

Item 4.1 - Minutes

Finance and Resources Committee

10.00am, Thursday, 14 January 2016

Present

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

1(a) Deputation: UNISON – Transformation Programme: Progress Update

The Committee agreed to hear a deputation from Gerry Stovin and Tom Connelly from UNISON.

The main points raised by the deputation were:

- The review process had not gone well, with many of the reviews being rushed through.
- Disjointed information had been distributed to staff regarding VERA and instructions to managers in terms of when to use VERA was lacking.
- Approximately 450 applications for VERA had been approved, but 700 applications for VERA had been turned down.
- It was suggested that more should be done to allow the staff that had applied for VERA to leave the Council and to match the remaining jobs to staff that wanted to stay with the Council.

The Convener thanked the Deputation for their presentation and invited them to remain for the Committee's consideration of the report by the Chief Executive.

1(b) Deputation: UNISON – Living Wage and Workforce Related Matters in Procurement Update

The Committee agreed to hear a deputation from Gerry Stovin and Tom Connelly from UNISON.

The main points raised by the deputation were:

- UNISON welcomed the Council's commitment to the living wage.
- Concerns were raised that despite the Council's commitment to the living wage, there was no reflection of it in the current pay grades and structures.
- The pilots that had been carried out by the Council to encourage contractors to pay the Living Wage were welcomed by the Unions.

- Fair working processes should not be dismantled for short-term economic benefits.

The Convener thanked the Deputation for their presentation and invited them to remain for the Committee's consideration of the report by the Acting Executive Director of Resources.

1(c) Transformation Programme: Progress Update

An update was provided on the Council Transformation Programme. The report highlighted recent progress made in relation to organisational reviews and set out the planned programme of delivery going forward.

Decision

- 1) To note the progress made to date in implementing the future operating model through a series of organisational reviews.
- 2) To approve the revised programme plan attached at Appendix 1 of the report, which set out the proposed phasing of organisational reviews over the coming months.
- 3) To note the Transformation Programme dashboards attached at Appendix 2 of the report.

(References – Finance and Resources Committee, 29 October 2015 (Item 1(c)); report by the Chief Executive, submitted.)

1(d) Living Wage and Workforce Related Matters in Procurement Update

Details were provided of the pilots that had been undertaken to encourage the adoption of the Living Wage and other favourable workforce related conditions by contractors. The Council's proposed approach to adopting the recent guidance from the Scottish Government on the Selection of Tenderers and Award of Contracts addressing Fair Work Practices including the Living Wage in Procurement was also considered.

Decision

- 1) To note the report.
- 2) To approve the proposed approach to adopting the Scottish Government's Statutory Guidance on Fair Work Practices including the living Wage in Procurement as standard in future tender evaluations.
- 3) To agree to commence the accreditation process to become a Living Wage Employer.

(Reference – report by the Acting Executive Director of Resources, submitted.)

2. Minutes

Decision

To approve the minutes of the Finance and Resources Committee of 26 November 2015 and the Additional Finance and Resources Committee of 14 December 2015 as correct records.

3. Key Decisions Forward Plan

The Finance and Resources Committee Key Decisions Forward Plan from 14 January 2016 to 2 February 2016 was submitted.

Decision

To note the Key Decisions Forward Plan from 14 January 2016 to 2 February 2016.

(Reference – Finance and Resources Committee Key Decisions Forward Plan, 14 January to 2 February 2016, submitted.)

4. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log for 29 August 2013 to 26 November 2015 was submitted.

Decision

To note that Items 1, 3, 4, 8, 11, 14 and 15 had been closed.

(Reference – Rolling Actions Log, 29 August 2013 to 26 November 2015, submitted.)

5. CEC Transformation Programme: Property and Asset Management

Committee considered a report on the detailed implementation plan for Property and Asset Management.

Decision

- 1) To acknowledge the progress made to date within the property and asset management workstream around Project Management Office mobilisation, Transition, Estate Rationalisation, Investment Portfolio, Asset Condition and Facilities Management.
- 2) To note that following Committee approval of the alternative in-house proposal for delivery of Facilities Management, Deloitte had been retained until July 2017, through the previously procured two stage contract to support the property and asset management workstream.
- 3) To note the award of further consultancy support for the provision of specialist technical advice, and investment strategy support, until July 2016 and to delegate authority to the Chief Executive to appoint the required Consultants.
- 4) To note that a progress report on the programme would be submitted to Committee every two cycles.

(References – Finance and Resources Committee, 26 November 2015 (item 1(b)); report by the Chief Executive, submitted.)

6. Annual Workforce Controls Report

An update was provided on the implementation of an enhanced workforce control framework.

Decision

- 1) To note the progress made to date.
- 2) To note the proposed future savings.
- 3) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme, with particular concern about the absence rates.

(References – Finance and Resources Committee, 19 March 2015 (item 9); report by the Chief Executive, submitted.)

7. 2016-20 Budget Proposals: Overview of Feedback and Engagement

Details were provided of the feedback received as part of the Council's 2015 Budget Engagement Process.

Decision

- 1) To note the report.
- 2) To refer the report to the Full Council as part of setting the 2016/20 revenue budget framework.

(References – Finance and Resources Committee, 19 March 2015 (item 9); report by the Chief Executive, submitted.)

8. 2016/20 Revenue and Capital Budget Framework

Committee considered a report on the impact on the Council's Revenue and Capital Budget Framework of the Scottish Government's announcement on 16 December 2015. The level of reduction in the Council's revenue funding allocation was significantly higher than anticipated. Members of the Corporate Leadership Team (CLT) had now considered the additional savings requirement of £16.7 million in 2016/17 and had set out how they proposed it should be addressed.

Decision

- 1) To note the impact of the 2016/17 Local Government Finance Settlement on the 2016/20 budget framework.
- 2) To note the officer recommendations to address the resulting shortfall relative to previous assumptions for each year covered by the framework.
- 3) To refer the report to Council as part of the budget setting process.

(References – Finance and Resources Committee, 26 November 2015 (item 1(c)); report by the Acting Executive Director of Resources, submitted.)

9. Council's Budget 2016/20 – Risks and Reserves

Details were provided on the risks inherent in the revenue and capital budget framework and the range of measures and provisions established to mitigate these.

Decision

- 1) To note the report.

- 2) To refer the report to Council for decision on 21 January 2016 as part of the budget setting process.

(References – Finance and Resources Committee, 26 November 2015 (item 1c)); report by the Acting Executive Director of Resources, submitted.)

10. Funding Package Proposal for a New Meadowbank

Decision

To withdraw the report.

(References – Finance and Resources Committee, 26 November 2015 (item 21); report by the Chief Executive, submitted.)

11. Capital Investment Programme/Plan 2016/17 to 2023/24

Committee considered a report that provided an update on the roll forward of the capital investment programme to 2020/21 and the capital plan to 2023/24.

Decision

- 1) To note the report.
- 2) To refer the 2016 – 2021 Capital Investment Programme and updated 2019 – 2024 indicative five year capital plan to Council for decision on 21 January 2016 as part of the budget setting process.
- 3) To note that following the announcement of the Finance Settlement, there was no scope to increase the level of capital resources available to support additional capital investment at this time.
- 4) To note the up to date analysis of unfunded service priorities and pressures set out within the report.
- 5) To note the revised proposed treatment of potential additional capital receipts of £7.9 million that might be realised over the period of 2015/20 Capital Investment Programme to now distribute this equally between (i) supplementing planned repairs and maintenance spend through use of the Capital Fund and (ii) providing funding for future LDP infrastructure requirements (which replaced the previous proposal of providing additional capital investment for priority areas) and refer to Council for decision on 21 January 2016.
- 6) To note that following the proposed update to the capital plan, £7 million of funding per annum was currently unallocated from 2019/20 onwards and refer to Council for decision on 21 January 2016 how this be allocated in the context of infrastructure needs /priorities and existing Council commitments.
- 7) To instruct the Council Leadership Team (CLT) to put in place measures to ensure that capital projects considered and undertook an Equality and Rights Impact Assessment (using the Council ERIA template and related guidance) and used the Sustainability, Adaptation, Mitigation tool iteratively in all project initiation, development and management processes.

(References – Finance and Resources Committee, 29 October 2015 (item 9); report by the Acting Executive Director of Resources, submitted.)

12. Corporate Governance Revenue Budget Monitoring 2015/16 and Capital Investment Programme – Month Eight Position

An update was provided on the Corporate Governance revenue budget performance for 2015/16, based on actual expenditure and income to the end of November 2015 and expenditure and income projections for the remainder of the financial year.

Decision

- 1) To note the Corporate Governance Service was currently projecting expenditure within the approved revenue budget for 2015/16.
- 2) To note the risks to the achievement of a balanced revenue budget projection.
- 3) To note the expenditure on the Corporate Governance Capital Investment Programme was projected to be in line with budget.

(References – Finance and Resources Committee, 29 October 2015 (item 9); report by the Acting Executive Director of Resources, submitted.)

13. Capital Monitoring 2015/16 – Nine Month Position

Details were provided 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.

Decision

- 1) To note the projected capital outturn positions on the General Fund and Housing Revenue Account (HRA) at month nine.
- 2) To note the prudential indicators at month nine.
- 3) To note that the Acting Executive Director of Resources was closely monitoring the capital receipts position.
- 4) To refer the report to the Governance, Risk and Best Value Committee for consideration as part of its work plan.

(References – Finance and Resources Committee, 29 October 2015 (item 7); report by the Acting Executive Director of Resources, submitted.)

14. Revenue Monitoring 2015/16 – Month Eight Position

Committee considered a report on the projected current-year revenue monitoring position for the Council, based on period seven data. The full-year outturn forecast showed an overall balanced position, albeit there were a number of risks to be managed throughout the remainder of the financial year to achieve this.

Decision

- 1) To note the projected balanced position at month eight.

- 2) To note the on-going risks and challenges in achieving necessary savings to off-set service pressures, including the additional measures approved by Council to address current-year pressures in Health and Social Care, which would require further management actions and active scrutiny for the remainder of the financial year.
- 3) To refer the report, upon confirmation of the overall outturn, to Council for approval of the transfer of any net under spends top reserves and earmark these for funding future staff release costs.
- 4) To note the balanced position projected on the Housing Revenue Account (HRA) after making a £17 million contribution towards the construction of new homes.

(References – Finance and Resources Committee, 29 October 2015 (item 6); report by the Acting Executive Director of Resources, submitted.)

15. Housing Revenue Account – Budget Strategy 2016/17 – 2020/20

Committee considered a report on the 2016/17 budget, five year Housing Revenue Account (HRA) budget strategy and the proposed rent levels for 2016/17.

Decision

- 1) To prioritise investment in measures and services that reduced the cost of living for tenants and expanded the Council led house building programme to 8,000 homes.
- 2) To refer the 2016/17 budget, draft five year capital programme and the proposed rent levels for 2016/17, set out in Appendices 1 to 6 of the report, to the Council budget meeting for decision on 21 January 2016.
- 3) To note the Council had made significant progress in improving tenants' homes and establishing one of the largest house building programmes in the country over the last five years.
- 4) To note the financial hardship faced by many tenants and the impact of the shortage of affordable homes in the city on those on low to moderate incomes.
- 5) To note that at 2.0% the 2015/16 rent increase was the third lowest among Scottish local authorities and was significantly lower than the 8.8% rent increases experienced by private sector tenants.

(References – Health, Social Care and Housing Committee, 8 September 2015 (item 8); report by the Executive Director of Place, submitted.)

16. Common Good Planned Maintenance Programme and Common Good Reporting

Details were provided of the proposals for a Common Good Planned Maintenance Programme which was requested at the Governance, Risk and Best Value Committee meeting of 19 October 2015.

Decision

- 1) To approve the use of the Common Good Fund for the activities planned for the Common Good maintenance programme outlined in the report.

- 2) To note that actual and planned maintenance programme would be reported to the Finance and Resources Committee annually within the Common Good Performance Report.
- 3) To note that all Common Good matters would be reported to the Finance and Resources Committee, unless policy decisions were required in which circumstance the matter would be reported to the Corporate Policy and Strategy Committee.

(References – Governance, Risk and Best Value Committee, 19 October 2015 (item 5); report by the Acting Executive Director of Resources, submitted.)

17. ICT Governance

Details were provided of the proposed transitional and future governance arrangements for the management of ICT, based on the new contractual arrangements. These arrangements would allow for future governance arrangements to be streamlined whilst ensuring ICT was focused on delivering the right outcomes for the Council.

Decision

- 1) To approve the interim and future governance arrangements for ICT.
- 2) To note the approach to management of ICT investment and expenditure outlined in paragraphs 3.16 and 3.17 of the report.

(References – Finance and Resources Committee, 30 October 2014 (item 19); report by the Chief Executive, submitted.)

18. Health and Social Care Integration - Update

An update was provided on the integration of Council social care functions with NHS Lothian health functions under the Public Bodies (Joint Working) (Scotland) Act 2014.

Decision

- 1) To note the progress with the integration of NHS Lothian health and Council adult social care functions.
- 2) To note the summary of Audit Scotland's audit of national health and social care integration arrangements and the recommendations for Councils and NHS boards to working together on the Integration Joint Board (IJB).

Declaration of Interest

Councillor Paul Edie declared a financial interest as Chair of the Care Inspectorate.

(References – Finance and Resources Committee, 26 November 2015 (item 10); report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

19. Award the Extension of Existing Employability Contracts

Approval was sought to extend two existing employability contracts, until 31 March 2017, in order to integrate the provision into a wider employability contract for people who had complex needs.

Decision

- 1) To agree to waive contract standing orders in respect of employability contracts, commissioned by Edinburgh's criminal justice services and the Edinburgh Alcohol and Drug Partnership.
- 2) To approve the award of contract to Forth Sector for the period 1 April 2016 to 31 March 2017 at the value of £66,000.
- 3) To approve the extension of contract to Access to Industry for a period of one year to 31 March 2017 with the extension value of £104,000.

Declaration of Interest

Councillor Paul Edie declared a financial interest as Chair of the Care Inspectorate.

(Reference – report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

20. Council Contracts Planning Update – Review of Waivers over £100,000

An update was provided on the contracts with a value over £100,000 which had been awarded following a waiver of the Council's Contract Standing Orders (CSOs) between 1 October 2014 and 30 September 2015.

Decision

- 1) To note the report.
- 2) To discharge the remit of the 30 July 2014 report on the 'Clothing Voucher Scheme' which requested that a report was brought to the next meeting of the Finance and Resources Committee that detailed the management process for dealing with contracts.

(References – Finance and Resources Committee, 30 July 2014 (item 17); report by the Acting Executive Director of Resources, submitted.)

21. Contracts Awarded Under Delegated Authority (Waiver Reports) and Procurement Activity

Details were provided of the contracts awarded following a waiver of the Council's Contract Standing Orders (CSOs) and the contracts awarded with a value below the threshold that required Committee approval between 1 July 2015 and 30 September 2015.

Decision

To note the report and the authorisations made under delegated authority.

(References – Finance and Resources Committee, 24 September 2015 (item 15); report by the Acting Executive Director of Resources, submitted.)

22. Award of Contract for Consultancy in Relation to the Transition to new ICT Provider

Approval was sought to award a contract to Progress Business Solutions Ltd (PBS) to provide consultancy services to assist the Council complete its ICT procurement and transition to new partner, CGI.

Decision

To approve the award of a contract to Progress Business Solutions Ltd (PBS) from 14 January 2016 until 30 June 2016 to provide technical and commercial advice to assist with the transition of the Council's ICT services to new provider, CGI.

(Reference – report by the Acting Executive Director of Resources, submitted.)

23. Integrated Employability Services

Details were provided of the result of the procurement of Integrated Employability Services and approval was sought for the award of the Integrated Employability Services contract.

Decision

- 1) To approve the award of a two year contract to Edinburgh College and Community Renewal for Integrated Employability Services, with the option to extend for a further two years.
- 2) To note that the value of the contract would be £1,250,000 with a total contract value of £5,000,000 (which included two year contract extensions).

(Reference – report by the Executive Director of Place, submitted.)

24. Contract for Trauma and Final Cleaning in Domestic Properties – Award of Contract

Committee considered a report that sought approval to award a contract for trauma and final cleaning within domestic properties for the period 1 March 2016 until 28 February 2019.

Decision

To approve the contract award for trauma and final cleaning to domestic properties to VPS UK Ltd for the period 1 March 2016 until 28 February 2019 for an estimated value of £833,091.81 with an option to extend for 12 months at an estimated value of £277,697,27. This was a total contract value of £1,110,789.08 over the four years of the contract.

(Reference – report by the Executive Director of Place, submitted.)

25. Taxicard Services

Decision

Consideration of the report was deferred to a future meeting of the Finance and Resources Committee.

(Reference – report by the Executive Director of Place, submitted.)

26. Award of Contract for Consultancy Services to Prepare the Forth Estuary Local Plan District 10 Local Flood Risk Management Plan

Approval was sought for the award of a contract for consultancy services to prepare the Forth Estuary Local Plan District 10 Local Flood Risk Management Plan.

Decision

To approve the appointment of AECOM to prepare the Forth Estuary Local Plan District 10 (LPD10) Local Flood Risk Management Plan (the Plan) at a contract sum of Thirty Two Thousand, Two Hundred and Ninety Pounds and Eighty Eight Pence (£32,290.88)

(Reference – report by the Executive Director of Place, submitted.)

27. Boyd Anderson Trust

Committee considered a report on Mr George Boyd Anderson, who, during his lifetime provided funds for the purchase of land and the creation of an Outdoor Learning Centre at Lagganlia (situated in the Cairngorm National Park) which was owned and managed by the Communities and Families Department.

Approval was sought to release £66,000 of unallocated funds to assist with the building of a modular log cabin type classroom and storage space for the development of snow sports.

Decision

To approve the release of £66,000 of unallocated funds to assist with the building of a snowsports base at Lagganlia.

(Reference – report by the Acting Executive Director of Communities and Families, submitted.)

28. Communities and Families – Waiver of Council Contract Standing Orders to Award Contract to the Edinburgh Voluntary Organisations Council (EVOC)

Approval was sought to waive Council Contract Standing Orders and establish a Strategic Partnership Agreement contract between Communities and Families and the Edinburgh Voluntary Organisations Council (EVOC).

Decision

- 1) To approve the award of contract to the Edinburgh Voluntary Organisations Council (EVOC) from the 1 April 2016 to 31 March 2019 with the option to extend for up to 2 years, to a total potential value of £295,850.
- 2) To agree that contract standing orders would be waived, which was deemed to be in the Council's best interests to provide continuity of service support to Communities and Families and the organisations they work with.

(Reference – report by the Acting Executive Director of Communities and Families, submitted.)

29. Property Conservation – Programme Momentum Progress Report and Edinburgh Shared Repairs Service (ESRS) Update

An update was provided on the progress of Programme Momentum and the Edinburgh Shared Repairs Services (ESRS).

Decision

- 1) To note the management information dashboard reports in Appendix 1 of the report.
- 2) To note the progress of debt recovery work.
- 3) To note the progress of the settlement process.
- 4) To note the end of the Thomson Bethune contract.
- 5) To note that the current powers of delegation expired on 31 December 2015 and to approve an extension of the current delegated authority arrangements until 31 March 2016.
- 6) To note the progress of the Pilot process and that a phased implementation of the Edinburgh Shared Repairs Services (ESRS) would take place during the financial year 2016/17.

(References – Finance and Resources Committee, 26 November 2015 (item 24); report by the Acting Executive Director of Resources, submitted.)

30. Proposed Lease Extension at 62 Niddrie Mains Road, Edinburgh

Approval was sought to grant a 10 year lease extension at 62 Niddrie Mains Road to Firstform (162) Limited on the terms and conditions outlined in the report.

Decision

To approve a 10 year lease extension to Firstform (162) Limited of retail premises at 62 Niddrie Mains Road, Edinburgh, on the terms outlined in the report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

(Reference – report by the Acting Executive Director of Resources, submitted.)

31. Lease, 63 Niddrie Mains Terrace – Amended Area of Let

Decision

Consideration of the report was deferred to a future meeting of the Finance and Resources Committee.

(Reference – report by the Acting Executive Director of Resources, submitted.)

32. Ground at Manse Road, Kirkliston – Proposed Lease

Committee considered a report which sought approval to grant a 125 year ground lease at Manse Road, Kirkliston to the 1st Kirkliston Scouts Group, on the terms set out in the report.

Decision

To approve the lease and the option to purchase of land to 1st Kirkliston Scouts Group in accordance with the terms set out in the report and on such other terms and conditions to be agreed by the Acting Executive Director of Resources.

(Reference – report by the Acting Executive Director of Resources, submitted.)

33. 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 6, 8, and 9 of Schedule 7(A) of the Act.

34. Property Conservation – Irrecoverable Sum, Debt Recovery and Settlements Process

An update was provided on the current provision for impairment and settlements.

Decision

To note the provision for impairments and settlements in Appendix 1 of the report.

(References – Finance and Resources Committee, 26 November 2015 (item 27); report by the Acting Executive Director of Resources, submitted.)

35. Property Conservation – Legacy Closure Programme and Defect Costs

Committee considered a report that provided a project cost update in the resolution of the legacy closure issues of the former property conservation service.

Decision

- 1) To note the timeline of the legacy closure programme as detailed in Appendix 1 of the report.
- 2) To note the impairments and settlements provision in Appendix 2 of the report.
- 3) To note the cost analysis by financial year as detailed in Appendix 3 of the report.
- 4) To note the assessed need of £1 million for 2016/17 towards closure of the resolution programme.
- 5) To note that legacy work would continue into the coming years, primarily (but not exclusively) associated with debt recovery activity.

(Reference – report by the Acting Executive Director of Resources, submitted.)

36. Provision of Manned Security Guarding Services – 2016-2018

Details were provided of the result of a competitive tender process for the provision of Manned Security Guarding Services and approval was sought for the award of the contract to Allander Security Services Limited.

Decision

- 1) To approve the appointment of Allander Security Services Limited to provide Manned Security Guarding Services.
- 2) To agree that the Living Wage option should be adopted.

(Reference – report by the Acting Executive Director of Resources, submitted.)