

Minutes

Finance and Resources Committee

10.00am, Friday 6 December 2019

Present

Councillors Rankin (Convener), Griffiths (Vice-Convener), Booth (for items 1 to 16), Bruce, Corbett, Howie (substituting for Councillor Gordon), Hutchison, Johnston, Main (substituting for Booth items 17 to 33), Munn, Neil Ross and Watt.

1. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 10 October 2019 as a correct record.

2. Work Programme

The Finance and Resources Committee Work Programme as at 6 December 2019 was submitted.

Decision

To note the Work Programme.

(Reference – Work Programme 6 December 2019, submitted.)

3. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log as at 6 December 2019 was submitted.

Decision

1) To agree to close the following actions:

Action 5 – Motion by Councillor Watt – Funding of Temporary Accommodation for Homeless People

Action 9 (decision 2 only) – Proposed New Lease, St Brides Community Centre, 10 Orwell Terrace

Action 10 – Lease for Drylaw Neighbourhood Centre, Groathill Road North

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log 6 December 2019, submitted.)

4. Business Bulletin

The Finance and Resources Committee Business Bulletin for December 2019 was submitted.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin 6 December 2019, submitted.)

5. Revenue Monitoring 2019/20 – Half-Year Report

The projected overall six-month position for the Council's 2019/20 revenue expenditure budget based on analysis of actual expenditure and income to the end of August 2019 was submitted.

Information was also submitted providing an analysis of underlying pressures and progress in realising savings associated with both approved and mitigating budget measures.

Decision

- 1) To note that, following the identification of a number of further mitigating measures across both Directorate and non-Directorate budgets, a balanced overall position was now being forecast for 2019/20.
- 2) To note that Executive Directors and the Chief Officer of the Edinburgh Integration Joint Board (EIJB) were required to monitor robustly and control proactively expenditure pressures for the remainder of the year.
- 3) To approve, subject to confirmation of the overall outturn and onward ratification by Council, the drawdown of up to £1.5m from the welfare reform allocated reserve.
- 4) To note the balanced projected position on the Housing Revenue Account (HRA) after making planned contributions towards housing investment.
- 5) To refer the report to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

(References – Finance and Resource Committee 10 October 2019 (item 7); report by the Executive Director of Resources, submitted.)

6. Half Year Capital Monitoring 2019/20 Position

Details were provided of the overall position of the Council's capital budget at the half year position (based on month five data) and the projected outturn for the year.

Decision

- 1) To note the projected capital outturn position for the General Fund and Housing Revenue Account (HRA) at month six.
- 2) To note the Council's prudential indicators at month six.
- 3) To note that updated forecasts would be provided at month eight.

- 4) To refer the report to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

(References – Finance and Resources Committee 10 October 2019 (item 7); report by the Executive Director of Resources, submitted.)

7. Resources Directorate - Revenue Budget Monitoring 2019/20 – Half Year Position

Details were provided on the projected six-month revenue monitoring position for the Resources Directorate, based on actual expenditure and income to the end of September 2019 and expenditure and income projections for the remainder of the financial year.

The Directorate was currently projecting a forecast budget pressure of £0.670m for the 2019/20 financial year end.

Decision

- 1) To note the Resources Directorate was currently projecting a forecast budget pressure of £0.670m for the 2019/20 financial year end.
- 2) To note the Executive Director and Heads of Service were continuing to progress the identification of additional savings measures to offset this budget pressure to achieve outturn expenditure in line with the approved revenue budget for 2019/20.
- 3) To note the ongoing risks to the achievement of a balanced revenue budget projection for the Directorate.

(References – Act of Council No 2 of 21 February 2019; report by the Executive Director of Resources, submitted.)

8. Chief Executive - Revenue Budget Monitoring 2019/20 - Half Year Position

Details were provided of the projected six-month revenue budget monitoring position for services reporting directly to the Chief Executive based on actual expenditure and income to the end of June 2019 and expenditure and income projections for the remainder of the financial year.

The Chief Executive's services were projecting expenditure and income within the approved budget for 2019/20 and would continue to progress delivery of all approved savings to achieve outturn expenditure in line with the approved revenue budget for 2019/20.

Decision

To note that the forecast outturn was in line with the approved revenue budget for the Chief Executive's services for 2019/20.

(References – Act of Council No 2 of 21 February 2019; report by the Chief Executive, submitted.)

9. Treasury Management - Mid-Term Report 2019/20

An update was provided of Treasury Management Activity undertaken in the first half of 2019/20.

In accordance with the Strategy set in March 2019, the Council drew down no borrowing during the first half of the financial year with the exception of one tranche for Edinburgh Living of £1,284,315.00 on the 11th June from the Public Works Loan Board. The overall approach continued to generate significant short-term savings in Loans Charges for the Council.

The investment return for 2018/19 continued to show out-performance against the Fund's benchmark, although low in absolute terms, while maintaining the security of the investments as a priority.

Decision

- 1) To note the mid-term report on Treasury Management for 2019/20.
- 2) To refer the report to the City of Edinburgh Council for approval and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

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

10. Change and Budget Conversations Report

A summary was provided of the conversations on service change and budget prioritisation conducted with Council colleagues and citizens from July to October 2019. The full report on the findings was set out in the appendix to the report by the Chief Executive.

Decision

- 1) To note the summary of workshops undertaken.
- 2) To note the report would be included as part of the budget papers for Council in February 2020.
- 3) To note that further detail would be provided as to how this detail was reflected within budget proposals as part of the Budget and Change Strategy Report to Finance and Resources.

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

11. Change and Budget Citizen Focus Groups Report

A summary was provided of the focus groups on service change and budget prioritisation conducted with citizens from September to October 2019. The full report on the findings was included as an appendix to the report by the Chief Executive.

Decision

- 1) To note the summary of focus groups undertaken.
- 2) To note the report would be included as part of the budget papers for Council in February 2020.

- 3) To note that further detail would be provided as to how this detail was reflected within budget proposals as part of the Budget and Change Strategy Report to Finance and Resources.
- 4) To request that information on the discussions and outcomes from the Workshop Groups with young people be included in the Business Bulletin for the next meeting.
- 5) To note there were existing engagement groups involving a broad range of young people supported by Communities and Families colleagues and that Strategy and Communication would discuss how these groups could be used to further engage the views of young people on the change and budget agenda.

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

12. Workforce Dashboard

Details were provided of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance for August 2019, together with a comparison with the previous data reported for July 2019.

Decision

To note the workforce information contained in the dashboard.

(References – Finance and Resources Committee 10 October 2019 (item 10); report by the Executive Director of Resources, submitted.)

13. Plots W1-W4 Fountainbridge, Edinburgh – Proposed Transfer to Housing Revenue Account

A procurement process was ongoing to appoint a Development Partner for the delivery of over 400 homes, office and commercial space on the Council's site at Fountainbridge. Two of the four residential plots would be developed for a mix of affordable housing.

Approval was sought to transfer the residential development land to the Housing Revenue Account.

Decision

To approve the transfer of Plots W1-W4 Fountainbridge, Edinburgh to the Housing Revenue Account (HRA) on the terms and conditions as 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.)

14. The Friends of Duddingston Primary School Solar PV Proposal

The Friends of Duddingston Primary School (The Trust) had submitted a proposal for the installation of 30kW of solar photovoltaic panels on the roof of Duddingston Primary School.

Approval was sought to grant a 21-year licence to The Trust to install solar panels on Duddingston Primary School.

Decision

To grant a 21-year Licence to The Friends of Duddingston Primary School to install solar PV panels on Duddingston Primary School

(Reference – Finance and Resources Committee 15 August 2019 (item 37); report by the Executive Director of Resources, submitted.)

Declaration of Interest

Councillor Corbett declared a non-financial interest in the above item as a Board Member of Edinburgh Community Solar Co-operative.

15. Feasibility of Deep Energy Retrofit of Operational Council Buildings

The Policy and Sustainability Committee, on 6 August 2019, had approved an adjusted motion by Councillor Main requesting that the Council explore the feasibility of undertaking a deep energy retrofit for Council buildings.

In order to progress with a feasibility study a budget of £100k would be required. Subject to funding being identified, a focus of the feasibility study would be to seek to establish the parameters under which a deep energy retrofit would deliver best value across representative building archetypes.

Decision

- 1) To note that a budget of £100k was required to fully explore the feasibility, impact and strategic and financial value of undertaking deep energy retrofits.
- 2) To note that the feasibility study, if funding was identified, would focus on representative building archetypes from key construction periods across the Council estate.
- 3) To note that funding for a feasibility study would be considered as part of the budget setting process for 2020/21.

(References – Policy and Sustainability Committee 6 August 2019 (item 10); report by the Executive Director of Resources, submitted.)

16. Award of Contract – Project and Commercial Management Support for Granton Waterfront

A high level Project Delivery Plan (PDP) and prospectus setting out the Granton Waterfront vision, strategy, funding requirement and approach to development of the Outline Business Case was being developed for consideration by the Policy and Sustainability Committee in 2020.

Project management support had previously been provided by Turner Townsend but this appointment had now concluded.

Approval was sought to award the contract for additional Project and Commercial Management Services to support the Council's in-house team to deliver the regeneration of Granton Waterfront to Arcadis Consulting UK Limited.

Decision

- 1) To approve the award of contract to Arcadis Consulting UK Limited under the Scotland (SXL) Engineering and Technical Consultancy Framework to provide Project and Commercial Management Support to the Council's inhouse delivery team for the regeneration of Granton Waterfront.
- 2) To note the evaluation of the procurement was based on a series of day rates for key roles which might be required to deliver the Outline Business Case and that the amount would not exceed the £604,658 notional cost identified through the procurement process.

(References – Finance and Resources Committee 23 May 2019 (item 16); report by the Executive Director of Place, submitted.)

17. Corstorphine Community Centre

Corstorphine Community Centre, a Scottish Charitable Incorporated Organisation, was seeking to develop the Corstorphine Community Centre at an estimated cost of £2.264m.

There was currently an £886,000 funding gap of which £750,000 was sought from the Council. No Council funds had been identified for the project in the 2019/20 financial year and there was currently no provision for this project in the capital budget strategy for 2020-2030 which meant that the Council currently could not fund the project unless it were to divert budget from other projects.

Decision

- 1) To note that the estimated costs of delivering the Corstorphine Community Centre were now £2.264m, with a funding gap of £886,000, of which £750,000 was sought from the City of Edinburgh Council.
- 2) To note that no funds were currently identified in the 2019/20 financial year for the Corstorphine Community Centre and that there was currently no provision for this project in the capital budget strategy for 2020-2030, meaning that the Council could not fund the project unless it were to divert budget from other projects.
- 3) To note that the Albion Trust had advised the Council that it would not proceed with the redemption of the preference shares in Albion Equity Limited and as such this funding source would not be available for this, or any other project.
- 4) To note that the Council's strategy for capital expenditure was agreed through the budget setting process due to be reported to Council in February 2020.
- 5) To instruct Communities and Families officers to consult with the Corstorphine community on a hub model for the Community Centre for inclusion in a wider review of the Community Centre Asset Management Strategy to come forward to Finance and Resources Committee in March 2020.

- 6) To issue a letter of comfort to the Community Centre on the Council's commitment to exploring solutions to the Corstorphine Community Centre project following the consultation.

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

17. Waiver for Gilmerton Road Short Break Service

Approval was sought to waive Contract Standing Orders to allow payment to Action for Children as part of a service level agreement with NHS Lothian and the other Lothians councils.

This service delivered by Action for Children at Gilmerton Road Care Home provided short breaks for a maximum of five children and young people with a learning disability and challenging behaviour up to the age of 19.

Decision

To approve the payment of up to £308,533 to Action for Children as Edinburgh's contribution to the cost of short break provision for disabled children and young people (Gilmerton Road Care Home) as part of a service level agreement with NHS Lothian and the other Lothians councils

(Reference – report by the Executive Director for Communities and Families, submitted.)

19. Elected Member Car Parking

The Council had recently considered questions and motions regarding elected member car parking arrangements and the related vehicle use of the Quadrangle in front of the City Chambers.

It was proposed to remove all free car parking spaces and restrict vehicle access to and use of the Quadrangle.

Decision

- 1) To approve the removal of free parking spaces provided to Councillors.
- 2) To approve the proposed vehicle access restrictions on use of the Quadrangle as set out in section 4 of the report by the Executive Director of Resources.

(Reference – Act of Council No 4 of 14 March 2019 and No 12 of 19 September 2019; report by the Executive Director of Resources, submitted)

20. Land at 18b Ferry Road Avenue, Edinburgh – Proposed Disposal

Approval was sought for the sale of the ground at 18b Ferry Road Avenue, Edinburgh to North Edinburgh Childcare.

Decision

- 1) To approve the disposal of land at 18b Ferry Road, Edinburgh to North Edinburgh Childcare, on terms and conditions to be agreed by the Executive Director of Resources in consultation with the Convener and Vice-Convener of the Finance and Resources Committee.
- 2) To ensure that sufficient safeguards were put in place for the site to return to Council ownership should the application for National Lottery funding be unsuccessful.

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

21. 5 Hamilton Place- Proposed New Lease

Approval was sought to grant a new lease at 5 Hamilton Place, Edinburgh to the Wee Greek Kitchen Ltd.

Decision

To approve a 10 year lease to Wee Greek Kitchen Limited of the premises at 5 Hamilton Place, Edinburgh on the terms and conditions 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.)

22. Restaurant Unit, Assembly Rooms, 54 George Street, Edinburgh – Proposed Lease

Approval was sought for a new 15 year lease for a restaurant unit, Assembly Rooms, 54 George Street, Edinburgh to Stack and Still Limited.

Decision

To approve a new 15 year lease of the restaurant unit at the Assembly Rooms, 54 George Street, Edinburgh to Stack and Still Limited 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.)

23. Edinburgh Shared Repairs Service Progress Report to 30 September 2019

Details were provided on the operational progress of the Edinburgh Shared Repairs Service (ESRS) to 30 September 2019.

Decision

- 1) To note the update on the progress of Edinburgh Shared Repairs Service (ESRS) to 30 September 2019.
- 2) To note the management information dashboard report to 30 September 2019 set out in Appendix 1 of the report by the Executive Director of Resources.

- 3) To note the examples of customer feedback provided in Appendix 2 of the report.

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

24. Murrayburn Depot, Murrayburn Road, Edinburgh – Proposed Transfer to Housing Revenue Account

The Council's depot strategy to reduce the number of operational buildings would release the depot at Murrayburn. The depot had been identified as an opportunity to assist with the delivery of the Council's affordable housing targets. Approval was sought to transfer the depot to the Housing Revenue Account.

Decision

To approve the transfer of Murrayburn Depot, Murrayburn, Edinburgh to the Housing Revenue Account (HRA) on the terms and conditions outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – Finance and Resources Committee 10 October 2019 (item 14); report by the Executive Director of Resources, submitted.)

25. Former Colinton Mains Bowling Club, 221 Oxfords Road North – Proposed Transfer to Housing Revenue Account

Approval was sought for the transfer of the former Colinton Mains Bowling Club, 221 Oxfords Road North to the Housing Revenue Account (HRA).

Decision

To approve the transfer of the former Colinton Mains Bowling Club, 221 Oxfords Road North to the Housing Revenue Account (HRA) 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.)

26. Award of Legal Services Framework Agreement

Approval was sought to award a six lot framework agreement for legal services to seven providers - Anderson Strathern LLP, Brodies LLP, Clyde & Co (Scotland) LLP, CMS Cameron McKenna LLP, Harper Macleod LLP, Morton Fraser LLP and Shepherd and Wedderburn LLP to commence on 21 December 2019 for an initial period of two years, with two further optional twelve-month extensions, at a total estimated value of £12 million.

Decision

- 1) To approve the award of a framework agreement for Legal Services to seven providers over six lots; Anderson Strathern LLP, Brodies LLP, Clyde & Co (Scotland) LLP, CMS Cameron McKenna LLP, Harper Macleod LLP, Morton Fraser LLP and Shepherd and Wedderburn LLP.

- 2) To approve the commencement of the framework on 21 December 2019 for an initial period of two years, with two further optional twelve month extensions, at an estimated total value of £12 million.

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

27. The Supply of Liquid Fuel

Approval was sought for the adoption of the new Scottish Government Liquid Fuels - Contract SP-19-009. The contract would run from 14 October 2019 to 31 March 2022 with the option to extend to 31 March 2023. This award was for two call-off contracts for the supply of fuel to the Council.

Decision

- 1) To note that the Scottish Government had established a new Liquid Fuels Contract (SP-19-009) in September 2019.
- 2) To note that the Executive Director of Place, under delegated authority powers, had approved the adoption of the new Scottish Government Liquid Fuels - Contract SP-19-009 for the period 14 October 2019 – 6 December 2019.
- 3) To note that the Executive Director of Place would provide Members with clarification on whether the call-off contracts would require the Council to use a minimum amount of fuel and if there was any significant cost difference between continuing the extension currently in place and signing off the new contracts.
- 4) Thereafter to authorise the Executive Director of Place, in consultation with the Convener and Vice-Convener, to assess the information requested in 3) above and to either approve the new contracts if it was felt there was no significant risk to the Council or bring the matter back to Committee for decision if it was felt the cost implications were significant.

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

28. Award of Contract for Traffic Modelling and Transport Planning Consultancy Services

Approval was sought to award a contract for Traffic Modelling and Transport Planning Consultancy Services to Jacobs UK Ltd. The contract term was three years with the option to extend for a further 12 months (undertaken at the sole discretion of the Council).

Decision

- 1) To approve the award of a contract to Jacobs UK Ltd for a period of three years (from 16 December 2019 to 15 December 2022) with the option to extend for an additional 12 months to 15 December 2023.
- 2) To note the total estimated contract value was £1,000,000 annually (£4,000,000 for the full contract term including extensions) and that an estimated saving of 4% would be achieved as a result of the award of this contract.

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

29. Appointments to Working Groups

Decision

To note that Councillor Griffiths has been appointed to Chair the Council Health and Safety Consultation Forum in her capacity as Vice-Convener of the Committee.

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

30. Treasury Management - Completion of Inverse Lender Option (LOBO) Loan Restructuring

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 items of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 6 and 9 Part 1 of Schedule 7(A) of the Act.

Information was provided on the completion of the Inverse LOBO loan restructuring transaction.

Decision

To note the completion of the loan restructuring.

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

31. Care at Home

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 items 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 to extend a care at home contract.

Decision

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

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

32. Continuing of Existing Contract Arrangements – Care Home Contracts

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 items of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 6, 8 and 9 Part 1 of Schedule 7(A) of the Act.

Approval was sought to continue existing contract arrangements when retendering two care home contracts in 2020.

Decision

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

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

33. Purchasing Properties for House Share

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 items of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 6, 8 and 9 Part 1 of Schedule 7(A) of the Act.

Information was provided on the feasibility of purchasing properties for use as house share.

Decision

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

(Reference – report by the Executive Director for Communities and Families, submitted.)

Declaration of Interest

Councillor Corbett declared a non-financial interest in the above item as an employee of Shelter Scotland.