

## Committee Minutes

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### The City of Edinburgh Council

Year 2006/2007

### Meeting 3 – Thursday 29 June 2006

Edinburgh, 29 June 2006 - At a meeting of The City of Edinburgh Council.

#### Present:-

#### LORD PROVOST

The Right Honourable Lesley Hinds

#### COUNCILLORS

Elaine Aitken  
Rev Ewan Aitken  
Robert C Aldridge  
Donald Anderson  
Phil Attridge  
Jeremy R Balfour  
Ian J Berry  
Andrew Burns  
Robert Cairns  
Stephen Cardownie  
Maureen M Child  
Bill Cunningham  
Trevor Davies  
Jennifer A Dawe  
Michael P Dixon  
Paul G Edie  
Edward B Fallon  
William Fitzpatrick  
Sheila Gilmore  
George Grubb  
The Hon David Guest  
Kenneth Harrold  
Ricky Henderson  
George A Hunter  
Allan G Jackson  
Shami Khan  
Douglas J Kerr  
Allan Laing  
John Longstaff

Jim Lowrie  
Gordon Mackenzie  
Kate MacKenzie  
Fred Mackintosh  
Marilyne A MacLaren  
Elizabeth Maginnis  
Lawrence Marshall  
Mark McInnes  
Eric Milligan  
Gordon J Munro  
Ian Murray  
Jack O'Donnell  
Liz O'Malley  
Alastair Paisley  
Ian Perry  
Thomas V Ponton  
Frank K Russell  
Jason G Rust  
Lorna Shiels  
Kingsley E F Thomas  
Marjorie Thomas  
Susan B Tritton  
David J Walker  
Phil Wheeler  
Iain Whyte  
Chris Wigglesworth  
Donald Wilson

## **1 Councillor Brian Meek Memorial Essay Prize – “My Edinburgh” – Presentation of Prize by the Lord Provost**

The Councillor Brian Meek Memorial Essay Prize had been inaugurated in 2006 in memory of Edinburgh’s longest, continuously serving Councillor. This year’s winner was Susan Robinson, a student at Councillor Meek’s old school, the Royal High School. The Lord Provost announced the winner and Frances Horsburgh, Councillor Meek’s widow, presented the Essay Prize to Susan.

## **2 Questions**

Questions put by members to this meeting, written answers and supplementary questions and answers are contained in the Appendix to this minute.

## **3 Minutes**

### **Decision**

To approve the minute of meeting of the Council of 1 June 2006 as a correct record.

## **4 Appointments to Committees**

Resignations had been received from various Council Committees and Lothian and Borders Fire and Rescue Board. The Council was invited to appoint replacements.

### **Decision**

To make the following appointments:

Regulatory Committee - to appoint Councillor Wigglesworth in place of Councillor O’Donnell.

Social Justice and Older People Scrutiny Panel – to appoint Councillor O’Donnell as Convener of the Panel in place of Councillor Wigglesworth.

Children and Young People Scrutiny Panel – to appoint Councillor McInnes in place of Councillor Rust.

Development of the City Scrutiny Panel – to appoint Councillor Rust in place of Councillor Balfour.

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Leisure and Cultural Development Scrutiny Panel – to appoint Councillor Balfour in place of Councillor Hunter.

Lothian and Borders Fire and Rescue Board – to appoint Councillor Rust in place of Councillor McInnes.

(References – Act of Council No. of 4 May 2006: report nos. CEC/47/06-07/CS and CEC/68/06-07/CS, submitted.)

## 5 Leader's Report

The Leader presented his report to the Council.

The Lord Provost congratulated Councillor Berry on being awarded the MBE in the Queen's Birthday Honours. She also congratulated Boroughmuir High School for winning the prestigious "Young Consumers of the Year" title in the finals of the UK wide quiz competition on consumer affairs. This was the 20<sup>th</sup> anniversary of the competition and the first time a Scottish team had won it.

The following issues were raised:

- |                  |   |  |
|------------------|---|--|
| Councillor Whyte | - | Edinburgh business rates – cross party approach to Scottish Executive                |
|                  | - | Improving the Council's political management arrangements – use of select committees |
| Councillor Dixon | - | Edinburgh's economic success – impact of public spending                             |
| Councillor Munro | - | Leith Festival   |

## 6 The Edinburgh Marathon – Traffic Management Costs

The outcome of a review of the operational and financial status of the Edinburgh Marathon had been reported to the Executive. A requirement to underwrite the traffic management costs of the 2006 Marathon had been identified.

The Executive had agreed :

- a) To underwrite the 2006 traffic management costs (up to a maximum of £139,323) for the 2006 Edinburgh Marathon and to implement this decision ahead of any call-in to scrutiny to allow the event to proceed on 11 June 2006.

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- b) To split the underwriting of the costs between the following sources:
- (i) Culture and Leisure
  - (ii) City Growth Fund events budget 2007/08
  - (iii) Network Services
  - (iv) Revenue Balances.
- c) To refer the use of the Council's Revenue Balances to full Council as a recommendation.
- d) To instruct the Director of Culture and Leisure to co-ordinate discussions with Edinburgh Marathon Ltd and the other public sector partners to explore all available options, with a view to sustaining the long-term future of the event and the repayment of the traffic management debts owed to the Council.

This decision had subsequently been called in to the Resource Management and Audit Scrutiny Panel to investigate the financial running to date of the event and the Council's financial involvement. The Panel had considered the matter on 22 June 2006.

**Motion**

- 1) To welcome the success of the Edinburgh Marathon.
- 2) To express concern that the financial security of the Edinburgh Marathon remained unsure.
- 3) To approve the use of revenue balances to underwrite part of the traffic management costs of the 2006 Edinburgh Marathon.
- 4) To include in the options to be considered (para (d) of the Executive decision above) the establishment of a different entity to run the Edinburgh Marathon that had the covenant to meet its financial commitments to the Council.

- moved by Councillor Henderson, seconded by Councillor Cunningham (on behalf of the Labour Group).

**Amendment**

To continue consideration of the use of reserve balances until the reports requested by the Resource Management and Audit Scrutiny Panel on 22 June 2006 had been submitted to the Executive and to that Scrutiny Panel.

- moved by Councillor Whyte, seconded by Councillor Dixon (on behalf of the Conservative Group).

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### **Voting**

The voting was as follows :-

For the motion            –     43 votes  
For the amendment    –     13 votes

### **Decision**

To approve the motion by Councillor Henderson.

(Reference – report no. CEC/35/06-07/E by the Executive, submitted).

## **7 Chief Executive's Annual Report 2005/6**

The Chief Executive's Annual Report 2005/6 was presented. The report highlighted the Council's most important achievements of the last 12 months, outlined progress with ongoing major areas of work and identified issues to be addressed in the coming year. It also detailed progress with the Council Review 2007 and identified key milestones to completion of the Review by April 2007.

### **Decision**

To note the content of the Annual Report for 2006 and that a number of further reports would be submitted over the coming months.

(Reference – report no. CEC/36/06-07/CE by the Chief Executive, submitted).

## **8 Council Review 2007: A Further Year of Modernisation**

An overview was provided of progress during the last year on the Council Review 2007. Recommendations for further organisational adjustment were made and a programme of work to address arrangements for outstanding matters was described.

### **Decision**

- 1) To note the content of the report by the Chief Executive.
- 2) To transfer the Libraries Service to Services for Communities on 1 October 2006.

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- 3) To delegate authority to the Chief Executive to determine the most appropriate retirement date for the Director of Culture and Leisure, within the parameters described in paragraph 3.9 of his report.
- 4) To note that further work would be undertaken to assess the appropriateness of a new strategic unit to lead the Council's culture and sport agenda and, related to that, the possible creation of a unit charged with the promotion and marketing of the City. The organisational placement of these units within the Council's overall management structure would also require to be determined.
- 5) Recognising the importance of Edinburgh's cultural and sporting life to its national and international reputation, to create an all party short life working group to recommend new management arrangements to ensure these vital functions retained a high priority and political accountability.
- 6) To note the Chief Executive's intention to report in the autumn on how the Department of City Development should develop and the organisational and staffing challenges associated with this.
- 7) To create a unified corporate property function responsible for property management and development activities.
- 8) To create a unified communications service.
- 9) To note the Chief Executive's intention to consult with elected members and key stakeholders in developing the above proposals.

(References – Act of Council No 10 of 4 May 2006; report no CEC/62/06-07/CE by the Chief Executive, submitted).

## **9 Efficient Government**

An update was provided on the national Efficient Government Initiative and the Council's internal programme, Council Review 2007 – Challenge and Efficiency. Developments were highlighted that had taken place since the last report in June 2005 and recommendations regarding future direction were made. Reference was also made to the terms of a motion by Councillor Anderson on public sector reform, challenge and efficiency.

### **Decision**

- 1) To note the initiatives currently underway to improve efficiency within the authority.

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- 2) To note the developing national agenda in relation to Efficient Government and the potential impact on bids to the Efficient Government funds supported by the Council.
- 3) To endorse the proposed new Efficient Government project outlined in section 4 of the Chief Executive's report, including match funding of up to £250,000 to be resourced from the Change Management Fund.
- 4) To note that the Chief Executive would present a further progress report on this subject in the autumn as further developments were made.

(References – Acts of Council No 12(a) of 30 June 2005 and 24 of 15 December 2005; report no CEC/37/06-07/CE by the Chief Executive, submitted.)

## **10 Best Value Audit – City of Edinburgh Council**

The timetable for the Best Value Audit was presented and some of the key activities that formed part of the programme were highlighted.

### **Decision**

- 1) To note the contents of the report by the Chief Executive.
- 2) To note that a further report would be provided outlining the outcome of the audit.

(References – Executive of the Council of 25 April 2006 (item 4); report no CEC/38/06-07/CE by the Chief Executive, submitted.)

## **11 Unaudited Financial Statements 2005/2006**

The unaudited financial statements for the 2005/06 financial year were submitted for the Council's consideration.

### **Decision**

- 1) To note the unaudited accounts for 2005/2006.
- 2) To approve the draw down of £1.516m from the Capital Fund.
- 3) To approve the draw down of £2m from deferred liabilities.

(Reference – report no CEC/49/06-07/F by the Director of Finance, submitted.)

## 12 Modernising Pay – Progress Report

An update was provided on progress with modernising pay, including the settlement of equal pay claims and the creation of a new pay and grading structure for the Council.

### Decision

To note the report by the Director of Corporate Services and the current progress in modernising pay.

(References – Act of Council No 3 of December 2005; report no CEC/39/06-07/CS by the Director of Corporate Services, submitted.)

## 13 City Centre and Waterfront – Development Partnership Arrangements

Partnership arrangements for the City Centre and the Waterfront were proposed.

It was recommended that the Council agree in principle to the establishment of a City Centre Development Partnership Board, consisting of representatives from the City of Edinburgh Council, Scottish Enterprise Edinburgh and Lothians, the City Centre Management Company, Edinburgh World Heritage and the private sector. An early meeting of the (interim) Board would be called to ascertain views on the way forward and a follow-up report would be submitted to the Council in the autumn.

A new Edinburgh Waterfront Development Partnership was proposed with the following membership:

- City of Edinburgh Council – Councillor Trevor Davies, one opposition member, Tom Aitchison (Chief Executive) and Andrew Holmes (Director of City Development)
- Forth Ports – Charles Hammond (Chief Executive) and Nathan Thomson (Managing Director – Property)
- Scottish Enterprise Edinburgh and Lothians – Jim McFarlane (Chief Executive)
- Waterfront Edinburgh Ltd – Councillor Maginnis
- Private Sector Representatives – 2 (at least one with a strong financial background)



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**Motion**

- 1) To establish a Waterfront Development Partnership Board as described in the report by the Chief Executive.
- 2) To affirm the Council's commitment to community involvement at the Waterfront and to ask the Development Partnership to place achievement of the final paragraph of Objective 4 (Appendix 1 to the report by the Chief Executive) early in its work programme.
- 3) To agree, in principle, to establish a City Centre Development Partnership Board.
- 4) To note that the Chief Executive would submit a further report to Council in the autumn on a number of detailed considerations.

- moved by Councillor Davies, seconded by Councillor Munro (on behalf of the Labour Group).

**Amendment**

To accept the recommendations by the Chief Executive subject to:

- 1) there being two opposition members on the Waterfront Development Partnership Board;
- 2) all party elected member representation on the City Centre Development Partnership Board;
- 3) the Chief Executive to report back to the Council on
  - (a) how the proposed partnerships related to the proposed Neighbourhood Partnership; and
  - (b) how the City Centre Management Company could continue to bring private sector ideas, funding and initiatives to the City Centre whilst recognising the management role of the proposed City Centre Neighbourhood Manager.

- moved by Councillor Dawe, seconded by Councillor Grubb.

Councillor Davies, with the approval of his seconder and the mover and seconder of the amendment, accepted paragraph 3 of the amendment as an addendum to his motion.

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**Voting**

The voting was as follows:-

For the motion (as adjusted)	-	29 votes
For the amendment	-	15 votes

**Decision**

To approve the motion (as adjusted) by Councillor Davies.

**Nomination of Opposition Member to the Waterfront Development Partnership Board**

To nominate Councillor Jackson as the opposition member on the Board.

- moved by Councillor Whyte, seconded by Councillor Berry (on behalf of the Conservative Group).

To nominate Councillor Lowrie as the opposition member on the Board.

- moved by Councillor Dawe, seconded by Councillor Aldridge.

**Voting**

The voting was as follows:-

For Councillor Jackson	-	35 votes
For Councillor Lowrie	-	14 votes

**Decision**

To appoint Councillor Jackson as the opposition member on the Waterfront Development Partnership Board.

(Reference – report no CEC/48/06-07/CE by the Chief Executive, submitted.)

**Declaration of Interests**

Councillor Maginnis declared a non-financial interest in the above item as Chair of Waterfront Edinburgh Ltd.

**14 Scotland's National Transport Strategy: Consultation**

Approval was sought for the Council's response to the Scottish Executive's consultation on the proposed National Transport Strategy.

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### Decision

- 1) To approve the response by the Council based on the report by the Director of City Development and on the answers to the Scottish Executive's 65 questions, as set out in Appendices 2 and 3 to the report.
- 2) To note that the Conservative Group dissented from the response and would submit its own response independently from the Council.

(Reference – report no CEC/40/06-07/CD by the Director of City Development, submitted.)

## 15 Edinburgh's Local Transport Strategy

Approval was sought to begin public consultation on a new draft Local Transport Strategy (LTS) and its associated Strategic Environmental Appraisal (SEA), with a view to adopting a final strategy later in 2006.

### Motion

- 1) To approve the Stage 2 consultation plan (Appendix 1 to the report by the Director of City Development).
- 2) To approve the LTS in Appendix 2 to the Director's report as a consultation draft.
- 3) To agree consultation on the SEA (Appendix 3 to the Director's report).

- moved by Councillor Burns, seconded by Councillor Cunningham (on behalf of the Labour Group).

### Amendment

- 1) To welcome the draft LTS as a great improvement on earlier strategies. It moved forward from the previous base strategy with general goals that were attainable and enhanced sustainability.
- 2) However, before the new LTS was issued for public consultation, to instruct the Director of City Development to:
  - (a) amend Section 3.1 to include as an objective the maintenance of a city-wide road network for general and bus traffic to enable residents, business and visitors to get around the city as a whole in order to conduct their business, study and play.
  - (b) amend policy **Streets 7** to include a condition that encouraging the use of alternative routes the Council would consider the wider

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impacts of traffic diversion on the amenity of the communities into which the traffic was diverted and the general objective to maintain an efficient city-wide road network for general and bus traffic.

- (c) amend policy **Maint 2** to give a higher priority to the safety of pedestrians and cyclists and the prevention of damage to motor vehicles from inadequately maintained road and footway surfaces.
- (d) add a new policy **Maint 8** to read “The Council will consult Local Development Committees/Neighbourhood Partnerships on the programme for capital and revenue funded road maintenance in their areas before those programmes are determined”.
- (e) add a new policy **Cycle 11** to read “The Council will seek to protect cycle lanes on main routes where road side parking would render the cycle lane unusable with single yellow lines operating during the morning and evening peaks”.
- (f) add a new policy **Park 19** to read “The Council will seek to pilot a suburban parking zone operating in an area of parking pressure away from the current CPZ with levels of enforcement and charges more appropriate to a suburban setting”.
- (g) amend Section 4.7 to allow for the provision of Park & Ride sites at stations on the reopened Edinburgh South Suburban Railway.
- (h) add two new policies in Section 8.2 to read:
  - (i) The Council will seek to return passenger services to the Edinburgh South Suburban Railway in order to provide improved public transport access to Newcraighall, Craigmillar, Kinnaird Park and the northern edge of the South East Wedge, and
  - (ii) The Council will seek support from developers and the Scottish Executive to enhance bus services to the South East Wedge including extra bus lanes on Newcraighall Road and Niddrie Mains Road and potentially a guided busway along the safeguarded route of Tramline 3 from Cameron Toll to the Royal Infirmary of Edinburgh.
- (i) include a glossary of technical terms and acronyms (e.g. FETA, SESTRAN, STAG).

- moved by Councillor Wheeler, seconded by Councillor Mackintosh.

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Councillor Burns, with the approval of his seconder and the mover and seconder of the amendment, accepted paragraphs 2(a) (b) (c) (g) and (i) of the amendment.

### **Voting**

The voting was as follows:-

For the motion (as adjusted)	-	42 votes
For the amendment	-	14 votes

### **Decision**

To approve the motion (as adjusted) by Councillor Burns.

(References – Act of Council No 8 of 23 March 2006; report no CEC/41/06-07/CD by the Director of City Development, submitted.)

### **Declaration of Interests**

Councillor Mackintosh declared a non-financial interest in the above item as a non-Executive Director of TEL.

Councillor Wheeler declared a non-financial interest in the above item as a non-Executive Director of **tie**.

## **16 Housing Strategy and Investment**

In June 2004, the Council had joined the Community Ownership Programme which involved the transfer of all council houses to a housing association. The package would have addressed many of the key objectives of the housing strategy. In December 2005, Council tenants in Edinburgh had narrowly rejected these proposals. Independent research had been carried out into the reasons for this rejection.

### **a) Housing Transfer – Post Ballot Survey of Tenants**

The results of the MORI survey of tenants, which had been conducted to help inform views of the stock transfer ballot result, were provided.

### **Decision**

To note the report by the Director of Services for Communities.

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**b) Progressing the City Housing Strategy**

Proposals for progressing the City Housing Strategy in the light of the tenants' vote were presented. In particular, a programme of demolition of homes in certain areas was proposed.

**Decision**

- 1) To agree in principle to the proposals for a programme of demolitions as outlined in the report by the Director of Services for Communities, subject to tenant endorsement in the areas affected through the proposed consultation process. This was in recognition of the importance of improving the quality of tenant homes and the understanding that in some cases high quality could not be achieved through refurbishment.
- 2) To receive a report on the outcome of the consultation in the autumn of 2006 before taking a final decision.
- 3) To note that subject to the above, a further report would also address detailed funding arrangements, timescales and revenue consequences.
- 4) To note the difficulty outlined in the Director's report in giving a clear indication at this stage as to when replacement housing would be built on these sites.
- 5) To note the position regarding funding for the supply of new affordable homes and to endorse fully the report approved by the Council Executive on 20 June 2006 calling on the Scottish Executive to increase the level of funding given to the city for the building of affordable housing, which would help speed up the rate of building replacement homes.
- 6) To agree that tenants whose homes were demolished through this programme would be given first priority in the allocation of new homes built on the site of their previous homes, so far as was feasible. Proposals on how this might be achieved would be discussed during the consultation period and addressed in the autumn report.
- 7) To ask the Director of Services for Communities to report to the Executive of the Council every six months on the impact of the demolition programme on:
  - (a) the ability of the Council to meet its statutory duties;
  - (b) any "silting up" of the house waiting list; and

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(c) any other relevant matters.

**c) HRA Capital Programme 2006-2007**

A capital investment programme for the Council's housing stock in 2006-7, the budget for which had been approved by the Council on 9 February 2006, was proposed.

**Decision**

To approve the proposed HRA capital programme 2006-7 as detailed in Appendix 2 to the report by the Director of Services for Communities.

(References – Acts of Council No 7 of 26 January and No 2 of 9 February 2006; report nos CEC/56/06-07/SFC, CEC/57/06-07/SFC, CEC/58/06-07/SFC, CEC/59/06-07/SFC by the Director of Services for Communities, submitted.)

## **17 Action on Alcohol and Drugs**

Action on Alcohol and Drugs was an integrated partnership which provided strategic direction for tackling substance misuse in the city. The Council had appointed Tom Wood as the city's "drugs and alcohol champion" for a period of two years commencing in February 2005. His remit was to provide the vision, leadership and direction required to tackle drugs and alcohol problems in the city and to be the independent chair of Action on Alcohol and Drugs in Edinburgh.

**(a) Update from "Action on Alcohol and Drugs in Edinburgh"**

An update on the work of Action on Alcohol and Drugs in Edinburgh was provided for the period March to June 2006. Endorsement was sought for a number of projects introduced since April 2006.

**Decision**

- 1) To note the quarterly update of the work of Action on Alcohol and Drugs in Edinburgh as detailed in the report by the Director of Corporate Services.
- 2) To welcome and endorse the new initiatives developed since 1 April 2006 improving services for those with, and affected by, substance misuse problems, such as the introduction of needle bins, the pregnancy support team, the new single shared assessment procedures and the appointment of licensing supervisors.

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- 3) To note with disappointment that, to date, it had not been possible to establish the programme of community rehabilitation services, nor set up the temporary shelter in partnership with the Salvation Army for people with chronic alcohol problems.
- 4) To recognise that these community rehabilitation services were an important aspect of improving services for those with, and affected by, drugs and alcohol misuse and to call on the Action Team to ensure that these services were introduced at the earliest opportunity.

**(b) Election to the Chair of the Scottish Association of Alcohol and Drug Action Teams**

Tom Wood had been appointed as Chair of the newly established Scottish Association of Alcohol and Drug Action Teams. This body comprised the previous separate national bodies for Alcohol and Drugs and represented the 23 Alcohol and Drug Action Teams in Scotland. Approval was sought to extend Tom Wood's contract with the Council by 15 months to May 2008 to coincide with his period of office with the Association.

**Decision**

- 1) To congratulate Tom Wood on his appointment as Chair of the Scottish Association of Alcohol and Drug Action Teams.
- 2) To extend Tom Wood's contract with the Council by a further period of 15 months from February 2007 to May 2008.
- 3) To ask the Chief Executive to report on:
  - a) succession planning arrangements for the end of Tom Wood's contract; and
  - b) the representation on Action on Alcohol and Drugs in Edinburgh.

(References – Act of Council No 7 of 23 February 2006; report nos CEC/42/06-07/CS by the Director of Corporate Services and CEC/43/06-07/CE by the Chief Executive, submitted).

## **18 Edinburgh's Civic Code – Byelaws**

The Council had approved the need for byelaws prohibiting the consumption of alcohol and prohibiting begging in designated public places in the city.



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The Scottish Executive Justice Department had requested that Edinburgh's byelaw prohibiting the consumption of alcohol should conform to a model used by authorities across Scotland. This would remove the words "and fails to desist on being required to do so by a Police Constable" from the description of the proposed offence. Following representations, the special case for Edinburgh had now been accepted and approval and promotion of an amended byelaw prohibiting the consumption of alcohol in designated public places was recommended.

Discussions had also taken place on the proposed begging byelaw. Further work would be carried out on this before the Council made a submission to the Justice Department.

### **Decision**

- 1) To approve the draft drinking byelaws as detailed in Appendix 1 to the report by the Director of Corporate Services and to instruct the Council Solicitor to pursue the statutory process for confirmation.
- 2) To note the current position regarding begging byelaws and that a further report would be presented in due course.

(References – Act of Council No 18 of 4 May 2006; report no CEC/44/06-07/CS by the Director of Corporate Services, submitted.)

## **19 Thundering Hooves – Maintaining the Global Competitive Edge of Edinburgh's Festivals**

Edinburgh was internationally known for its annual festival programme which brought significant direct economic benefits and played a key role in presenting the city as an internationally attractive, cosmopolitan destination for business investment, visitors and attracting talent.

In view of competition from the development of cultural programmes and an expansion of festival activities in other UK cities, a partnership group comprising the Council, the Scottish Arts Council, the Scottish Executive, Scottish Enterprise Edinburgh and Lothian, EventScotland and the Association of Edinburgh's Festivals had commissioned AEA Consulting Ltd to undertake:

- a review identifying international best practice in festival development and growth;
- a scenario planning exercise to consider possible futures for the Edinburgh Festivals; and
- the preparation of a robust future development strategy incorporating an action plan comprising a prioritised shortlist of visionary joint initiative projects.

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The review was titled “Thundering Hooves” in reference to competing festival cities which might overtake Edinburgh. The key findings and recommendations arising from it were presented.

### **Decision**

- 1) To note the recommendations made in the “Thundering Hooves” report detailed in Appendix 1 to the report by the Director of Culture and Leisure.
- 2) To instruct the Director of Culture and Leisure to submit a further report with an analysis of each of the recommendations of the “Thundering Hooves” report and a proposal for any action he would recommend as a result of the analysis.
- 3) To note the financial awards made to the festivals held in Edinburgh as an immediate response to the “Thundering Hooves” report’s recommendations.
- 4) In recognition of its long-term and far reaching implications, to refer the matter to the Leisure and Cultural Development Scrutiny Panel to enable detailed scrutiny and input from relevant witnesses.

(Reference – report no CEC/60/06-07/C&L by the Director of Culture and Leisure, submitted.)

### **Declaration of Interests**

The Lord Provost and Councillors Elaine Aitken, Rev Ewan Aitken, Edie, Fallon, Fitzpatrick, Harrold, Henderson, Kerr, Shami Khan, Longstaff, Milligan, O’Malley, Paisley, Ponton, Tritton, Wigglesworth and Wilson declared a non-financial interest in the above item as Board members of the organisations listed in paragraph 2 of the report by the Director of Culture and Leisure.

## **20 Council Companies: Code of Guidance**

The Council had taken an innovative approach to the delivery of strategic objectives and major development projects through the establishment of arms length shareholding companies, joint ventures and companies limited by guarantee. The achievements of these companies in providing services and/or delivering policy objectives were highlighted.

Following a review, a revised Code of Guidance to ensure best practice in the monitoring and corporate governance of Council Companies was proposed for adoption. It was proposed that further reports on outstanding issues in relation to Act of Council No 8 of 1 June 2006 would be submitted at a later date.

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**Decision**

- 1) To note the achievements of Council Companies as an effective means of providing Council services and/or delivering policy objectives.
- 2) To approve the updated Code of Guidance as detailed in Appendix 2 to the Chief Executive's report.
- 3) To instruct the prompt adoption of the updated Code of Guidance for corporate governance by the major shareholding companies and the companies limited by guarantee as detailed in Appendix 1 to the Chief Executive's report.

(References – Executive of the Council 20 December 2005 (item 5) and 31 January 2006 (item 10), Act of Council No 8 of 1 June 2006; report no CEC/61/06-07/CE by the Chief Executive, submitted.)

**Declaration of Interests**

The Lord Provost and Councillors Rev Ewan Aitken, Anderson, Burns, Cairns, Cardownie, Child, Cunningham, Davies, Dawe, Dixon, Edie, Fallon, Fitzpatrick, Gilmore, The Hon David Guest, Henderson, Longstaff, Gordon Mackenzie, Mackintosh, Maginnis, McInnes, Paisley, Perry, Tritton, Walker, Wheeler, Wilson and Whyte declared a non-financial interest in the above item as Board members of the companies listed in Appendix 1 to the Chief Executive's report.

**21 Edinburgh Lifelong Learning Partnership Ltd**

The Council's Monitoring Officer had intended to report on the personnel issues which had arisen during the internal audit review of the Edinburgh Lifelong Learning Partnership (ELLP) Ltd. At this stage, only an interim update was provided due to the ongoing nature of these personnel issues and the potential risk of compromising any cases brought against the Council by individual staff members.

**Decision**

To note the necessary delay in the Council Monitoring Officer's report into the staffing issues related to Edinburgh Lifelong Learning Partnership Ltd.

(References – Act of Council No 8 of 1 June 2006; report no CEC/62/06/07/CS&MO by the Director of Corporate Services and Council Monitoring Officer, submitted).

### **Declaration of Interests**

The Lord Provost and Councillor Rev Ewan Aitken declared a non-financial interest in the above item as Chair and Board member respectively of Edinburgh Lifelong Learning Partnership Ltd.

## **22 Smart City – eHuman Resource (e-HR) Project**

Approval was sought to contract with BT for the implementation of an eHuman Resources (e-HR) solution to replace the existing Workforce HR system and develop full integration between HR and Payroll operations. The significant business improvements which the project would deliver were detailed.

### **Decision**

- 1) To implement the eHuman Resource Project within the framework of the ICT Partnership Agreement.
- 2) To ask the Directors of Finance and Corporate Services to report further to the Executive on the long-term organisational arrangements for the integrated HR/Payroll service, the scope for delivery of further efficiency savings and potential to offset implementation costs from existing operational budgets.

(Reference – report no CEC/45/06-07/CS by the Director of Corporate Services, submitted).

## **23 Ratho Adventure Centre**

Progress at the Ratho Adventure Centre was detailed following the Executive's approval of Edinburgh Leisure's Business Plan for the centre. Recommendations were made on bridging the gap in the required capital funding and on the appointment of the management contractors.

### **Decision**

- 1) To note the progress being made at the Ratho Adventure Centre.
- 2) To continue consideration of the proposal to change the name of the Centre to "Edinburgh International Climbing Arena" for further discussion with Edinburgh Leisure and the users of the Centre.

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- 3) To approve option (b) as detailed in paragraph 15 of the joint report by the Directors of Culture and Leisure, City Development and Finance: “to source further capital funds to allow the project to be completed” and to approve the expenditure of £6.06m on the project.
- 4) To note with concern the funding gap remaining in the proposals for the Centre estimated at £2.513m and:
  - a) to approve the proposals detailed in paragraph 17 of the Directors’ report to meet the funding gap of £1.513m.
  - b) to identify further slippage from the Capital Investment Programme to meet the remaining £1m of the additional costs of the Centre (details to be included in the report to Council in September 2006);
  - c) in appreciation of the national and international potential of the Centre, to approach the Scottish Executive for further funding.
- 5) To instruct the Directors of Culture and Leisure, City Development and Finance to take the following action and report to the Council meeting on 21 September 2006:
  - a) to conduct a full review of slippage in the Capital Investment Programme with a view to re-prioritising the programme to meet current needs and costings across all projects; and
  - b) to undertake a review of the effects of construction industry inflation on major projects within the Capital Investment Programme.
- 6) To approve the outcome of the tendering process for the management contractor and to instruct the Council Solicitor to enter into a contract with Interserve Building.
- 7) To note the necessity to close the building for the first 13 weeks of the construction programme.
- 8) To instruct the Directors of Culture and Leisure, City Development and Finance to submit quarterly progress reports on the Centre.

(References – Executive 25 April 2006 (item 21); joint report no CEC/66/06-07/C&L/CD/F by the Directors of Culture and Leisure, City Development and Finance, submitted).

#### **Declaration of Interests**

Councillors Rev Ewan Aitken, Fitzpatrick, Henderson, Longstaff and Whyte declared a non-financial interest in the above item as Board members of Edinburgh Leisure.

## 24 Fit for Future Project – Progress Report

Progress on the Fit for Future (FFF) Project was detailed.

### Decision

- 1) To note:
  - a) progress on the construction programme for the new Headquarters building and refurbishment projects in retained buildings;
  - b) progress on the disposals programme;
  - c) progress on sustainability Key Performance Indicators and new sustainability design features;
  - d) adjustments to the FFF property portfolio;
  - e) the success of the FFF team in being shortlisted for the prestigious Royal Institute of Chartered Surveyors award in the Property Management Strategy and Delivery – Public Sector category; and
  - f) the arrangements made to establish a professionally managed records management service to serve the whole Council.
- 2) To note the decision of the Lothian Valuation Joint Board to seek alternative accommodation and to put in place appropriate budget arrangements for this accommodation to be used by the Council.
- 3) To note the latest financial summary for the FFF Project and to approve the ring-fencing of supplementary portfolio sales proceeds of £2.5m for investment in the estate.
- 4) To transfer the monies received from the tenure of the garage space at East Market Street from the Common Good Fund to the FFF Project.

(References – Act of Council No 17(a) of 17 February 2005; report no CEC/46/06-07/CD by the Director of City Development, submitted).

## 25 2006 Summer Exhibitions at the City Art Centre

The programme of exhibitions to be mounted in the City Art Centre from 29 July to 22 October 2006 was presented. The complementary group of exhibitions should have broad appeal to the general public, with an international flavour, and should attract a local audience and visitors to the city.

### Decision

- 1) To approve the staging of the following exhibitions at the City Art Centre from 29 July to 22 October 2006:
  - Toulouse-Lautrec and Art Nouveau Poster
  - Albert Watson: FROZEN
  - Anne Redpath and the Edinburgh School.
- 2) To levy admission charges of £5.00 for adults, £3.50 for children/ concessions and £14.00 for a family ticket (admitting a maximum of 2 adults and 2 children or one adult and 3 children).
- 3) To approve free admission for any pre-arranged school parties.
- 4) To allocate any surplus income generated by the exhibitions to the Culture and Leisure Department's Special Exhibitions Fund to assist with the funding of major exhibitions brought to the city in the future.

(Reference – report no CEC/51/06-07/C&L by the Director of Culture and Leisure, submitted).

## 26 Community Regeneration Fund Grant Approvals: Craigmillar

Approval was sought for recent funding recommendations by the Craigmillar Partnership Board

### Decision

- 1) To approve the allocation of Community Regeneration Fund and Community Voices Programme funding to the projects listed in Appendix 1 to the report by the Director of Services for Communities on a pro rata basis to the end of September 2006.
- 2) To remit the Director's report to the Executive meeting on 1 August 2006 for further consideration.

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- 3) To delegate authority to the Director of Services for Communities to approve the allocation of further funds to individual projects where there were special circumstances or where otherwise hardship would occur.

(References – Executive 23 May 2006 (item 15) and Act of Council No 9 of 1 June 2006; report no CEC/70/06-07/SFC by the Director of Services for Communities, submitted).

#### **Declaration of Interests**

Councillors O'Donnell and Perry declared a non-financial interest in the above item as members of the Craigmillar Partnership Board.

### **27 Regulation of Investigatory Powers (Scotland) Act 2000**

Approval was sought for minor revisions to the Council's policies on the use of covert surveillance and covert human intelligence sources in accordance with the Regulation of Investigatory Powers (Scotland) Act 2000, following an audit by the Office of Surveillance Commissioners.

#### **Decision**

- 1) To note that the Council's current surveillance policy and covert human intelligence policy had proved robust and had been successfully audited.
- 2) To approve revised policies on surveillance and covert human intelligence sources as detailed in Appendices 1 and 2 to the report by the Director of Services for Communities.

(References – Act of Council No 15 of 21 August 2003; report no CEC/52/06-07/SFC by the Director of Services for Communities, submitted).

### **28 Proposed Revisions to Chief Officers Salaries – Finance Department**

Revised salary grades for Chief Officers within the Finance Department were proposed as a result of a re-examination of duties and responsibilities among the senior management team



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**Decision**

To approve revised salary arrangements for Chief Officers within the Finance Department as follows:

Designation	Current spinal column	Salary	Proposed spinal column	Salary
Head of Financial Services	49	£90,978	47	£87,951
Head of Investment and Pensions Administration	39	£75,802	42	£80,359
Head of Payments and Administration	39	£75,802	42	£80,359
Head of Revenues and Benefits	39	£75,802	42	£80,359

(Reference – report no CEC/64/06-07/CS by the Director of Corporate Services, submitted).

**29 Appointment of Depute (assistant) Clerk to the Licensing Board**

**Decision**

To confirm the appointment of Kathryn Blaikie as a Depute (assistant) Clerk to the Licensing Board.

(References – Act of Council No 24 of 11 November 2004; report no CEC/53/06-07/CS by the Director of Corporate Services, submitted).

**30 Appointments: (i) Head of Financial Services, Department of Finance and (ii) Heads of Service, Department of Services for Communities**

The Recruitment Committee recommended appointments to the post of Head of Financial Services in the Department of Finance and to Head of Service posts in the Department of Services for Communities.

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**Decision**

- 1) To appoint K Mitchell to the post of Head of Financial Services in the Department of Finance.
- 2) To appoint G Greenhill, A Leitch and A McHugh to Head of Service posts in Services for Communities, subject to the Council's usual pre-employment checks and an enhanced disclosure.

(References – report nos CEC/54/06-07/RC and CEC/67/-06-07/RC by the Recruitment Committee, submitted).

**31 Scheme of Delegation to Officers – Regulatory Committee Functions**

The Regulatory Committee recommended an extension to the Scheme of Delegation to Officers in respect of House in Multiple Occupation Licensing.

**Decision**

- 1) To delegate the following authority to the Director of Corporate Services to deal with House in Multiple Occupation Licensing applications:

- a) **HMO Licensing – Change in Circumstances**

In relation to House in Multiple Occupation Licensing, where an applicant has had an application refused and re-applies for a licence alleging a material change of circumstances within the 12 months after refusal, the Director of Corporate Services determine whether the changed circumstances were adequate to allow a further application to be received and processed. If objections were received as part of the processing, the application would be considered by the Regulatory Committee in accordance with the normal procedure for any application attracting a public objection.

- b) **HMO Licensing – Re-applications**

In relation to a House in Multiple Occupation Licence which has been refused under existing delegated powers the Director of Corporate Services accept a further application within the 12 months after refusal and to reapply the original fee where there are good reasons to do so eg: refusal of an application due to a material error of fact.

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- 2) To note that any House in Multiple Occupation Licensing matters in respect of changes in circumstances and re-applications that required Committee intervention would be dealt with at one of the Friday Regulatory Committee meetings currently used for licensing applications.

(References – Act of Council No 17 of 9 December 2004; report no CEC/55/06-07/R by the Regulatory Committee, submitted).

W2/CC/CEC290606/CE

**Appendix**  
**(As referred to in Act of Council No 2 of 29 June 2006)**

**QUESTION NO 1**

**By Councillor Ponton  
answered by the Executive  
Members for Children and  
Families and Health and  
Social Care**

**Question**

- (1) Referring to the decision of Council of 23 February 2006 on the McGarrity case, what action has been taken and when will the report be available on -
- timescales for the introduction of the physical improvements and capital works which would facilitate the implementation of a standard fob check procedure across the city, detailing where management responsibility lay for compliance with this procedure;
  - the review of the policy on vulnerable tenants;
  - the findings of the short-life cross party Member Officer Working Group to review the Children and Families policy for contacting parents and carers when a child was absent without pre-notification;
  - timescales for the implementation of a joint client/patient records system modelled on the system currently being piloted in West Lothian, detailing any barriers to progress and any potential solutions to these barriers; and
  - the fuller report on the delivery of training in the use of the new guidelines "Protecting Children Living in Families with Problem Substance Use", specifying when all the appropriate staff will have been trained and indicating the plans for refresher training and induction training?

**Answer**

- (1) A wide range of actions have been taken or are proposed in relation to these matters. A number of these have been addressed in wider reports.

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Full details will be given in a further comprehensive report to the Council in August 2006.

This report will also reflect the wider context of subsequent developments and initiatives in respect of child protection at both national and joint working with partner agencies at local level.

- Question** (2) At which full Council meeting will the NHS Lothian report on the McGarrity case be discussed?
- Answer** (2) A report on this matter was considered by the board of NHS Lothian on 24 May 2006 and is available on the NHS Lothian website - [http://www.nhslothian.scot.nhs.uk/nhs\\_lothian/about\\_lothian\\_health/meeting\\_papers.html](http://www.nhslothian.scot.nhs.uk/nhs_lothian/about_lothian_health/meeting_papers.html).

The minute of the meeting of the Council of 23 February 2006 did not require that this report should be submitted to the Council.

As indicated above, an update on joint working arrangements with NHS Lothian and other partner agencies will be included in the proposed report to the Council in August 2006.

- Supplementary Question** The answer to question (1) says full details will be given in a further comprehensive report to the Council in August 2006. I'm asking the Executive Member for Health and Social Care if contained in that report will be the report from Lothian Health Board "Critical Incident – Child Protection Progress Report" dated 24 May 2006?

- Supplementary Answer (Councillor Kingsley Thomas)** I'm pleased to see Councillor Ponton was able to get that NHS Lothian report off the internet. I have a hard copy for him if he wasn't able to do that. Like the City Council, all the reports that go to NHS Lothian Board are public documents, available for everyone to see and any further reports that go to the Board of NHS Lothian will be available for everyone to see and consider and raise questions directly with NHS Lothian if any member thinks that's appropriate.

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**Supplementary  
Question**

I have a hard copy as well but it didn't come to me through the normal way in the Council. We are supposed to have a partnership with Lothian Health and we as a Council presented to the Council a report back in February on this issue and were told there would be a further comprehensive report. Because we are partners and because the issue involved both the Health Board and the Council then surely its not unreasonable to ask for this report to be contained within the further submission when it comes back in August. I had a quick word with the Director of Health and Social Care and he says that James Barbour doesn't think it's appropriate. Well I do think it's appropriate. I appreciate it is on the internet but not everybody knows that and if it came to the Council through the usual channels, to the Executive, then we could call it in and scrutinise it. The reason I want to scrutinise it is because there's 17 pages of things which the Health Board could have done to prevent this.

**Supplementary  
Answer**

I dare say there's many other reports from many other organisations which we as a Council would like to be considering but NHS Lothian Board has a different set of accountabilities to this Council. There are investigations which go on in this Council which aren't appropriate for NHS Lothian. But having said that, there is a commitment by the public nature of these documents to be open and fair and accountable by NHS Lothian to the public. I'm not sure if Councillor Ponton is actually requesting further or increased access to information which no other member of the public could get but there's certainly a commitment from NHS Lothian to report fully back on the recommendations and on the issues which have been addressed in the critical incident report and the steps which have been taken to ensure that incidents like this don't happen again.

**QUESTION NO 2****By Councillor Dawe answered  
by the Executive Member for  
Corporate Resources and  
Modernising Government**

- Question** (1) On 16 January 2006 in case number S/105227/04 an award of £5000 compensation was made by an Employment Tribunal against the Council and in favour of the claimant, John Travers, in recognition of the fact that the claimant had been subjected to detriment contrary to 47B of the Employment Rights Act 1996. As of 20 June 2006 has this compensation been paid to the claimant or his solicitor?
- Answer** (1) As at 20<sup>th</sup> June the compensation had not been paid. However, the compensation was paid to Mr Travers' solicitor on 23 June 2006.
- Question** (2) If the compensation referred to in Question (1) has not yet been paid how many requests for payment have been made to the Council in writing by the claimant or his solicitor?
- Answer** (2) One written request was received prior to the payment being made.
- Question** (3) The Employment Tribunal in the case of Travers v the Council found that delays by the Council in dealing with Mr Travers' case exacerbated the detriment to the claimant. What steps have been taken to address this issue?
- Answer** (3) It is true that there were delays. These were attributable to problems on both sides. Examples included:

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- difficulties in co-ordinating up to 5 senior officers diaries together with Mr Travers and his Solicitor;
- an extended period of time when complex forensic IT investigations were ongoing;
- as a consequence of the very complex nature of the disciplinary matters the investigation involved several witnesses who were required to diary investigative interviews check and sign statements; and
- at least one period of sickness absence in respect of Mr Travers and a further lengthy delay awaiting Mr Travers disciplinary interview statement

The HR service has recently been integrated across the Council to facilitate more effective and timely intervention in such cases and minimise the likelihood of delays.

- Supplementary Question** (1) Regarding answer (1) it is interesting that the compensation was paid 3 days after the lodging of my questions and I do wonder if it would have been paid if I had not lodged the question. The question I would like to ask is why was there such a delay in making the compensation payment that the tribunal ordered?
- Supplementary Answer** (1) I don't know if there was any connection between your question and the payment being made but payment has been made and I don't know if I can say much more than that, other than to apologise for the delay and try to ensure there are no further delays in such payments in the future.
- Supplementary Question** (2) Regarding answer (3), I accept there was more than one reason for delays in the case and I certainly hope as you do that the new HR service will minimise this, but do you agree that, despite the best efforts of the answer to deflect blame from the Council, the Employment Tribunal did indeed find that the Council was particularly at fault as regards delays?



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**Supplementary Answer** (2) I do think we accept that but as the answer says there were reasons on both sides for the delay. Once again I can only repeat it is unfortunate there was this delay and will try to ensure delays do not occur in future.

**QUESTION NO 3**

**By Councillor Gordon  
Mackenzie answered by the  
Executive Member for  
Children and Families**

**Question** (1) What was the basis for your comment at Council on 1 June 2006 during the debate on the Director of Finance's report into Edinburgh's Lifelong Learning Partnership (ELLP) that you understood that 'Wabster' was being wound up?

**Answer** (1) I was informed by officers dealing with this issue that this was the case and can confirm that Wabster IP is currently being wound up by Companies House.

**Question** (2) At paragraph 4.22 of his report to Council of 1 June 2006 into ELLP, the Director of Finance states that the CEC employee who resigned as a Director of Wabster remained as a shareholder in that company. What steps were taken by the CEC or ELLP to ascertain the level of that shareholding and when were those steps taken?

**Answer** (2) Companies are required to complete an annual return and submit to Companies House – while the company did inform Companies House that the Council employee resigned as a director, no notification was received re changes to shareholding. Our enquiries have indicated that the original 3 shareholders remain listed as having one share each.

**Question** (3) What steps were taken by the Board of ELLP to establish whether the employee referred to in Question (2) or other Directors of Wabster received material benefit from activities of that company?

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**Answer** (3) The question is not whether ELLP had to determine that material benefit was received but whether there was a conflict of interest. The company did investigate and come to the conclusion that there was a conflict of interest – a report to the ELLP Board indicated that the staff members concerned should cease their involvement.

**Question** (4) What steps were taken by the CEC to establish whether the employee referred to in Question (2) or other Directors of Wabster received material benefit from activities of that company?

**Answer** (4) As noted in the report the Council employee who resigned from Wabster IP was interviewed and maintained that no benefit was received.

**Question** (5) At the Council meeting of 1 June 2006 you asserted that there had been no need for an annual report to be submitted to the Council or the Executive on the activities of ELLP in preceding years. In his report to the Council meeting of 1 June 2006, the Director of Finance in Appendix 1, page 126, Section 12, of the report states 'Clearly the company falls within the definition that requires an annual report'. Do you now accept that there should be have been annual reports on the activities of ELLP in preceding years?

**Answer** (5) As noted in the Director of Finance's report (June 1<sup>st</sup>) 4.2 "the staff involved believed the funding to be a subscription and therefore no reporting officer was appointed and no progress reports or performance information on ELLP have been submitted formally to the Council".

The Director of Finance however has clarified that the company does fall within the definition that requires an annual report. He has stated that there are a number of lessons which must be learned and I am supportive of these recommendations – a point which I have made on several occasions previously.

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**Supplementary  
Question**

I note the answer to question (1) that you were informed by Council officers. I was informed similarly by Councillor officers. I was also informed that one of the Directors was objecting to the process of Wabster being wound up. I'll just note that for the moment. I also note in the answer to question (3) you point out that the issue is conflict of interest and not material benefit. In that case can you explain how the conflict of interest is discharged in answer (2) when the person who resigned as the Director still retains a 33% shareholding in that company.

**Supplementary  
Answer**

The conflict of interest relates to the obtaining of work that would relate to their main employment. Because there is no material benefit from the shareholding it therefore ceases to be a conflict of interest.

**QUESTION NO 4**

**By Councillor Dawe answered  
by the Leader of the Council**

**Question** (1) Why did you pass the e-mails sent to you by "Donald Reekie" on 4 October 2002, 9 October 2002, 21 October 2002 and 23 October 2002 alleging inappropriate use of the Council and Edinburgh's Lifelong Learning Partnership (ELLP) resources to the then Head of Community Education, who was also Company Secretary of ELLP, when he was named in one of the e-mails and had a clear conflict of interest in responding to the issues raised?

**Answer** (1) I was sent an anonymous e-mail on 4<sup>th</sup> October 2002. It is worth stressing that this is not a formal complaint, but was sent unprompted raising concerns about City Connect and myEdinburgh. I have attached the e-mail for information (see Appendix).

Any anonymous correspondence is a matter of judgement. Much of the anonymous correspondence I have received over the years makes malicious allegations about staff or elected members and discretion needs to be used to determine what action, if any, is appropriate.

As you will see from the e-mail there is little in terms of specific allegations and the e-mail does suggest that the Head of Community Education may not be aware of what is termed "unsavoury dealing" and indicates that "he should be". In these circumstances I felt it appropriate to pass the information to the Head of Community Education and to ask that he investigate the matter. I received assurances that this was done and that the matters were resolved.

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**Question** (2) What evidence exists to substantiate the assertion that an investigation was then undertaken by the then Head of Community Education and if there was an investigation what was the result?

**Answer** (2) I was given assurances that the issues raised were investigated by the Head of Community Education and was satisfied by the assurances that I received, which I accepted as genuine and true. In the internal audit review report to Council on 1 June 2006 on ELLP it was stated that a further report regarding the personnel matters arising would be provided by the Monitoring Officer for the Council meeting on 29 June. Due to the ongoing nature of these personnel issues and the potential risk of compromising current proceedings, this report can provide only an interim update at this stage.

Given that there is a Monitoring Officer report being compiled it would be inappropriate to pre-judge the findings of this report in answer to Council questions. However, I remain satisfied that I took the appropriate action, received the appropriate assurances from staff, including assurances given after I appeared as a defence witness at the disciplinary hearing for a member of staff.

**Supplementary Question**

I appreciate your helpful response Councillor Anderson and, given that we don't have the expected monitoring officer report before us today, won't press further questions to which the answers may become apparent when we have that report. However, given that the Head of Community Education was Company Secretary of ELLP, do you agree with hindsight that he was the most appropriate officer to investigate this matter and can you give assurances that the matters raised in my questions and in your answers will be addressed in the Monitoring Officer's report when it does eventually come before us?

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**Supplementary  
Answer**

Thank you for those comments Councillor Dawe. From time to time I suspect we all get anonymous information provided to us and you have to take a decision whether you take that anonymous information seriously and whether to act on it or whether to ignore it. Sometimes there are serious points being raised, other times there are people with particular grievances or particular unique characteristics that lead them to make those kinds of complaints and allegations and you have to exercise judgement in relation to these. This was an anonymous e-mail that I had been sent. In the e-mail itself which I have provided to the Council, it does actually say "Whether the Head of Community Education is aware of these unsavoury dealings isn't clear. What is clear is he should be". Given the comments and the subject matter that were raised I did feel that it was appropriate to refer them to the Head of Community Education.

With respect to the other issues you have raised, I kind of wish I could influence a Monitoring Officer's report but we have been told in no uncertain terms that a Monitoring Officer's report is a Monitoring Officer's report and elected members will not be involved in that until after its publication. I understand why that is the case. What is clear though is mistakes have been made in the way this issue has been handled and I'm sure the report will enlighten us to what those mistakes were. The Council has been found at fault in a very serious finding at that employment tribunal for the impact of its actions on an individual and we have to do what we can to put that right and make sure we do take the right decisions for the right reasons on all of these issues in future.

**Appendix****Transcript of e-mail received by the Leader as referred to in Answer (1)**

"Donald

I have set up this email address in order to write to you as an insider in one of your departments. I have serious concerns regarding some staff who are setting up what can only be described as a business on Council time using Council and Scottish Executive monies.

You require to pay particular attention to an organisation called Cityconnect who are being handled by a Community Education Manager whom I have been reliably informed is in the process of registering the work that Cityconnect have been developing (myEdinburgh) as his own with some other partners.

It is my understanding that such a development is the intellectual and physical property of the people of Edinburgh, not that of a number of Council and partner staff.

The particular Community Education Manager mentioned is very close to the Head of Community Education. Whether the Head of Community Education is aware of these unsavoury dealings isn't clear. What is clear he should be.

Being seconded to develop ICT for Community Education should not be a licence to develop IT solutions that you can then call your own legally and subsequently sell on in the market. That also means that Edinburgh Council would have to purchase this software (if it chooses to use it) after having underwritten its development.

I would ask that you look into this politically sensitive matter with your usual prudence. It would be rather unfortunate if the individuals who are acting in these unprofessional ways are alerted to your interest.

reekie"



**QUESTION NO 5**

**By Councillor Mackintosh  
answered by the Executive  
Member for Education and  
Care Standards and ICT**

**Question** (1) As of 1 June 2006 what organisations funded by the Council or receiving funds distributed through the Council or Council 'arms length' companies had IT services provided by Wabster (or Wabster IP)?

**Answer** (1) As of 1 June 2006 to the best of my knowledge no organisations funded by the Council or Council "arms' length" companies received IT services provided by Wabster (or Wabster IP). There are 100s of organisations within City of Edinburgh who are in receipt of Council funds and it is neither possible nor practical to answer this question comprehensively in respect of each of these.

**Question** (2) What organisations funded by the Council or receiving funds distributed by the Council or Council 'arms length' companies have ever received IT services from Wabster (or Wabster IP)?

**Answer** (2) In the past, Capital City Partnership, Childcare Partnership and CLAN have all had SLAs for services provided by Wabster IP. These were negotiated with Wabster IP as a commercial organisation. The agreements are no longer in operation: they all ceased prior to June 2005. In respect of other organisations receiving funds distributed through the Council my response is as above.

**Question** (3) What payments have been made to Wabster by the Council or organisations receiving funds distributed through the Council or Council 'arms length' companies?

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**Answer** (3) Service Level Agreements were put in place for the work that Wabster IP undertook with Capital City Partnership, Childcare Partnership and CLAN. As I stated in my response to Question (1), there are 100s of organisations within City of Edinburgh who are in receipt of Council funds and it is not possible for me to answer the question of what payments may have been made by those organisations unequivocally. However, as noted in the Director of Finance's report the Council employee who resigned from Wabster IP was interviewed and maintained that he received no material benefit from his part in Wabster IP. The Director of Finance in his report has again indicated that there are lessons that should be learned from the way in which some of this business was contracted and conducted and I agree with the recommendations that have been made.

**Supplementary Question** My supplementary question relates to the answer to question (2). Thank you Councillor Wilson for the comprehensiveness of your answer. Can you confirm whether the services referred to in the Service Level Agreements you mention in answer (2) for Capital City Partnership, Childcare Partnership and CLAN were supplied directly to those organisations by Wabster or via the Edinburgh Lifelong Learning Partnership?

**Supplementary Answer** They were provided directly.