

Committee Minutes

Resource Management and Audit Scrutiny Panel

Edinburgh, 27 April 2006

Present:- Councillors Jackson (Convener), Aldridge, Dixon, Maginnis, Milligan, Munro, Scobbie and Wheeler.

Also Present:- Councillors Burns, Child, Fallon, Shiels and Kingsley Thomas.

1 Minute

Decision

The minute of the Resource Management and Audit Scrutiny Panel of 16 March 2006 was approved as a correct record.

2 Matters Arising from Minute of 16 March 2006

2.1 Monitoring of Internal Audit – Licensing Income

The Executive of the Council on 30 March 2006 approved the Panel's recommendations from 16 March 2006 asking the Director of Corporate Services to submit the forthcoming report on current staff levels within the Licensing Section as a matter of urgency. The report to address the increased workload within the Section, staff training and development needs and the provision of appropriate accommodation. Additionally, the Executive instructed the Director of Finance to report on the overall cash collection/handling policy across the Council, taking into account any opportunities afforded by the opening of the new Council Headquarters.

(Reference – Executive of the Council 30 March 2006, submitted).

3 Called-In Decision – Annual Report on the City's Common Good Fund for the Year Ended 31 March 2005

The Executive of the Council on 28 February 2006 had noted a report by the Director of Corporate Services on the City's Common Good Fund for the year ended 31 March 2005. The Executive's decision had been called-in to the Panel.

Councillor Dixon (lead signatory to the call-in) explained that he had called the item in to explore the application of the Common Good Fund surplus.

Andy Wightman, a Director of the Caledonian Centre for Social Development, who had written papers on the Common Good Fund in Scotland was invited by the Panel as a witness. Mr Wightman tabled a report on his findings on Edinburgh's Common Good Fund. He highlighted the following areas:

- The fund assets had not been properly recorded or accounted for in the past 25 years.
- The management and administration of the Common Good Fund was flawed and ineffective.
- The Common Good Fund should have generated a significant amount of money per annum for the community as well as having a larger base of assets.
- Waverley Market (now Princes Mall Shopping Centre) remained a Common Good Fund asset but was leased on a 260-year lease for 1p a year.
- There was a lack of a Common Good Fund Committee which could otherwise have taken a strategic overview of the management of the Fund.
- The Council's records of assets were incomplete such as East Market Street and 7 Merchiston Park.
- There is no straightforward process in identifying what is Common Good Land.

Hugh Dunn (Corporate Finance Manager, Department of Finance) confirmed that recent transactions, would show income into the Common Good Fund and expenditure from it, and would be properly accounted. He highlighted the Asset Management Review as an opportunity to verify what the Council's Common Good Fund assets were.

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Decision

- 1) To commend Mr Wightman on his work on the Common Good Fund.
- 2) To distribute Mr Wightman's report to all members of the Council.
- 3) To continue the matter, subject to the approval of the Executive Member, for a report, using independent consultants if necessary, on the development, stewardship and record keeping of the Common Good Fund.

(Reference – Executive of the Council 28 February 2006 (item 24); report no E/438/05-06/CS by the Director of Corporate Services, submitted.)

4 Called-In Decision – Land Adjacent to Fountain Brewery, Brandfield Street, Fountainbridge and Land Adjacent to Morrison Crescent, Fountainbridge

The Executive of the Council on 28 February 2006 had considered a report by the Director of City Development on the sale of two sites in Fountainbridge to a developer by the Council.

The Executive had agreed:

- 1) To note the reduction in purchase price for the sale from a total of £1.9m to a total of £1.65m.
- 2) That the Executive reaffirms its commitment to the 25% policy for affordable housing for large housing developments, and expects that any land transactions being negotiated with the Council for large housing developments would be on this basis.
- 3) To instruct the Director of City Development to report on a scheme of environmental improvement works for the adjacent area, including Brandfield Street, Upper Grove Place, Grove Street, Fountainbridge and Dundee Street. This to be along the lines of the Draft Improvement Plan for the area drawn up by the Grove Residents and Neighbourhood District Association which was presented to the Council Executive on 25 February 2003.

Councillor Shiels (lead signatory to the call-in) explained that she had called-in the item to further scrutinise reasons for agreeing to sell the land to the developers for £1.65m, as opposed to the previously agreed price of £1.9m and questioned the need for the Council to lower its price. Councillor Kingsley Thomas also raised questions on the need for the Council to accept a lower price.

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Barbara Cummins (Group Leader, Department of City Development) and David Rogers (Property Development, Department of City Development) advised as follows:

- That the Council dropped the price of the land due to the Council requirement of affordable housing raising from 15% to 25% of the development.
- The Council were completely commercial in their dealings with the developer. Discounts were not given to encourage affordable housing.
- The purchase price reflected the full value of the site and if the sites were marketed in isolation the value could be lower than the £1.65m offered by the developers.

Councillor Fallon (Executive Member for Business and Property Management) emphasised that the deal was best value for the Council and that the value of land would be reduced if the developers withdrew their offer.

Decision

- 1) To let decisions 2 and 3 of the Executive be implemented.
- 2) To recommend to the Executive that they reconsider the decision to accept the reduced purchase price for the sites.
- 3) That the Director of City Development report on the Council's Property Management process.

(Reference – Executive of the Council 28 February 2006 (item 30); report by the Director of City Development, submitted.)

5 Called-In Decision – Land to Rear of Festival Theatre

The Executive of the Council on 14 March 2006 had considered a joint report by the Directors of City Development and Culture and Leisure on a land transaction extending the Festival Theatre for additional rehearsal and studio space. The Executive's decision had been called-in to the Panel.

Councillor Aldridge (lead signatory to the call-in) explained that he had called-in this item to consider whether the strict time constraints would prejudice the project's completion.

David Rogers (Department of City Development) and Lindsay Robertson (Culture and Leisure Department) explained that the timetable was intentionally

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tight and both parties believed it was a realistic achievable timetable and would ultimately be of benefit to the running of the project.

Decision

To let the following decision of the Executive of 14 March 2006 be implemented:

To approve the proposed transaction with the Festival Theatre Trustees on the main terms set out in the joint report by the Directors of City Development and Culture and Leisure and on other terms and conditions to be agreed by the Director of City Development and the Council Solicitor.

(Reference – Executive of the Council 14 March 2006 (item 31); report no E/47/05-06/CD by the Directors of City Development and Culture and Leisure, submitted.)

6 Called-In Decision – Edinburgh Regeneration Outcomes Agreement – Funding Allocations

The Executive of the Council on 14 March 2006 had considered a report by the Director of Corporate Services on the proposed Community Regeneration Fund and Community Voices Fund expenditure for 2006/07 together with the final grant awards for 2005-2006. The Executive's decision had been called in to the Panel.

Councillor Paisley (lead signatory to the call-in) explained that he had called the item in to prevent duplication of expenditure in the purchase of equipment.

Christine MacKay (Department of Children and Families) had submitted a briefing note on the allocation of ICT equipment within the North Edinburgh Partnership Area. It was stressed that Head Teachers were specifically advised that the grants awarded should only be used to purchase equipment which was additional and complementary to that provided through the Children and Families Service Improvement Programme.

Decision

To let the following decisions of the Executive of 14 March 2006 be implemented:

- 1) To approve the proposed allocations of Community Regeneration and Community Voices Funds in 2006/07 as detailed in Appendix 1 of the report by the Director of Corporate Services.
- 2) To approve the final proposed allocation of CRF grant in 2005/06 as set out in paragraphs 8 to 13 of the Director's report.

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- 3) In terms of Standing Order 58(7), to pay the first quarter grants in 2006/07 and final grants in 2005/06 ahead of any consideration by a Scrutiny Panel on grounds of urgency to allow continuity of service delivery.
- 4) To note the proposed awards of funding in 2007/08 in respect of West Edinburgh, Leith and Restalrig.
- 5) To refer the report by the Director of Corporate Services to the Edinburgh Partnership for information.

(Reference – Executive of the Council 14 March 2006 (item 33); report no E/447/05-06/CS by the Director of Corporate Services, and Briefing Note by the Department of Children and Families, submitted.)

7 Parking Operations – Update on Payment on On-Street Parking Charges by Mobile Telephone

As part of the Panel's remit the Executive of the Council on 30 March 2006 had referred a report on the progress made in extending the mPARK system, including the income generated from the scheme.

Michael Moyles (Parking General Contract Manager, Department of City Development) advised that:

- On February 2003 the Executive approved commencement of a limited trial of mPARK, a system which allowed on-street parking to be paid through a mobile phone rather than by coins.
- During the trial year, 270 machines were able to accept payment by mPARK and there were a total of 50,670 mPARK transactions with a total value of £122,493.
- The total number of mPARK transactions for the 2005 calendar year was £66,369 generating revenue of £181,244.
- As of January 2005 there were 3,625 registered mPARK users.
- The service provider was actively looking at initiatives to increase the level of registrations and usage of the mPARK system. The recent increase in maximum stays was also expected to have a positive impact on the use of mPARK due to the fact that a greater number of coins was required if the customer wish to park for the maximum period of time. Under these circumstances, the convenience of mPARK would become even more attractive.

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- At the end of February 2006, approximately 3.85% of transactions were being undertaken through the mPARK system. Thus the target of 4.5% of all on-street parking by value being made by the mPARK system was thought to be achievable.

The Panel explored further ways to advertise the mPARK system and Councillor Burns (Executive Member for Transport and Public Realm) confirmed that the system was regularly advertised in the Council's Outlook magazine but more advertising could always be done to raise the system's profile.

Decision

To note the report.

(Reference – report by the Director of City Development, submitted).

8 Annual Treasury Strategy 2006/07

The Executive of the Council on 30 March 2006 referred a report on the Annual Treasury Strategy including estimates of funding requirements, economic forecasts, borrowing investment strategies, debt rescheduling and other treasury issues.

Innes Edwards (Treasury Manager, Department of Finance) summarised the report stating that the estimated capital net funding requirement for 2006/07 was £65.684m, of which £22.272m would already have been borrowed in 2005/06. The Treasury Management Strategy was detailed as follows:

- a) Ensure that the Council is sufficient and appropriate facilities available to meet its short and long-term borrowing requirements and funding needs.
- b) Secure funding at the lowest cost.
- c) Ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum optimising the return on these funds will remain consistent with those risks.

Decision

To recommend to the Executive, that if by 28 April 2006 the Scottish Executive had not contacted the Director of Finance in relation to the investment regulations for local authorities, the Executive make representations to the Scottish Executive in regard to the production and guidelines.

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

9 Called-In Decision – Irrecoverable Miscellaneous Debts

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

The Executive of the Council on 30 March 2006 had considered a report by the Director of Finance on miscellaneous debts that were outstanding and deemed un-collectable.

Councillor Wheeler (lead signatory to the call-in) explained that he had called this item in to investigate the scope for eventual recovery of debt.

Hugh Dunn (Department of Finance) summarised the main elements of the Director of Finance's report, outlining the normal debt recovery procedures applied by the Council and responded to various questions from members of the Panel.

Decision

To let the decision of the Executive of 30 March 2006 be implemented.

(Reference – Executive of the Council 30 March 2006 (Minute item 34).