

The City of Edinburgh Council Meeting 25 August 2011

The full council meets on Thursday 25 August after a gap in July for annual holidays. There were actually two meetings in June – one on 2 June to deal with ‘normal’ business and a special meeting when, in addition to normal business, trams were on the agenda at the end of what had already been an otherwise long day.

One of the first things the council must do is welcome the newest member, Alasdair Rankin, [who was elected last Thursday.](#)

Here is the agenda for Thursday’s meeting:-

[Agenda_250811](#) So what is on the agenda for the council this month?

Well lots more about trams and **tie**, the company set up to bring the tram project to the city, which is currently being wound up. Councillor Lesley Hinds who is part of the Labour group has tabled two questions about that.

It is proposed to introduce a community based archaeological project, modernise the planning process, introduce a new way of dealing with homelessness, appoint a director of corporate governance, report on the way the tram project is progressing, report on the Ministry of Defence base review, (something which affects Edinburgh quite widely as three bases here are to be closed and sold), report on a compulsory purchase order in North Sighthill and appoint members of the Edinburgh Prison Visiting Committee.

In addition there is the matter of mink in the city which Councillor McInnes wants to know more about, the denesting (or culling?) of seagulls and pigeons in the city which Councillor

Buchan wants to learn more about and then there is the matter of £500,000 which is apparently being spent on supporting trade union activities.

7.1 is the Leader's Report which you can read in full [here](#)

7.2 is the case for the council to become involved in an archaeological project with East Lothian Council and Scottish Borders Council, which the council is urged to do subject to some funding being available from other sources.

7.4 is the report produced after the consultation on how the council will prevent and reduce homelessness in the period 2011-16. This was discussed at the Health committee last week.

8.1 is the Report on Treasury Management for the year 2010-11. Someone at the Council has really got to grips with preparing graphs as this report is peppered with beautifully coloured graphs throughout. In short the council increased its borrowing for capital projects by 313m in 2010/11.

8.2 is the much anticipated report on the Tram Project. After the meeting of 30 June the council was to produce a report for this meeting showing how the extra money required will be funded. Some of the report is hidden behind the cloak of commercial confidentiality yet again, which is frustrating to many. A report by a firm called Faithful & Gould has been circulated to the elected members for their information but will not be made public.

In short, it will cost £742m to bring the trams to St Andrew Square/York Place but there is a risk allowance to be added to that so the final figure will be £776m, although it is not a guaranteed figure.

The additional borrowing is estimated to cost the council around £15m per annum in interest payments, which is suggested to be sustainable. Also it is noted in the report that 'significant revenues derived from the tram project (will)

offset the costs of the project.'

However there is a large warning that in the event of the project being cancelled (The Reporter thought that was already voted against in June?) the financial impact would be huge. Here is the relevant part of the report:

"However in the event of project cancellation, there would be a one year revenue impact of over £180m. The impact on Council Tax levels to finance this magnitude of revenue would be equivalent to a one year increase of 80%. The Council's current reserves, including earmarked reserves, would not provide the level of revenue required. This assumes that the Transport Scotland Grant to date would not have to be repaid."

A further proposal to raise the money is for the Council to issue a bond, but there are some administrative barriers in place before that can be pursued any further. And the report concludes that in any case the project can always be refinanced in future.

The council have been unsuccessful in getting rid of the tram vehicles to Croydon on a leasing basis and are still casting around for alternatives. The number of trams required in Edinburgh will be less given that the tram line will be shorter.

The project going forward will be run by the Council Chief Executive, Sue Bruce, and the current chair, Vic Emery, will become Vice Chair. **The Project Board** will then be a joint project between the council and the various companies still involved, i.e. Bilfinger Berger, Siemens and CAF, as well as Lothian Buses. The Director of City Development will be the day to day Chief Operating Officer and the Council's Traffic and Engineering Manager will be the full-time project manager. There is also a body called the **Project Delivery Group** which is not really defined within the report.

The tram project has been run to date by an arms length company called **tie**. More than half of the staff will be made redundant over the next two months at a total cost of £1.3m. Their office will be closed and the remaining staff will be relocated to Edinburgh Park.

A firm called Turner and Townsend will provide project management support, but the council will be directly in control of the project. It had been proposed that a Tram Project Audit Committee would be set up within the council chaired by the Council Leader and comprising other elected members from each political group, but that function is now to be fulfilled by the council's own audit committee. The sum of £210,000 will be made available to businesses affected by tram works this year, and in the next two years. There may also be temporary rates relief available to those premises where the rateable value has been affected by the works programme.

There are details of how the works on Princes St will be dealt with, including a new design for the tracks which have already been laid and which will have to be relaid owing to a design defect. There will be suspensions from 24 November 2011 till 4 January 2012 to allow for Edinburgh's festivities at that time of year to go ahead. And many paragraphs about how the council will speak with stakeholders, or those who might be adversely affected by the tram works, during the whole process.

There are also to be considerable improvements made to pavements from Picardy Place to Newhaven.

Parking may be reinstated at The Mound, where some thirty years ago there used to be many car parking spaces available to Princes Street shoppers. This will no doubt irritate those who want to keep cars out of the city centre, but we suppose that until there is 24 hour public transport then that may not be entirely possible. Hopefully there will be cycle racks provided there too?

And as a sop to the New Town Feuars who continue to beat the drum about air quality in the West End, the council confirm that they will continue to monitor the air for the duration of the works.

8.3 reports on progress towards the Edinburgh Partnership Single Outcome Agreement between the Council and The Scottish Government for the period 2009-12. It is a rather long read but nonetheless an interesting one. In general the Director of Corporate Services claims that there is positive progress.

For example, the effect of festivals on our city for example is to bring in around £245m to the city economy. Hotel occupancy rates in Edinburgh continue to be high when ranked against other European cities which is just as well since we now have over 10,000 more beds by the end of 2010 than we had four years previously. On the other hand we continue to have a shortage of housing in Edinburgh, but the council is committed to its 21st Century Homes for Edinburgh scheme which will see 1300 new homes built in Pennywell, Muirhouse, North Sighthill and Gracemount. The first houses will be ready by early 2012.

You will be relieved to know that life expectancy for both sexes living in Edinburgh is higher than the national average, but it must be noted that within the city itself there are some differences.

8.4 This point deals with the Annual Efficiency Statement which has to be brought to the council for approval. This year the council has made about £26.6m of efficiency or so-called cash-releasing efficiencies. There are several projects underway to look at the possibilities of joint working with some other organisations in Edinburgh. For example the Council and NHS Lothian are examining the potential of sharing property management, transport and laundry services. There is also a possibility of combining the investment management and admin of all of Scotland's eleven Local Government pension funds. The largest amount to be saved is from the Improving Processes across thirty individual projects. The reablement

initiative alone allows for over £1m of savings. This is the idea that post hospital stays patients should be reassessed within a short time scale to ensure that their needs are being appropriately met. For example instead of a former patient requiring home care at both ends of the day, they may graduate to care in the morning only. This results in savings for the council in providing the care.

8.5 deals with the Ministry of Defence Base Review. The UK Government has decided that Army bases at Redford, Dreghorn and Craigiehall will be closed and sold, and a new base will then be established at Kirknewton. The number of military personnel in the capital is expected to rise by as many as 500 if the proposals are implemented. Although the impact is generally seen as positive the fact is that some local businesses and schools might be affected by the closures. The purpose of bringing this matter up now is to highlight the effects upon the city and alert the Planning and Transport departments in particular to steps that will need to be taken.

8.6 About £750,000 of the council's budget is spent on employability contracts, and it is proposed to extend this contract for a period of six months, after which external services will be in place. The cost of providing the services for six months will be met by The Scottish Government. One of the projects supported by the scheme is the Youth Cafe Training at [Out of the Blue Drill Hall](#).

8.7 There is a report to make a compulsory purchase order on four properties in Sighthill, three of which are owner occupied. If these flats are purchased then the development by 21st Century Homes will be able to proceed. The report being produced to the council does not however name the price. It is open to the council to negotiate a price with the owners rather than making a compulsory purchase, but there are no details of how that process has been left.

8.8 There were four vacancies on the Prison Visiting Committee

as at June 2011 which need to be filled. The interview process has now been completed and recommendations for the people to be appointed will be made, and presumably ratified, at this meeting.

8.9 The Pensions and Trusts Committee has to be altered to reflect recent pension legislation, and recommendations are made about that process.