

Committee Minutes

Finance and Resources Committee

Edinburgh, 25 September 2012

Present: Councillors Rankin (Convener), Bill Cook (Vice-Convener), Aldridge, Blacklock, Corbett, Dixon, Griffiths, Ricky Henderson, Jackson (substituting for Councillor Heslop), Lunn (substituting for Councillor Walker), McVey, Ross and Whyte.

1 Minutes

Decision

- 1) To approve the minute of the Finance and Resources Committee of 31 July 2012 as a correct record.
- 2) To approve the minute of the Finance and Resources Committee of 28 August 2012 as a correct record.

2 82 Canongate, Edinburgh – Proposed Lease of Shop

(a) Deputation – Remade in Edinburgh

The deputation advised that Remade in Edinburgh had been established to create a re-use and repair centre in South/Central Edinburgh. They had visited three separate sites with shop frontages but had identified the premises at 82 Canongate as the most suitable for their requirements.

The organisation had participated in discussions with the Council's Waste Services which had resulted in a revised business plan being prepared. Waste Services had also offered Remade a grant of £15,000 for one year to help meet start up costs. The organisation intended to use the grant towards rental for the first year of operation at the premises.

The Convener thanked the deputation for their presentation and invited them to stay for the debate on the matter (see item 2(b)).

(b) Report by the Director of Services for Communities

The Committee had previously continued consideration of a proposal to lease the property at 82 Canongate, Edinburgh to Huseiyn Kulhas for a period of 20 years at a rental of £18,200 to allow Remade in Edinburgh to explore funding issues and develop and business plan.

The Director of Services for Communities reported that Remade in Edinburgh had revised their business plan and had been offered a grant of £15,000 by Waste Services which they intended to use towards rent for the first year of operation at the premises at 82 Canongate.

Motion

To lease the property to Remade in Edinburgh for a period of one year at a rental of £15,000 per annum with the lease to be reviewed after one year.

- moved by Councillor Rankin, seconded by Councillor Bill Cook

Amendment

- 1) To lease the property to Huseiyn Kulhas for a period of 20 years at a rental of £18,200 per annum.
- 2) That the Head of Property Management and Development continue to work with Remade in Edinburgh to identify suitable alternative premises within the wider area that were fit for purpose.

- moved by Councillor Whyte, seconded by Councillor Jackson

Voting

For the motion - 11 votes
For the amendment - 2 votes

Decision

To approve the motion by Councillor Rankin.

(References – Finance and Resources Committee 31 July 2012 (item 2); report by the Director of Services for Communities, submitted)

3 Appointments

(a) Appointment of Convener of Property Sub-Committee

Decision

To appoint Councillor Rankin as Convener of the Property Sub-Committee.

(Reference – report by the Director of Corporate Governance, submitted)

(b) Appointment of Convener of Corporate Health, Safety and Wellbeing Group

Decision

To appoint Councillor Bill Cook as Convener of the Corporate Health, Safety and Wellbeing Group.

(Reference – report by the Director of Corporate Governance, submitted)

4 Capital Monitoring 2012/13 – Month Four Position

The overall position of the Council's capital budget at Month 4 and the projected outturn for the year were reported. The Council was projecting to borrow £89.800m and would be in receipt of grants and capital income amounting to £85.070m. Capital receipts were forecast to match the budget over the four year period of the capital programme.

Decision

- 1) To note the projected capital outturn positions on the General Fund and Housing Revenue Account at Month 4.
- 2) To note the prudential indicators at Month 4.
- 3) To note that the Corporate Asset Management Group had been instructed to undertake a thorough review of the capital programme with a view to accelerating projects from 2013/14 into the current year and that the outcome of the review would be included in the next report to Committee.
- 4) To note that the Director of Services for Communities was closely monitoring the capital receipts position.

- 5) To note the changes being made to the financial monitoring process.
- 6) To refer the report to the Audit Committee as part of its workplan.
- 7) That a report be submitted to the next meeting detailing the extent to which the £7m school summer works programme, as set out in a letter to all members on 3 July 2012, was completed by the end of the summer break and what was being done to progress work that was incomplete.

(Reference – report by the Director of Corporate Governance, submitted)

5 Revenue Monitoring 2012/13 – Month Four Position

The overall position of the Council's revenue budget at Month 4 and the projected outturn for the year were reported. The revenue budget was projecting a balanced position for all services. Budget pressures and key financial risks were being actively managed by all services.

Decision

- 1) To note that the Council was projecting a balanced position on the revenue monitoring at Month 4.
- 2) To note that budget pressures and key financial risks were being actively managed by all Services.
- 3) To note that good progress was being made in implementing approved 2012/13 budget savings and that a more detailed report would be included in the next revenue monitoring report to Committee.
- 4) To note that the Housing Revenue Account was on target to meet planned contributions for voluntary debt repayment and investment in 21st Century Homes for Edinburgh.
- 5) To refer the report to the Audit Committee as part of its workplan.

(Reference – report by the Director of Corporate Governance, submitted)

6 Corporate Governance Revenue Budget Monitoring 2012/13 Month Four Position to 31 July 2012

An update was given on the revenue monitoring position at Month 4 for the Corporate Governance service together with the projected outturn for 2012-2013.

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Information was provided on key risks including demand led pressures relating to housing and council tax benefits processing and a potential shortfall in income targets. The position would continue to be monitored and further reports submitted to Committee as required.

Decision

- 1) To note that the Service was currently projecting a break even position for 2012/13.
- 2) To note the risks in the Corporate Governance 2012/13 budget position.

(Reference – report by the Director of Corporate Governance, submitted)

7 Professional Fees and Consultants' Costs 2011/12

Details were given of professional fees and consultants' costs for the year ended 31 March 2012 together with a detailed analysis of the associated revenue and capital expenditure. Revenue expenditure amounted to £6.521m and capital expenditure £2.865m.

Decision

- 1) To note revenue and capital expenditure on professional fees and consultants costs in the financial year 2011/12.
- 2) That a report be submitted to Committee at Month 6 of the 2012/2013 financial year outlining projected expenditure on professional fees and consultants costs for 2012/2013.
- 3) That, in the full year report for 2012/2013 to be reported in a year's time, an extra column be added entitled "Impact" detailing any differences or changes made as a result of the consultancy activity.
- 4) That costs of professional fees and consultants costs be detailed separately in the reports called for in 2) and 3) above.

(References – Finance and Resources Committee 25 August 2009 (item 11); report by the Director of Corporate Governance, submitted)

8 Treasury Management – Effectiveness and Annual Report 2011-2012

Information was provided on the functions included within Treasury Management and the critical success factors against which the effectiveness of these functions should be judged.

The Annual Report on Treasury Management activity for 2011-2012 was also submitted.

Decision

- 1) To note the update on Treasury Management functions.
- 2) To note the Annual Report for 2011-2012.

(References – Act of Council No 10 of 23 August 2012; report by the Director of Corporate Governance and report by the Acting Head of Legal, Risk and Compliance, submitted)

9 Road Services Term Service Contracts Period: 11 August 2012 to 31 March 2013

Approval was sought for a procurement strategy to consolidate the Council's Road Services Term Service Contracts for the period to 31 March 2013.

Decision

To approve the procurement approach to the Council's Road Services and Transport contracts.

(Reference – report by the Director of Services for Communities, submitted)

10 Framework Agreement for the Emergency Transfer of Waste

Approval was sought for the establishment of a Framework Agreement for the emergency transfer of waste for the period 20 October 2012 to 19 October 2015 with an optional extension of up to a further 12 months.

Decision

To appoint a Framework Agreement for the Emergency Transfer of Waste to Viridor Waste Management Ltd and Shanks Waste Management Ltd.

(Reference – report by the Director of Services for Communities, submitted.)

11 21st Century Homes for Edinburgh – Appointment of Contractor for West Pilton Crescent

Authority was sought to award a contract to build 34 new affordable homes at West Pilton Crescent.

Decision

To delegate authority to the Director of Services for Communities, in consultation with the Convener and the Acting Head of Legal, Risk and Compliance, to approve the award of a contract to build 34 affordable homes on the West Pilton Crescent development as part of the 21st Century Homes for Edinburgh Programme.

(References – Health, Social Care and Housing Committee 24 May 2011 (item 5); report by the Director of Services for Communities, submitted)

12 Disposal of Land at MacKenzie Place, Stockbridge, Edinburgh

Authority was sought to sell an area of land at MacKenzie Place, Stockbridge, Edinburgh to the proprietors of 10/11 MacKenzie Place for use as garden ground.

Decision

- 1) To sell the site by private contract and at market value.
- 2) To delegate authority to the Director of Services for Communities to agree detailed terms and conditions of the sale with the Acting Head of Legal, Risk and Compliance in line with the Council's existing Standing Orders.

(Reference – report by the Director of Services for Communities, submitted)

13 Proposed Extension of Lease – Shop at 36/38 High Street, Edinburgh

Approval was sought to extend the lease of the premises at 36/38 High Street, Edinburgh for a further 25 years.

Decision

To approve the 25 year lease extension of the premises at 36/38 High Street, Edinburgh to Huseiyn Kulhas on the terms and conditions detailed in the report and on other such terms and conditions to be agreed by the Director of Services for Communities and the Acting Head of Legal, Risk and Compliance.

(Reference – report by the Director of Services for Communities, submitted.)

14 Proposed New Lease – Shop at 137 Lauriston Place

Approval was sought to grant a 20 year lease of shop premises at 137 Lauriston Place, Edinburgh.

Decision

To approve the grant of lease of the shop premises at 137 Lauriston Place to Mrs Huma Malik on the main terms and conditions outlined and on such other terms and conditions to be agreed by the Director of Services for Communities and the Head of Legal, Risk and Compliance.

(Reference – report by the Director of Services for Communities, submitted.)

15 Alterations and Extension to Lease, Sandport Industrial Estate, 10-20 Dock Street, Leith, Edinburgh

Approval was sought to amend and extend the current ground lease for premises at Sandport Industrial Estate, 10-20 Dock Street, Leith, Edinburgh.

Decision

- 1) To amend the lease to Aldi Stores Limited on the terms set out in the report and on any other terms and conditions to be agreed by the Directors of Services for Communities and Corporate Governance.

- 2) To include Class 9 (Residential Development) in the Use Clause.

(Reference – report by the Director of Services for Communities, submitted)

16 Irrecoverable Miscellaneous Debts

The Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the public be excluded from the meeting during consideration of the following item of business for the reason that it involved the disclosure of exempt information as defined in Paragraph 6 Part 1 of Schedule 7(A) of the Act.

Details were given of miscellaneous debts outstanding and deemed uncollectible. All possible methods of recovery had been attempted and the debts remained outstanding.

Decision

- 1) To write off the miscellaneous debt deemed uncollectible as detailed in the Appendix to the report by the Director of Corporate Governance.
- 2) To note that, where debts were subject to an Inhibition or Charging Order, it was likely that the debt would be discharged from the free proceeds realised through the sale.

(Reference – report by the Director of Corporate Governance, submitted)