

Finance and Resources Committee

10.00 am, Thursday, 16 January 2014

Present

Councillors Rankin (Convener), Bill Cook (Vice-Convener), Cardownie, Corbett, Dixon, Edie, Godzik, Griffiths, Ricky Henderson, Jackson, McVey, Mowat (substituting for Councillor Whyte), Ross, Walker.

1. Deputation: Pilton Community Gardeners – Concessionary Lets – Community Growing Initiatives

The Committee agreed to hear a deputation from Kirsty Sutherland from Pilton Community Gardeners, Tom Kirby from Granton Community Gardeners, John Glover Community Land Advisory Service and Naomi Knights, Federation of City Farms and Community Gardens, on the Council's concessionary lets policy in relation to community growing initiatives.

The deputation asked the Committee to consider the following:

- The Community Gardens in the Pilton Area of Edinburgh started out as a small project three years ago and had expanded since then. The Community Gardens were situated near to a foodbank that was the busiest in Edinburgh, and the area was high on the index of multiple deprivation.
- Parents and children from the local community had become more involved with the Pilton Community Gardens over the years, and children especially had learnt a great deal about the growing of and the health benefits of fruit and vegetables.
- North Edinburgh Community Organics and Pilton Community Gardeners had delivered some of the following projects/activities using community grant funding: eighty hours of community supported design, build and practical gardening classes; heavy machinery had been hired for the preparation of growing areas and paths; and community capacity building, garden group set up, website and future aims and needs were identified.
- Pilton Community Gardeners paid £150 per year to the Council in rent to use Council land. This was 1,100 per cent above commercial agricultural levels.
- In March 2011, in response to the Disposal of Land by Local Authorities (Scotland) Regulations 2010 ("the Regulations"), the Finance and Resources Committee approved the adoption of a policy of no new concessionary lets when dealing with new leases of land, buildings and open space to charities or not-for-profit organisations which provided community benefit.

- The concessionary lets policy, and its application, had had the effect of presenting an obstacle to community food growing on open spaces in more deprived areas. The Regulations permitted the Council to have regard to social, health and environmental benefits of land transactions as well as direct financial benefits. However the practical effect of the Committee's policy was that neither fiscal nor societal benefits were being realised.
- The deputation requested that the Finance and Resources Committee reviewed the 2011 policy of "no more concessionary lets," and the application of that policy, in the context of community growing initiatives, and requested an immediate suspension of the policy in Forth Ward's less affluent areas, where community groups wished to grow food on Council land.

Decision

- 1) To thank the deputation for their presentation.
- 2) To agree to give delegated authority to the Director of Services for Communities to offer support to this and other community garden schemes across the City by applying the appropriate letting mechanisms where it constituted best value, until the review of the concessionary lets was concluded and a report brought back to the Finance and Resources Committee in April 2014.
- 3) To notify the deputation of the decision.

(References – Finance and Resources Committee, 29 March 2011 (item 1); presentation and letter, Pilton Community Gardeners, submitted.)

2. Minute

Decision

To approve the minute of the Finance and Resources Committee of 28 November 2013 as a correct record.

3. Key Decisions Forward Plan

The Finance and Resources Committee Key Decisions Forward Plan for 16 January 2014 to 3 February 2014 was presented.

Decision

- 1) To note the Key Decisions Forward Plan for 16 January 2014 to 3 February 2014.
- 2) To add the following items of business to the Key Decisions Forward Plan;
 - (a) The scale and use of retrospective purchase orders within the Council.
 - (b) The staff acting up arrangements.

(Reference – Finance and Resources Key Decisions Forward Plan 16 January 2014 to 3 February 2014, submitted.)

4. Business Bulletin

The Finance and Resources Business Bulletin for 16 January 2014 was presented.

Decision

To note the Business Bulletin.

(Reference - Finance and Resources Committee Business Bulletin, submitted.)

5. Offender Recovery Service for Edinburgh and Midlothian

Following a review and extensive consultation with a broad range of partners, the City of Edinburgh Council, NHS Lothian and Midlothian Council had tendered for an Offender Recovery Service for people over the age of eighteen. Approval was sought for the award of the contract for the Offender Recovery Service for Edinburgh and Midlothian to Lifeline Project Ltd.

Decision

- 1) To approve the award of the contract for the Offender Recovery Service for Edinburgh and Midlothian to Lifeline Project Ltd for a period of three years, with an option to extend for up to two years.
- 2) To circulate details of the costs of tendering to members of the Finance and Resources Committee.
- 3) To agree that all future reports on procurement and tendering of services to the Finance and Resources Committee would include the costs of tendering.

Declaration of interest

Councillor Edie declared a financial interest in the above item as Chair of the Care Inspectorate and left the meeting during the discussion of this item.

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

6. Customer Service Improvement Programme: Quarterly Update

A quarterly update was provided on the progress of the Customer Services Improvement Plan (CSIP).

Decision

- 1) To note the new external legal partner had been selected and approved by the Finance and Resources Committee.
- 2) To note that Council Tax collections for 2013/14 were at a higher level compared to the same point last year giving a positive indicator against the target of 0.2% rate increase.
- 3) To note that the first test of an online transaction had been successfully carried out.
- 4) To note that good progress was being made in the delivery of the Technology Projects.

- 5) To note that CSIP budget was currently projecting net spend to be within approved limits.
- 6) To note that the next quarterly update would be provided to the Finance and Resources Committee in June 2014.

(References – Finance and Budget Committee, 19 September 2013 (item 4); report by the Director of Corporate Governance, submitted.)

7. ICT and Digital Transformation Programme: Update

A quarterly update was provided on the progress of the ICT and Digital Transformation Programme.

Decision

- 1) To note that good progress had been made in delivery of the ICT and Digital Transformation Programme.
- 2) To note that the Programme was on target to achieve its financial savings targets.
- 3) To note that the next update would be provided to the Finance and Resources Committee in May 2014.

(References – Finance and Resources Committee, 19 September 2013 (item 5); report by the Director of Corporate Governance, submitted.)

8. Revenue Budget 2013-14 – Nine Month Position

Details were provided of the projected current-year revenue monitoring position for the Council at the nine-month position, based on analysis of period seven and eight data. A balanced overall outturn was projected, subject to on-going management of a number of service-specific and Council-wide risks and pressures.

Decision

- 1) To note the projected balanced outturn at the nine-month position.
- 2) To note the balanced position projected on the HRA, after utilisation of £8.5m for voluntary debt repayments, funding capital investment or transfer to reserves.
- 3) To note that, in view of the range of existing and emerging risks affecting service areas, key budget pressures and savings must be actively managed to ensure that a balanced position was delivered by each service at the year-end.
- 4) To refer this report to the Governance, Risk and Best Value Committee, as part of its work programme.

(References – Finance and Budget Committee, 29 August 2013 (item 7); Finance and Resources Committee 31 October 2013 (item 5); report by the Director of Corporate Governance, submitted.)

9. Capital Monitoring 2013/14 – Nine Month Position

Details of the overall position of the Council's capital budget at the nine month stage based on analysis of period seven and eight data and the projected outturn for the year

was provided. Approval was sought to increase prudential borrowing of approximately £0.284m for the Fort Shared Service redevelopment.

Decision

- 1) To note the projected capital outturn positions on the General Fund and HRA at month nine.
- 2) To approve increased prudential borrowing of approximately £0.284m for the Fort Shared Service redevelopment project as the associated increase in financing costs could be contained within existing Children and Families revenue resources.
- 3) To note the prudential indicators at month nine.
- 4) To note that the Director of Services for Communities was closely monitoring the capital receipts position.
- 5) To refer the report to the Governance, Risk and Best Value Committee, as part of its work programme.

(References – Finance and Resources Committee, 31 October 2013 (item 5); report by the Director of Corporate Governance, submitted.)

10. Corporate Governance – Revenue Budget Monitoring 2013/14 and Capital Investment Programme

The Committee considered a report on the financial position of the Corporate Governance revenue budget after nine months of the financial year and provided an update on the projected outturn for the year 2013/14. A projection for the Corporate Governance Capital Investment Programme was also provided.

Decision

- 1) To note that the service was currently projecting a balanced revenue budget.
- 2) To note the projected slippage of £0.3 million on the Capital Investment Programme.
- 3) To note the risks to the Corporate Governance 2013/14 revenue budget projection.

(References – Finance and Resources Committee, 31 October 2013 (item 6); report by the Director of Corporate Governance, submitted.)

11. Budget Proposals 2014/15: Overview of Feedback and Engagement

The findings of the budget engagement in respect of the 2014/15 budget proposals were presented and analysis of the feedback on the proposals was provided.

Decision

- 1) To note the report and the emerging themes of the feedback from the consultation for each service area.

- 2) To note that the outcome of the engagement and budget decisions would be communicated through the process of setting the Council's Budget for 2014/15.

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

12. Revenue Budget 2014-15 – Risks and Reserves

Details were provided of the risks inherent in the revenue budget framework and the range of measures and provisions established to mitigate these. An update was provided on projected reserves for the period 2014/15.

Decision

- 1) To note the contents of the report.
- 2) To remit the report to Council for decision on 13 February 2014 as part of the budget setting process, together with approval to earmark £2.5m of the monies returned by the Police and Fire authorities for the National Performance Centre for Sport.

(References – Finance and Budget Committee, 19 September 2013 (item 9); report by the Director of Corporate Governance, submitted.)

13. Draft Council Revenue Budget Framework 2014-2018 – Equality and Rights Impact Assessment

A summary was given of the main potential equality and rights risks of options described within the Draft Revenue Budget Framework 2014-2018. Recommendations for mitigating any potential negative impacts were also presented.

Decision

- 1) To note the main potential equality and rights risks associated with the implementation of the budget options, and the recommendations to mitigate potential negative impacts, when setting the 2014-2018 budget.
- 2) To consider in more detail the cumulative equality and rights impacts across all budget options as part of each future year's budget setting processes.
- 3) To refer the report for consideration at the Council budget meeting on 13 February 2014.

(References – Act of Council (No. 1), 7 February 2013; report by the Director of Corporate Governance, submitted.)

14. Draft Council Revenue Budget Framework 2014-2018 – Carbon Emissions Impact Assessment Summary

A summary of the potential impacts on the Council's own carbon emissions of implementing the budget options within the draft revenue budget framework 2014-2018, along with associated provisos, were presented.

Decision

- 1) To note the potential impacts on the Council's carbon emissions associated with the implementation of the budget options and the provisos which applied to these impacts, when setting the 2014-2018 budget framework.
- 2) To note that more detailed carbon impact assessments should be carried out on the approved Options.
- 3) To refer the report for consideration at the Council budget meeting on 13 February 2014.

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

15. Welfare Reform – Financial Update

An update was provided on the current financial impacts of the Scottish Welfare Fund, Discretionary Housing Payment (DHP), Council Tax Reduction Scheme (CTRS) and the increase in rent arrears since the introduction of the Under Occupancy regulations on 1 April 2013.

Decision

- 1) To note the considerable ongoing under spend in the Crisis Grants fund and that actions were being taken to mitigate this.
- 2) To note that the revised DHP Policy was agreed at Corporate Policy and Strategy Committee on 5 November 2013.
- 3) To note that a bid for the Department of Work and Pensions additional DHP funding had been submitted.
- 4) To note that the CTRS position continued to be monitored.
- 5) To note the significant increase in Council tenant rent arrears and that officers were working with tenants and relevant agencies to address this matter.
- 6) To note that the next update would be reported to Finance and Resources Committee on 20 March 2014.

(References – Corporate Policy and Strategy Committee, 5 November 2013 (item 1); Finance and Resources Committee, 31 October 2013 (item 8); report by the Director of Corporate Governance, submitted.)

16. Climate Change Act Compliance Tool Development Phase 2

Details were provided of the Council's Climate Change Act Compliance Tool. A tender process had been carried out to identify a suitable external consultant to deliver technical enhancements and additional functionality to the Tool and approval was sought for the award of a fixed price, fixed term contract to Jacobs UK Ltd.

Decision

To approve the award of a fixed price, fixed term contract to Jacobs UK Ltd for the delivery of technical enhancements and additional functionality to the Council's Climate Change Act Compliance Tool.

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

17. Supply of Merchant Services to the Council for Period 1 February 2014 to 31 January 2020

Approval was sought for merchant services to facilitate the acceptance and processing of debit and credit card transactions for the Council's current and future services needs.

Decision

To approve the appointment of Barclaycard (trading name of Barclays Bank PLC) for the supply of the Council's merchant services for the period 1 February 2014 until 31 January 2018 with the Council having the sole option to extend the contract for a further two periods of 12 months.

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

18. Property Conservation Financial Recovery Commercial Review

Approval was sought for the inclusion of additional services and subsequent revised scope and terms for the ongoing programme led by Deloitte LLP for finalising and billing outstanding Statutory Notice projects following further legal advice and due diligence.

Decision

- 1) To note the progress made by Deloitte LLP to date.
- 2) To note the currently expected completion date of March 2014.
- 3) To approve the additional services required at a cost of £157,035 for the delivery of the contract.

(References – Policy and Strategy Committee, 7 August 2012 (item 8); report by the Director of Services for Communities, submitted.)

19. Procurement of Short Term Lets for Homeless Households

Committee considered a report seeking approval to award a contract to a single provider, Easylet Scotland (Ltd), for the supply of 107 short-term flats to be used as emergency accommodation for households who were homeless.

Decision

- 1) To approve the appointment of Easylet Scotland (Ltd), for the provision of 107 short-term let flats which would be used as emergency accommodation for an 18 month period with an option to extend for a further 18 month period.
- 2) To authorise the Director of Services for Communities to agree the final terms of the contracts and to enter into the contracts.

Declaration of interest

Councillor Corbett declared a financial interest in the above item as an employee of Shelter Scotland, and left the meeting during the discussion of this item.

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

20. Award of Contract for the Receipt and Composting of Garden Waste

A report was presented seeking approval for the award of a contract for the receipt and composting of garden waste.

Decision

To approve the appointment of Forth Resource Management Ltd (subject to agreement between the Council and the contractor on the final terms of the contract).

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

21. Extension of Existing Community and Accessible Transport Agreements for 1 April 2014 to 31 March 2015

Details were provided of a number of service level agreements with third sector Community Transport organisations and approval was sought to extend these service level agreements. Contract Standing Orders required contracts in excess of £25,000 to be awarded via competitive tendering. It was proposed to waive contract standing orders to allow services to be continued to be delivered by the groups.

Decision

To approve the extension of these service level agreements for another year from 1 April 2014 to 31 March 2015.

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

22. Management of Common Good Assets

A report was provided detailing how the Council made best use of the Common Good Assets to maximise Best Value.

Decision

To note the report.

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

23. Street Lighting - Salix Funding

Details were provided of a business case that was presented to Salix Finance Limited, based on the replacement of old inefficient lighting with new Light Emitting Diode (LED) white light technologies. The business case was approved by Salix on 31 October 2013.

Decision

- 1) To note the report.
- 2) To approve the signing of the Salix commitment letter to allow the project to proceed.

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

24. Proposed Lease Renewal of Ground Floor Retail Premises at 56(a) Candlemaker Row

The Economy Committee, at its meeting on 16 December 2013, approved the grant of a fifteen year lease renewal of the retail premises at 56(a) Candlemaker Row, Edinburgh, to Mrs Elizabeth Thompson trading as Avizandum, and had referred the report to the Finance and Resources Committee for ratification.

Decision

To ratify the decision of the Economy Committee to approve a fifteen year lease to Mrs Thompson of the ground floor premises at 56(a) Candlemaker Row, Edinburgh, on the terms and conditions outlined in the report 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 and Mrs Thompson.

(References – Economy Committee, 16 December 2013 (item 3); report by the Head of Legal, Risk and Compliance, submitted.)

25. Summary Report on Property Transactions Concluded Under Delegated Authority

The Economy Committee, at its meeting on 16 December 2013, noted details of thirty-four transactions which had been concluded in terms of the Council's 'Scheme of Delegation to Chief Officials' and referred these to the Finance and Resources Committee for information.

Decision

To note the report.

(References – Economy Committee, 16 December 2013 (item 6); report by the Head of Legal, Risk and Compliance, submitted.)

26. Procedures for the Treatment of Surplus Assets

The Economy Committee, at its meeting on 16 December 2013, considered a report by the Director of Services for Communities detailing the procedure for the treatment of surplus assets, and referred it to the Finance and Resources Committee for information.

Decision

To note the report.

(References – Economy Committee, 16 December 2013 (item 4); report by the Head of Legal, Risk and Compliance, submitted.)

27. Solar Photovoltaic Energy – Proposed Council Sites

The Economy Committee, at its meeting on 16 December 2013, considered a report by the Director of Services for Communities providing an update against the action to identify potential Council owned sites that could be allocated for Solar Photovoltaic

Energy. The report was referred to the Finance and Resources Committee for information.

Decision

To note the report.

(References – Economy Committee, 16 December 2013 (item 5); report by the Head of Legal, Risk and Compliance, submitted.)

28. Resolution to consider in private

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following items of business on the grounds that they involved the disclosure of exempt information as defined in Paragraphs 8 and 9 of Schedule 7(A) of the Act.

29. Former Royal High School, Regent Road: Update on Proposed Disposal

The Economy Committee, at its meeting on 16 December 2013, considered a report on the proposed disposal of the Former Royal High School on Regent Road, Edinburgh. The report was referred to the Finance and Resources Committee for ratification.

Decision

To ratify the decision of the Economy Committee to authorise the Director of Services for Communities to approve the amended Head of Terms with Duddingston House Properties, and complete a long lease and development agreement in accordance with the details in the report by the Director of Services for Communities and on such other terms and conditions to be agreed by the Director and the Head of Legal, Risk and Compliance.

(References – Economy Committee, 16 December 2013 (item 8); report by the Head of Legal, Risk and Compliance, submitted.)

30. Property Conservation: Surveying Support

Details were provided of the proposed arrangements for the management of all building projects remaining from the former Property Conservation service, and approval was sought for the proposed appointment.

Decision

- 1) To endorse the decision to award a contract for the management of all remaining projects from the former Property Conservation Service.
- 2) To agree to waive the Standing Orders and approve the direct award of this contract to Thomson Bethune for a notional cost of £408,784, as the sole supplier available to deliver this work.
- 3) To note that a report on the cost and delivery of the programme would be brought to a future meeting of the Finance and Resources Committee.

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