

## Finance and Resources Committee

2.00pm, Tuesday 30 September 2014

### Present

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

### 1. Minutes

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#### Decision

To approve the minutes of the Finance and Resources Committee of 28 August 2014 as a correct record.

### 2. Business Bulletin

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The Finance and Resources Committee Business Bulletin for 30 September 2014 was presented.

#### Decision

To note the Business Bulletin.

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

### 3. Key Decisions Forward Plan

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The Finance and Resources Committee Key Decisions Forward Plan for 30 September 2014 to 30 October 2014 was presented.

#### Decision

To note the Key Decisions Forward Plan for 30 September 2014 to 30 October 2014.

(Reference – Finance and Resources Committee Key Decisions Forward Plan 30 September 2014 to 30 October 2014, submitted.)

### 4. Rolling Actions Log

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The Finance and Resources Committee Rolling Actions Log for 30 September 2014 was submitted.

#### Decision

- 1) To note the Rolling Actions Log.
- 2) To note that actions one and eight had been completed and the Rolling Actions Log would be updated to reflect this.

(Reference – Rolling Actions Log 30 September 2014, submitted.)

## 5. Health and Social Care Integration: Update

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An update was provided on the progress of the integration programme since the last report in August 2014. The update outlined Scottish Government implementation guidance, Leadership Group arrangements, Integration Scheme and a work programme update.

### Decision

- 1) To note the latest guidance from Scottish Government on implementation of the Integration Authority.
- 2) To note the Joint Leadership Group arrangements.
- 3) To note the progress with the work programme.

### Declaration of Interest

Councillor Ricky Henderson declared a financial interest as a non-Executive board member of NHS Lothian.

(Reference – report by the Director of Health and Social Care, submitted.)

## 6. Liberton High School

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Committee considered a report that detailed the funding and delivery options for the demolition of the existing gym block at Liberton High School and the provision for replacement Physical Education facilities.

### Decision

- 1) To note the content of the report.
- 2) To note that Option 1, described in paragraph 3.8, to provide replacement PE facilities at Liberton High School was approved by Council on 21 August 2014.
- 3) To agree that Options 2a and 2b, described in section 3 of the report, should not be progressed as there was no necessity to deliver any additional PE accommodation at this time and that the costs of doing so would be significant.

(References – Act of Council (No. 3), 21 August 2014; report by the Director of Children and Families, submitted.)

## 7. 2015/18 Revenue and Capital Budget Framework

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An overview was provided of the budget framework which contained a suite of proposals to act as the basis of public engagement.

### Decision

- 1) To note the report in the context of considering the Council's revenue and capital budget framework.
- 2) To note that the total value of the proposals set out in the report was in excess of the net savings requirement for 2015/16 identified in May 2014 and that this provided the potential to use the outcome of the public engagement process to guide further investment on key Council priorities.

- 3) To authorise Service Directors to take forward detailed planning and development of the savings contained within the budget framework including, where relevant to a savings proposal, planning, development and consultation in accordance with the Council's Organisational review procedure (stages 1-3).
- 4) To recognise that the budget framework included a number of proposals that were efficiency-related or not otherwise considered material decisions that were to be the subject of public engagement and thus refer the report to Council in October 2014 to approve the savings set out in Appendix 2 to the report.
- 5) To accept the proposals, detailed in appendix 1, as the Coalition budget proposals for 2015/16 and agree that those proposals be put out to consultation to allow Edinburgh's citizens, businesses and the voluntary sector the opportunity to consider them and respond.
- 6) To recognise, having taken advice from the Chief Executive that there were financial challenges ahead and identify the need to further develop a strategic approach and financial vision over the next three years.
- 7) To note the need to concentrate on the three strategic themes that arose from the Council's transformational programme which promoted:
  - improved quality of life
  - economic vitality and
  - building excellent places
- 8) To note the five themes to ensure delivery of the Capital Coalition pledges were implemented within a framework of dynamic transformation:
  - Neighbourhoods
  - Channel shift
  - People and Culture
  - Property
  - Partnership
- 9) To instruct the Chief Executive to deliver this transformational change and as the first stage to bring a project plan to Finance and Resources in November 2014, to include a detailed timeline and thematic delivery map, for approval.
- 10) To instruct the Chief Executive to bring a business plan for each theme to Finance and Resources in December 2014, to include all financial due diligence including: risk register, people plan, savings analysis underpinned by robust management information.
- 11) To agree that each quarterly assessment, of a three year budget framework, was both monitored and subsequently verified by the Finance and Resources Committee against delivery of each theme.

(References – Finance and Resources Committee, 28 August 2014 (item 7); report by the Director of Corporate Governance, submitted.)

## **8. Consultants Costs 2013/14**

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Details were provided on the Council's expenditure on consultants during 2013/14.

### **Decision**

- 1) To note the revenue and capital expenditure for consultants in the financial year 2013/14.
- 2) To request that a report on the costs of solicitors and architects be brought to a future meeting of the Finance and Resources Committee.

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

## **9. City of Edinburgh Charitable Trust – 2013/14 Audit**

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Committee considered a report that provided the External Auditor's view on matters arising from their audit in compliance with International Standard on Auditing 260.

### **Decision**

- 1) To note the audited financial statements for 2013/2014 and that these would be submitted to the Controller of Audit.
- 2) To note that any relevant commentary on the Charitable Trusts would be included in the External Auditor's Annual Report on the 2013/14 Audit which would be reported to the Governance, Risk and Best Value Committee and Council in November / December 2014.

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

## **10. Participatory Budgeting Update – referral report from the Communities and Neighbourhoods Committee**

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The Communities and Neighbourhoods Committee on 23 September 2014 considered a report providing an update on the implementation of participatory budgeting at a neighbourhood level. The Committee referred the report to the Finance and Resources Committee for information.

### **Decision**

To note the report.

(References – Communities and Neighbourhoods Committee, 23 September 2014 (item 7); report by the Head of Legal, Risk and Compliance, submitted.)

## **11. Customer Services Improvement Programme: Quarterly Update**

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An update was provided on the Customer Services Improvement Programme (CSIP). This included positive progress with delivery of the responsive web, online transactions, e-HR moving to business as usual and additional automation of transactions approved for Council Tax and Benefits.

## Decision

- 1) To note that the upgrade to the new web based e-HR system was implemented in April 2014, was now operating as business as usual. A business case for phase two was currently being developed for the implementation of new modules.
- 2) To note that the new responsive website went live in April 2014 and early indications from customers were very positive.
- 3) To note that the online transaction forms identified for phase one were operational and were being monitored and tracked for volume, over 3,000 online forms have been submitted since July. Phase 2 plans were currently being finalised.
- 4) To note that work would continue on the implementation of a system that would further automate the Council Tax and Benefits processes. Implementation was planned for November 2014 and January 2015 respectively.
- 5) To note that an initial channel shift communications strategy had been presented to the CSIP Board and work was in progress to develop this further.
- 6) To note that the e-invoicing system which automated the invoicing process had now gone live with the first supplier. Testing was now underway with additional suppliers.
- 7) To note that Council Tax in year collections for 2014/15 was at a higher level when compared to the same point last year and gave a positive indicator against the target of 0.3%.
- 8) To note that a review of CSIP had taken place which had realigned resources towards the main project deliverables.
- 9) To note that CSIP was subject to ongoing monitoring and scrutiny by the Programme Board, and as part of this process a budget realignment exercise had been completed to re-base the original budget and savings commitments.
- 10) To note that the next quarterly update would be provided to the Finance and Resources Committee in January 2015.

(References – Finance and Budget Committee, 31 January 2013 (item 8); report by the Director of Corporate Governance, submitted.)

## **12. Council's Response to Scottish Parliament Public Petitions Committee on Public Access to WIFI**

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Committee considered a report which provided details on the Scottish Parliament's Public Petitions Committee which had agreed to seek the views of a number of local authorities on the provisions of Wi-Fi within public buildings.

## Decision

- 1) To approve the response to the Scottish Parliament Public Petitions Committee, as detailed in the report.

- 2) To note the efforts taken to date to ensure that Wi-Fi provision was available in locations where it could augment the services that the Council provides.

(References – Finance and Resources Committee, 20 March 2014 (item 9); report by the Director of Corporate Governance, submitted.)

### **13. Managing Retirement Policy and Death in Service Benefit Scheme – referral report from the Corporate Policy and Strategy Committee**

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The Corporate Policy and Strategy Committee on 2 September 2014 considered a report on the Managing Retirement Policy which covered retirement, flexible retirement, early payment of pension and a review of the Council's Death Benefit Scheme. The report was referred to the Finance and Resources Committee for approval of the proposal to increase the Death in Service payment from £3,000 to £4,000.

#### **Decision**

To approve the increase in the Death in Service payment to £4,000.

(References – Corporate Policy and Strategy Committee, 2 September 2014 (item 1); report by the Head of Legal, Risk and Compliance, submitted.)

### **14. Contract Award for Homelessness Prevention – Advice and Support Services Pilot**

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Approval was sought from Committee for six contracts to be granted for the duration of a pilot to third sector organisations that were current providers for the provision of advice and support services to prevent homelessness.

#### **Decision**

- 1) To approve the award of an 18 month contract for neighbourhood visiting support services to Bethany Christian Trust.
- 2) To approve the award of an 18 month contract for neighbourhood visiting support services to Edinburgh Cyrenian Trust.
- 3) To approve the award of an 18 month contract for neighbourhood visiting support services to Foursquare.
- 4) To approve the award of an 18 month contract for advice and information outreach to Community Help and Advice Initiative.
- 5) To approve the award of an 18 month contract for mediation services to Edinburgh Cyrenian Trust.
- 6) To approve the award of an 18 month contract for Home Management and Food Preparation to Edinburgh Cyrenian Trust.
- 7) To note the successful progress that had been made in forming collaborative consortia with voluntary sector partners.

#### **Declaration of Interest**

Councillor Corbett declared a financial interest as an employee of Shelter Scotland.

(References – Finance and Resources Committee, 5 June 2014 (item 10); report by the Acting Director of Services for Communities, submitted.)

## **15. Property Repair and Maintenance – Award of Contract**

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Approval was sought to award eight framework agreements for reactive and planned repairs and maintenance works to the most economically advantageous organisations, identified following a competitive tendering process.

### **Decision**

- 1) To approve the award of a mechanical and electrical repairs and maintenance framework to Arthur McKay, BAM FM Ltd and Blackbourne Integrated Mechanical and Electrical, with an estimated contract value of £500,000 per annum.
- 2) To approve the award of a general building repairs and maintenance framework to James Breck Ltd, Response Building and Maintenance Ltd and Saltire Roofing and Building Ltd, with an estimated contract value of £625,000 per annum.
- 3) To approve the award of a minor works and decoration repairs and maintenance framework to Bell Group UK Ltd, H&J Martin Ltd and Response Building and Maintenance Ltd, with an estimated contract value of £300,000 per annum.
- 4) To approve the award of a plumbing, jetting and drainage repairs and maintenance framework to J B Bell and Co and Response Building and Maintenance Ltd, with an estimated contract value of £850,000 per annum.
- 5) To approve the award of a blacksmith repairs and maintenance contract to Orbis Ltd, with an estimated contract value of £500,000 per annum.
- 6) To approve the award of a joinery repairs and maintenance contract to Response Building and Maintenance Ltd, with an estimated contract value of £600,000 per annum.
- 7) To approve the award of a grounds work repairs and maintenance contract to Crummock Scotland Ltd, with an estimated contract value of £150,000 per annum.
- 8) To approve the award of a non-domestic cleaning contract to International Waste Group, Orbis Ltd and Response Building and Maintenance Ltd, with an estimated contract value of £150,000 per annum.
- 9) To note that works issued under the framework agreement would be by means of direct award, allocated by geographical area or by mini competition.
- 10) To note that the term of each framework was for a two year period with the option to extend annually for a maximum of two further years.
- 11) To note the contract value above was reflective of historical spend for these services over the previous three financial years and, due to the reactive nature of the scope of works, could be subject to fluctuation.

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

## **16. Award and Further Extension of Health and Social Care Contracts**

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Committee considered a report that sought approval for the award and further extension of a number of contracts; the transfer of others to the grants budget; and for the letting of a new Framework Agreement for the purpose of providing governance arrangements in respect of the management of Individual Service Funds.

### **Decision**

- 1) To agree to renew contracts for registered day centres for older people.
- 2) To agree to transfer existing contracts for the delivery of unregistered day centres for older people to the grants budget.
- 3) To agree to award block contracts, which met provider costs involved in maintaining safe night time staffing arrangements in a variety of home settings.
- 4) To agree to grant further extension of the specified Edinburgh Alcohol and Drug Partnership contracts.
- 5) To agree the letting of a new Framework Agreement to provide governance arrangements in respect of the management of Individual Service Funds.

### **Declaration of Interest**

Councillor Rankin declared a non-financial interest as a Trustee of Autism Initiatives. (References – Health, Social Care and Housing Committee, 28 January 2014 (item 4); report by the Director of Health and Social Care, submitted.)

## **17. Unescorted Passenger Journeys – Request for Contract Extension**

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Approval was sought for an extension to the contract for unescorted passenger journeys.

### **Decision**

To approve the extension of the contract for the provision of unescorted passenger journeys with City Cabs (Edinburgh) Ltd and Central Radio Taxis (Tollcross) Ltd for a further period of two months until 22 December 2014.

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

## **18. Award of Traffic Equipment Maintenance and Ancillary Support Services**

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Approval was sought for the appointment of three suppliers (Siemens plc, Imtech UK and Telent Ltd) to the framework and the direct award of the Traffic Equipment Maintenance and Ancillary Support Services contract for the City of Edinburgh Council through the framework to Siemens plc.

## **Decision**

- 1) To approve the appointment of three suppliers (Siemens plc, Imtech UK and Telent Ltd) to a Framework Agreement for Traffic Equipment Maintenance and Ancillary Support Services.
- 2) To approve the award of the Traffic Equipment Maintenance and Ancillary Support Services contract for City of Edinburgh Council, to Siemens plc, utilising this Framework Agreement. This replaced the current contract which would end on 31 October 2014. It was proposed that the new contract would commence on 1 November 2014 for a period of four years.

(References – Finance and Resources Committee, 20 March 2014 (item 34); report by the Acting Director of Services for Communities, submitted.)

## **19. Stair Lighting – Energy Efficiency Proposal – referral from the Health, Social Care and Housing Committee**

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The Health, Social Care and Housing Committee on 9 September 2014 considered a report on a proposal to introduce new energy efficient lighting systems in 14,000 tenemental blocks of flats across the city. The Committee referred the report to the Finance and Resources Committee for information.

### **Decision**

To note the report.

(References – Health, Social Care and Housing Committee, 9 September 2014 (item 4); report by the Head of Legal, Risk and Compliance, submitted.)

## **20. Energy in Schools report – referral report from the Education, Children and Families Committee**

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The Education, Children and Families Committee on 11 September 2014 considered a report outlining school energy consumption for 2013/14 that included a high level analysis of consumption trends. Information was provided on progress made against the action plan presented in last year's Schools Energy Report. The Committee referred the report to the Finance and Resources Committee for information.

### **Decision**

To note the report.

(References – Education, Children and Families Committee, 11 September 2014 (item 9); report by the Head of Legal, Risk and Compliance, submitted.)

## **21. Refurbishment Works at Castlebrae Business Centre – Delegated Authority for Award of Contract**

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Committee considered a report that sought approval to delegate authority to the Acting Director of Services for Communities, in consultation with the Convener and Vice Convener of the Finance and Resources Committee to appoint the contractor that submitted the most economically advantageous tender for the proposed refurbishment works at Castlebrae Business Centre.

## **Decision**

- 1) To delegate authority to the Acting Director of Services for Communities, in consultation with the Convener and Vice Convener of the Finance and Resources Committee, to appoint the contractor with the most economically advantageous bid to deliver the refurbishment works at Castlebrae Business Centre.
- 2) To note that the award of this mini competition would be based on a quality/cost ratio of 20% quality 80% price.
- 3) To note that the contract was being tendered on the LHC Scotland Framework and that contractor appointments to the Framework were based on a quality, cost ratio of 80% quality 20% price.
- 4) To note that an update on the contract award would be provided to the Finance and Resources Committee on 27 November 2014.

## **Declaration of Interest**

Councillor Ross declared a non-financial interest as a Director of Cre8te.

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

## **23. Property Conservation – Progress Report**

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An update was provided on the progress of the Property Conservation Programme Momentum.

### **Decision**

- 1) To note the progress made to date on the Programme.
- 2) To note management information dashboard reports in Appendix 1 of the report and the significant challenges that were faced in relation to the finance metrics.
- 3) To note the extension of the Thomson Bethune contract for a further year from October 2014.

(References – Finance and Resources Committee, 28 August 2014 (item 21); report by the Director of Corporate Governance, submitted.)

## **24. Proposed Lease at 63 Niddrie Mains Terrace**

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Approval was sought to grant a 10 year lease of the community space at 63 Niddrie Mains Terrace to Caring in Craigmillar at £9,700 per annum exclusive of VAT.

### **Decision**

To approve a 10 year lease of the community space at 63 Niddrie Mains Terrace to Caring in Craigmillar on the terms outlined in the report and on the other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.

(References – Finance and Resources Committee, 6 June 2013 (item 22); report by the Acting Director of Services for Communities, submitted.)

## **25. Gypsy Brae Recreation Ground – Proposed Lease to Edinburgh Cricket and Sports Club**

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Approval was sought to grant a new 20 year lease to Edinburgh Cricket and Sports Club to allow investment to be made in establishing a cricket pitch on the ground at Gypsy Brae.

### **Decision**

To approve the grant of a new 20 year lease of 3.9 acres, or thereby, of land on Gypsy Brae to Edinburgh Cricket and Sports Club, to develop a cricket pitch and sports club, on terms and conditions contained in the report and on other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.

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

## **26. Proposed Ground Lease at Warriston Recreation Ground for Community Tennis Courts**

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Approval was sought for the revised location within Warriston Recreation Ground to Warriston Community Tennis Club for the construction of one full-sized tennis court and one junior tennis court.

### **Decision**

To approve the revised location of an area of ground at Warriston Recreation Ground to be leased to Warriston Community Tennis Club for the construction of one full – sized tennis court and one junior tennis court, on terms and conditions contained in the report and on other terms and conditions to be agreed by the Acting Director of Services for Communities and the Head of Legal, Risk and Compliance.

(References – Finance and Resources Committee, 6 June 2014 (item 31); report by the Acting Director of Services for Communities, submitted.)

## **27. Proposed New Lease of the Balerno Community Centre, 7-11 Main Street, Balerno**

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Approval was sought to grant a new lease at a peppercorn rent to the Management Committee of Balerno Community Centre for the ongoing administration of the Balerno Community Centre.

### **Decision**

To approve the grant of a new lease to the Management Committee of Balerno Community Centre for the ongoing administration of the Community Centre on terms and conditions referred to in the report and on other terms and conditions to be agreed by the Acting Director of Services for Communities, the Director of Children and Families and the Head of Legal, Risk and Compliance.

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

## **28. Resolution to consider in private**

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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 6 and 12 of Schedule 7(A) of the Act.

## **29. Property Conservation – Debt, Settlement Repayments and Irrecoverable WIP**

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An update was provided to the Committee on the recovery of outstanding debt within the terms of the Corporate Debt Policy, the provision for impairment for the Legacy service, and the issues in respect of repayments to owners in cases where a review had identified issues with the work undertaken.

### **Decision**

- 1) To note that a report in respect of the Corporate Debt Policy as it applied to Statutory Notices would be provided to the next meeting of the Finance and Resources Committee.
- 2) To note the current provision for impairment at Appendix 1 of the report and the assumptions that underpinned the provision.
- 3) To note the settlement repayment process as detailed in Appendix 2 of the report.
- 4) To note the irrecoverable sums authorised using existing delegated authority as listed in Appendix 3 of the report.

(References – Finance and Resources Committee, 30 July 2014 (item 29); report by the Director of Corporate Governance, submitted.)

## **29. Miscellaneous Debts – Write Off**

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A summary was provided of miscellaneous debt that was outstanding and deemed uncollectible and was recommended for write-off.

### **Decision**

- 1) To agree the write-off of miscellaneous debt of £223,919.87.
- 2) To note the position on the use of registered inhibitions as part of the debt recovery process.
- 3) To request that the Head of Finance confirmed to the Committee that debt collection procedures had not recently changed.

(References – Finance and Resources Committee, 20 March 2014 (item 30); report by the Director of Corporate Governance, submitted.)