

Minutes

Finance and Resources Committee

3.00pm, Thursday 5 November 2020

Present:

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

1. City of Edinburgh Council – 2019/20 Annual Audit Report to the Council and the Controller of Audit – referral from the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee referred a report which summarised the principal findings arising from the Council's 2019/20 external audit. While primarily focused on the review of the financial statements, the wider scope aspects of the audit included consideration of the Council's financial sustainability, financial management, governance and transparency and arrangements to secure and demonstrate value for money.

Decision

- 1) To approve the audited annual accounts.
- 2) To refer the audited annual accounts to the City of Edinburgh Council for noting. (References – Governance, Risk and Best Value Committee of 3 November 2020 (item TBC); report by the Executive Director of Resources, submitted.)

2. The City of Edinburgh Council Charitable Trusts – Report to Those Charged with Governance on the 2019/20 Audit

An update was provided on the External Auditor's view on matters arising from the Charitable Trusts audit in compliance with International Standard on Auditing 260.

An unqualified audit opinion had been issued on the Trustee's Annual Report and Accounts for 2019/20

Decision

- 1) To approve the Trustee's Annual Report and Accounts for 2019/20 and note that these would be submitted to the External Auditor no later than 30 November 2020 and to the Office of the Scottish Charity Regulator (OSCR) by 31 December 2020.
- 2) To note the commentary on the management of the Charitable Trusts included in the Audit Management Report in Appendix 1.

- 3) To agree to provide a briefing on the Council's charitable trusts in relation to membership of the Finance and Resources Committee. A briefing session was requested on how members should fulfil this role.
- 4) To agree to consider potential further reductions to the list of the Council's Charitable Trusts.
- 5) To agree to provide a briefing with all responses to date on Lauriston Castle.

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

Declaration of Interests

Councillors Booth, Bruce, Corbett, Gordon, Griffiths, Hutchison, Johnston, Munn, Frank Ross and Neil Ross declared a non-financial interest in the above item as trustees of the City of Edinburgh Council's Charitable Trusts.

3. Consultants Costs 2019/20

Details were provided of expenditure on consultants for provision of professional services during 2019/20.

Revenue expenditure of £5.870m and capital expenditure of £8.502m was incurred on the provision of professional services for the year ended 31 March 2020. £7.910m of expenditure on consultants for the provision of professional services was incurred on projects where external income was received by the Council, which either fully or partly met the consultancy expenditure incurred.

Decision

- 1) To note the revenue and capital expenditure incurred for provision of professional services in financial year 2019/20.
- 2) To note the revenue expenditure on consultants had increased by £1.013m from 2018/19, as the Council had progressed delivery of major revenue projects, including City Centre Transformation Strategy, Forth Quarter project and the Council-approved 5- year Asset Management Works programme of planned preventative maintenance, for the operational property estate.
- 3) To note the cost of engaging professional service providers to provide specialist and technical advice to support the Capital Investment Programme had increased by £2.944m as the Council had progressed delivery of major capital investment in Edinburgh Tram Stage Two, Cycle Projects, which were part-externally funded, Early Years properties, new and extended School buildings, North Bridge refurbishment, Burnshot Bridge, 21 Century Homes and Meadowbank Sport Centre.
- 4) To note that £7.910m of expenditure on consultants for the provision of professional services was incurred on projects where external income was received by the Council, which either fully or partly met the consultancy expenditure incurred.
- 5) To agree to provide an update on the gainshare arrangement in the next revenue monitoring report.

6) To agree to provide further context around the use of consultants.

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

4. 2019-20 Common Good Annual Performance Report

The outturn position for the Common Good Fund and the performance of its cash investments for the 2019/20 financial year was presented. An update was included on the Common Good Property Planned Maintenance Fund and the plans for the 2020/21 financial year, as well as an update on current issues affecting Common Good in Edinburgh.

Decision

1) To note the report.

2) To agree to circulate the list of heritage assets.

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