

# Minutes

## Finance and Resources Committee

10.00am, Thursday 25 January 2024

### Present

Councillors Watt (Convener), Biagi, Bruce, Dalgleish, Macinnes, Mumford, Nicolson, Ross, Staniforth, Whyte (substituting for Councillor Doggart) and Younie.

### 1. Deputation – EIS

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#### Revenue Budget Strategy and Medium Term Financial Plan (MTFP) - Progress Update (Item 7.2 on the agenda)

The deputation expressed concern that the proposed cuts to the education service had been deferred and urged the Committee to remove the proposals and not just defer them for one year. They stressed that Head Teachers were being forced to make decisions regarding the removal of transition teachers and felt that they provided a very positive impact on young people and felt that the removal of this support would have a negative impact on the most vulnerable, non-attendance would increase which could then lead to an increase in exclusions.

The deputation raised further concerns regarding the increasing ICT costs coming out of school budgets and the effect it was having on how teachers were able to perform their daily duties.

(see item 7 below)

### 2. Minutes

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#### Decision

To approve the minute of the Finance and Resources Committee of 21 November 2023 as a correct record.

### 3. Work Programme

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The Finance and Resources Committee Work Programme for January 2024 was presented.

#### Decision

To note the Work Programme.

(Reference – Work Programme of 25 January 2024, submitted.)

### 4. Rolling Actions Log

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The Finance and Resources Committee Rolling Actions Log for January 2024 was presented.

## Decision

- 1) To agree to close the following actions:

**Action 7(2)** – Business Bulletin – Council Tax – Engagement with COSLA

**Action 8(1) & (2)** – Edinburgh Integration Joint Board (EIJB) – financial update

**Action 20** – Revenue Budget Framework and Medium-Term Financial Plan (MTFP) 2024/29 – Progress Update

**Action 21** – Award of Contract for Pre-Development Services for the Proposed Granton Heat Network

**Action 22** - 46 High Street, Edinburgh – Proposed Lease Extension

- 2) To otherwise note the Rolling Actions Log.

(Reference – Rolling Actions Log of 25 January 2024, submitted.)

## 5. Business Bulletin

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The Finance and Resources Committee Business Bulletin for January 2024 was presented.

### Decision

To note the Business Bulletin.

(Reference – Business Bulletin of 25 January 2024, submitted.)

## 6. Revenue Monitoring 2023/24 - Month Eight Report

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Details were provided on the projected Council-wide revenue budget position for the year, based on analysis of the first eight months' financial data and forecasts of income and expenditure for the remainder of the year. Following a slight net deterioration in Directorate and corporate projections, an overall underspend of £0.825m was now being forecast.

### Decision

- 1) To note that, as of month eight and after taking into account Council's approval of an additional in-year contribution to the Edinburgh Integration Joint Board (EIJB) of up to £14.2m, an overall underspend of £0.825m was now being forecast.
- 2) To note, nonetheless, the potential for further expenditure pressures to emerge during the remainder of the year and thus the need for all existing pressures, savings delivery shortfalls and risks to be fully and proactively managed within Directorates and the Health and Social Care Partnership.
- 3) To note, therefore, the continuing recommendation that no additional expenditure commitments be taken on at this time.
- 4) To note that a further update would be provided to members at the Committee's March meeting.

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

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

## **7. Revenue Budget Strategy and Medium Term Financial Plan (MTFP) - Progress Update**

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Details were provided on the provisional outcome of the 2024/25 Local Government Finance Settlement and the impact of this announcement and other changes in planning assumptions on the Council's incremental savings gaps for 2024/25 and subsequent years. A number of further measures and options were set out, the combined impact of which provided the potential for a balanced budget to be set for 2024/25, albeit with significant incremental remaining gaps in subsequent years, reinforcing the importance of developing a longer-term programme of change.

### **Motion**

- 1) To note the updates to financial planning assumptions set out within the report by the Executive Director of Corporate Services, including the provisional outcome of the 2024/25 Local Government Finance Settlement, and that any further changes resulting from the Scottish Budget's Parliamentary consideration be reported to members.
- 2) To note the further measures and options set out in the report, the combined impact of which provided officers' recommendations for a balanced budget to be set for 2024/25.
- 3) To note, nonetheless, both the risks to achievement of this position and significant remaining incremental gaps in future years, re-emphasising the importance of developing a financial plan to deliver the annual budget and integrate key processes into the budget development such as the medium term financial plan and planning performance framework.
- 4) To agree principles outlined in the report to inform fees and charges proposed.
- 5) To refer the report to Council as part of setting the revenue and capital budgets on 22 February 2024.
- 6) To note the pressures faced by Edinburgh Leisure of £3.2m – with the inclusion of the payment of the Real Living Wage – as noted in the report
- 7) To agree that the additional funding identified to support Edinburgh Leisure in 2024/25 to the sum of £3.2m through the acceleration and reprioritisation of Covid-related support be passed to Edinburgh Leisure under conditionality that the Real Living Wage is implemented at an agreed date.
- 8) To agree the additional funding is also conditional on Edinburgh Leisure working with Council Officers to conduct a full review of their operating model throughout 2024/25 to ensure sustainability in their service delivery in future years.

- moved by Councillor Watt, seconded by Councillor Dalgleish

## **Amendment 1**

- 1) To note the updates to financial planning assumptions set out within the report by the Executive Director of Corporate Services, including the provisional outcome of the 2024/25 Local Government Finance Settlement, and that any further changes resulting from the Scottish Budget's Parliamentary consideration be reported to members.
- 2) To note the further measures and options set out in the report, the combined impact of which provided officers' recommendations for a balanced budget to be set for 2024/25.
- 3) To note, nonetheless, both the risks to achievement of this position and significant remaining incremental gaps in future years, re-emphasising the importance of developing a financial plan to deliver the annual budget and integrate key processes into the budget development such as the medium term financial plan and planning performance framework.
- 4) To agree principles outlined in the report to inform fees and charges proposed.
- 5) Note at 4.21 of the report the proposal to provide support of £3.2m to Edinburgh Leisure to mitigate their current financial position and to help fund future payment of the Real Living Wage to their employees.
- 6) Note that this 'additional funding' was always available and questions why this was not brought forward as a solution much earlier when we raised concerns about the impact on the lowest paid employees of Edinburgh Leisure and the departure from previous years' practice to pay the Real Living Wage. This could have saved those workers from some of the insecurity and worry attached to the Edinburgh Leisure Board's decision.
- 7) Note that the report references that the amount being proposed for Edinburgh Leisure is for 'potential implementation of the Real Living Wage' and requests input to this committee of this reasoning and the impact on workers' pay of not backdating this.
- 8) Welcome the reference in 4.22 of the report to further committee discussion about the funding profile and requests that this must include detailed discussion on conditionality on issues such as ongoing payment of the Real Living Wage, protection of venues and services and communication with service users and the public about venues' operations and services provision.
- 9) To refer the report to Council as part of setting the revenue and capital budgets on 22 February 2024.

- moved by Councillor Macinnes, seconded by Councillor Biagi

## **Amendment 2**

- 1) To note the updates to financial planning assumptions set out within the report by the Executive Director of Corporate Services, including the provisional outcome of the 2024/25 Local Government Finance Settlement, and that any

further changes resulting from the Scottish Budget's Parliamentary consideration be reported to members.

- 2) To note the further measures and options set out in the report, the combined impact of which provided officers' recommendations for a balanced budget to be set for 2024/25.
- 3) To note, nonetheless, both the risks to achievement of this position and significant remaining incremental gaps in future years, re-emphasising the importance of developing a financial plan to deliver the annual budget and integrate key processes into the budget development such as the medium term financial plan and planning performance framework.
- 4) To agree principles outlined in the report to inform fees and charges proposed.
- 5) To refer the report to Council as part of setting the revenue and capital budgets on 22 February 2024.
- 6) Welcomes the implication that the £3.2 additional funding for Edinburgh Leisure will be made on condition of them paying all staff at least the Real Living Wage, and asserts that this should be made an explicit condition of grant.
- 7) Requests updates on the precise profile of this funding and the revised model are included in every business bulletin brought to Finance & Resources Committee, and a progress report brought in six months to the same committee.
- 8) Deeply regrets that Integrated Impact Assessments have not been carried out for the proposals within this paper, despite them including areas clearly linked to inequality including health and social care, education and housing.
- 9) Further regrets that key stakeholders including trade unions have not been consulted on the proposals included in this paper.
- 10) Therefore, requests that:
  - a) A Budget Equality Impact Statement is produced and published alongside the officer budget providing information from IIAs where they are able to be produced in the time, or collated information from previous IIAs, equalities evidence and assumptions, and information from third sector organisations.
  - b) The Finance Director, the Chief Executive, the Council Leader and other relevant senior officers request a meeting with Trade Union representatives in advance of the publication of papers for the February budget-setting meeting.

- moved by Councillor Mumford, seconded by Councillor Staniforth

In accordance with Standing Order 22(13), Amendment 2 was accepted as an addendum to Amendment 1.

## **Voting**

The voting was as follows:

For the Motion	-	6 votes
For Amendment 1 (as adjusted)	-	5 votes

(For the Motion: Councillors Bruce, Dalgleish, Ross, Watt, Whyte and Younie.

For Amendment 1 (as adjusted): Councillors Biagi, Macinnes, Mumford, Nicolson and Staniforth.)

## **Decision**

To approve the motion by Councillor Watt.

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

## **8. Capital Monitoring 2023-24 - Month Seven Position**

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Details were provided on the capital expenditure and funding position as at month seven and full-year outturn projections for the 2023-24 financial year, providing explanations for key variances.

### **Decision**

- 1) To note the capital monitoring position for the General Fund and Housing Revenue Account (HRA) at month seven of the 2023-24 financial year.
- 2) To note the Prudential Indicators in appendix 3 to the report by the Executive Director of Corporate Services.
- 3) To refer the report to the Governance Risk and Best Value Committee as part of its work programme.

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

## **9. Corporate Services Directorate: Revenue Budget Monitoring**

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Details were provided on the Corporate Services Directorate which was forecasting a favourable variance of £1.092m for services delivered by the Directorate in 2023/24, based on the eight-month revenue budget monitoring position together with measures which would continue to be progressed to fully deliver approved savings targets and to offset budget pressures to achieve outturn within the approved revenue budget.

### **Decision**

- 1) To note that the Corporate Services Directorate was forecasting an underspend of £1.092m for services delivered by the Directorate in 2023/24.
- 2) To note that measures would continue to be progressed to fully deliver approved savings targets and to offset budget pressures to achieve outturn within the approved revenue budget for 2023/24.
- 3) To note the ongoing risks to the achievement of a balanced revenue budget projection for services delivered by Corporate Services Directorate.

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

## 10. Council Tax – Second Homes

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Details were provided new powers which had been approved by the Scottish Government to enable councils to increase the amount of Council Tax payable on second homes by up to 100%, proposing that a double charge (200%) for second homes in Edinburgh be implemented from 1 April 2024.

### **Motion**

To approve the changes to the Council Tax Second Homes charge and implement a double charge (200%) for second homes in Edinburgh from 1 April 2024.

- moved by Councillor Watt, seconded by Councillor Dalgleish

### **Amendment**

Agrees to defer a decision on implementing a double charge Council Tax on second homes for one year while reviewing evidence from other local authorities to determine whether this measure has any meaningful effect in changes to housing supply for sale or let and whether income realised is as predicted, recognising that Council Tax is in part a property based charge and partly a charge for services and noting that second homes generate limited demand for those services.

- moved by Councillor Bruce, seconded by Councillor Whyte

### **Voting**

The voting was as follows:

For the motion	-	9 votes
For the amendment	-	2 votes

(For the motion: Councillors Biagi, Dalgleish, Macinnes, Mumford, Nicolson, Ross, Staniforth, Watt and Younie.

For the amendment: Councillors Bruce and Whyte.)

### **Decision**

To approve the motion by Councillor Watt.

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

## 11. Reinforced Autoclaved Aerated Concrete Update

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An update was provided on the presence of Reinforced Autoclaved Aerated Concrete (RAAC) within the Council's operational estate together with the costs for surveys and works which had been estimated to the extent possible and it was recommended that these be included in the forthcoming budget setting process.

### **Decision**

- 1) To note the estimated funding required for works in buildings where Reinforced Autoclaved Aerated Concrete (RAAC) had been identified and that these costs would be included in the Capital Strategy as part of the forthcoming budget setting process.

- 2) To note the costs incurred in current financial year in addressing RAAC in the short term and that these costs were principally revenue in nature.
- 3) To note the longer-term implications for certain buildings, particularly Fox Covert/StAndrew's RC Primary Schools and Blackhall Library, and that further reports would be brought forward when options appraisals were completed.

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

## 12. Heat Networks Delivery Model

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Details were provided on how fast progress could be made on implementing heat network delivery options across the city to ensure that there were no negative implications for the Granton redevelopment project.

### Decision

- 1) To note that a full options appraisal for delivery routes for the proposed Granton heat network had been carried out and concluded a concession model as the preferred route.
- 2) To note that following approval to enter into a contract to deliver pre-development services for the Granton Heat Network to Vattenfall Heat UK Ltd on a concession basis, the project team would work over the next 12 months to develop a viable Final Business Case which would be reported back to the Finance and Resources Committee.
- 3) To note the ongoing work to identify a preferred delivery models for supporting the future roll-out of other heat networks in Edinburgh, with the outcome being reported to Policy and Sustainability Committee later this year.

(References – Finance and Resources Committee of 21 November 2023 (item 17); report by the Executive Director of Place, submitted.)

## 13. Glenarm Place, Western Harbour, Edinburgh – Proposed Acquisition of Completed Homes

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Details were provided on an opportunity to acquire 118 new build flatted homes within the development at Western Harbour and approval sought for their acquisition on completion, on the terms and conditions outlined in the report by the Executive Director of Place.

The purchase would take place subject to availability of Scottish Government funding equating to £9,941,000 from the Affordable Housing Supply Programme with the remainder being made up from a combination of prudential borrowing based on future rental income and reserves drawdown.

### Motion

- 1) To approve the purchase of 118 new build flatted homes within the Western Harbour Development, from CCG, subject to completing due diligence and on the terms and conditions outlined in the report by the Executive Director of Place.

- 2) To refer the report to the City of Edinburgh Council for approval of prudential borrowing.

- moved by Councillor Watt, seconded by Councillor Dalgleish

### **Amendment**

- 1) To approve the purchase of 118 new build flatted homes within the Western Harbour Development, from CCG, subject to completing due diligence and on the terms and conditions outlined in the report by the Executive Director of Place.
- 2) Notes at 8.5 the reference to further work which may be required to bring these and other completed home purchases to Scottish Government standards for social housing such as EESSH2 and in such areas as accessibility, space standards and to meet the net zero aspirations of this Council.
- 3) Therefore requests that close consideration is given to how such work might be shaped and the possible funding expectations that will be required. And requests a separate report to Finance and Resources and Housing, Homelessness and Fair Work Committees which outlines these issues in principle and provides support to further future decision-making for similar initiatives.

- moved by Councillor Macinnes, seconded by Councillor Biagi

In accordance with Standing Order 22(13), the amendment was accepted as an addendum to the motion.

### **Decision**

To approve the following adjusted motion by Councillor Watt:

- 1) To approve the purchase of 118 new build flatted homes within the Western Harbour Development, from CCG, subject to completing due diligence and on the terms and conditions outlined in the report by the Executive Director of Place.
- 2) To refer the report to the City of Edinburgh Council for approval of prudential borrowing.
- 3) To note at 8.5 in the report by the Executive Director of Place the reference to further work which might be required to bring these and other completed home purchases to Scottish Government standards for social housing such as EESSH2 and in such areas as accessibility, space standards and to meet the net zero aspirations of this Council.
- 4) To therefore request that close consideration be given to how such work might be shaped and the possible funding expectations that would be required. And requests separate report to Finance and Resources and Housing, Homelessness and Fair Work Committees which outlined these issues in principle and provide support to further future decision-making for similar initiatives.

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

## **14 Homelessness Services: Use of Temporary Accommodation**

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During the COVID-19 emergency, the Council was required to significantly increase the amount of temporary accommodation available to meet demand and the 2023/24 approved budget reflected expected reductions in the amount of temporary accommodation required due to mitigating initiatives that were being developed.

Details were provided on the estimated requirement which exceeded what had been contracted through the Flexible Purchasing System (FPS) to date and there was a requirement to extend some existing agreements to allow the Council to meet its statutory duty to accommodate people who were homeless.

### **Motion**

- 1) To approve, through a waiver of the Council's Contract Standing Orders (CSOs), extending 26 current contracts for the provision of temporary accommodation for the period to 31 March 2024. The additional cost would be up to a maximum of £5,123,255 (see Appendix 1 to the report).
- 2) To note that the values requested per provider were indicative only and were dependent on accommodation requirements and to therefore grant delegated authority to the Executive Director of Place to adjust (within the agreed total) the values between the named providers as necessary depending on need, type, and appropriateness of properties available from these providers.

- moved by Councillor Watt, seconded by Councillor Dalgleish

### **Amendment**

- 1) To approve, through a waiver of the Council's Contract Standing Orders (CSOs), extending 26 current contracts for the provision of temporary accommodation for the period to 31 March 2024. The additional cost would be up to a maximum of £5,123,255 (see Appendix 1 to the report).
- 2) To note that the values requested per provider were indicative only and were dependent on accommodation requirements and to therefore grant delegated authority to the Executive Director of Place to adjust (within the agreed total) the values between the named providers as necessary depending on need, type, and appropriateness of properties available from these providers.
- 3) Notwithstanding these approvals, notes with concern that:
  - the accommodation purchased is deemed "unsuitable" by the Scottish Government and the Council is potentially breaching its statutory obligations by placing clients in such accommodation for long periods of time;
  - this policy is encouraging providers to build additional accommodation of this type in the knowledge that the Council is likely to purchase its use as it has no short/medium term exit strategy from this approach;
  - the accommodation is considerably more expensive than alternative and suitable forms of temporary or permanent accommodation; and
  - the report does not provide numbers of households using this type of accommodation nor does it break those numbers down by those the

Scottish Government counts as requiring to be housed in this way and those who are not, making the data far less meaningful.

- 4) Therefore agrees that officers will provide Committee with an exit strategy for these contracts, prior to the new financial year and any further extension, with necessary milestones and the cost savings involved based on the work of the Housing Emergency Action Plan alongside any appropriate accelerations where possible.

- moved by Councillor Whyte, seconded by Councillor Bruce

### **Voting**

The voting was as follows:

For the motion	-	9 votes
For the amendment	-	2 votes

(For the motion: Councillors Biagi, Dalgleish, Macinnes, Mumford, Nicolson, Ross, Staniforth, Watt and Younie.

For the amendment: Councillors Bruce and Whyte.)

### **Decision**

To approve the motion by Councillor Watt.

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

## **15. Award of Contracts for Homelessness Support Services**

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Approval was sought to award contracts for Homelessness Support, following a mini competition under the Flexible Purchasing System (FPS) for Temporary Accommodation Framework CT0627.

### **Decision**

- 1) To note that Committee approved the establishment of a Flexible Purchasing System (FPS) for Temporary Accommodation (CT0627) on 7 October 2021. The maximum total spend for this was £ £434 million over the full term of the FPS.
- 2) To approve the award of contracts to four Service Providers across four Lots (as set out in paragraph 4.11 to the report by the Executive Director of Place) to provide Homelessness Support, with a combined maximum annual contract value of £5,165,819, prior to any inflationary uplifts agreed through the annual budget setting process and any additional funding that might be provided by the Scottish Government from 2024/25 onwards for social care related pay increases.
- 3) To note that, the contracts would commence on 1 April 2024 for an initial period of five years, with the option to extend for a further period of up to three years and a further two years.

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

## 16 Health and Social Care Contract Extension Report

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Details were provided on the current Edinburgh Health and Social Care Partnership (EHSCP) commissioning activity and how these impacted on contractual arrangements including the requirement to waive the requirement of Contract Standing Orders to allow contracts to be extended at the expiry of the current contract duration.

### Decision

To approve the extension of the Health and Social Care contracts outlined in paragraph 4.1 of the report by the Chief Officer, Edinburgh Integration Joint Board.

(Reference – report by the Chief Officer, Edinburgh Integration Joint Board, submitted.)

## 17 Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 31 October 2023 - referral from the Governance Risk and Best Value Committee

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The Governance Risk and Best Value Committee had referred a report on Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 31 October 2023 for ongoing scrutiny of the overdue IA actions relevant to their respective remits.

### Decision

To note the report by the Governance, Risk and Best Value Committee.

(Reference – Governance, Risk and Best Value Committee of 28 November 2023 (item 6); referral from the Governance, Risk and Best Value Committee, submitted.)

## 18. Night Time Co-ordinator – referral from the Policy and Sustainability Committee

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The Policy and Sustainability Committee had referred a report which provided an update on the information gathered so far and on options for introducing a Night Time Co-ordinator in Edinburgh, to the Finance and Resources Committee, to allow any decision to be made in full knowledge of the Scottish Government budget settlement, should this information be available at that time and to consider the second option, that of the position being funded by CEC, for a provisional period of one year with a view to exploring funding by TVL in future years.

### Motion

- 1) To agree that any decision be made in full knowledge of the Scottish Government budget settlement, should this information be available at that time.
- 2) To agree to the second option detailed in the report by the Executive Director of Place, of setting aside funding in the upcoming budget process to fund this post, for a provisional period of one year to pilot how the role would work, with a view to exploring funding through the Edinburgh Transient Visitor Levy (TVL).

- moved by Councillor Watt, seconded by Councillor Dalgleish

### Amendment 1

- 1) To agree that any decision be made in full knowledge of the Scottish Government budget settlement, should this information be available at that time.
- 2) Agrees the second option detailed in the report by the Executive Director of Place, including the recommendations agreed to in points 4 to 9 of the motion passed at the previous Policy and Sustainability Committee, for a provisional period of one year to pilot how the role would work, with a view to exploring alternative means of funding such as the Transient Visitor Levy or via licencing for future years while leaving open the possibility of continuing setting aside funding should there prove to be no other funding avenue.
- 3) Agrees that the Night Time Co-Ordinator should produce a report at six months and at the end of the year to be shared with all interested parties covering their activity and achievements in the role.

- moved by Councillor Staniforth, seconded by Councillor Mumford

### **Amendment 2**

- 1) To agree that any decision be made in full knowledge of the Scottish Government budget settlement, should this information be available at that time.
- 2) Recognising the success of such roles in Greater Manchester and the West Midlands as detailed in the report to consider the first option detailed by the Executive Director of Place that a voluntary role could be created and therefore agreeing to do so for a provisional period of one year to pilot how the role would work.

- moved by Councillor Bruce, seconded by Councillor Whyte

In accordance with Standing Order 22(13), Amendment 1 was accepted as an amendment to the Motion.

### **Voting**

The voting was as follows:

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

(For the Motion (as adjusted): Councillors Biagi, Dalgleish, Macinnes, Mumford, Nicolson, Ross, Staniforth, Watt and Younie.

For Amendment 2: Councillors Bruce and Whyte.)

### **Decision**

To approve the following adjusted motion by Councillor Watt:

- 1) To agree that any decision be made in full knowledge of the Scottish Government budget settlement, should this information be available at that time.
- 2) Agrees the second option detailed in the report by the Executive Director of Place, including the recommendations agreed to in points 4 to 9 of the motion passed at the previous Policy and Sustainability Committee, for a provisional period of one year to pilot how the role would work, with a view to exploring

alternative means of funding such as the Transient Visitor Levy or via licencing for future years while leaving open the possibility of continuing setting aside funding should there prove to be no other funding avenue.

- 3) Agrees that the Night Time Co-Ordinator should produce a report at six months and at the end of the year to be shared with all interested parties covering their activity and achievements in the role.

(References – Policy and Sustainability Committee of 9 January 2024 (item 10); referral from the Policy and Sustainability Committee, submitted.)

## **19 Cost Recovery from Commercial Events**

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Details were provided on the current arrangements in place for cost recovery to the Council from events in the city. A further report was to be submitted to a future meeting of the Culture and Communities Committee which would set out proposals for a future charging model for events in the city.

### **Motion**

To note the update on cost recovery for commercial events and that a report would be presented to Culture and Communities Committee with recommendations for a future charging model for events in Edinburgh.

- moved by Councillor Watt, seconded by Councillor Dalgleish

### **Amendment**

- 1) To note the update on cost recovery for commercial events and that a report would be presented to Culture and Communities Committee with recommendations for a future charging model for events in Edinburgh
- 2) Notes that some of the events covered in this report are community-based events in nature and expresses concern about any changes to the cost recovery process which will impact on welcome community events.
- 3) Requests therefore that consideration of possible impact on established community events is highlighted and described in the proposed report to the Culture and Communities Committee and reported on via the Business Bulletin to the Finance and Resources Committee

- moved by Councillor Macinnes, seconded by Councillor Biagi

In accordance with Standing order 22(13), the amendment was accepted as an addendum to the motion.

### **Decision**

To approve the following adjusted motion by Councillor Watt:

- 1) To note the update on cost recovery for commercial events and that a report would be presented to Culture and Communities Committee with recommendations for a future charging model for events in Edinburgh
- 2) To note that some of the events covered in the report by the Executive Director of Place were community-based events in nature and express concern about any

changes to the cost recovery process which would impact on welcome community events.

- 3) To request therefore that consideration of possible impact on established community events be highlighted and described in the proposed report to the Culture and Communities Committee and reported on via the Business Bulletin to the Finance and Resources Committee.

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

### **Declaration of Interests**

Councillor Whyte made a transparency statement in respect of the above item as Chairman of the Edinburgh Riding of the Marches.

## **20. Procurement Delivery Plan 2023/2024 January Update**

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Details were provided of planned procurement activity to allow time for elected members to ask questions about the procurement strategy at an early stage.

### **Decision**

To note the report by the Executive Director of Corporate Services and the update to current procurement exercises in Appendix 1 to the report and expiring contracts detailed in Appendix 2 to the report.

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

## **21. 181-183 Canongate, Edinburgh - Proposed New Lease**

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Approval was sought to grant a new 25-year lease to B&GS Landa Limited in respect of the retail unit at 181-183 Canongate on the terms and conditions outlined in the report by the Executive Director of Place.

### **Motion**

To approve a new 25-year lease to B&GS Landa Limited of the retail unit at 181-183 Canongate, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

- moved by Councillor Watt, seconded by Councillor Dalgleish

### **Amendment**

- 1) The Finance and Resources Committee notes the importance of the Royal Mile to the city's tourism industry and consequent reputational and commercial risk. Committee notes the negative media coverage of the Royal Mile from twice being named in 2023 by Casago as the UK's "biggest tourist trap".
- 2) Committee also believes that all the city's residents deserve to live in places that offer a good environment, conducive to a strong sense of community, where everyone can meet most of their daily needs within a short walk or wheel from their home.

- 3) Committee therefore directs officers to conduct a consultation on a supplement to the Corporate Property Strategy, concerning commercial leasing in the Royal Mile and adjacent streets. This consultation should seek views on:
  - a) the principle of using the Council's leverage as a commercial landlord to actively influence the retail mix in the Royal Mile area;
  - b) a policy of considering, alongside potential rental income, whether and to what extent the proposed uses of applicants for commercial leases:
    - i) include selling goods or provide services that enhance commercial diversity in the area;
    - ii) help ensure that residents of the Royal Mile and adjoining areas live in a 20-minute neighbourhood where daily needs can be met locally;
    - iii) contribute positively to the World Heritage Site and sense of place therein;
    - iv) sell goods that are made in Edinburgh or elsewhere in Scotland;
    - v) show evidence of practising strong working rights, such as the living wage and guaranteed hours contracts;
  - c) whether this policy should include existing leaseholders seeking to renew leases that are reaching the end of their terms;
  - d) how best to ensure ongoing monitoring and compliance after leases have commenced under any new policy;
  - e) any other matters officers consider relevant and ancillary to the above points.
- 4) Committee requests that the consultation results and a report on a Royal Mile commercial leasing policy be brought back in three cycles.
- 5) Committee agrees to defer decision on any new or renewed leases on the Royal Mile and adjoining streets until this consultation is complete and such a policy has been considered.

- moved by Councillor Biagi, seconded by Councillor Macinnes

### **Voting**

The voting was as follows:

For the motion	-	8 votes
For the amendment	-	3 votes

(For the motion: Councillors Bruce, Dalgleish, Mumford, Ross, Staniforth, Watt, Whyte and Younie.

For the amendment: Councillors Biagi, Macinnes and Nicolson.)

## **Decision**

To approve the motion by Councillor Watt.

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

## **22. Workforce Dashboard**

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Details were provided on the Council's Workforce Data for the period July to September 2023 (Quarter 2).

### **Decision**

To note the information contained in the Workforce Dashboard for the period July to September 2023 (Quarter 2).

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

## **23. Dynamic Purchasing System for Provision of Supported Buses**

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Approval was sought for the establishment of a Dynamic Purchasing System (DPS) as a means to award contracts for the Provision of Supported Buses which would allow tenders to be conducted for supported bus route across the City of Edinburgh and neighbouring areas. New suppliers who met the minimum criteria specified could apply to join the DPS at any point over the duration of the DPS (five years with two optional extensions of 12 months each).

### **Decision**

- 1) To approve the establishment of a Dynamic Purchasing System as a means to award contracts for the Provision of Supported Buses for a duration of five years with two optional extensions of 12 months each.
- 2) To note that Tenders issued via the Dynamic Purchasing System would be awarded in accordance with Contract Standing Orders.

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

## **24. Craigmillar and Peffermill Court, Design and Development Commission for Full Block Upgrade and Improvement – Contract Variation**

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Approval was sought to vary an existing award to Atkins Realis, the rank one supplier under Lot 11 (Multi-Disciplinary Lot) of the Council's Professional Services Framework, to undertake a full turnkey solution to implement a WHR upgrade aligned with wider block upgrades and improvements at Craigmillar and Peffermill Court.

### **Decision**

- 1) To approve a variation of the existing award SOC286 to Atkins Realis (formerly Faithful and Gould), the rank one supplier under Lot 11 (Multi-Disciplinary Lot) of the Council's Professional Services Framework, to undertake a whole house retrofit (WHR) approach aligned with wider block upgrades and improvements to Craigmillar and Peffermill Court.

- 2) To note the original contract commenced on 24 November 2022, with a fee level of £563,239.00 based on an initial budget £6.0m. Based on an increase in the construction cost estimate following initial surveys and inspections, this fee was increased to £769,759.53 on 8 February 2023. Further significant changes in scope had resulted in the estimated construction costs and associated fees rising accordingly in line with the Framework Rates.
- 3) To note that as per Council's Contract Standing Orders, there was a requirement for Finance and Resources Committee to approve any service contract over £1,000,000. As the value of this service order was £1,273,613.92. (including additional surveys and specialist appointments) to approve this variation of award.

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

## **25. Unit 4 Bonnington Business Centre, Jane Street, Edinburgh - Proposed New Lease**

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Approval was sought to grant a new 20-year lease to Campervan Brewery Limited in respect of the premises at Unit 4 Bonnington Business Centre, Jane Street, Edinburgh on the terms and conditions outlined in the report by the Executive Director of Place

### **Decision**

To approve a 20-year lease to Campervan Brewery Limited of the industrial premises at Unit 4 Bonnington Business Centre, Jane Street, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

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

## **26. Union Park, Saughton Road North, Edinburgh – Proposed New Lease**

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Approval was sought to grant a new 40-year lease to Corstorphine Rugby Pavilion SCIO of the sports pavilion at Union Park on the terms and conditions outlined in the report by the Executive Director of Place.

### **Decision**

To approve a new 40-year lease to Corstorphine Rugby Pavilion SCIO of the sports pavilion at Union Park, Saughton Road North, Edinburgh under the terms and conditions outlined in the report and on other terms to be agreed by the Executive Director of Place.

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

## **27. Lauriston Castle Croquet Lawns, Edinburgh – Proposed New Lease**

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Approval was sought to grant a new 20-year lease to Edinburgh Croquet for three croquet lawns at Lauriston Castle, on the terms outlined in the report by the Executive Director of Place.

## **Decision**

To approve a new 20-year lease to Edinburgh Croquet of the croquet lawns at Lauriston Castle, Edinburgh on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

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

## **28. New Maybury Primary School and Health Centre – Proposed Lease to NHS Lothian**

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As a result of residential development at West Craigs, the Council was delivering a new three stream Primary School and Health Centre and approval was sought to lease the Health Centre part of the building to NHS Lothian on the terms and conditions outlined in the report by the Executive Director of Place.

### **Decision**

To approve a 50-year Lease to NHS Lothian of the health centre forming part of the new Maybury Primary School on the terms outlined in the report and on other terms to be agreed by the Executive Director of Place.

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

## **29. 24 South Gyle Crescent, Edinburgh – Proposed Lease Extension**

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Approval was sought for an 86-year extension until 1 April 2199 of the ground at 24 South Gyle Crescent to The Prudential Assurance Company Limited to enhance security of tenure and ensure the building, which they owned on the site, remained a viable investment asset, on the terms and conditions outlined in the report by the Executive Director of Place.

### **Decision**

To approve an 86-year lease extension to The Prudential Assurance Company Limited for ground at 24 South Gyle Crescent on the terms outlined in the report and on other terms and conditions to be agreed by the Executive Director of Place.

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

## **30. Water of Leith Walkway, Gillespie Road – Proposed Deed of Servitude**

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Approval was sought for the grant of a Deed of Servitude by the owner of 19 Gillespie Road in relation to a water supply pipe, over a section of Council owned land at the Water of Leith Walkway, Gillespie Road.

### **Decision**

To approve the grant of a Deed of Servitude in favour of the owner of 19 Gillespie Road under the terms and conditions outlined in the report and on other terms to be agreed by the Executive Director of Place.

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

### **31. Land at West Shore Road – Proposed Acquisition**

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In order to facilitate the liquidation of Waterfront Edinburgh Limited, a subsidiary of The EDI Group Limited, Committee, approval was sought for the Council to acquire a leasehold interest in 450 sq m of land at West Shore Road, Edinburgh for £1 with an additional one-off payment of £150,000.

#### **Decision**

To approve the acquisition of a leasehold interest in 450 sq m of land at West Shore Road, Edinburgh from Waterfront Edinburgh Limited on the terms and conditions outlined in the report by the Executive Director of Place.

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

### **32. Gracemount Mansion, 47 Gracemount House Drive, Edinburgh – Proposed Community Asset Transfer**

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Approval was sought to dispose of Gracemount Mansion to Gracemount Mansion Development Trust on terms as specified in the Community Asset Transfer request which were outlined in the report by the Executive Director of Place. The proposed sale was a Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

#### **Decision**

To approve the disposal of Gracemount Mansion, 47 Gracemount House Drive, Edinburgh on the terms set out in the report and on such other terms and conditions to be agreed by Executive Director of Place.

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

#### **Declaration of Interests**

Councillor Macinnes made a transparency statement in respect of the above item as she had previously been involved in the community asset transfer process for Gracemount Mansion.

### **33. Proposed Acquisition of Completed Homes Across Edinburgh**

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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 6, 8 and 9 of Part 1 of Schedule 7(A) of the Act.

Approval was sought to acquire 199 new homes at various locations in Edinburgh upon completion on the terms and conditions outlined in the report by the Executive Director of Place.

#### **Decision**

- 1) To approve the purchase of 199 new build homes at various locations in Edinburgh, subject to completing due diligence, on the terms and conditions outlined in the report by the Executive Director of Place.

2) To refer the report to the Council for approval of the funding package.

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

### **Declaration of Interests**

Councillor Younie declared a non-financial interest in the above item as he was a resident in the estate being discussed, left the room and took no part in the consideration of the item.

## **34. 46 High Street, Edinburgh - Proposed Lease Extension**

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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 6 and 9 of Part 1 of Schedule 7(A) of the Act.

Approval was sought to grant a 25-year lease extension to the Firm of Gold Brothers on the terms and conditions outlined in the report.

### **Motion**

- 1) To note the analysis of the potential risks of not approving the report by the Executive Director of Place.
- 2) To approve a 25-year lease extension to the Firm of Gold Brothers for the retail unit at 46 High Street, Edinburgh on the terms outlined in the report and on other such conditions to be agreed by the Executive Director of Place.

- moved by Councillor Watt, seconded by Councillor Dalgleish

### **Amendment**

To take no action on the matter.

- moved by Councillor Biagi, seconded by Councillor Macinnes

### **Voting**

The voting was as follows:

For the motion - 8 votes

For the amendment - 3 votes

(For the motion: Councillors Bruce, Dalgleish, Mumford, Ross, Staniforth, Watt, Whyte and Younie.

For the amendment: Councillors Biagi, Macinnes and Nicolson.)

### **Decision**

To approve the motion by Councillor Watt.

(References – Finance and Resources Committee of 21 November 2023 (item 23); report by the Executive Director of Corporate Services, submitted.)

## **35. Contract Award - Social Care Operating System**

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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 of Part 1 of Schedule 7(A) of the Act.

Approval was sought to replace the current Social Care Operating System with an updated solution, providing enhanced functionality to drive quality of input / outputs, remove duplication and drive efficiency in social work practice.

### **Decision**

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

(Reference – report by the Executive Director of Children, Education and Justice Services, the Executive Director of Corporate Services and the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

## **36. Replacement HR System (Oracle) – Project Update**

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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 of Part 1 of Schedule 7(A) of the Act.

An update was provided on the implementation of the new HR and Payroll system (Oracle Fusion).

### **Decision**

To note the detailed update by the Executive Director of Corporate Services in relation to the Oracle Fusion project.

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