

Minutes

Finance and Resources Committee

10.00am, Thursday 24 September 2020

Present:

Councillors Munn (Convener), Griffiths (Vice-Convener), Aldridge (substituting for Councillor Neil Ross), Booth, Bruce, Corbett, Dixon (substituting for Councillor Gordon, items 1 to 4), Gordon (items 5 onwards), Hutchison, Johnston, Frank Ross (substituting for Councillor Rankin) and Watt.

1. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 27 August 2020 as a correct record.

2. Work Programme

The Finance and Resources Committee Work Programme as at 24 September 2020 was submitted.

Decision

To note the Work Programme.

(Reference – Work Programme 24 September 2020, submitted.)

3. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log as at 24 September 2020 was submitted.

Decision

- 1) To agree to close the following actions:
 - Action 3 – Contract Award and Procurement Programme (Period 1 July to 31 December 2019)
 - Action 4 – Marketing Edinburgh
 - Action 5(3) – Revenue Monitoring 2019/20 - Outturn Report
 - Action 6 - Treasury Management: Annual Report 2019/20
 - Action 10 - Contract Extension for Stair Cleaning Services to Domestic Properties 2016-2020
 - Action 11 – Contract Extensions for Domestic Abuse Contracts

- 2) To agree to keep Action 12 – City of Edinburgh Council and CGI IT UK Limited - Contract Proposals (B Agenda) open to clarify whether the information requested on benchmarking was available.
 - 3) To otherwise note the remaining outstanding actions.
- (Reference – Rolling Actions Log 24 September 2020, submitted.)

4. Revenue Budget 2020/21 – Progress Update

a) Deputation – Unison

A written deputation was presented on behalf of Unison.

The deputation raised concerns regarding the impact of the deficit for the current financial year on a reduction in overall budget and on staff and service reductions across the Council.

The deputation asked;

- For requests to be made to the Scottish Government for additional funding and financial powers for the short term.
- For steps to be taken to secure a fair grant settlement for the next year.
- For information to be provided on which Council jobs and services would be reduced due to budget constraints.

The deputation also thanked Council and Unison staff for their service.

b) Report by the Executive Director of Resources

An interim update was provided on the Council's 2020/21 revenue budget, with a particular focus on the Council's Arm's-Length External Organisations (ALEOs), pointing to a reduction of £5m in the anticipated in-year funding gap to £12.2m. Progress in developing a Scotland-wide income compensation scheme and exploring other potential financial flexibilities was also outlined.

Representatives from each of the Council's ALEOs were in attendance to answer questions.

Motion

- 1) To note the interim update on the Council's revenue budget framework, with the residual in-year funding gap reducing to £12.2m.
- 2) To note the progress in both developing a Scotland-wide income compensation scheme and exploring further financial flexibilities that may offer opportunities to manage the in-year costs of the pandemic over a longer time period.
- 3) To note the commentaries provided in respect of each of the Council's ALEOS, the combined effect of which was a loss of income, or need for additional support, to the Council for the period to March 2021 of £27m, including the confirmed loss of the Lothian Buses dividend in 2019/20.

- 4) To note the additional details provided on use of the Council's Spend to Save fund during 2019/20 and related opportunities to support a Green Recovery.
 - 5) To note that a further update, including measures to achieve in-year financial balance, would be presented to the Committee's next meeting on 29 October 2020.
- moved by Councillor Munn, seconded by Councillor Griffiths

Amendment

- 1) To note the interim update on the Council's revenue budget framework, with the residual in-year funding gap reducing to £12.2m.
 - 2) To note the progress in both developing a Scotland-wide income compensation scheme and exploring further financial flexibilities that may offer opportunities to manage the in-year costs of the pandemic over a longer time period.
 - 3) To note the commentaries provided in respect of each of the Council's ALEOS, the combined effect of which was a loss of income, or need for additional support, to the Council for the period to March 2021 of £27m, including the confirmed loss of the Lothian Buses dividend in 2019/20.
 - 4) To note the additional details provided on use of the Council's Spend to Save fund during 2019/20 and related opportunities to support a Green Recovery.
 - 5) To note that a further update, including measures to achieve in-year financial balance, would be presented to the Committee's next meeting on 29 October 2020.
 - 6) To note up to £2m in Spend to Save investment which could be available to support Green Recovery and therefore to request that officers presented costed proposals which would meet the criteria for Spend to Save within two cycles, taking into account suggestions put forward in budget motions in February 2020, the first report of the Edinburgh Climate Commission, the Sustainability programme and the Adaptation and Renewal programme update for the next Policy and Sustainability meeting on 6 October.
 - 7) To note that on 5 March 2020 this Committee approved a business case for the EICC which had included building a hotel; to further note that the business case had been predicated on international business tourism norms which prevailed at the time and that these norms were highly unlikely to apply now and in the future; therefore to refer the matter to full Council to withdraw the delegated authority granted on 12 March until such time as a revised business case had been submitted to full council for consideration.
- moved by Councillor Corbett, seconded by Councillor Booth

In accordance with Standing Order 21(12), paragraph 6 of the amendment was adjusted and accepted as an addendum to the motion.

Decision

To approve the following adjusted motion by Councillor Munn:

- 1) To note the interim update on the Council's revenue budget framework, with the residual in-year funding gap reducing to £12.2m.
- 2) To note the progress in both developing a Scotland-wide income compensation scheme and exploring further financial flexibilities that may offer opportunities to manage the in-year costs of the pandemic over a longer time period.
- 3) To note the commentaries provided in respect of each of the Council's ALEOS, the combined effect of which was a loss of income, or need for additional support, to the Council for the period to March 2021 of £27m, including the confirmed loss of the Lothian Buses dividend in 2019/20.
- 4) To note the additional details provided on use of the Council's Spend to Save fund during 2019/20 and related opportunities to support a Green Recovery.
- 5) To note that a further update, including measures to achieve in-year financial balance, would be presented to the Committee's next meeting on 29 October 2020.
- 6) To note up to £2m in Spend to Save investment which could be available to support Green Recovery and therefore to request that officers presented costed proposals which would meet the criteria for Spend to Save within two cycles, taking into account suggestions put forward in budget motions in February 2020, the first report of the Edinburgh Climate Commission, the Sustainability programme and the Adaptation and Renewal programme update for the next Policy and Sustainability meeting on 6 October.

(References – Finance and Resources Committee, 27 August 2020 (item 6); report by the Executive Director of Resources, submitted.)

5. Edinburgh Leisure – Request for Additional Funding Support, 2020/21

Approval was sought to increase the contract payments to Edinburgh Leisure in 2020/21 by up to £6m to safeguard the on-going operation of the charity and to support the safe re-opening of venues and services in line with Scottish Government guidance.

Representatives from Edinburgh Leisure were in attendance to answer questions.

Decision

- 1) To agree additional contract payments up to the value of £6m in 2020/21 to enable Edinburgh Leisure to continue to operate and re-open venues and services which contributed to the health and well-being of Edinburgh's citizens.
- 2) To agree that, subject to onward ratification by Council, the additional payment be added to the existing annual funding agreement between Edinburgh Leisure and the Council.
- 3) To agree that payments up to the approved limit be released by the Head of Finance, subject to demonstrated need through discussions at monthly monitoring meetings.

- 4) To agree to receive a further progress report at the Committee's December meeting.

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

Declaration of Interests

Councillors Bruce and Dixon declared a non-financial interest as Directors of Edinburgh Leisure.

6. Commercial and Procurement Annual Report - 2020

The Commercial and Procurement Strategy 2016-2020 was approved by Committee on 1 December 2016. An update was provided on the activity and outcomes that had been delivered through the Strategy from 1 April 2019 to 31 March 2020.

The Council's duties in terms of the Procurement Reform (Scotland) Act 2014 were discharged, to prepare an annual report on its regulated procurement activities.

Decision

- 1) To note the report.
- 2) To approve the publication of the Commercial and Procurement Annual Report 2020.

(References – Finance and Resources Committee, 1 December 2016 (item 9); report by the Executive Director of Resources, submitted.)

7. Update on the Implementation of the Construction Charter

On 16 August 2018, the Council adopted the Construction Charter Commitments which set out the expectations the Council had for those contractors who undertake construction work on the Council's behalf. The Charter comprised 8 separate commitments to promote the adoption of fair work practices, and high standards in respect of workmanship, employment status, health and safety and apprenticeship training, amongst other matters.

An update was provided on the Council's promotion of the commitments set out in the Charter.

Decision

To note the ongoing work of the Council in promoting the Construction Charter Commitments.

(References – Finance and Resources Committee, 16 August 2020 (item 19); report by the Executive Director of Resources, submitted.)

8. Workforce Dashboard – July 2020

A summary was provided 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 July 2020.

Decision

To review and note the workforce information contained in the dashboard.

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

9. Award of Contract for Young Carer Services

The Carers (Scotland) Act 2016 placed new duties on Local Authorities (detailed in Section 3). Additional funding to address these duties had been made available to local authorities.

The Communities and Families Directorate and the Edinburgh Health and Social Care Partnership had worked in partnership to commission and procure a range of Carer Support Services. Whilst this had been a single procurement process, it was agreed that approval for the award of the Young Carer Support Service would be sought separately. Communities and Families wished to start the contract on 1st October 2020 whereas the Edinburgh Health and Social Care Partnership agreed to delay the start of the other new services to 1st January 2021.

Decision

- 1) To approve the award of a contract to Broomhouse t/a SPACE (lead), Edinburgh Young Carers and Capital Carers to provide Young Carer Support Services.
- 2) To note the contract duration would be for 60 months (with the possible extension of a further 36 months) from 1 October 2020.
- 3) To note the approximate maximum total value of the contract was £5,268,518 and the annual value varied throughout the term of the contract to incorporate annual increments based on the Scottish Government Funding

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

10. Contract Awards and Procurement Programme (Period 1 January to 30 June 2020)

An update was provided on the scope of contracts awarded across the Council in the period 1 January to 30 June 2020. This provided visibility of contracts awarded by officers under delegated authority, including direct contract awards not openly tendered due to specific circumstances permitted in the relevant procurement regulations and those awarded following a waiver of the Council's Contract Standing Orders. Visibility was also provided of the forthcoming procurement programme in relation to expected higher value contracts across the Council.

Decision

- 1) To note the report.
- 2) To note the contract awards made by officers under delegated authority, in accordance with the Contract Standing Orders.

- 3) To note that a further report would be submitted to the Committee in approximately six months' time.
- 4) To agree to provide further information on Waiver 2054 in Appendix 2 of the report, to confirm whether the spend had occurred and to confirm whether this had been reported to committee.
- 5) To agree to consider the practicality of reporting on which of the approved contracts listed in the report had been spent.

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