

THE CITY OF EDINBURGH COUNCIL

MEETING 4

26 June 2014

QUESTIONS AND ANSWERS

Item no 5.1

QUESTION NO 1

**By Councillor Rust for answer by the
Convener of the Economy Committee
at a meeting of the Council on 26
June 2014**

- Question** (1) In respect of the 42 international trips undertaken by the economic development service during the period from February 2012 to February 2014 please list (a) the locations, (b) name of event, (c) number of officials and (d) number of councillors in attendance?
- Answer** (1) Please see attached appendix.
- Question** (2) What is the total costs of those trips?
- Answer** (2) Costs for travel and accommodation total £51,135.17. The costs for subsistence were minor.
- Question** (3) How many procurement cards are held by Economic Development?
- Answer** (3) Currently there are 13 cards.
- Question** (4) What is the total spend on those cards for years 2012/13 and 2013/14?
- Answer** (4) The total for 2012 is £9,744.84. The total for 2013 is £22,079.86.
- Question** (5) What criteria is used when selecting accommodation, such as the Platinum Five-Star "The Garden Hotel" in Guangzhou or Hilton Doha Hotel?
- Answer** (5) The Garden Hotel was selected as it is one of the cheapest hotels with which the British Consulate in Guangzhou has a corporate rate arrangement. The B&B per night rate was RMB700.00, which is around £70. Also, it was within walking distance of the Consulate. The Hilton Doha was selected on a similar basis with the British Consulate office in Doha.

- Question**
- (6) Why did the response to the Economy Committee e-mailed on 25 April to the further information I sought at Committee on 6 March in respect of the Property Conference in London last November refer to £333 in respect of “travel and accommodation” yet omit £953 spent at *Latium*, Italian Restaurant?
- Answer**
- (6) The Latium was booked for an investor event and was not part of the travel or accommodation relating to the London visit.

Appendix

Location	Name of Event	Officials	Councillors
Dubai / Doha / Abu Dhabi February 2012	Investment promotion campaign	2	none
Cannes March 2012	MIPIM investment fair	3	1
Lille April 2012	EU funded Interreg Open Innovation project	2	none
Dublin July 2012	EU funded Interreg Open Innovation project	2	none
Abu Dhabi / Qatar Sept 2012	Edinburgh and Abu Dhabi Science Festival collaboration	1	1 plus City Officer
Kassel Sept 2012	EU funded Interreg Open Innovation project	2	none
Dublin October 2012	EU funded Interreg Open Innovation project	2	none
Munich October 2012	ExpoReal investment fair	3	none
Nantes Nov 2012	Eurocities AGM and Conference	1	1
Lille Dec 2012	EU funded Interreg Open Innovation project	3	none
Dubai Jan 2013	Arab Health week – life sciences investment	1	none
Dublin Feb 2013	EU funded Interreg Open Innovation project	4	none
Cannes March 2013	MIPIM investment fair	3	none

Location	Name of Event	Officials	Councillors
Rouen / Ghent March 2013	EU funded Interreg Open Innovation project	2	none
Toronto March 2013	Creative Industries Mission	1	none
Munich March 2013	EU Leonardo placement	1	none
Rotterdam / Amsterdam March 2013	Eurocities Social Affairs Forum Health & Employment Conference - speaker	1	none
Ghent April 2013	EU funded Interreg Open Innovation project	1	none
Beijing, Tianjin, Shenzhen, Xi'an April 2013	China investment promotion and to set up MOU with Shenzhen	1	none
Istanbul May 2013	Trade mission using new direct flight	1	none
Espoo May 2013	Eurocities Cooperation Platform	1	none
Brussels May 2013	Scotland Europa course	1	none
Qatar June 2013	University research delegation	1	none
Beijing / Shenzhen June 2013	Sign MOU with Shenzhen on incubator space	1	1 plus City Officer
Munich Sept 2013	EU Leonardo Placement	1	none

Location	Name of Event	Officials	Councillors
Munich Sept 2013	EU Leonardo Placement	1	none
Laval Oct 2013	EU funded Interreg Open Innovation project	1	none
Beijing October 2013	UNESCO Creative Cities Summit – City of Literature	1	1 plus City Officer
Munich October 2013	EU Leonardo Placement	1	none
Munich October 2013	EU Leonardo Placement	1	none
Munich October 2013	ExpoReal investment fair	4	none
Rouen October 2013	EU funded Interreg Open Innovation project	3	none
Lille Nov 2013	EU funded Interreg Open Innovation project	2	none
Ghent Nov 2013	Eurocities AGM and Conference	1	1
Malmo Nov 2013	Youth Employment Conference - speaker	1	none
Cannes Nov 2013	MAPIC Retail Investment Fair	1	none
Qatar Nov 2013	Support for University recruitment fair	1	none
Berlin Nov 2013	Urban Land Institute conference speaker	1	none
Brussels Dec 2013	EU Smart City funding programme	1	none

Location	Name of Event	Officials	Councillors
Krakow Feb 2013	Prepare new Cooperation Agreement	1	none
Amsterdam Feb 2013	Assess Werkcenter programme for trainees	2	none
Toronto Feb 2013	FT International Financial Centres and Canada investment campaign	3	none
Ghent Feb 2014	EU funded Interreg Open Innovation project	4	none

Item no 5.2

QUESTION NO 2

By Councillor Rust for answer by the Convener of the Health, Social Care and Housing Committee at a meeting of the Council on 26 June 2014

Question **(1)** What is the total cost incurred by the City of Edinburgh Housing Account in respect of the non-billing for the communal heating system at Greendykes House and Wauchope House in years (a) 2012/13, (b) 2013/14 and (c) 2014/15 to date?

Answer **(1)** Between March 2012 and April 2013 the cost of energy supplied to the energy centre was £2,260.
Between April 2013 and March 2014 the cost of energy supplied to the energy centre was £91,422.
These costs will be covered in the overall project costs.
Figures for 2014/15 are not available.

Question **(2)** Please provide a detailed breakdown of the £700,000 additional costs agreed with the contractor in November 2012.

Answer **(2)** On 28 January 2014 the Health, Social Care and Housing Committee received an update report on the progress towards implementing the retrofitted district heating system in Greendykes and Wauchope. This report advised that in November 2012 additional works not previously included in the contract were identified in relation to the construction of the energy centre and the completion of heating services.

These costs were:

- Change of design details of the roof and additional excavation work to the surrounding area amounting to £118,500.
- Additional pipework which had not been included in the agreed bill of quantities amounting to £290,000.

Additional joiner work for the installation of heating systems to individual properties amounting to £291,500.

- Question** (3) Who agreed those additional costs?
- Answer** (3) The costs were reviewed and agreed by the project team. The contract allowed for these additional costs as the contract awarded was an approximate works contract. This allowed for larger works where design issues were expected to be identified during the course of the project.
- Question** (4) What additional costs have been agreed with the contractor since that agreement of November 2012 and when were these agreed?
- Answer** (4) None.
- Question** (5) What is the amount of any outstanding claim by the contractor and what is this in relation to?
- Answer** (5) Additional costs claimed by the contractor are subject to internal review and negotiation with the contractor. Following the completion of these negotiations final costs will be reported to the Health, Social Care and Housing Committee in September 2014.

Question (6) The McDermott Group Limited state on-line: “*Our Group company (Easy Heat Systems Ltd) has recently delivered a £ 4 million District Heating Scheme for The City of Edinburgh Council at Greendkes (sic) & Wauchope, Niddrie, Edinburgh during May 2013*”
(<http://www.b2match.eu/district-heating-sweden-scotland/participants/33>).

- (a) what does this £4 million figure refer to?
- (b) why is this figure not referred to in any Council report?
- (c) has there been any discussion with The McDermott Group Ltd or Easy Heat Systems Ltd regarding this testimonial?

Answer (6) (a) what does this £4 million figure refer to?

This figure was publicised by the contractor. The Council has not concluded its negotiation with the contractor.

- (b) why is this figure not referred to in any Council report?

This figure is solely the contractors responsibility.

- (c) has there been any discussion with The McDermott Group Ltd or Easy Heat Systems Ltd regarding this testimonial?

Officers have advised the McDermott Group that this figure does not reflect the Council's position on agreed costs.

Question (7) In January 2014 it was reported that there were 3 households not connected to the system. How many are not connected in June 2014?

Answer (7) Two of the three have been connected. One resident continues to refuse to have their property connected.

Question (8) How many complaints have been received by the Council from residents in Greendykes House and Wauchope House during the past two years?

Answer (8) There have been 88 repair requests to 61 homes since June 2013 relating to the heating system.

Question (9) Who in City of Edinburgh Council is responsible for delivery of a fully commissioned heating system to Greendykes House and Wauchope House?

Answer (9) The Acting Head of Housing and Regeneration is responsible for the delivery of a fully commissioned heating system. The commissioning process involves ensuring that residents can properly control the new heating system, that energy monitoring equipment is operating properly and that the transfer of heat to individual properties is working properly.

Question (10) Given it was stated by the Administration to the media in January 2014 the "plan to have it fully commissioned between April and June 2014", by what date will the current system to both Houses be fully operational with invoicing and all ancillary matters resolved?

Answer (10) The commissioning of the system is subject to further review in June 2014.

Officers are continuing to seek access to six properties which are still to be checked following the suspected identification of faults.

During May, there were two incidents of power failure in the Energy Centre which led to a disruption to the supply of heating and hot water to residents. Although these issues were quickly resolved, the cause of these supply failures is still under investigation and work is ongoing to put in measures to reduce the risk of interruptions to the energy supply.

Consultation with tenants showed a preference for applying a standing charge to rent accounts to pay for the heating.

It is anticipated that, subject to satisfactory completion of the commissioning process, residents will be liable for heating costs from the beginning of July 2014.

Item no 5.3

QUESTION NO 3

By Councillor Mowat for answer by the Convener of the Transport and Environment Committee at a meeting of the Council on 26 June 2014

Question

Can the Leader tell Council when the decision to reduce the residual waste capacity from a 240l bin to a 140l bin went through a Committee for a decision on the principle of reducing residual waste capacity by 40%; given that a 50% reduction in capacity was introduced in 2013; is the Leader aware that approving the tender for an additional 240l bin would have met the budgeted cost as agreed by the Transport and Environment Committee in the Outline Business case for Kerbside Recycling Review agreed on 27th August 2013?

Answer

Reducing landfill capacity in order to incentivise greater recycling is part of our waste and recycling strategy which was approved by Transport Infrastructure and Environment Committee on 23 November 2010.

On 27 August 2013, the Transport & Environment Committee approved the Business Case for the Council's redesigned recycling services for low density housing in the city. Approval was also given, on that date, to commence procurement of bins, vehicles and processing capacity.

All Political Group within the Council were recently briefed on the various options, in relation to the size of landfill bins, to be procured under the new system.

Subsequently the Finance & Resources Committee, on 5 June 2014, approved the purchase of 140,000 140litre bins.

It is important to recognise that the overall capacity for waste and recycling for households will actually increase by 12% per week with the inception of the new service. The amount of waste that will need to be disposed of in the residual bin will also decrease due to expansion of the types of materials that can be recycled.

It is recognised that the award of a contract for the standard (240 litre) bins would have met the original budgeted cost contained within the business case presented in August 2013. However, the procurement of the bins is to be funded via prudential borrowing and consequently paid off from revenue budgets. The opportunity to realise additional savings on the initial budgeted figure for the bins (and therefore reduce the annual payment over the term) by procuring a smaller bin and the associated significant savings in avoided landfill disposal costs, was a key consideration given the financial challenges faced by the Council.