


Business Bulletin

Finance and Resources Committee

10.00am, Thursday, 19 September 2024

Dean of Guild Court Room, City Chambers, High Street, Edinburgh

Finance and Resources Committee

Convener:	Members:	Contact:
<p>Convener Councillor Mandy Watt</p> 	<p>Councillor Marco Biagi Councillor James Dalgleish Councillor Stuart Dobbin Councillor Phil Doggart Councillor Max Mitchell Councillor Alys Mumford Councillor Vicky Nicolson Councillor Neil Ross Councillor Alex Staniforth Councillor Lewis Younie</p>	<p>Andrew Henderson Committee Services</p> <p>Carolanne Eyre Committee Services</p>

Recent News	Background	Contact
<p>Update to Response to May Council Motion by Councillor Parker on Council Tax – PhD Students</p> <p>In response to the question raised at Committee in June, Council Officers can confirm, that when reviewing the data validation process for PhD students, officers liaised with the following institutions: Edinburgh University, Heriot Watt University, Napier University, Queen Margaret University and Scotland’s Rural College.</p>	<p>Full Council 09.05.2024 – Item 8.8</p>	<p>Nicola Harvey Service Director, Customer and Digital Services</p>
<p>Buy Social Pledge</p> <p>Commercial and Procurement Services have been in discussion with Social Enterprise Scotland on the New ‘pledge’ which is intended to show an organisations commitment to make a difference and explore using our purchasing power and spend to deliver positive social and environmental impact. The pledge covers five key areas including:</p> <ul style="list-style-type: none"> • Recognise Fair Work – (RLW/Gender Pay Gap/EDI/No zero hours contracts) • Environmental Impact- (Commitment to Net Zero Policy) • Commitment to onboard and promote Social Enterprises within our organisation’s procurement and supply chains • Prompt payment – (Agreement to adhere to company policy payment terms) • Positive Impact – Commit to report annual spend with Social Enterprises <p>Benefits to the Council include – access to ‘Buy Social Business Pledge logo’ – recognising our commitment to social purchasing; Access to Social Enterprise Suppliers in local area or specific industries; Inclusion in marketing material – promoting the Council’s support for social procurement; Access to Buy Social Business, with support to maximise opportunities and partnerships.</p> <p>The Council can become an early adopter joining the likes of Glasgow City Council, Edinburgh Napier University and Scotland Excel. The intention would be to sign up to the pledge in November at our local Meet the Buyer event to be held in Waverley Court, with Social Enterprise Scotland</p>		<p>Lynette Robertson Head of Commercial and Procurement Services</p>

<p>confirming at the national Procurement event (Procurex) in October that the City will be an early adopter.</p> <p>If you have any question on any of the above don't hesitate to contact Lynette Robertson.</p>		
<p>South Bridge Resource Centre</p> <p>City of Edinburgh Council staff and activities have now been relocated to a combination of Nelson Hall, Tollcross Community Centre and the City Arts Centre with classes starting shortly.</p> <p>Canongate Youth and Totally Sound will return to Southbridge after the Fringe refurbishment of the building. Totally Sound is using Edinburgh College while the work is carried out and Canongate Youth are moving to Braidwood Community Centre in October. Vacant possession of Southbridge will be available to the Fringe in mid-October.</p> <p>Tollcross Community Centre and the new pottery studio at 165a Leith Walk are expected to have improvement and re-fit works completed later this year.</p>		<p>Peter Watton Service Director, Sustainable Development</p>
<p>HR System (Oracle) – Project Update</p> <p>At its meeting in June 2024 the Finance and Resources Committee considered and approved a report on the above and agreed to receive an update on progress in the Business Bulletin.</p> <p>Phase 1 of the implementation of Oracle HRM as the Councils new HR and Payroll system is on track to launch in October 2024. Phase one will deliver 3 elements:</p> <ul style="list-style-type: none"> - transferring all employees 'core' HR data to the new Oracle platform. - delivering a new payroll system. - migrating historic HR data to a new archive solution (available from January 2025). <p>This is a significant exercise with the transfer of data from the existing system which has been in place for circa 20,000 colleagues. Data migration has been the most challenging aspect of the project, as well the most identified red risk. We are currently at the stage of moving into a dress rehearsal in advance of October pay day which will allow reconciliation and testing of records and data to minimise any disruption or anomalies.</p>	<p>F&R Committee 25.06.2024 – Item 11.3</p>	<p>Nareen Turnbull Service Director, Human Resources</p>

<p>Extensive engagement and training in underway across the organisation, with consideration being given to the launch and thereafter business as usual support model to ensure increased support, both online and face to face, at the outset where it is expected that there will be an increase in requests for assistance.</p> <p>The Project Board continues to meet on a weekly basis, with daily project management and data migration meetings. Further governance arrangements are also in place to consider Go/No Go in the lead up to October.</p> <p>Following successful implementation Phase 2, incorporating recruitment will commence immediately, to allow launch by March 2025.</p>		
<p>Update on Internal Audit Open Audit Actions</p> <p>At their meeting on 20 February, the Governance, Risk and Best Value Committee approved an amendment to the Internal Audit Open and Overdue Audit Actions – Performance Dashboard report, requiring that an update on open actions in relation to the Payment Card Industry (PCI) Data Security Standard Compliance audit becomes a standing item on the Finance and Resources Bulletin until the end of 2024 to ensure any slippage in progress is addressed.</p> <p>Progress since the last Business Bulletin has included:</p> <ul style="list-style-type: none"> • The procurement process involving the tender specification, evaluation and award of a contract for a Qualified Security Assessor (QSA) has been completed; • Individual meetings have been held with most system owners of systems which use a payment gateway to take card payments on behalf of the Council to ensure that the necessary documentation is being completed; • Initial requirements from the QSA has been shared with System Owners; and • An initial meeting with the QSA team has been arranged. <p>In addition, there has been one change to the timescales in the original Management Actions:</p> <p>Rec 2.1.2: Third Party Security Assurance - Risk Assessment Owners for the relevant systems should ensure that all risks associated with ongoing assurance from third parties</p>	<p>GRBV Committee 20.2.24 - Item 8.2</p>	<p>Innes Edwards Principal Treasury and Banking Manager</p>

<p>on their PCI DSS security arrangements are considered, recorded, managed, and mitigated in line with the Council’s risk management framework and risk appetite. Where risks cannot be mitigated to an acceptable level this should be escalated to the relevant directorate risk committee, and CLT if required.</p> <p>The deadline for this action has been changed to 31/12/24 to align with the deadline for the other actions to allow any new risks identified in the Security Assessment to be included.</p>		
<p>Participatory Budgeting, 2023/24</p> <p>As part of monitoring Scottish councils’ progress in working towards allocating 1% of total budgets through Participatory Budgeting (PB), the Council recorded total in-scope spend of £3.3m (0.35%) in 2023/24.</p> <p>The Council’s total PB-related spend for 2022/23 had been significantly influenced by one-off capital expenditure related to the transformation of the North Cairntow Travellers’ Site. Relevant spend in 2023/24 was somewhat lower, comprising £2.8m through the (Housing) Estates Improvement Programme, £0.4m for play park upgrades supported by dedicated Scottish Government funding and smaller sums for grant- and project-based initiatives in Leith and at Tynecastle High School.</p> <p>Effective PB requires a significant resource commitment and, at a time of reducing funding and other competing priorities, full engagement can be difficult to secure. This said, discussions are continuing to broaden the scope of current activity over the medium term to include Pupil Equity Fund (PEF) and other attainment-related funding in schools and in-principle approval has been received to distribute an element of funds raised by the Transient Visitor Levy (TVL) through PB initiatives once operational.</p>		<p>Fraser Rowson Principal Accountant</p> <p>Michele Mulvaney Strategy Manager (Communities)</p>
<p>Best Value Assurance Action Place</p> <p>At the meeting of the Policy and Sustainability Committee on 22 August 2024, in considering Item 7.6 on the Council’s Best Value Assurance Action Plan, members requested further details on progress in meeting the Accounts Commission’s recommendation around preparation of sustainable <i>long-term</i> (in addition to medium-term) financial plans.</p> <p>The General Fund capital investment programme already operates on a rolling ten-year basis, with the revised 2024/34 programme, reflecting actual levels of slippage and acceleration in 2023/24, included elsewhere on today’s agenda. This timeframe allows officers and</p>	<p>P&S Committee 22.8.24 – Item 7.6</p>	<p>Fraser Rowson Principal Accountant</p>

<p>members to assess the affordability of the borrowing underpinning these plans, recognising the long-term consequences of these decisions, as well as acknowledging that annual funding requirements may vary in accordance with the timing of large-scale projects or other cyclical factors. A further update will be brought to the Committee’s next meeting in November, looking ahead to 2025/26 budget-setting, with a focus on addressing emerging pressures and priorities against a backdrop of continuing funding constraint.</p> <p>Revenue budget planning is subject to a wider variety of considerations, including, amongst others, assumptions on pay awards, inflation levels, the service impacts of demographic change and, in particular, grant settlements. While the clear aspiration of COSLA and the Scottish Government remains moving to multi-year settlements, detailed allocations, which can vary significantly from headline figures due to the complexity of the grant distribution system, are not usually advised until mid-December and are for the immediate year ahead only. Even these allocations may then be subject to revision as part of the Draft Budget’s Parliamentary consideration.</p> <p>The Council has, however, made considerable progress in recent months developing its medium-term financial strategy which aims to inform how subsequent years’ funding gaps are addressed. A Budget Strategy was set in February 2024 with the aim of outlining principles and mechanisms to deliver a sustainable medium-term financial plan. A scenario-based plan to address the immediate £30m gap in 2025/26, utilising the principles in the budget strategy to move towards a sustainable position, is presented in a report elsewhere on today’s agenda. Estimated gaps for the years to 2028/29 are also indicated within the report.</p> <p>Opportunities to project further into the future will be actively examined for inclusion in subsequent reports although these projections are inevitably subject to considerable uncertainty, the level of which only increases over time.</p>		
<p>Cost Recovery from Commercial Events</p> <p>Following on from the report to Finance and Resources Committee in January 2024 on cost recovery from commercial events, Culture and Communities Committee considered a further report on this in May 2024.</p> <p>The model approved by Culture and Communities Committee includes four distinct categories for events, including Community/Charity/Civic/Ceremonial with</p>	<p>F&R Committee 25.1.24 – item 8.2</p> <p>Culture and Communities Committee 16.5.2024 – item 7.2</p>	<p>Claire Miller Events & Public Space Operations - Senior Manager</p>

<p>commercial activities and a similar category but with no commercial activities.</p> <p>The new model is due to come into effect on 1 October 2024.</p> <p>In response to the decision of Culture and Communities Committee, a further report has been requested on the possibility of providing a proportional park hire rate for Council supported and community/charity/civic and ceremonial events in non-premier parks.</p>	<p>Culture and Communities Committee 16.5.2024 – item 4.1</p>	
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Forthcoming activities: _____