

# Minutes

## Finance and Resources Committee

10.00am, Thursday 27 August 2020

**Present:**

Councillors Munn (Convener), Griffiths (Vice-Convener), Booth, Bruce, Corbett, Hutchison, Johnston, Munn, Frank Ross (substituting for Councillor Rankin), Neil Ross and Watt (substituting for Councillor Child).

### 1. Work Programme

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The Finance and Resources Committee Work Programme as at 17 August 2020 was submitted.

**Decision**

To note the Work Programme.

(Reference – Work Programme 27 August 2020, submitted.)

### 2. Rolling Actions Log

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The Finance and Resources Committee Rolling Actions Log as at 27 August 2020 was submitted.

**Decision**

1) To agree to close the following actions:

- Action 1 – Provisions of Registrar Services
- Action 2 – Asset Management Strategy Transformation Programme
- Action 4 – Business Bulletin – Review of Janitorial Services in Community Centres and Schools
- Action 5(1) - To agree that the Executive Director of Place would provide further information regarding Place Management Savings.
- Action 6 – Revenue Maximisation Project Report
- Action 7 – Contract Award and Procurement Programme (Period 1 January to 30 June 2019)
- Action 8 (1) – Corstorphine Community Centre
- Action 9 (1&2) – Capital Monitoring 2019/20 – Month Eight Position
- Action 10 – Accounts Commission: Local Government in Scotland – Financial Overview 2018/19
- Action 11 – Annual Report – Debt Write-off

- Action 12 - Mixed Tenure Improvement Service Pilot
- Action 13 – Community Centres - Condition Review and Corstorphine Community Centre
- Action 14 - Asset Management Strategy Transformation Programme – Update
- Action 15 (1&2) - Asset Management Works Programme – 2019/20 Update
- Action 16 - Health and Safety Performance in 2019
- Action 18 - Waiver for Extension of Managed Print Service
- Action 21 (1&2) – Marketing Edinburgh

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log 27 August 2020, submitted.)

### **3. Revenue Monitoring 2019/20 - Outturn Report**

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The Committee considered a report which set out the provisional 2019/20 revenue outturn position for the Council based on the unaudited annual accounts. The position showed an overall overspend of £5.231m, the first such overspend in thirteen years, and this sum would therefore require to be met by means of a corresponding drawdown from reserves.

#### **Decision**

- 1) To note that the provisional outturn position showed an overall overspend of £5.231m, the first such overspend in thirteen years, and that this sum would therefore require to be met by means of a corresponding drawdown from reserves.
- 2) To note the contributions to and from the General Fund in 2019/20 as detailed in the report.
- 3) To note that the Housing Revenue Account was balanced after making a contribution of £7.477m towards in-year capital investment.
- 4) To note that the Common Good Annual Performance Report would be considered at a future meeting of the Finance and Resources Committee, alongside further details of projects currently supported through the Spend to Save Fund and opportunities for further investment.
- 5) To refer the report to the Governance, Risk and Best Value Committee as part of its workplan.
- 6) To agree that a comparable report to the Communities and Families Directorate commentary in Appendix 3 to the report would be submitted to the Finance and Resources Committee detailing the Place Directorate overspend.
- 7) To agree that a briefing note would be circulated on training delivered by Project Managers to permanent staff which continued to develop.

- 8) To note that the report which would be submitted to the Committee to respond to the Council motion of 28 July would also include an annual review of the Spend to Save programme.

(References – Act of Council No. 7, 28 July 2020; report by the Executive Director of Resources, submitted.)

#### **4. Treasury Management: Annual Report 2019/20**

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An update was provided on Treasury Management activity in 2019/20.

##### **Decision**

- 1) To note the Annual Report on Treasury Management for 2019/20.
- 2) To refer the report to the Governance, Risk and Best Value Committee for scrutiny.
- 3) To agree to circulate a briefing note with details of lending to Scottish Local Authorities and English Local Authorities.

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

#### **5. Finance Policies - Assurance Statement**

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An update was provided on the most recent year's review of policies that fell within the remit of the Head of Finance in his capacity as the Council's Section 95 Chief Financial Officer.

##### **Decision**

To note and be assured that the Finance policies detailed in this report had been reviewed and were considered to remain current, relevant and fit-for purpose.

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

#### **6. Revenue Budget 2020/21 - Month Three Position**

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Following earlier assessments considered by the Leadership Advisory Panel and Policy and Sustainability Committee on 23 April, 28 May, 25 June and 23 July, the Committee was updated on the estimated cost and income implications of the coronavirus pandemic on the Council and its Arm's-Length External Organisations' (ALEOs) activities.

##### **Decision**

- 1) To note the further update of the estimated expenditure and income impacts of the COVID-19 pandemic on the Council and its ALEOs' activities and the potential sources of funding identified to address them.
- 2) To note the significant remaining projected in-year shortfall and associated risks linked to further service disruption and/or slower-than-assumed recovery.
- 3) To note that updates on expenditure and income impacts, and the confirmed and potential means to address them, would continue to be reported to elected

members on a regular basis, with a further update to be considered by the Finance and Resources Committee on 29 October.

- 4) To note that further representations would be made through COSLA regarding the need for both pass-through of Barnett Consequentials resulting from the provision of relevant additional funding in England and consideration by the UK and Scottish Governments of appropriate financial flexibilities.
- 5) To note, nonetheless, that there remained a significant risk around receiving additional funding or flexibilities sufficient to address the remaining deficit, particularly in the event of any further lockdown, and thus further actions on service prioritisation were urgently required.
- 6) To note the Convener would engage with the Cabinet Secretary for Finance in the Scottish Government regarding the Council's overall projected shortfall.

(References – Policy and Sustainability Committee, 23 July 2020 (item 9); report by the Executive Director of Resources, submitted.)

## **7. Edinburgh Integration Joint Board – Contract Living Wage Uplift**

Details were provided on the Edinburgh Integration Joint Board's proposed approach to implementation of contract uplifts for 2020/21 including proposals relating to the national agreement on Fair Work and the Living Wage in Adult Social Care.

### **Decision**

- 1) To note the Direction from the Edinburgh Integration Joint Board (EIJB) to uplift contracts by 3.3% with effect from April 2020.
- 2) To approve the uplift of contracts in accordance with the Direction from the EIJB.
- 3) To note that the EIJB would reflect the estimated £3.4m cost pressure in 2020/21 in the Health and Social Care mobilisation plan financial returns to the Scottish Government and that the EIJB Chief Officer and Chief Finance Officer would continue to work with partners to identify how this will be addressed with an update to be reported to the EIJB and partners in October.
- 4) To refer the report to Council as any shortfall in funding could result in a call on Council resources of up to the £3.4m estimated cost.
- 5) To request that a relevant officer would attend Committee meetings when there were reports relating to bodies such as the Edinburgh Integration Joint Board on the agenda.

(References – Edinburgh Integration Joint Board 24 August 2020; report by the Executive Director of Resources, submitted.)

### **Declarations of interest**

Councillor Gordon declared a non-financial interest in the above item as member of the Edinburgh Integration Joint Board.

## **8. Resources Directorate - Revenue Budget Monitoring 2020/21 – Month Three position**

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Details were provided of the projected three-month revenue monitoring position for the Resources Directorate, based on actual expenditure and income to the end of June 2020 and expenditure and income projections for the remainder of the financial year.

### **Decision**

- 1) To note the Resources Directorate was forecasting a budget pressure of £0.151m for 2020/21.
- 2) To note the Executive Director and Heads of Service were continuing to progress identification of additional savings measures to offset this budget pressure to achieve outturn expenditure in line with the approved revenue budget for 2020/21.
- 3) To note the ongoing risks to the achievement of a balanced revenue budget projection for the Directorate.

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

## **9. Chief Executive's Services - Revenue Budget Monitoring 2020/21 - Month Three position**

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Details were provided of the projected three-month revenue budget monitoring position for the Chief Executive's Services, based on actual expenditure and income to the end of June 2020 and expenditure and income projections for the remainder of the financial year.

### **Decision**

To note the forecast outturn would be in line with the approved revenue budget for Chief Executive's services for 2020/21 .

(Reference – report by the Chief Executive, submitted.)

## **10. 2020-30 Capital Budget Strategy – 2020-21 Period 3 Monitoring and Revised Budget Update**

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The Committee considered a report providing capital expenditure and funding forecasts for 2020/21, providing explanations for variances.

### **Decision**

- 1) To note the Capital monitoring position for the General Fund and Housing Revenue Account (HRA) at month three 2020-21.
- 2) To note the proposed use of £4.242m contingency funding for North Bridge Refurbishment, subject to approval by Council.
- 3) To refer the report to the Governance Risk and Best Value Committee as part of its work programme.

- 4) To agree to circulate the briefing note previously circulated to Policy and Sustainability Committee members on the North Bridge Refurbishment.

(References – Policy and Sustainability Committee 25 June 2020 (item 7); report by the Executive Director of Resources, submitted.)

## **11. Workforce Insight and Controls - Annual Report**

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A summary of workforce insights for the core and flexible (agency and overtime) workforce, absence, and transformation/redeployment for the 2019/20 financial year was provided.

### **Decision**

- 1) To note the workforce trends over the period April 2019 to March 2020.
- 2) To refer the report to Governance, Risk and Best Value Committee as part of its work programme.

(References – Finance and Resources Committee 23 May 2019 (item 7); report by the Executive Director of Resources, submitted.)

## **12. Workforce Dashboard**

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The Committee considered a report which provided a summary of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance, as detailed on the Finance and Resources Committee Workforce Dashboard, for the period of June 2020.

### **Decision**

- 1) To note the workforce information contained in the dashboard.
- 2) To agree that a briefing note would be circulated with details on the reduced number of Trainees and Apprentices.

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

## **13. Contract Extension for Stair Cleaning services to Domestic Properties 2016-2020**

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An update was provided on the procurement process relating to a new stair cleaning contract and approval was sought to extend the current contract, via a waiver of CSOs, with ISS Facility Services Limited for a six-month period from 1 November 2020 to 30 April 2021. The value of the waiver would be in the region of £500,000.

### **Decision**

- 1) To approve an extension to the ISS Facility Services Limited contract for provision of stair cleaning services, via a waiver of Contract Standing Orders (CSOs). This extension would be for a period of six months, until 30 April 2021, allowing time for the procurement process to be finalised and a new contract put in place.

- 2) To agree that a briefing note would be circulated with details on the approach to be taken when private owners opted out of the service.

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

## **14. Home Energy Efficiency Programme – Enabling Support**

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Approval was sought to award £407,000 of HEEPS:ABS funding to Changeworks Resources for Life Ltd (Changeworks) to deliver the Home Energy Efficiency Programme for Scotland: Area Based Scheme (HEEPS:ABS) in Edinburgh. As Changeworks had an existing Service Level Agreement (SLA) with the Council to cover these responsibilities, approval was also sought to increase the financial value of the arrangement through a waiver of the Council's Contract Standing Orders.

### **Decision**

- 1) To note the funding allocation of £3,579,954 for the Home Energy Efficiency Programme Scotland: Area Based Scheme (HEEPS:ABS).
- 2) To agree to award £407,000 from this funding to Changeworks Resources for Life Ltd (Changeworks) through a waiver of the Council's Contract Standing Orders to enable delivery of the 2020/21 scheme in Edinburgh.
- 3) To agree that the award could be added to the existing Service Level Agreement (SLA) between the Council and Changeworks for supporting delivery of housing energy projects in the city.
- 4) To note that a full procurement exercise would shortly be commenced to appoint a new Energy Projects Delivery Partner in early 2021.

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

## **15. Contract Extensions for Domestic Abuse Contracts**

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Approval was sought to extend the Council's current domestic abuse contracts for 12 months from 1 April 2021 to 31 March 2022. The contracts had an annual value of £1,076,806.24 and were provided by three Service Providers – Edinburgh Women's Aid, Four Square Scotland and Shakti Women's Aid.

### **Decision**

- 1) To approve the request to extend current domestic abuse contracts due to the impact of Covid19, from 1 April 2021 to 31 March 2022.
- 2) To agree to provide a briefing note on which of these services maintained their services throughout Covid-19, how many of their staff that worked on these contracts were furloughed and how they planned to use any savings to increase the level of service in the recovery phase to take in to account the increasing pressure.

(References – Finance and Resources Committee 28 September 2017 (item 18); report by the Executive Director for Communities and Families, submitted.)

## 16. Appointments to Working Groups 2020/21

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The Committee was invited to appoint the membership of the Joint Consultative Group, Elected Member ICT and Digital Sounding Board and the Council Health and Safety Consultation Forum.

### Decision

- 1) To note that Cllr Munn had replaced Cllr Rankin on the Joint Consultative Group and the Council Health and Safety Consultation Forum.
- 2) To agree that political groups would inform Committee Services of their appointments to positions on working groups.
- 3) To appoint the membership of the Council Health and Safety Consultation Forum in Appendix 3 to the report.
- 4) To postpone the re-appointment of the Property Sub-Committee until such time as a meeting of the Sub-Committee is deemed necessary.
- 5) To approve the remits of the Joint Consultative Group, Elected Member ICT and Digital Sounding Board, and the Council Health and Safety Consultation Forum 2019/20 as set out in appendices 1 to 3 of the report.

(Reference – report by the Chief Executive, submitted.)

## 17. 21 Cockburn Street, Edinburgh – Proposed Lease Extension

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Approval was sought for a 10-year lease extension to Lisardo's Ltd at 21 Cockburn Street, Edinburgh.

### Decision

To approve a 10-year lease extension to Lisardo's Ltd at 21 Cockburn Street, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

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

## 18. Voice Services (Mobile and Fixed Lines) 2017 Direct Award: 24 Month Extension

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Approval was sought to extend the Direct Award to Telefonica UK Ltd, under Crown Commercial Services Network Services Framework RM1045, Lot 10-O2-SSO12-LG, for the continued supply of Mobile Services: Voice and Data connection, (Sim), and Fixed Services: PSTN lines, ISDN2 and ISDN30.

### Decision

- 1) To extend the Direct Award to Telefonica UK Ltd, under Crown Commercial Services Network Services Framework RM1045, Lot 10-O2-SSO12-LG, for the continued supply of Mobile Services: Voice and Data connection, (Sim), and Fixed Services: PSTN lines, ISDN2 and ISDN30.

2) To exercise the optional 24-month extension, as stated in the original direct award to Telefonica UK Ltd, which was signed in October 2017 and awarded for an initial 36 months. For the following:

- Network Services

- i - Sim only mobile provision,

- ii - Fixed Line comprising PSTN, ISDN2 and ISDN30, with no commitment on volume or spend.

(Reference – report by the Executive Director of Resources.)

## **19. City of Edinburgh Council and CGI IT UK Limited - Contract Proposals**

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The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 8 and 9 Part 1 of Schedule 7(A) of the Act.

Approval was sought for an extension to the Council's current partnership agreement with CGI IT UK Limited for the delivery of ICT and Transformation Services.

### **Decision**

To approve the proposed 6 year extension to the current contract with CGI, and the associated principles for a Contract Amendment Note, leading to an extended contract period running to 31st March 2029.

Note: the full decision is contained in the Confidential Schedule, signed by the Convener, with reference to this minute.

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