgh Council entered into a contract with GatenbySanderson Limited for the services of R. Carr to 06.03.2023. The cost of this contract for 2022/23 is shown above, this includes fees of £24,320.
4. Non-Cash Expenses / Benefits-in-kind include payments for mobile phones, conferences/workshops, travel and accommodation.

#### Council Subsidiary Companies

EICC is a subsidiary company of CEC Holdings Limited. Figures shown for this company, Edinburgh Trams Ltd. and Lothian Buses Ltd. are for the years ended 31 December 2022 and 2021 respectively.

	Salary, Fees and Allowances	Bonus	Other Benefits	Total Remun. 2022/23	Total Remun. 2021/22
	£	£	£	£	£
<b>Council's Subsidiary Companies</b>					
M. Dallas, Chief Executive, EICC	158,711	72,280	0	230,991	157,326
R. Hunter, Chief Executive, Capital City Partnership	79,926	0	0	79,926	74,957
<u>Transport for Edinburgh</u>					
G. Lowder, Chief Executive	155,213	0	2,237	157,450	154,225
<u>Lothian Buses Ltd.</u>					
S. Boyd, Interim Managing Director (Note 1)  (full year equivalent)	139,100 180,000	0	1,557	140,657	0
N. Serafini, Interim Managing Director (Note 2)  (full year equivalent)	163,887 187,920	0	2,911	166,798	186,650
<u>Edinburgh Trams Ltd.</u>					
L. Harrison, Managing Director	167,115	0	0	167,115	191,441
<b>Total</b>	<b>863,952</b>	<b>72,280</b>	<b>6,705</b>	<b>942,938</b>	<b>764,599</b>

#### Notes:

1. S. Boyd was appointed Interim Managing Director on 12 August 2022.
2. N. Serafini retired on 12 August 2022 and the remuneration paid for 2022/23 includes a payment for holidays in lieu of £25,297.
3. Edinburgh Living MMR LLP is a subsidiary of the Council however there are no employees and therefore no remuneration disclosures.



## REMUNERATION REPORT

### Remuneration Paid - continued

#### Number of Employees by Pay Band

The total number of Council employees receiving more than £50,000 remuneration for the year (including early retirement / voluntary release costs) is shown below.

	2022/23	2021/22		2022/23	2021/22
£50,000 - £54,999	407	436	£120,000 - £124,999	0	3
£55,000 - £59,999	317	229	£125,000 - £129,999	3	1
£60,000 - £64,999	160	134	£130,000 - £134,999	1	0
£65,000 - £69,999	148	114	£135,000 - £139,999	0	0
£70,000 - £74,999	40	21	£140,000 - £144,999	0	1
£75,000 - £79,999	15	22	£145,000 - £149,999	0	0
£80,000 - £84,999	30	22	£150,000 - £154,999	0	1
£85,000 - £89,999	12	15	£155,000 - £159,999	0	0
£90,000 - £94,999	20	6	£160,000 - £164,999	0	2
£95,000 - £99,999	1	0	£165,000 - £169,999	2	1
£100,000 - £104,999	1	1	£170,000 - £174,999	0	0
£105,000 - £109,999	1	1	£175,000 - £179,999	0	0
£110,000 - £114,999	0	5	£180,000 - £184,999	0	1
£115,000 - £119,999	5	2	£185,000 - £189,999	1	0
			<b>Total No. of Employees</b>	<b>1,164</b>	<b>1,018</b>

#### Notes:

- The total number of Council employees in the table above includes the Council's Senior Officers as shown on page 134.
- The total remuneration paid above includes the back dated pay award from 1 January 2023 for staff in scope.

#### Exit Packages

The number of exit packages provided for by the Council and the Group during the year, together with the total cost of those packages is shown in the table below. The total cost shown includes pension strain costs and the capitalised value of compensatory added years payments.

Exit package cost band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
£0 - £20,000							£000	£000
- Council	0	0	3	1	3	1	32	8
- Group companies	0	1	1	0	1	1	10	16
£20,001 - £40,000								
- Council	0	0	2	5	2	5	56	152
- Group companies	0	0	0	0	0	0	0	0
£40,001 - £60,000								
- Council	0	0	1	6	1	6	49	301
- Group companies	0	0	1	0	1	0	48	0
£60,001 - £80,000								
- Council	0	0	1	1	1	1	80	75
- Group companies	0	2	0	0	0	2	0	147
£80,001 - £100,000								
- Council	0	0	1	1	1	1	89	91
- Group companies	0	0	0	0	0	0	0	0
£100,001 - £150,000								
- Council	0	0	0	5	0	5	0	613
- Group companies	0	0	0	0	0	0	0	0
£150,001 - £200,000								
- Council	0	0	0	1	0	1	0	164
- Group companies	0	0	0	0	0	0	0	0
£200,001 - £250,000								
- Council	0	0	0	1	0	1	0	211
- Group companies	0	0	0	0	0	0	0	0
£250,001 - £300,000								
- Council	0	0	0	1	0	1	0	290
- Group companies	0	0	0	0	0	0	0	0
	<b>0</b>	<b>3</b>	<b>10</b>	<b>22</b>	<b>10</b>	<b>25</b>	<b>364</b>	<b>2,068</b>

# REMUNERATION REPORT

## Pension Rights

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. For Pre April 2015 benefits, the councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits. The Post April 2015 benefits are calculated in the same way as Local Government employees.

For local government employees the Local Government Pension Scheme (LGPS) became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

The scheme's normal retirement age for both councillors and employees is linked to the state pension age (but with a minimum of age 65).

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

The tiers and members' contribution rates for 2022/23 were as follows:

<b>Whole Time Pay</b>	<b>Contribution rate</b>
On earnings up to and including £22,300 (2021/22 £22,300)	5.50%
On earnings above £23,001 and up to £28,100 (2021/22 £22,301 to £27,300)	7.25%
On earnings above £28,101 and up to £38,600 (2021/22 £27,301 to £37,400)	8.50%
On earnings above £38,601 and up to £51,400 (2021/22 £37,401 to £49,900)	9.50%
On earnings above £51,401 (2021/22 £49,901)	12.00%

From April 2015, when allocating contribution rates to members, pensionable pay means the actual pensionable pay, regardless of hours worked.

There is no automatic entitlement to a lump sum for members who joined the scheme post April 2009. Members may opt to give up (commute) pension for lump sum or bigger lump sum up to the limit set by the Finance Act 2004.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation - assuming that the person left the related employment or service as at 31st March in the year to which the value relates.

The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government service, and not just their current appointment.

## REMUNERATION REPORT

### Pension Rights - continued

#### Council's Leader, Civic Head and Senior Councillors

The pension entitlements of senior councillors for the year to 31 March 2023 are shown in the table below, together with the contribution made by the Council to each senior councillor's pension during the year.

As noted in the Remuneration Paid information, a new administration was formed on 26 May 2022 therefore the senior roles were vacant from the date of the election to this date, unless otherwise stated. Former senior roles ended on 4 May 2022.

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000
<u>Council's Leader and Civic Head</u>					
C. Day, Leader of the Council	12,529	9,503	Pension	6	2
			Lump Sum	0	0
R. Aldridge, Lord Provost and Liberal Democrat Group Leader (to 04.05.22)	9,376	6,335	Pension	10	3
			Lump Sum	2	0
M. Watt, Deputy Leader of the Council and Convener Finance and Resources and Vice Convener Housing, Homelessness and Fair Work (to 04.05.22)	9,376	6,335	Pension	4	1
			Lump Sum	0	0
L. M. Cameron, Depute Convener	6,024	n/a	Pension	3	n/a
			Lump Sum	0	n/a
<u>Former Civic Head</u>					
F. Ross, Lord Provost*	3,690	9,503	Pension	8	0
			Lump Sum	0	0
<u>Conveners</u>					
V. Walker, Convener Culture and Communities	7,315	n/a	Pension	1	n/a
			Lump Sum	0	n/a
J. Griffiths, Convener Education, Children and Families	7,960	6,335	Pension	6	1
			Lump Sum	0	0
J. Meagher, Convener Housing, Homelessness and Fair Work	7,315	n/a	Pension	1	n/a
			Lump Sum	0	n/a
S. Arthur, Convener Transport and Environment	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a
K. Campbell, Convener Governance, Risk and Best Value (from 30.06.22) and Convener Housing, Homelessness and Fair Work (to 04.05.22)	6,993	7,919	Pension	4	1
			Lump Sum	0	0
L. Young, Convener Licensing Board	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a
J. Mowat, Convener of Licensing Sub-Committee and Convener Governance, Risk and Best Value (to 04.05.22)	7,960	6,335	Pension	6	1
			Lump Sum	0	0
J. Dalgleish, Convener Planning	7,315	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
N. Ross, Convener Regulatory	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a
T. Pogson, Chair Edinburgh Integration Joint Board	7,315	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
H. Osler, Convener Development Management Sub-Committee	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a

\* - indicates former councillor

# REMUNERATION REPORT

## Pension Rights - continued

### Council's Leader, Civic Head and Senior Councillors - continued

	In-year pension contribs.		Accrued Pension Benefits		
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000
<u>Former Conveners</u>					
D. Wilson, Convener Culture and Communities*	806	7,919	Pension	10	0
			Lump Sum	3	1
I. Perry, Convener Education, Children and Families*	806	7,919	Pension	11	2
			Lump Sum	2	0
R. Munn, Convener Finance and Resources*	806	7,919	Pension	2	0
			Lump Sum	0	0
L. Macinnes, Convener Transport and Environment	4,818	7,919	Pension	4	1
			Lump Sum	0	0
N. Work, Convener Licensing Board	4,818	7,919	Pension	9	1
			Lump Sum	2	0
N. Gardiner, Convener Planning	4,818	7,919	Pension	4	1
			Lump Sum	0	0
R. Henderson, Chair Edinburgh Integration Joint Board*	806	7,919	Pension	9	0
			Lump Sum	2	0
<u>Former Vice-Conveners</u>					
A. McNeese-Mechan, Vice Convener Culture and Communities	4,658	6,335	Pension	3	0
			Lump Sum	0	0
E. Bird, Vice Convener Education, Children and Families*	4,223	4,223	Pension	2	0
			Lump Sum	0	0
K. Doran, Vice Convener Transport and Environment*	645	6,335	Pension	5	0
			Lump Sum	0	0
M. Child, Vice Convener Planning*	645	6,335	Pension	13	0
			Lump Sum	20	2
D. Dixon, Vice Convener Regulatory*	4,658	6,335	Pension	6	1
			Lump Sum	0	0
<u>Opposition Group Leaders</u>					
I. Whyte, Conservative Group Leader	7,960	6,335	Pension	10	2
			Lump Sum	3	1
A, Mumford, Green Group Co-Leader (from 22.09.22 to 05.02.23)	6,484	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
B. Parker, Green Group Co-Leader (from 06.02.23)	4,603	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a

\* - indicates former councillor

# REMUNERATION REPORT

## Pension Rights - continued

### Council's Leader, Civic Head and Senior Councillors

	In-year pension contribs.			Accrued Pension Benefits	
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000
<u>Opposition Group Leaders - continued</u>					
K. Lang, Liberal Democrat Group Leader (from 26.05.22)	7,745	n/a	Pension	3	n/a
			Lump Sum	0	n/a
A. McVey, Scottish National Party Group Leader (from 26.05.22) and Leader of the Council (to 04.05.22)	8,605	12,670	Pension	10	1
			Lump Sum	0	0
<u>Former Opposition Group Leaders</u>					
C. Miller, Green Group Leader (to 30.06.22)	5,034	4,939	Pension	7	1
			Lump Sum	0	0
A. Staniforth, Green Group Co-Leader (from 01.07.22 to 21.09.22)	4,866	n/a	Pension	3	n/a
			Lump Sum	0	n/a
<u>Councillors</u>					
A. Beal (including role as Vice Convener of Lothian Valuation Joint Board from 13.06.22)	4,679	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
D. Key (including role as Convener of Lothian Valuation Joint Board to 04.05.22)	4,550	5,279	Pension	5	1
			Lump Sum	0	0

All senior councillors shown in the above table are members of the Local Government Pension Scheme. Not all senior councillors are members of the Local Government Pension Scheme. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, including any service with a Council subsidiary body, and not just their current position.

### Senior Employees

The pension entitlements of senior employees for the year to 31 March 2023 are shown in the table below, together with the contribution made by the Council to each senior employee's pension during the year.

	In-year pension contribs.			Accrued Pension Benefits	
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000
A. Kerr, Chief Executive	n/a	n/a	Pension	9	0
			Lump Sum	0	0
A. Hatton, Executive Director of Education and Children's Services	38,369	15,326	Pension	n/a	n/a
			Lump Sum	n/a	n/a
J. Proctor, Integration Joint Board Chief Officer (Note 1)	38,624	36,830	Pension	11	3
			Lump Sum	0	0
P. Lawrence, Executive Director of Place	38,624	36,830	Pension	43	7
			Lump Sum	0	0
J. Irvine, Chief Social Work Officer (to 16.09.22)	13,966	27,782	Pension	43	2
			Lump Sum	43	1
Dr. D. Smart, Executive Director of Corporate Services (from 01.03.23)	2,972	n/a	Pension	n/a	n/a
			Lump Sum	n/a	n/a
H. Dunn, Service Director - Finance and Procurement	29,007	27,452	Pension	93	3
			Lump Sum	151	0
Total	<u>161,562</u>	<u>144,220</u>			

### Notes:

- J Proctor was employed by the City of Edinburgh Council and 50% of her salary costs are recharged to the EIJB and NHS Lothian. The above Pension figures show the full contributions but only 50% of these are relevant to the City of Edinburgh Council.

## REMUNERATION REPORT

### Pension Rights - continued

### Senior Employees - continued

#### Notes:

The pension figures shown for senior employees relate to the benefits that the person has accrued as consequence of their total local government / public service and not just their current appointment. Accrued pension benefits relate to the position as at 31 March 2023, or the date of leaving, if that is earlier.

Employees contribute towards their pensions in accordance with the rates set out on page 136.

There are no accrued pension benefits included in the table above if the employee has been a member of the pension scheme for less than 2 years.

The in-year pension contributions include pension strain costs where applicable.

### Council's Subsidiary Companies

The pension entitlements of senior employees within the Council's subsidiary bodies for the year to 31 March 2023 are shown below, together with the contribution made to each senior employee's pension during the year.

	In-year pension contribs.			Accrued Pension Benefits		
	For year to 31.03.2023 £	For year to 31.03.2022 £		As at 31.03.2023 £000	Difference from 31.03.2022 £000	
<u>EICC</u>						
M. Dallas, Chief Executive	18,252	17,464	Pension	n/a	n/a	
			Lump Sum	n/a	n/a	
<u>Lothian Buses Ltd.</u>						
S. Boyd, Interim Managing Director (from 12.08.22)	13,910	0	Pension	n/a	n/a	
			Lump Sum	n/a	n/a	
N. Serafini, Interim Managing Director (to 12.08.22)	6,830	15,667	Pension	55	n/a	
			Lump Sum	51	n/a	
<u>Edinburgh Trams Ltd.</u>						
L. Harrison, Managing Director	25,067	16,256	Pension	n/a	n/a	
			Lump Sum	n/a	n/a	
<u>Capital City Partnership</u>						
R. Hunter, Chief Executive	16,225	16,341	Pension	23	4	
			Lump Sum	16	1	
Total	<u>80,284</u>	<u>65,728</u>				

EICC is a subsidiary company of CEC Holdings Limited. Figures shown for this company, Edinburgh Trams Ltd. and Lothian Buses Ltd. are for the years ended 31 December 2022 and 2021 respectively.

R. Hunter is the only current member of the Local Government Pension Scheme in the above table. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total relevant service and not just their current appointment.

There are no accrued pension benefits included in the table above if the employee has been a member of the pension scheme for less than 2 years and/or if they are not members of the Local Government Pension Scheme.

The in-year pension contributions include pension strain costs where applicable.

### Trade Union (Facility Time Publication Requirements) Regulations 2017

The Council is required to report a range of information on facility time made available to its employees who are trade union representatives.

For the reporting year 2022/23, the equivalent of 11.6 FTE (across 17 individuals) of paid facility time was made available, with an associated cost of £0.50m. This sum equates to 0.10% of the Council's overall payroll.

Of the total time made available, eight individuals spent 100% of time during the year on trade union-related activities, three between 51% and 99%, and the remaining six between 1% and 50%.

Trade Union Officials and Representatives are entitled to reasonable time off for duties and activities. Paid time off will be given for Trade Union Duties and unpaid time off will be given for Trade Union activities.

ANDREW KERR  
Chief Executive  
Date:

CAMMY DAY  
Council Leader  
Date:

# INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of The City of Edinburgh Council and the Accounts Commission

## Reporting on the audit of the financial statements

### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of The City of Edinburgh Council and its group for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Movement in Reserves Statements, Comprehensive Income and Expenditure Statements, Balance Sheets, Cash Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Council Tax Income Account, the Non-domestic Rate Income Account, the Common Good Fund Income and Expenditure Account, the Common Good Fund Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2023 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the council and its group. However, I report on the council's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

### Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

# INDEPENDENT AUDITOR'S REPORT

## **Responsibilities of the Service Director: Finance and Procurement and council for the financial statements**

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Service Director: Finance and Procurement is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Service Director: Finance and Procurement determines 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 Service Director: Finance and Procurement is responsible for assessing the ability of the council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the council and its group.

The council is responsible for overseeing the financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

My 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 my 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the council and its group;
- inquiring of the Service Director: Finance and Procurement as to other laws or regulations that may be expected to have a fundamental effect on the operations of the council and its group;
- inquiring of the Service Director: Finance and Procurement concerning the policies and procedures of the council and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the council's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.



# INDEPENDENT AUDITOR'S REPORT

## Reporting on other requirements

### Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### Other information

The Service Director: Finance and Procurement is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities for the Annual Accounts and the unaudited parts of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

### Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

### Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

### Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Oliphant FCPFA  
Audit Director  
Audit Scotland  
4th Floor  
102 West Port  
Edinburgh  
EH3 9DN

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# City of Edinburgh Council

10.05am, Thursday, 28 September 2023

## Treasury Management: Annual Report 2022/23 – referral from the Finance and Resources Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

---

- 1.1 The Finance and Resources Committee has referred the Treasury Management Annual Report 2022/23 to the Council for approval.

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

Contact: Louise Williamson, Assistant Committee Officer  
Legal and Assurance Division, Corporate Services Directorate  
E-mail: [louise.p.williamson@edinburgh.gov.uk](mailto:louise.p.williamson@edinburgh.gov.uk) | Tel: 0131 529 4264

# Referral Report

## Treasury Management: Annual Report 2022/23 – referral from the Finance and Resources Committee

### 2. Terms of Referral

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- 2.1 On 21 September 2023, the Finance and Resources Committee considered the Treasury Management: Annual Report 2022/23. The report provided updates on Treasury Management activity in 2022/23..
- 2.3 The Finance and Resources Committee agreed:
  - 2.3.1 To note the Annual Report on Treasury Management for 2022/23.
  - 2.3.2 To remit the report by the Executive Director of Corporate Services to Council for approval.
  - 2.3.3 To refer the report to the Governance, Risk and Best Value Committee for their scrutiny.

### 3. Background Reading/ External References

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- 3.1 Finance and Resources Committee – 21 September 2023 - Webcast
- 3.2 Minute of the Finance and Resources Committee – 21 September 2023

### 4. Appendices

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Appendix 1 – Report by the Executive Director of Corporate Services

# Finance and Resources Committee

10:00am, Thursday, 21<sup>st</sup> September 2023

## Treasury Management: Annual Report 2022/23

Executive/routine  
Wards

### 1. Recommendations

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- 1.1 It is recommended that the Committee:
  - 1.1.1 Notes the Annual Report on Treasury Management for 2022/23;
  - 1.1.2 Remits the report to Council for approval; and
  - 1.1.3 Refers the report to the Governance, Risk and Best Value Committee for their scrutiny.

**Dr Deborah Smart**

Executive Director of Corporate Services

Contact: Innes Edwards, Principal Treasury and Banking  
Manager

E-mail: [innes.edwards@edinburgh.gov.uk](mailto:innes.edwards@edinburgh.gov.uk) | Tel: 0131 469  
6291

## Treasury Management: Annual Report 2022/23

### 2. Executive Summary

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- 2.1 The purpose of this report is to give an update on Treasury Management activity in 2022/23.

### 3. Background

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- 3.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management must be submitted to the Council after the end of each financial year. A separate mid-term report will also be produced during the financial year.

### 4. Main report

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- 4.1 The Treasury Management is undertaken with regard to the CIPFA Code of Practice for Treasury Management in the Public Services and CIPFA's Prudential Code. Appendix 1 contains Prudential Indicators showing the actual out-turn for 2022/23. The Council operated within both the Authorised Limit and the Operational Boundary at all times during the year and there were no breaches of the Council's Treasury Management Policy.
- 4.2 Appendix 2 gives a short economic review of the year, including a commentary from the Council's Treasury Advisors.
- 4.3 Appendix 3 gives an overview of the Council's borrowing for 2022/23. The Council only borrowed £11.1m term from the PWLB during the financial year.
- 4.4 Appendix 4 shows the Investment Out-turn for 2022/23.
- 4.5 A list of the Council's borrowing at 31 March 2023 is included in Appendix 5.
- 4.6 The Council's money is invested via the Treasury Cash Fund. The Cash Fund encompasses a number of organisations, including Lothian Pension Fund. Interest is accrued monthly, and performance is evaluated against a benchmark of 7-day compounded SONIA (sterling overnight index average) less 6.25 basis points.
- 4.7 UK Bank Rate was increased at every meeting of the Bank of England's Monetary Policy Committee during the year. The average interest rate on the fund for the year

was 2.10% against a benchmark of 2.13%. The cash fund rate at year end was 4.14% against a benchmark of 4.11%.

## 5. Next Steps

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- 5.1 The Treasury team will continue to operate its Treasury Cash Fund with the aim of out-performing its benchmark of 7-day compounded SONIA less 6.25 basis points and manage the Council's debt portfolio to minimise the cost to the Council while mitigating risk.

## 6. Financial impact

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- 6.1 The Treasury Cash Fund has generated significant additional income for the Council:

## 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 The Council's Treasury Management Policy Statements specify a list of approved investment types, and this list does not include investment in equities (other than in Council companies) or Corporate Bonds (other than issued by financial institutions). As such the Council has no direct or indirect investments in fossil fuel companies.
- 8.2 However, the most recent version of the Treasury Management Code has placed a greater emphasis on ESG issues, suggesting in the Treasury Management Practices that:
- "The organisation's credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level."*
- 8.3 As the code notes, ESG within Treasury portfolios is a developing area, and further work on this will be carried out in conjunction with the Council's advisors with the intention of including narrative on responsible investment in the 2024/25 Policy Statement.

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

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- 9.1 To support Elected Members in discharging their duties in relation to the Council's Treasury Management activities, it is intended to make some structured training available in advance of the 2024/25 Strategy report.

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

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- 10.1 N/A.

## **11. Appendices**

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- 11.1 Appendix 1: Prudential Indicators Out-turn  
11.2 Appendix 2: Economic Review of 2022/23  
11.3 Appendix 3: Borrowing Out-turn 2022/23  
11.4 Appendix 4: Investment Out-turn 2022/23  
11.5 Appendix 5: Outstanding Debt as at 31<sup>st</sup> March 2023



## Appendix 1

### Prudential Indicators

#### Prudential Indicator 1 - Estimate of Capital Expenditure

The actual capital expenditure that was incurred in 2022/23 and the estimates of capital expenditure to be incurred for the current and future years:

	Capital Expenditure - General Services					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual £000	Forecast £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
<b>Rolled Forward Capital Investment Programme</b>						
Learning Estate	46,465	60,102	136,132	133,883	52,237	10,233
Asset Management Works	10,497	9,875	35,677	41,635	26,071	16,000
Place - Transport and Infrastructure	65,393	57,536	42,600	31,680	25,633	25,043
Place - Other Projects	77,257	67,348	70,506	50,775	29,200	29,200
Corporate Services	2,304	1,427	7,446	669	678	615
Edinburgh Health and Social Care Partnership	1,297	0	279	0	0	0
Other Community (inc Libraries and Sports Centres)	3,691	3,061	2,528	165	165	165
Trams to Newhaven	53,419	12,281	0	0	0	0
Edinburgh Living LLPs	27,400	13,764	70,500	92,071	10,804	0
Contingency	0	0	324	5,000	5,000	5,000
General (slippage) / acceleration across the programme	0	-16,000	-30,998	5,775	14,880	11,601
<b>Total General Services Capital Expenditure</b>	<b>287,722</b>	<b>209,395</b>	<b>334,996</b>	<b>361,651</b>	<b>164,668</b>	<b>97,857</b>

**Table A1.1 – Capital Expenditure 2022/23 – General Services**

The Place - Trams to Newhaven figures include capitalised interest following a change in accounting policy approved by Finance and Resources Committee on 21 January 2021. Note that the 2023-2028 Capital Investment Programme includes slippage / acceleration brought forward based on projected capital expenditure reported at the month three stage.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
<b>Rolled Forward Capital Investment Programme</b>						
Housing Revenue Account	121,335	124,798	238,504	202,249	232,711	220,729

**Table A1.2 – Capital Expenditure 2022/23– Housing Revenue Account**

#### Prudential Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years and the actual figures for 2022-23 are:

	Ratio of Financing Costs to Net Revenue Stream					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
General Services	7.2%	7.6%	8.0%	8.2%	8.4%	8.4%
Housing Revenue Account (HRA)	33.9%	31.0%	32.2%	34.8%	36.2%	36.9%

**Table A1.3 – Ratio of Financing Costs to Net Revenue Stream**

Note: Figures for 2024/25 onwards are indicative at this stage as the Council has not set a General Services or HRA budget for these years.

#### Prudential Indicator 3 - Capital Financing Requirement (CFR)

Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31 March 2023 are:

	Capital Financing Requirement					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
General Services (including Finance Leases / Right of Use Assets)	1,596	1,575	1,681	1,788	1,798	1,752
Housing Revenue Account (HRA)	423	471	550	571	617	700
NHT LLPs	44	32	24	15	0	0
Edinburgh Living LLPs	59	72	142	232	240	237
<b>Total Capital Financing Requirement</b>	<b>2,122</b>	<b>2,151</b>	<b>2,397</b>	<b>2,606</b>	<b>2,655</b>	<b>2,689</b>

**Table A1.4 – Capital Financing Requirement**

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all of the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to borrow for a capital purpose.

The capital financing requirement for the NHT LLPs includes an estimate for repayments of advances. Exit strategies are still to be finalised for the remaining three LLPs, however five have now repaid their loans in full.

CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence.

In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	Gross Debt and the Capital Financing Requirement					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Forecast	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Gross Debt	1,879	1,910	2,023	2,079	2,087	2,094
Capital Financing Requirements	2,122	2,151	2,397	2,606	2,655	2,689
<b>(Over) / under limit by:</b>	<b>243</b>	<b>241</b>	<b>374</b>	<b>527</b>	<b>568</b>	<b>596</b>

**Table A1.5 – Gross Debt v. Capital Financing Requirement**

The authority does not currently envisage borrowing in excess of its capital financing requirement over the next few years. This takes into account current commitments, existing plans and assumptions around cash balances and the proposals in this budget. The figures do not include any expenditure and associated funding requirements, other than projects specifically approved by Council, for the Local Development Plan (LDP) or City Deal.

From 2022/2023, the Authority has applied IFRS 16 Leases as adopted by the Code of Accounting Practice. This will have an impact on the Capital Financing Requirement (CFR) as from the 2022/23 financial year. The capital financing requirement has been adjusted by £51m for 'Right of Use Assets' under IFRS16. This will similarly have an impact on the authorised limit and operational boundary for external debt.

## **Prudential Indicator 4 – Authorised Limit for External Debt**

The authorised limit should reflect a level of borrowing which, while not desired, could be afforded, but may not be sustainable. "Credit Arrangements" as defined by Financial Regulations, has been used to calculate the authorised and operational limits requiring both the

short- and long-term liabilities relating to finance leases and PFI assets to be considered. These limits separately identify borrowing under credit arrangements including finance leases and PFI assets. Council has delegated authority to the Service Director for Finance and Procurement, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and credit arrangements, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its meeting following the change.

	Authorised Limit for External Debt					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m
Borrowing	1,900	2,093	2,435	2,784	2,912	2,964
Credit Arrangements (including leases and Right of Use assets)	423	405	394	384	377	372
<b>Authorised Limit for External Debt</b>	<b>2,323</b>	<b>2,498</b>	<b>2,828</b>	<b>3,168</b>	<b>3,289</b>	<b>3,336</b>

**Table A1.6 – Authorised Limit for External Debt**

These authorised limits are consistent with the authority's current commitments, existing plans and the proposals in this budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of most likely (but not worst case) scenario with sufficient headroom to allow for operational treasury management. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

### Prudential Indicator 5 – Operational Boundary for External Debt

The operational boundary equates to the estimated maximum of external debt. It is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and credit arrangements are separately identified. The Council has also delegated authority to the Service Director for Finance and Procurement, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and credit arrangements, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	Operational Boundary for External Debt					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m
Borrowing	1,850	2,043	2,385	2,734	2,862	2,914
Credit Arrangements (including leases)	423	405	394	384	377	372
<b>Operational Boundary for External Debt</b>	<b>2,273</b>	<b>2,448</b>	<b>2,778</b>	<b>3,118</b>	<b>3,239</b>	<b>3,286</b>

**Table A1.7 – Operational Boundary for External Debt**

The Council's actual external debt at 31 March 2023 was £1,870m (including sums repayable within 12 months).

### Prudential Indicator 6

#### Loans Charges Associated with net Capital Investment expenditure plans

The authority can set its own local indicators to measure the affordability of its capital investment plans. The Service Director for Finance and Procurement considers that Council should be advised of the loans charges cost implications which will result from the spending plans being considered for approval. These cost implications have been included in the Council's Revenue and HRA budgets for 2023-24 and for future years will be considered as part of the longer- term financial frameworks.

	Loans Charges Liability					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
General Services (excluding On-Lending and Tram to Newhaven) - New Loans Fund Advances						
Loans Fund Advances in year	42,890	35,501	172,616	177,141	82,670	26,663
Year 1 - Interest Only	858	710	3,452	3,543	1,653	533
Year 2 - Interest and Principal Repayment	3,145	2,603	12,658	12,990	6,062	1,955
Housing Revenue Account (HRA) - New Loans Fund Advances						
Loans Fund Advances in year (excl. LLP programme *)	46,777	68,864	100,207	45,137	70,986	110,480
Year 1 - Interest Only	994	1,463	2,129	959	1,508	2,348
Year 2 - Interest and Principal Repayment	1,988	2,927	4,259	1,918	3,017	4,695

**Table A1.8 – Loan Charges Liability**

\* The loans charges associated with the borrowing required for the house building programme for onward transferred to the LLPs will be met from the LLPs and does therefore not have a net impact on the HRA or General Services revenue budget. Tram repayments are based on the income model and will commence from 2023/24 as the line to Newhaven is operational.

### Consideration of options for the capital programme

In considering its programme for capital investment, Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax or house rents;
- prudence and sustainability, e.g. implications for external borrowing;
- value for money, e.g. option appraisal;
- stewardship of assets, e.g. asset management planning;
- service objectives, e.g. strategic planning for the authority;
- practicality, e.g. achievability of the forward plan.

## Appendix 2

### Economic Review of 2022/23

The Council's treasury advisor, Arlingclose, has provided the following economic review of the year:

*The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.*

*Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.*

*Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.*

*Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.*

*The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.*

*The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at as 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.*

*Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to*

0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting.

From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.

Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

Figure A2.1 below shows PWLB borrowing rates since 2005. This shows the sharp increase in borrowing rates due to the mini budget in October 2022 followed by the recovery then subsequent increases due to increases in UK Bank Rate and inflation concerns.

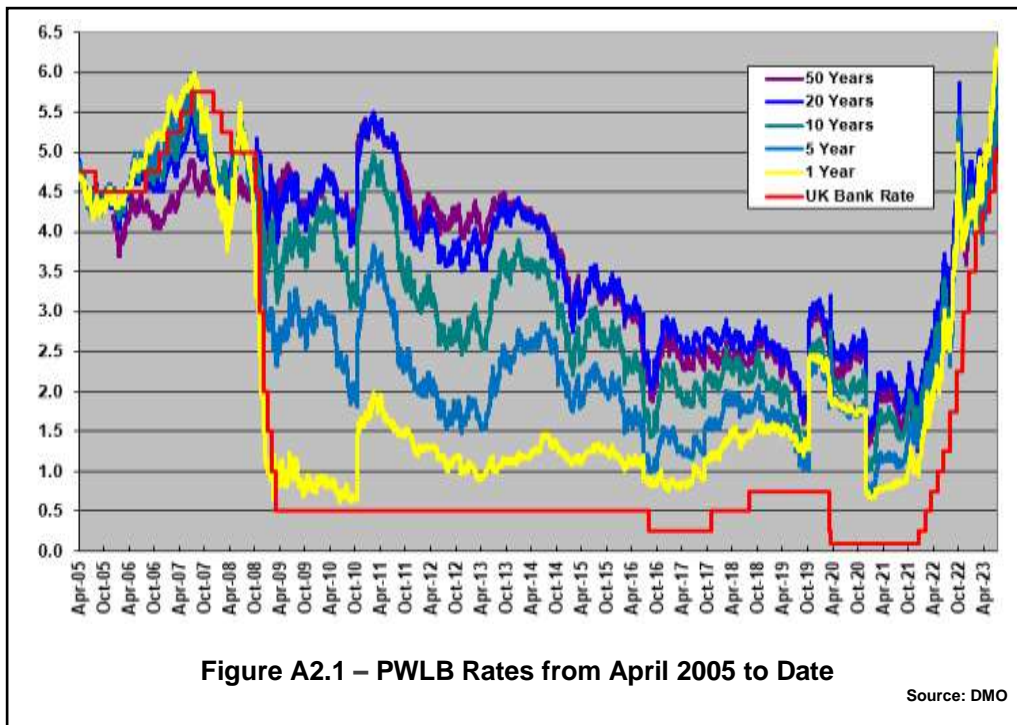


Figure A2.1 – PWLB Rates from April 2005 to Date

Source: DMO

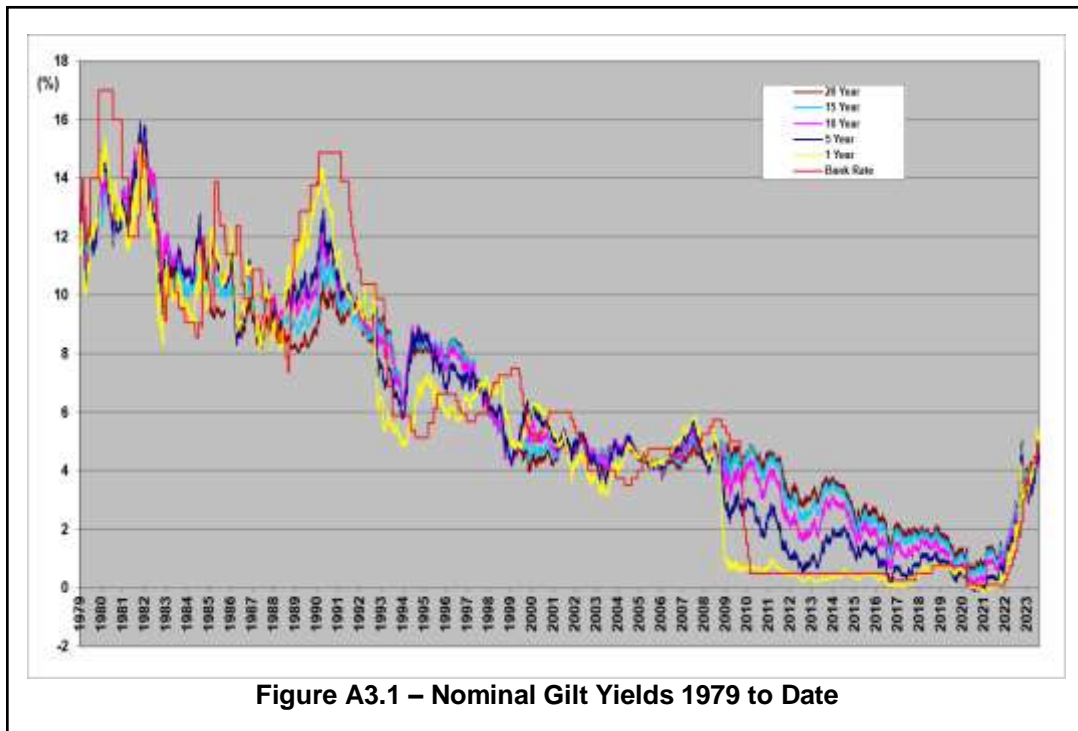
## Appendix 3

### Borrowing Out-turn 2022/23

#### 2022/23 Borrowing

Figure A2.1 above shows the increase in PWLB borrowing rates over the last two years.

PWLB borrowing Rates are based on a margin over Gilt yields and Figure A3.1 below gives a longer- term perspective on these yields.



Yields are up to rates not seen since the Global Financial Crisis in 2008. Table A3.1 below summarises the movements in the Council’s borrowing during 2022/23.

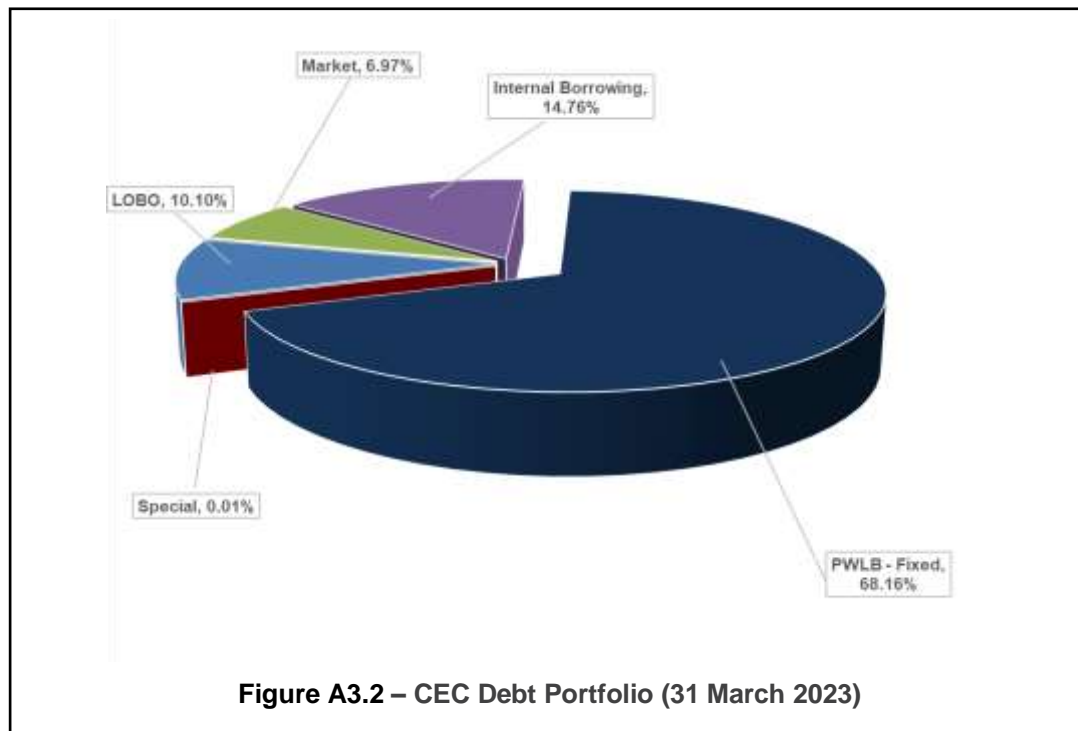
Type of Loan	Balance	Borrowing	Borrowing	Balance
	01.04.2022	Raised	Repaid	31.03.2023
	£m	£m	£m	£m
PWLB - fixed	1,205.73	11.10	-53.11	1,163.72
Salix Finance Ltd	0.46		-0.24	0.22
Market	293.17		-1.77	291.40
	<b>1,499.36</b>	<b>11.10</b>	<b>-55.12</b>	<b>1,455.34</b>
Capital Advances	1,622.96			1,707.45
Under-borrowed	123.60	Under-borrowed		252.11

Table A3.1 – Outstanding Debt Portfolio 2022/23



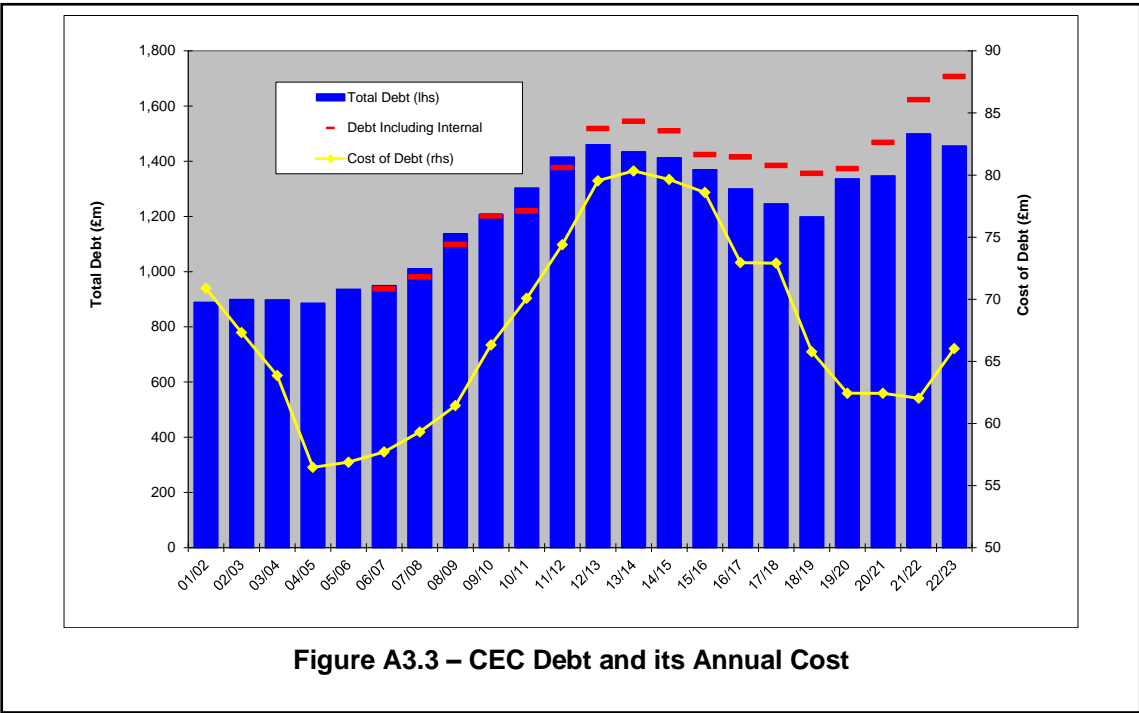
The Council only borrowed £11.1m during 2022/23, all of which related to backing out the interest rate risk on lending to the Edinburgh Living Mid-Market Rent LLP. In the anticipation of increasing borrowing rates, in March 2022, the Council pre-borrowed sufficient loans from the PWLB to fund all loans to Edinburgh Living for all homes where building was on site. However, at the time, the external purchase of the Fruitmarket homes had not been approved by Elected Members, so £8m of the 2022/23 borrowing related to that purchase of affordable homes.

Figure A3.2 below shows the sources of borrowing at 31 March 2023.



The PWLB and market loans are fixed rate so there is no interest rate risk on 75% of the loans portfolio. The 10% of the portfolio in LOBO loans is fixed rate but as interest rates rise, there is an increased possibility that an increase in the rate on the loan might be requested. There is therefore a level of interest rate risk on these loans.

Figure A3.3 below shows the Council's Loans Fund Capital Advances, the level of actual external debt, and the interest cost of that debt. As explained below, that cost includes not just external interest paid on loans, but also the internal cost of foregoing external interest on deposits while they are used to temporarily fund capital expenditure in lieu of external borrowing.

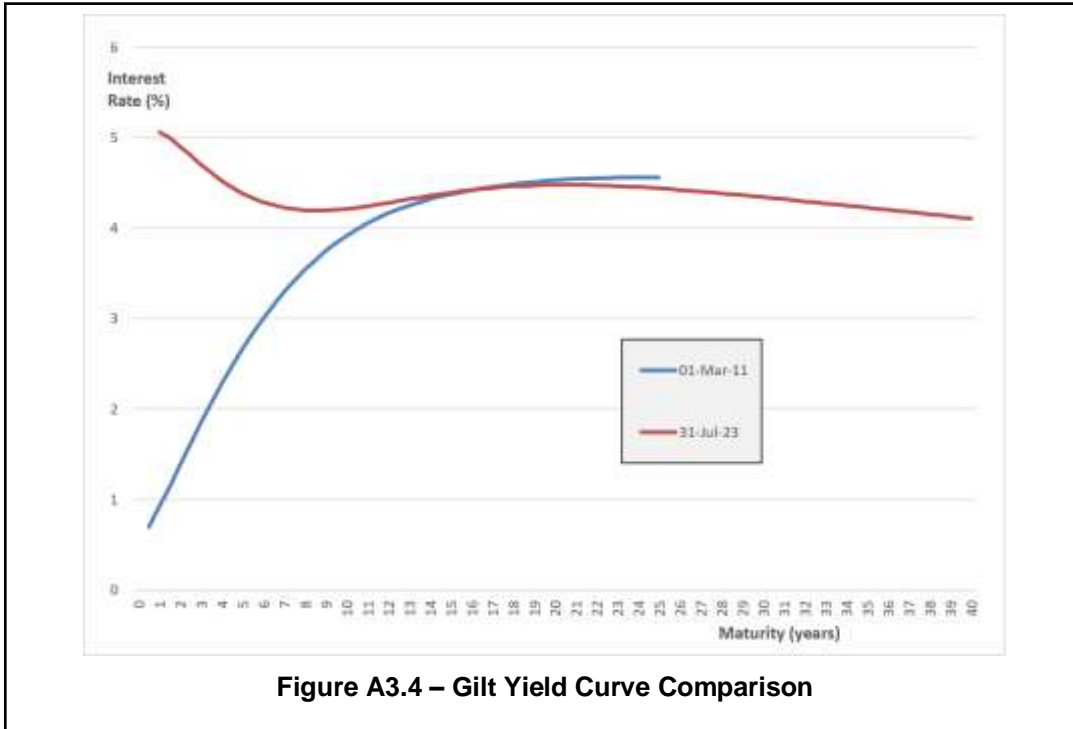


**Figure A3.3 – CEC Debt and its Annual Cost**

As previously reported, in the three financial years to 31 March 2022, the Council borrowed just short of £500m. Between March 2019 and March 2022, the Council’s debt increased from £1.198bn to £1.499bn, while the interest cost of that debt reduced from £65.7m to £62.0m. This was as the larger value of debt at historically low rates replaced higher interest rate debt designed to mature in these years locking out the interest rate risk which had been created.

The cost of debt increased from £62.0 in 2021/22 to £66.1m in 2022/23. The external interest cost reduced from £62.0m to £61.7m, however due to increasing interest rate, the Capital Financing Charge (effectively the internal lost interest on investments due to using the cash to temporarily fund capital expenditure) went from £0 in 2020/21 to £81k in 2021/22 to £4.46m in 2022/23.

Figure A3.4 below shows how much the Gilt Yield curve has changed from the 2011 normal curve where short rates are lower than longer rate to the current inverted curve where short rate are higher.



**Figure A3.4 – Gilt Yield Curve Comparison**

Given that the certainty rates at which the Council can borrow from the PWLB are 80bps higher than Gilt yields, no part of the curve was attractive for strategic borrowing in 2022/23.

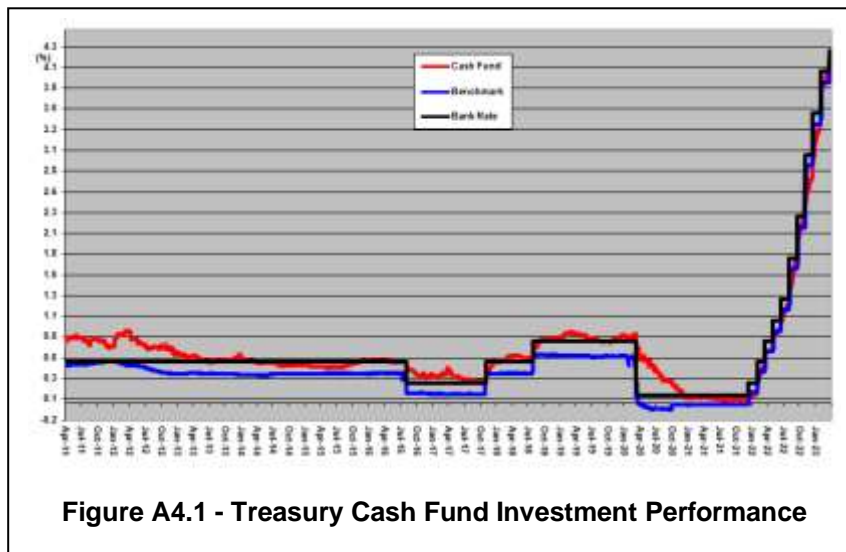
## Appendix 4

### Investment Out-turn 2022/23

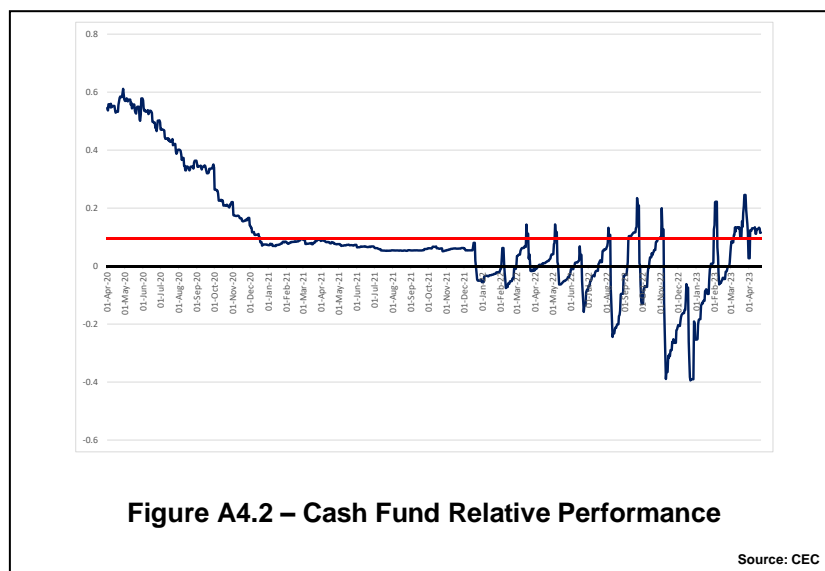
The Council's money is invested via the Treasury Cash Fund. The Cash Fund encompasses a number of organisations, including Lothian Pension Fund. Interest is accrued monthly, and performance is evaluated against a benchmark, which is 7-day compounded SONIA less 6.25 basis points.

The major issues for the economy are higher inflation, higher interest rates and associated impact on household budgets. The Bank of England's Monetary Policy Committee (MPC) has increased UK Bank Rate at 14 consecutive meetings, at the time of drafting this report. After the 0.25% increase in August, the UK Bank Rate is currently 5.25%.

Figure A4.1 below shows investment performance since April 2011.



The consecutive interest rate rises created a difficult environment in which to match the fund's benchmark. The average interest rate on the Cash Fund for the year was 2.10%, against a benchmark of 2.13%. Figure A4.2 below shows the cash fund's performance relative to its benchmark and the 10bp outperformance target set by Lothian Pension Fund.



While 2022/23 has been challenging, the fund was still above the 10bps outperformance target on a rolling 3-year basis due to the strong 2020/21 performance.

The fund generated income of £6.2m during 2022/23 to CEC.

The cash fund rate at 31 March 2023 was 4.14% against a benchmark of 4.11%. Figure A4.3 is produced by the Council’s Treasury Advisors and shows the Cash fund performance relative to their other clients.

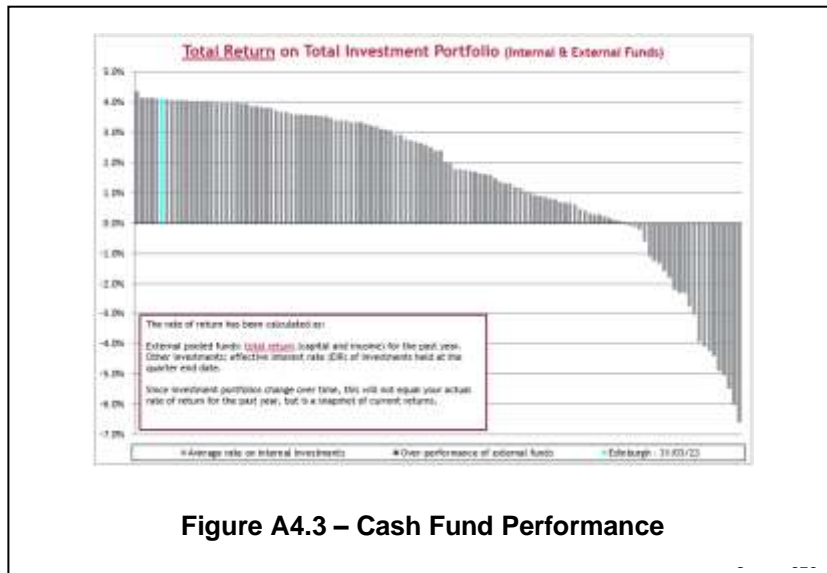
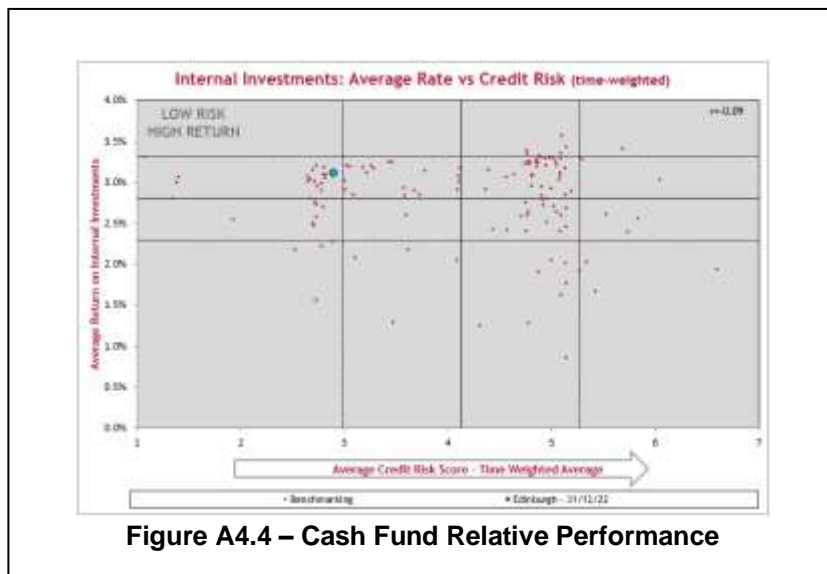
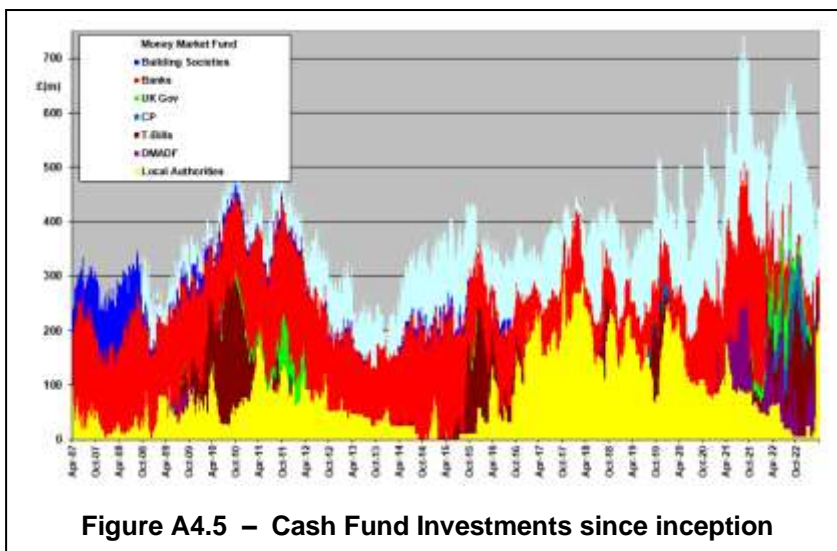


Figure A4.4 is also produced by the Council’s Treasury Advisors and is a snapshot of the risk / return on the cash fund investments at 31 December 2022. This shows that at that point, the cash fund had above average return with over one standard deviation less risk.



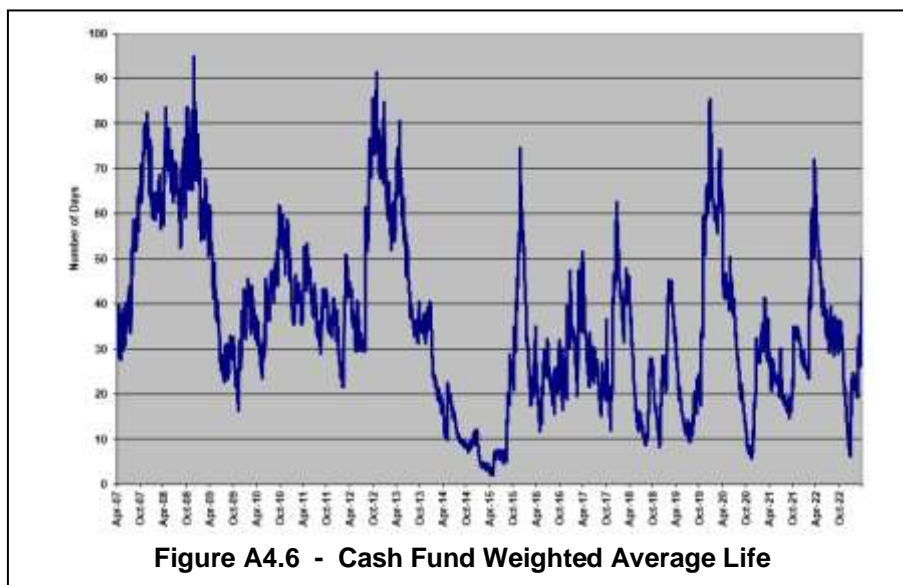
The emphasis remained on security during the financial year with the return of the principal sum being the main concern. With the Strategy being around the security of the

investments. Cash Fund money has been invested with banking institutions which was held on instant access call and a 31-day notice account with a highly credit rated institution, money market funds, supranational commercial paper, UK gilts, UK treasury bills, DMADF and other Local Authorities on 31 and 35 day notice linked to UK Bank Rate and short term fixed deposits. Figure A4.5 below shows the distribution of the Cash Fund investments since April 2007.



**Figure A4.5 – Cash Fund Investments since inception**

The strategy remains to seek trades which add value relative to MMF/Bank rates and make a positive contribution towards out-performance while maintaining the security of funds.



**Figure A4.6 - Cash Fund Weighted Average Life**

Figure A4.6 shows the weighted average life of the fund and the short duration of the fund over the last two years as high liquidity was kept in the anticipation of rising interest rates.

## Appendix 5

### Outstanding Debt as at 31<sup>st</sup> March 2023

PWLB PROFILE	START DATE	MATURITY DATE	PRINCIPAL OUTSTANDING £	INTEREST RATE %	ANNUAL INTEREST £
M	05/12/1995	15/05/2023	5,200,000.00	8	416,000.00
M	20/09/1993	14/09/2023	2,997,451.21	7.875	236,049.28
M	20/09/1993	14/09/2023	584,502.98	7.875	46,029.61
M	08/05/1996	25/09/2023	10,000,000.00	8.375	837,500.00
M	13/10/2009	13/10/2023	5,000,000.00	3.87	193,500.00
M	05/12/1995	15/11/2023	10,000,000.00	8	800,000.00
M	10/05/2010	10/05/2024	10,000,000.00	4.32	432,000.00
M	28/09/1995	28/09/2024	2,895,506.10	8.25	238,879.25
M	14/05/2012	14/11/2024	10,000,000.00	3.36	336,000.00
A	14/12/2009	14/12/2024	1,667,538.64	3.66	82,768.94
M	17/10/1996	25/03/2025	10,000,000.00	7.875	787,500.00
M	10/05/2010	10/05/2025	5,000,000.00	4.37	218,500.00
M	16/11/2012	16/05/2025	20,000,000.00	2.88	576,000.00
M	13/02/1997	18/05/2025	10,000,000.00	7.375	737,500.00
M	20/02/1997	15/11/2025	20,000,000.00	7.375	1,475,000.00
A	01/12/2009	01/12/2025	3,508,514.75	3.64	157,491.50
M	21/12/1995	21/12/2025	2,397,960.97	7.875	188,839.43
M	21/05/1997	15/05/2026	10,000,000.00	7.125	712,500.00
M	28/05/1997	15/05/2026	10,000,000.00	7.25	725,000.00
M	29/08/1997	15/11/2026	5,000,000.00	7	350,000.00
M	24/06/1997	15/11/2026	5,328,077.00	7.125	379,625.49
M	07/08/1997	15/11/2026	15,000,000.00	6.875	1,031,250.00
M	13/10/1997	25/03/2027	10,000,000.00	6.375	637,500.00
M	22/10/1997	25/03/2027	5,000,000.00	6.5	325,000.00
M	13/11/1997	15/05/2027	3,649,966.00	6.5	237,247.79
M	17/11/1997	15/05/2027	5,000,000.00	6.5	325,000.00
M	13/12/2012	13/06/2027	20,000,000.00	3.18	636,000.00
M	12/03/1998	15/11/2027	8,677,693.00	5.875	509,814.46
M	06/09/2010	06/09/2028	10,000,000.00	3.85	385,000.00
M	14/07/2011	14/07/2029	10,000,000.00	4.9	490,000.00
E	14/07/1950	03/03/2030	1,769.21	3	58.76
M	14/07/2011	14/07/2030	10,000,000.00	4.93	493,000.00
E	15/06/1951	15/05/2031	1,991.93	3	65.03
M	06/09/2010	06/09/2031	20,000,000.00	3.95	790,000.00
M	15/12/2011	15/06/2032	10,000,000.00	3.98	398,000.00
M	15/09/2011	15/09/2036	10,000,000.00	4.47	447,000.00
M	22/09/2011	22/09/2036	10,000,000.00	4.49	449,000.00
M	10/12/2007	10/12/2037	10,000,000.00	4.49	449,000.00
M	08/09/2011	08/09/2038	10,000,000.00	4.67	467,000.00
M	15/09/2011	15/09/2039	10,000,000.00	4.52	452,000.00

M	06/10/2011	06/10/2043	20,000,000.00	4.35	870,000.00
M	09/08/2011	09/02/2046	20,000,000.00	4.8	960,000.00
M	23/01/2006	23/07/2046	10,000,000.00	3.7	370,000.00
M	23/01/2006	23/07/2046	10,000,000.00	3.7	370,000.00
M	19/05/2006	19/11/2046	10,000,000.00	4.25	425,000.00
M	07/01/2008	07/01/2048	5,000,000.00	4.4	220,000.00
A	24/03/2020	24/03/2050	13,808,653.73	1.64	224,786.70
A	26/03/2020	26/03/2050	4,594,128.66	1.49	69,988.78
A	26/03/2021	26/03/2051	9,483,514.34	1.75	169,385.43
A	12/07/2021	12/07/2051	38,464,432.97	1.78	680,030.06
M	27/01/2006	27/07/2051	1,250,000.00	3.7	46,250.00
M	16/01/2007	16/07/2052	40,000,000.00	4.25	1,700,000.00
M	30/01/2007	30/07/2052	10,000,000.00	4.35	435,000.00
M	13/02/2007	13/08/2052	20,000,000.00	4.35	870,000.00
M	20/02/2007	20/08/2052	70,000,000.00	4.35	3,045,000.00
M	22/02/2007	22/08/2052	50,000,000.00	4.35	2,175,000.00
M	08/03/2007	08/09/2052	5,000,000.00	4.25	212,500.00
M	30/05/2007	30/11/2052	10,000,000.00	4.6	460,000.00
M	11/06/2007	11/12/2052	15,000,000.00	4.7	705,000.00
M	12/06/2007	12/12/2052	25,000,000.00	4.75	1,187,500.00
M	05/07/2007	05/01/2053	12,000,000.00	4.8	576,000.00
M	25/07/2007	25/01/2053	5,000,000.00	4.65	232,500.00
M	10/08/2007	10/02/2053	5,000,000.00	4.55	227,500.00
M	24/08/2007	24/02/2053	7,500,000.00	4.5	337,500.00
M	13/09/2007	13/03/2053	5,000,000.00	4.5	225,000.00
A	14/10/2019	10/04/2053	103,658,231.86	2.69	2,832,296.87
M	12/10/2007	12/04/2053	5,000,000.00	4.6	230,000.00
A	01/07/2021	01/07/2053	48,292,867.50	1.98	973,210.38
M	05/11/2007	05/05/2057	5,000,000.00	4.6	230,000.00
M	15/08/2008	15/02/2058	5,000,000.00	4.39	219,500.00
A	25/01/2019	25/01/2059	2,571,791.87	2.65	68,994.96
A	11/06/2019	11/06/2059	1,211,725.69	2.23	27,378.69
A	01/10/2019	01/10/2059	1,271,857.56	1.74	22,448.09
A	02/10/2019	02/10/2059	37,891,649.30	1.8	691,722.20
A	05/11/2019	05/11/2059	6,849,318.72	2.96	204,984.94
A	28/11/2019	28/11/2059	1,253,416.90	3.03	38,392.70
A	02/12/2019	02/12/2059	2,698,410.45	3.03	82,653.48
A	20/01/2020	20/01/2060	1,893,927.30	1.77	34,000.88
A	20/01/2020	20/01/2060	439,496.99	2.97	13,197.29
M	04/10/2019	04/04/2060	40,000,000.00	1.69	676,000.00
A	07/12/2021	07/12/2060	18,758,205.61	1.8	336,090.50
M	02/12/2011	02/12/2061	5,000,000.00	3.98	199,000.00
A	07/12/2021	07/12/2061	4,092,431.64	1.79	72,927.92
A	19/05/2022	19/05/2062	3,075,123.56	2.86	87,644.76
A	02/11/2022	02/11/2062	8,000,000.00	4.61	71,867.21
A	24/03/2022	24/03/2063	17,752,852.77	2.65	468,780.64
M	26/03/2020	26/03/2070	10,000,000.00	1.29	129,000.00
M	12/07/2021	12/07/2071	50,000,000.00	1.74	870,000.00



M	23/12/2021	23/12/2071	25,000,000.00	1.45	362,500.00
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**1,163,723,009.21**

<b>Non-LOBO Profile</b>	<b>Start Date</b>	<b>Maturity Date</b>	<b>Principal Outstanding</b>	<b>Interest Rate</b>	<b>Annual Interest</b>
			<b>£</b>	<b>%</b>	<b>£</b>
M	08/10/2020	08/10/2045	56,500,257.49	2.613	1,511,165.09
M	30/06/2005	30/06/2065	5,000,000.00	4.4	220,000.00
M	07/07/2005	07/07/2065	5,000,000.00	4.4	220,000.00
M	21/12/2005	21/12/2065	5,000,000.00	4.99	249,500.00
M	28/12/2005	24/12/2065	12,500,000.00	4.99	623,750.00
M	14/03/2006	15/03/2066	15,000,000.00	5	750,000.00
M	18/08/2006	18/08/2066	10,000,000.00	5.25	525,000.00
M	01/02/2008	01/02/2078	10,000,000.00	3.95	395,000.00

**119,000,257.49**

<b>LOBO Profile</b>	<b>Start Date</b>	<b>Maturity Date</b>	<b>Principal Outstanding</b>	<b>Interest Rate</b>	<b>Annual Interest</b>
			<b>£</b>	<b>%</b>	<b>£</b>
M	12/11/1998	13/11/2028	3,000,000.00	4.75	142,500.00
M	15/12/2003	15/12/2053	10,000,000.00	5.25	525,000.00
M	18/02/2004	18/02/2054	10,000,000.00	4.54	454,000.00
M	28/04/2005	28/04/2055	12,900,000.00	4.75	612,750.00
M	01/07/2005	01/07/2065	10,000,000.00	3.86	386,000.00
M	24/08/2005	24/08/2065	5,000,000.00	4.4	220,000.00
M	07/09/2005	07/09/2065	10,000,000.00	4.99	499,000.00
M	13/09/2005	14/09/2065	5,000,000.00	3.95	197,500.00
M	03/10/2005	05/10/2065	5,000,000.00	4.375	218,750.00
M	23/12/2005	23/12/2065	10,000,000.00	4.75	475,000.00
M	06/03/2006	04/03/2066	5,000,000.00	4.625	231,250.00
M	17/03/2006	17/03/2066	10,000,000.00	5.25	525,000.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	07/04/2006	07/04/2066	10,000,000.00	4.75	475,000.00
M	05/06/2006	07/06/2066	20,000,000.00	5.25	1,050,000.00
M	05/06/2006	07/06/2066	16,500,000.00	5.25	866,250.00

**172,400,000.00**

SPECIAL FIXED/ VAR	START DATE	MATURITY DATE	PRINCIPAL OUTSTANDING £	INTEREST RATE %	ANNUAL INTEREST £
F	31/03/2015	01/04/2023	90,144.87	0	0.00
F	22/09/2015	01/10/2023	43,959.94	0	0.00
F	29/03/2019	01/04/2029	90,986.09	0	0.00
			<b>225,090.90</b>		

# City of Edinburgh Council

10.05am, Thursday, 28 September 2023

## Edinburgh Living – Acquisition of Homes 2023/2024 – referral from the Finance and Resources Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Finance and Resources Committee has referred a report on the transfer of 220 new build homes from the Housing Revenue Account (HRA) to the Council's mid-market Rent LLP, Edinburgh Living to the Council for approval.

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

Contact: Louise Williamson, Assistant Committee Officer  
Legal and Assurance Division, Corporate Services Directorate  
E-mail: [louise.p.williamson@edinburgh.gov.uk](mailto:louise.p.williamson@edinburgh.gov.uk) | Tel: 0131 529 4264

# Referral Report

## Edinburgh Living – Acquisition of Homes 2023/2024 – referral from the Finance and Resources Committee

### 2. Terms of Referral

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- 2.1 On 21 September 2023, the Finance and Resources Committee considered a report seeking approval for the transfer of 220 new build homes from the Housing Revenue Account (HRA) to the Council's mid-market Rent LLP, Edinburgh Living to the Council.
- 2.2 Approval was also sought for on-lending of funds from the Council to Edinburgh Living to support the purchase of the new homes.
- 2.2 The Finance and Resources Committee agreed:
  - 2.2.1 to agree in principle the transfer of 220 homes constructed at Granton as part of the Council's housebuilding programme, from the Housing Revenue Account (HRA), to Edinburgh Living mid-market rent Limited Liability Partnership (LLP), once completed.
  - 2.2.2 to delegate authority to the Executive Director of Place to complete the purchase of homes on behalf of the Council as Member of the Edinburgh Living Mid-Market Rent LLP.
  - 2.2.3 to note the requirement for the Council:
    - 2.2.3.1 to lend to the mid-market rent LLP to enable the purchase of all 220 homes;
    - 2.2.3.2 to provide corresponding capital advances from the Loans Fund based on a repayment profile using the funding/ income method, as set out in Appendix 1 to the report by the Executive Director of Place; and
  - 2.2.4 to refer the report to Council for approval of the recommendations at 1.3 of the report.

### 3. Background Reading/ External References

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- 3.1 Finance and Resources Committee – 21 September 2023 - [Webcast](#)
- 3.2 Minute of the Finance and Resources Committee – 21 September 2023

**4. Appendices**

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Appendix 1 – Report by the Executive Director of Place

# Finance and Resources Committee

10.00am, Thursday, 21 September 2023

## Edinburgh Living – Acquisition of Homes 2023/2024

Executive/routine  
Wards

Executive  
Forth

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Agrees in principle the transfer of 220 homes constructed at Granton as part of the Council's housebuilding programme, from the Housing Revenue Account (HRA), to Edinburgh Living mid-market rent Limited Liability Partnership (LLP), once completed.
  - 1.1.2 Delegates Authority to the Executive Director of Place to complete the purchase of homes on behalf of the Council as Member of the Edinburgh Living Mid-Market Rent LLP.
  - 1.1.3 Notes the requirement for the Council:
    - 1.1.3.1 To lend to the mid-market rent LLP to enable the purchase of all 220 homes;
    - 1.1.3.2 To provide corresponding capital advances from the Loans Fund based on a repayment profile using the funding/ income method, as set out in Appendix 1; and
  - 1.1.4 Refer this report to Council for approval of the recommendations at 1.3.

**Paul Lawrence**

Executive Director of Place

Contact: Elaine Scott, Head of Housing Strategy and Development

E-mail: [elaine.scott@edinburgh.gov.uk](mailto:elaine.scott@edinburgh.gov.uk)

## Edinburgh Living – Acquisition of Homes 2023/2024

### 2. Executive Summary

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- 2.2 The purpose of this report is to seek Finance and Resource Committee approval for the transfer of 220 new build homes from the Housing Revenue Account (HRA) to the Council's mid-market Rent LLP, Edinburgh Living.
- 2.3 The report also seeks approval for on-lending of funds from the Council to Edinburgh Living to support the purchase of the new homes.
- 2.4 Subject to approval by Finance and Resources Committee, the on-lending decision will be referred to the City of Edinburgh Council.
- 2.5 Any acquisitions post March 2024 will be subject to the agreement of the Scottish Government to extend the consent for Edinburgh Living to borrow from the Council.

### 3. Background

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- 3.1 Each year, Finance and Resources Committee is asked to approve the transfer of mid-market rent homes currently being constructed through the Council's housebuilding programme from the Housing Revenue Account (HRA) to Edinburgh Living, the Council's mid-market rent housing delivery partnership established by the Council in 2018.
- 3.2 In line with Council governance, Committee is also asked to note the funding required for Edinburgh Living to purchase the homes on completion at a price based on total development costs, leaving the HRA in a cost neutral position. The report is then referred to Council to approve the funding.
- 3.3 Edinburgh Living was formed as a housing delivery partnership between the City of Edinburgh Council and Scottish Futures Trust (SFT) in March 2018, following the inclusion of a funding package for the initiative as part of the Edinburgh and South-East Scotland City Region Deal (City Region Deal). Edinburgh Living consists of two LLPs, one for mid-market rent homes, which is currently active with 594 homes in management, and a second for market rent homes that is currently in-active.
- 3.4 The Council owns 99% of the market rent LLP and 99.999% of the mid-market rent LLP with SFT owning the remainder.

- 3.5 Under the governance structure approved by Council in 2018, Finance and Resources Committee is asked to approve the transfer of those mid-market rent homes being constructed through the Council's mixed-tenure housebuilding programme to Edinburgh Living from the HRA. Homes are purchased by Edinburgh Living on completion at a price based on total development costs, including design and construction cost, project management costs, land value and related short-term funding costs, leaving the HRA in a cost neutral position.
- 3.6 The homes are only transferred to Edinburgh living provided they meet the standard viability tests. These are described in more detail at Appendix 1 but in summary ensure their rental income will cover the costs of management, repairs and loan repayments.

## 4. Main report

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- 4.1 This report provides details of the developments that are expected to transfer within the next calendar year. These are 27 homes at the Granton D1 site and 193 at Western Villages.

### **Granton D1**

- 4.2 Granton D1 is a flagship project with a total of 75 homes plus commercial space, built to a net-zero carbon standard using modern methods of construction. The project is the first pilot in the [Edinburgh Home Demonstrator](#) (EHD) which is a project based in the City Region Deal and represents significant collaboration between the public, private, and academic sectors. 27 homes are scheduled to transfer to Edinburgh Living before the end of March 2024. The homes are a mix of 1, 2 and 3 bedroom flats and, as part of the EHD pilot, the homes will be monitored while occupied to understand the in-use thermal performance, internal air quality and energy usage.

### **Western Villages**

- 4.3 [Western Villages](#) is a key component of the Edinburgh Waterfront regeneration. It is the largest single development currently on site with a total of 444 mixed tenure homes. 193 of these homes are expected to transfer to Edinburgh Living starting in Summer 2024. The homes are also built to be net zero carbon and use technologies such as heat pumps and heat recovery systems to achieve this. The homes are a mix of 1, 2 and 3 bedrooms flats.
- 4.4 Rents at both Granton D1 and Western Villages will be set at or below 100% of Local Housing Allowance, in line with Scottish Government grant terms. Rents will be managed in accordance with Edinburgh Living's rental increase policy securing long-term affordability for tenants.

### **Update on previous on-lending to Edinburgh Living**

- 4.5 The consent to on-lend to Edinburgh Living was granted by the Scottish Government in 2018 and expires at the end of March 2024. Up to £248m on-



lending was approved with £110m intended for the purchase of mid-market Homes and the remaining £118m for market rent.

- 4.6 Accordingly, discussions have been opened with the Scottish Government to extend the consent beyond March 2024 and for the Council to be granted flexibility to use this to support purchase of mid-market or market homes; as required to meet housing need and demand in the city
- 4.7 To date around £66m of funding has been loaned to Edinburgh Living by the Council. This figure does not take account of transfers scheduled for September 2023 at Pennywell Phase 3, previously approved by committee.
- 4.8 It is projected that Granton D1 will fit comfortably within the existing consent in terms of both timing and cost. Western Villages will require the consent to be amended to allow lending beyond March 2024 and over £110m total on lending for the purchase of mid-market homes.

## **5. Next Steps**

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- 5.1 Subject to committee approval this report will be referred to the next available meeting of the City of Edinburgh Council to approve the on-lending.
- 5.2 The first completions at D1 are expected prior to the end of 2023 with the remainder to follow before the end of March 2024. Transfers will be aligned accordingly.
- 5.3 The first completions at Western Villages are expected in Summer 2024, due to the significant size of the development the transfers will be broken into manageable tranches.
- 5.4 Edinburgh Living's Letting and Management agent, Umega Lettings, will be proactive in advertising and letting the homes in conjunction with the Council's Private Rented Sector team who refer working homeless households to Edinburgh Living.

## **6. Financial impact**

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- 6.1 The purchase costs for Western Villages and Granton D1 will be subject to final viability testing on the day of purchase. Currently a combination of grant funding and on lending is assumed.
- 6.2 The total estimated borrowing requirement is up to £33m.
- 6.3 The Scottish Government awarded Edinburgh Living an additional £6 million in grant funding in 2023/2024 to support the delivery of mid-market homes. This will mainly support the project at Western Villages but will help reduce the amount of borrowing required across the portfolio.
- 6.4 There is no impact to the General Fund as a result of lending to the LLPs. The rental income generated by the homes owned by the LLPs is sufficient to cover loan

repayments. As all development cost are covered as part of the acquisition price paid by the LLPs, there is no impact on the HRA as a result of this initiative, it is cost neutral.

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

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- 7.1 The provision of these homes will have a positive impact on those at risk of falling into poverty. Mid-market rent is a recognised affordable housing tenure. It provides an opportunity for those who may not qualify for social housing to secure rented accommodation at levels significantly lower than those in the private market and below the Local Housing Allowance (LHA). In Quarter 1 2023, the average rental cost for a two-bedroom private rented home was £1,303. Edinburgh Living average rent for a two-bedroom home in the same period was £684 with Local Housing Allowance £823.
- 7.2 Edinburgh Living is supporting the delivery of the Council's Rapid Rehousing Transition Plan by providing permanent homes for working homeless households. A total of 164 working homeless households have been housed by Edinburgh Living. The LLP can lever in additional grant funding and borrowing to provide more affordable homes than could be delivered solely through the HRA. On each site the number of Council owned social rented homes being provided exceeds the number of mid-market homes. The overall aim is to create mixed sustainable communities and support area- based regeneration by offering a range of tenure options.
- 7.3 Prior to public advertisement the Private Rented Sector team reviews new or vacant units against their client list for suitability. As noted in the report to Housing, Homelessness and Fair Work Committee on [8 August 2023](#), 164 working homeless households have secured a home via Edinburgh Living.
- 7.4 The homes are built to Housing for Varying Need (HfVN) standard this means that aside from incorporating many accessibility features as standard they can be easily adapted to suit tenants changing needs.
- 7.5 The homes are designed to minimise energy use through enhanced building fabric and low carbon technologies, this helps lower costs for tenants, as well as benefitting the environment.

## **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.

### **Environmental Impacts**

- 8.3 The proposals in this report are in line with the Council’s Climate Emergency Declaration because the new homes are constructed to high standards in terms of energy efficiency and sustainability.
- 8.4 There is a lower energy demand to heat the homes which is further supported by a zero direct emissions heating systems. This means they will minimise the amount of carbon emissions to aid with the city’s ambition to be net zero carbon.
- 8.5 With particular regard to the homes at Granton D1, their energy efficiency performance will be monitored and feed into wider industry improvements.
- 8.6 The homes have been designed using the Council’s own guidance to architects on recycling and waste collection. This will assist residents to manage their household waste effectively.
- 8.7 In terms of the Council’s Nature Emergency Declaration, the developments embrace the Council’ water management strategy.

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

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- 9.1 There has been significant public consultation and engagement on the Waterfront regeneration. Granton D1 and Western Villages are the first projects in the long-term objective to create a sustainable new coastal town. This has taken the form of in person and online events and supported by the Council’s consultation hub.
- 9.2 The construction contracts for these homes bring with them a broad range of community benefits such as jobs, education, training, support for local initiatives and improvements to local infrastructure.
- 9.3 The transfer of these homes contribute to the three strategic priorities set out in the [Council’s Business Plan](#). In particular, it will contribute to objectives.
- 9.3.1 4d - 4. People can access public services locally and digitally in ways that meet their needs and expectations and contribute to a greener net zero city – we will: d. Deliver Council led infrastructure investments, policies and strategies that enable Edinburgh’s transition to a net zero city; and
- 9.3.2 5a - People have decent, energy efficient, climate proofed homes they can afford to live in – we will: a. Increase supply of affordable housing with an ambition to reach 25,000 new affordable homes.

- 9.4 The main risk to Edinburgh Living is the ongoing economic situation. This is manifested in three main areas: increased acquisition costs (including borrowing rates), increased operational costs and the potential for reduced income from tenants experiencing financial hardship. These risks are addressed through the viability process and cost monitoring – the homes will not be acquired if they are not sustainable in the longer term.
- 9.5 With regard to rental income a sensitive but robust approach is taken to arrears with tenants signposted to potential sources of support.
- 9.5.1** These risks are monitored and managed by the Senior Management Team for Edinburgh Living.

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

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- 10.1 [City Deal – New Housing Delivery Partnership Implementation](#), Housing and Economy Committee, Thursday 18 January 2018.
- 10.2 [City Deal – New Housing Delivery Partnership Implementation](#) – Referral from the Housing and Economy Committee, City of Edinburgh Council, 1 February 2018.
- 10.3 [City Deal New Housing Delivery Partnership Acquisition of Homes 2018/2019](#), Finance and Resource Committee, Thursday 12 June 2018.
- 10.4 [Award of Construction Contract for Construction of New Homes at Western Villages, Granton Waterfront](#) - Finance and Resources Committee, 3 March 2022.
- 10.5 [Edinburgh Living LLPs: Acquisition of Homes 2022/2023](#) - Finance and Resources Committee, Thursday 8 September 2022.
- 10.6 [Edinburgh Living LLPs: Acquisition of Homes 2022/2023](#) – referral from the Finance and Resources Committee, Thursday 22 September 2022.
- 10.7 [Edinburgh Living Annual Update 2022 - referral from the Housing Homelessness and Fair Work Committee](#) - Governance, Risk and Best Value Committee, Tuesday 2 May 2023.
- 10.8 [Award of Lettings and Management Contract for Edinburgh Living](#) - Finance and Resources Committee, 25 April 2023.

## **11. Appendices**

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- 11.1 Appendix 1 - Financial background on the transfer of homes to Edinburgh Living Mid-Market Rent LLP.

## **Appendix 1 - Financial background on the transfer of homes to Edinburgh Living Mid-Market Rent LLP**

The Edinburgh Living Mid-Market Rent LLP purchases homes with a combination of borrowing received through Council lending and, for the mid-market rent LLP, Scottish Government grant funding. Approval is required from the City of Edinburgh Council to lend funds to the LLP in order to fund the purchase of these homes. The costs associated with the lending are recharged to the LLP. The LLP meets these costs from net rental income generated from letting the properties.

The loans to the LLP will generally be a 40-year annuity repayment structure, similar to a mortgage. The rate of interest on the loan is based on the Public Works Loan Board (PWLB) 40-year annuity rate available to the Council on the day each loan is advanced.

A viability test is carried out to ensure that the homes purchased are capable of generating a sustainable income stream that can cover running costs and repayment of principal and interest on the lending provided by the Council's General Fund. A prudent allowance is also required to be earmarked to cover future life-cycle maintenance.

The test is run on the day of purchase for every acquisition made by the LLPs, using the final costs and actual interest rate. Lending will only go ahead if the test is passed. Based on the current estimated costs, rent levels and interest rates and an element of contingency, the viability test requirements for this tranche of acquisitions by both LLPs were met.

### **General Fund**

The LLPs generate sufficient net rental income to repay the Loans Fund capital advances relating to borrowing provided for the acquisition of homes. The LLPs monitor the actual operating position and adapt their business plan on an ongoing basis to ensure that this remains the case. It should be noted, however, that should the LLPs fail to make their loan principal or interest repayments, the Council's General Fund will need to fund the shortfall from elsewhere in its own budget.

Financial risk to the General Fund in the event of LLP default is mitigated by the Council having first ranking security on the homes after repayment of the Scottish Government Grant provided for the mid-market rent LLP.

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## QUESTION NO 1

**By Councillor Ross for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

A concern has been raised by one of my constituents about apparently discretionary application of the parking regulations by a parking attendant, favouring commercial vehicles.

**Question** (1) What evidence would be regarded as sufficient valid evidence to make a case for appropriate action?

**Answer** (1)

**Question** (2) How can a member of the public report the issue and present that evidence?

**Answer** (2)

**Question** (3) What action can the Council take if there is sufficient valid evidence that a parking attendant is not enforcing the parking regulations correctly?

**Answer** (3)

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## QUESTION NO 2

**By Councillor Ross for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

On 28 January 2021, the Council agreed to implement 20mph speed limits on 17 streets across the city, including Cluny Gardens and Greenbank Crescent in Ward 10. An update was provided in March this year confirming delivery for four streets and progress on the remaining 13. Completed designs were to be issued to Roads Operations in March for Cluny Gardens and Greenbank Crescent, amongst others, but there is not yet any evidence of implementation. Please can you provide

**Question** (1) An explanation for the delay in implementation;

**Answer** (1)

**Question** (2) An update on progress; and

**Answer** (2)

**Question** (3) A timeline for delivery for all 13 remaining streets?

**Answer** (3)

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## QUESTION NO 3

**By Councillor Ross for answer by the  
Convener of the Transport and  
Environment Committee at a meeting  
of the Council on 28 September 2023**

**Question**           **(1)** What new powers are now available to the council to improve bus services in Edinburgh following the laying of the Transport (Scotland) Act 2019 (Commencement No. 7) Regulations 2023?

**Answer**           **(1)**

**Question**           **(2)** What assessment has been made of when and how the Council should use these new powers?

**Answer**           **(2)**

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**QUESTION NO 4**

**By Councillor Young for answer by  
the Convener of the Culture and  
Communities Committee at a  
meeting of the Council on 28  
September 2023**

**Question**

To ask the Convener for:

- (a) a list of playparks (by ward) which have one or more broken play equipment items, and what % of equipment at each park is still usable.
- (b) Of the list at (a), which of these are fully closed (assumption that all 100% unusable parks will be closed but others may be unsafe to use due to damaged equipment), and since what date has it been closed?
- (c) Of the list at (a), when are they due to re-open

This can be provided as 3 separate lists or a combined table such as the below:

Name of playpark	Ward	Location	% usable	Is playpark still open?	If closed, since what date?	If closed, due date for re-opening?

**Answer**

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## QUESTION NO 5

**By Councillor Beal for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

**Question** (1) Will he assure me that the monitoring and results for the Corstorphine LTN will include data from the first week of November 2023 so that it is directly comparable with the baseline data?

**Answer** (1)

**Question** (2) Will he also provide pedestrian and cycle data for analysis from the Corstorphine LTN?

**Answer** (2)

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## QUESTION NO 6

**By Councillor Dijkstra- Downie for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

Given the issues experienced with defective material associated with the micro-asphalt programme in 2022/23, can the Convener confirm:

**Question** (1) How many, and which, roads that were treated with substandard micro-asphalt during the 2022/23 programme have since been re-treated?

**Answer** (1)

**Question** (2) How many, and which, roads that were treated with substandard micro-asphalt during the 2022/23 programme were not re-treated?

**Answer** (2)

**Question** (3) Which, if any, defects are still outstanding as a result of the use of the defective material?

**Answer** (3)

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## QUESTION NO 7

**By Councillor Dijkstra- Downie for  
answer by the Convener of the  
Transport and Environment  
Committee at a meeting of the  
Council on 28 September 2023**

**Question** (1) How many, and which, school crossing patrol locations are currently unstaffed because of vacancies?

**Answer** (1)

**Question** (2) How many, and which, school crossing patrol locations are currently unstaffed because of reasons other than vacancies? If any, please detail the reasons.

**Answer** (2)

**Question** (3) What steps are undertaken to ensure these crossings will be restaffed?

**Answer** (3)

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## QUESTION NO 8

**By Councillor Kumar for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 28 September 2023**

On the full council meeting of the 31st August 2023 your motion on ASN support was passed with an amendment which said:

Agrees:

This is a vital service and makes a commitment to continue to provide this ASN support, both as one to one provision for individual children, and through capacity building for after school clubs and childcare providers for this financial year at the financial level provided in previous financial years.

On the 5th September 2023 the Council wrote to a parent who's child had been a recipient of one-to-one support which said:

The support is provided directly to out of school care providers each academic year and for the full year. The support is designed to be advice and guidance to up-skill staff to support children with additional support needs. It is the duty of the provider to meet those needs, or to be in contravention of the Disability Discrimination Act.

The motion also stated:

5. All existing support arrangements will be honoured within the existing budget.
6. That the scheme will continue to be open to new applicants within existing budget.

The email to the parent goes on to say:

The council has no locus on the individual contracts between parents and providers to provide out of school care. If parents find that they have been refused provision due to additional support needs, they should contact the officer who will record the concern and provide the details of the relevant link officer for the service they are complaining about.

**Question**

Given that the administration position is that this service was simply being in-housed, and that the amended motion that was agreed at full council stated the provision should continue as it had previously been provided, does the convener:

- a) Agree with the what the Council has set out as the position to parents?
- b) Believe that this is an accurate reflection of what was agreed at full council?
- c) Have any concerns about governance and the implementation of democratic decision making?
- d) Can she give assurances that one to one support will be reinstated, as agreed by this council?
- e) Can she give a timeframe for when that will be in place?
- f) Can she confirm that payments will be made directly to providers in order to facilitate this?

**Answer**

## QUESTION NO 9

**By Councillor Kumar for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 28 September 2023**

### **Question**

Did the Convener ask officers not to bring the Connected Edinburgh Grants Programme report 2024-27 to Committee? The report was discussed as a B-agenda report at the September 5th 2023 Education, Children and Families Committee, after it was available to Councillors just 2 working days before the Committee met.

### **Answer**

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## QUESTION NO 10

**By Councillor Campbell for answer  
by the Leader of the Council at a  
meeting of the Council on 28  
September 2023**

Following the approval of my motion on Edinburgh Leisure paying the Real Living Wage on 31<sup>st</sup> August can the Council Leader please confirm:

- Question** (1) What discussions have been had between CEC and Edinburgh Leisure?
- Answer** (1)
- Question** (2) Has the council leader been in direct contact with Edinburgh Leisure?
- Answer** (2)
- Question** (3) Has the Chief Executive been in direct contact with Edinburgh Leisure?
- Answer** (3)
- Question** (4) Have any other council officers been in direct with contact with Edinburgh Leisure? Please detail.
- Answer** (4)
- Question** (5) When can staff at Edinburgh Leisure expect to receive confirmation that their wages have been increased to the real living wage?
- Answer** (5)
- Question** (6) When can staff at Edinburgh Leisure expect to receive their backdated pay increase from the start of the financial year?
- Answer** (6)

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## QUESTION NO 11

**By Councillor Aston for answer by the Convener of the Housing, Homelessness and Fair Work Committee at a meeting of the Council on 28 September 2023**

**Question**           **(1)** Why is it that almost half of the huge number of empty Council houses are located in North East Edinburgh (638 out of 1456 in total) despite the North East only constituting one quarter of the city?

**Answer**           **(1)**

**Question**           **(2)** What actions are being taken by the Housing Convener to address the problem of void Council houses specifically in North East Edinburgh?

**Answer**           **(2)**

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## QUESTION NO 12

**By Councillor Aston for answer by the Convener of the Transport and Environment at a meeting of the Council on 28 September 2023**

**Question**            (1) What meetings or correspondence has the Transport and Environment Convener had since the February 2023 meeting of the Transport and Environment Committee regarding a proposed hovercraft service between Leith and Kirkcaldy?

**Answer**            (1)

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## QUESTION NO 13

**By Councillor McFarlane for answer  
by the Convener of the Culture and  
Communities Committee at a  
meeting of the Council on 28  
September 2023**

Could the convener confirm:

**Question**           **(1)** Were they present at the Labour Campaign Event on 7<sup>th</sup> September 2023?

**Answer**           **(1)**

**Question**           **(2)** Have they referred themselves to the Commissioner for Ethical Standards?

**Answer**           **(2)**

**Question**           **(3)** On what date did they do so?

**Answer**           **(3)**

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**QUESTION NO 14**

**By Councillor McNeese-Mechan for  
answer by the Depute Convener at a  
meeting of the Council on 28  
September 2023**

Could the Depute Convener confirm:

**Question**           **(1)** Were they present at the Labour Campaign Event on 7<sup>th</sup> September 2023?

**Answer**           **(1)**

**Question**           **(2)** Have they referred themselves to the Commissioner for Ethical Standards?

**Answer**           **(2)**

**Question**           **(3)** On what date did they do so?

**Answer**           **(3)**

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## QUESTION NO 15

**By Councillor Kumar for answer by  
the Convener of the Education,  
Children and Families Committee at a  
meeting of the Council on 28  
September 2023**

Could the convener confirm:

**Question** (1) Were they present at the Labour Campaign Event on 7<sup>th</sup> September 2023?

**Answer** (1)

**Question** (2) Have they referred themselves to the Commissioner for Ethical Standards?

**Answer** (2)

**Question** (3) On what date did they do so?

**Answer** (3)

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## QUESTION NO 16

**By Councillor Nicolson for answer by  
the Vice-Chair of the Edinburgh  
Integration Joint Board at a meeting  
of the Council on 28 September 2023**

Could the Vice-Chair confirm:

**Question** (1) Were they present at the Labour Campaign Event on 7<sup>th</sup> September 2023?

**Answer** (1)

**Question** (2) Have they referred themselves to the Commissioner for Ethical Standards?

**Answer** (2)

**Question** (3) On what date did they do so?

**Answer** (3)

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## QUESTION NO 17

**By Councillor Macinnes for answer  
by the Convener of the Finance and  
Resources Committee at a meeting  
of the Council on 28 September 2023**

Could the convener confirm:

**Question** (1) Were they present at the Labour Campaign Event on 7<sup>th</sup> September 2023?

**Answer** (1)

**Question** (2) Have they referred themselves to the Commissioner for Ethical Standards?

**Answer** (2)

**Question** (3) On what date did they do so?

**Answer** (3)

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## QUESTION NO 18

**By Councillor Key for answer by the  
Convener of the Housing,  
Homelessness and Fair Work  
Committee at a meeting of the  
Council on 28 September 2023**

Could the convener confirm:

**Question** (1) Were they present at the Labour Campaign Event on 7<sup>th</sup> September 2023?

**Answer** (1)

**Question** (2) Have they referred themselves to the Commissioner for Ethical Standards?

**Answer** (2)

**Question** (3) On what date did they do so?

**Answer** (3)

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**QUESTION NO 19**

**By Councillor Aston for answer by  
the Convener of the Planning  
Committee at a meeting of the  
Council on 28 September 2023**

Could the convener confirm:

**Question**           **(1)** Were they present at the Labour Campaign Event on 7<sup>th</sup> September 2023?

**Answer**           **(1)**

**Question**           **(2)** Have they referred themselves to the Commissioner for Ethical Standards?

**Answer**           **(2)**

**Question**           **(3)** On what date did they do so?

**Answer**           **(3)**

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## QUESTION NO 20

**By Councillor Aston for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

Could the convener confirm:

**Question** (1) Were they present at the Labour Campaign Event on 7<sup>th</sup> September 2023?

**Answer** (1)

**Question** (2) Have they referred themselves to the Commissioner for Ethical Standards?

**Answer** (2)

**Question** (3) On what date did they do so?

**Answer** (3)

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## QUESTION NO 21

**By Councillor Dobbin for answer by the Leader of the Council at a meeting of the Council on 28 September 2023**

It has been widely reported that a Labour Party campaign event was held in the Labour group room on the 7<sup>th</sup> September. Can the Leader confirm:

**Question** (1) Who booked the room? Was it Council staff, Labour Councillors, other Labour Party members or someone else?

**Answer** (1)

**Question** (2) Who sent the email invite? Was it Council staff, Labour Councillors, other Labour Party members or someone else?

**Answer** (2)

**Question** (3) Who liaised with the caterers? Was it Council staff, Labour Councillors, other Labour Party members or someone else?

**Answer** (3)

**Question** (4) Who arranged for the sponsorship? Was it Council staff, Labour Councillors, other Labour Party members or someone else?

**Answer** (4)

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**QUESTION NO 22**

**By Councillor Aston for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

**Question**

Will Marionville Road be included in the 2023/2024 draft delivery plan for speed reduction measures?

**Answer**

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## QUESTION NO 23

**By Councillor Campbell for answer  
by the Convener of the Education,  
Children and Families Committee at a  
meeting of the Council on 28  
September 2023**

- Question**           (1) a) How many requests have the council received from schools for furniture where there are, for example, not enough tables and chairs to allow all pupils to work on the same task?
- b) How many requests have been met?
- c) How many requests for furniture have not been met?

**Answer**           (1)

- Question**           (2) a) How many requests have there been for additional funds for learning materials and equipment?
- b) How many requests have been met?
- c) How many requests for learning materials and equipment have not been met?

**Answer**           (2)

- Question**           (3) How many schools does the convener believe are short of equipment, materials or furniture?

**Answer**           (3)

- Question**           (4) Does the convener have confidence that all children at school in Edinburgh have the learning materials, equipment and furniture needed?

**Answer**           (4)

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## QUESTION NO 24

**By Councillor Dobbin for answer by the Leader of the Council at a meeting of the Council on 28 September 2023**

### Question

Further to the Council Leader's trip to Taiwan, has the Council incurred any associated costs, for example expenses, officer overtime or any other costs that were not picked up by the Taiwanese Government, including costs contained within departmental budgets but specifically incurred as a result of this trip. And if so, please detail.

### Answer

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**QUESTION NO 25**

**By Councillor Rust for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

On 17th September, my office was advised:

“Unfortunately, we currently have 1 member of staff in the Road Safety team dealing with everything due to annual leave and sickness.”

**Question (1)** How many officers are currently employed in Road Safety

- (a) full time permanent,
- (b) part time permanent,
- (c) temporary/secondment?

**Answer (1)**

**Question (2)** What is the remit of the road safety team?

**Answer (2)**

**Question (3)** Does the Convener consider that the position outlined above is satisfactory?

**Answer (3)**

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## QUESTION NO 26

**By Councillor Bruce for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

**Question** (1) What was the subsidy given to Lothian Buses when they operated the 20 route?

**Answer** (1)

**Question** (2) What was the original subsidy given to First Bus when they took over the 20 route from Lothian Buses?

**Answer** (2)

**Question** (3) What was the total costs of payments withheld by the council for First Bus for cancelled services on the 20 route?

**Answer** (3)

**Question** (4) What was the subsidy given to McGills when they took over the 20 route?

**Answer** (4)

**Question** (5) How much money is held back from McGills if a particular timed service on a particular day is cancelled?

**Answer** (5)

**Question** (6) What are the total costs of payments withheld by the council so far for McGill buses that have been cancelled on the 20 route?

**Answer** (6)

**Question** (7) If McGills cut short a route, do they get the same amount of subsidy as when they complete the route?

**Answer** (7)

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## QUESTION NO 27

**By Councillor Mitchell for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 28 September 2023**

Please could the Convener confirm:

**Question (1)** If mews permit Zone 5 (344) is currently

a) Operational, and

b) Enforceable

**Answer (1)**

**Question (2)** Why the enforcement contractor may have indicated to residents with permits for Zone 5 (344) that the mews designation no longer exists.

**Answer (2)**

**Question (3)** Whether the enforcement of Zone 5 (344) has been suspended at all in the last three months.

**Answer (3)**

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## QUESTION NO 28

**By Councillor Mumford for answer by the Convener of the Education, Children and Families Committee at a meeting of the Council on 28 September 2023**

**Question** (1) When was the decision on eligibility criteria for Third Party Revenue Grants a) taken b) communicated to Councillors c) communicated to current grant holders

**Answer** (1)

**Question** (2) How many organisations currently funded under the scheme are registered charities, how many social enterprises, and how many other organising structures?

**Answer** (2)

**Question** (3) What monitoring has been done of the current funding arrangements and evaluation of the impact on the Council's priorities, and the possible impact of changing the criteria?

**Answer** (3)

**Question** (4) What support has been offered to current grant holders to understand the new criteria and – if applicable – help them make changes to fit the new criteria e.g apply for charitable status?

**Answer** (4)

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## QUESTION NO 29

**By Councillor O'Neill for answer by the Convener of the Policy and Sustainability Committee at a meeting of the Council on 28 September 2023**

- Question**           **(1)** Since the Council took its current form under the Local Government (Scotland) Act 1994, what has been the gender split in respect of:
- a) Committee membership
  - b) Convener and vice-convener roles
  - c) Party leaders or co-leaders
  - d) Working groups / All party oversight groups

**Answer**           **(1)**

- Question**           **(2)** Since 2022, what has been the gender split in respect of:
- a) Motions submitted
  - b) Proposers and seconders
  - c) Questions submitted

**Answer**           **(2)**

- Question**           **(3)** What are the Council's current policies for elected members regarding:
- a) Sexual harassment and/or sexual violence
  - b) Lone working
  - c) Family Leave
  - d) Menopause

**Answer**           **(3)**

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

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