

Department of Corporate and Community Services

Deputy Chief Executive: Caroline Innes BSc (Hons)

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Date: 11 March 2021

When calling please ask for: Eamonn Daly (0141-577-3023)

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TO: Provost Fletcher; Deputy Provost Cunningham; and Councillors Aitken, Bamforth, Buchanan, Convery, Devlin, Gilbert, Grant, Ireland, Lafferty, Macdonald, McLean, Merrick, Miller, O’Kane, Swift and Wallace.

EAST RENFREWSHIRE COUNCIL

A special meeting of the East Renfrewshire Council will be held on **Monday 15 March 2021 at 2.00 pm.**

The agenda of business is as listed below.

Please note this is a virtual meeting.

Yours faithfully

Caroline Innes

C INNES
DEPUTY CHIEF EXECUTIVE

PROGRAMME OF BUSINESS

1. Report apologies for absence.
2. Declarations of Interest.
3. Items Remitted to the Council:-
 - (i) **General Fund Capital Programme 2020/21: Progress – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 3 - 32) (Cabinet 4 March 2021).**
Cabinet Recommendation
 - (a) that the amendments to the 2020/21 General Fund Capital Programme be approved; and

- (b) that the Council agree that £1.96m of capital receipts generated in the current year should be applied under fiscal flexibility powers to help address anticipated unfunded COVID pressures arising in 2020/21 and 2021/22, with any unspent elements being reallocated to support the Council's capital plans from 1 April 2022.
- (ii) **Housing Capital Programme 2020/21: Progress – Joint Report by Head of Accountancy (Chief Financial Officer) and Director of Environment (copy attached, pages 33 - 40)(Cabinet 4 March 2021).**
Cabinet Recommendation
That the amendments to the 2020/21 Housing Capital Programme be approved.
- (iii) **Treasury Management Strategy 2021/22 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 41 - 96) (Audit & Scrutiny Committee – 11 March 2021).**
Audit & Scrutiny Committee Recommendation
Chair to report.
4. **Detailed Revenue Estimates 2021/22 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 97 - 220).**
5. **Capital Investment Strategy - Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 221 - 308).**
6. **General Fund Capital Plan 2021/22 to 2030/31 - Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 309 - 330).**
7. **Chief Officer Organisational Changes – Report by Deputy Chief Executive (copy attached, pages 331 - 338).**
8. **Platinum Jubilee Holiday 2022 – Report by Deputy Chief Executive (copy attached, pages 339 - 340).**

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EAST RENFREWSHIRE COUNCIL15 March 2021Report by Head of Accountancy (Chief Financial Officer)UPDATE ON REMITTED ITEM: GENERAL FUND CAPITAL PROGRAMME 2020/21**PURPOSE OF REPORT**

1. The purpose of the report is to remit for consideration an update to the General Fund Capital Programme 2020/21 papers considered by Cabinet on 4 March 2021.

RECOMMENDATIONS

2. The Council is invited to:
- (i) approve the movements within the programme;
 - (ii) agree that £1.96m of capital receipts generated in the current year should be applied under fiscal flexibility powers to help address anticipated unfunded COVID pressures arising in 2020/21 and 2021/22, with any unspent elements being reallocated to support the Council's capital plans from 1 April 2022.

BACKGROUND

3. In November 2020 Cabinet noted that no capital receipts were assumed in the current year's General Fund capital programme as their timings were uncertain and that such receipts might be reassigned to assist in meeting COVID pressures in 2020/21 and 2021/22 under fiscal flexibility powers granted to Councils by the Scottish Government.

4. At the point when papers were submitted for inclusion on the Cabinet agenda of 4 March 2021, it was still expected that no such capital receipts would be secured prior to 31 March 2021.

REPORT

5. Since the 4 March 2021 Cabinet papers were published a capital receipt of £1.96m has been secured. It was expected that this might have been delayed until early in the new financial year. A copy of the capital programme report considered by the Cabinet is attached (Appendix 1).

6. As the total COVID pressures on the Council in 2020/21 and 2021/22 cannot yet be confirmed, it is considered that the COVID grant funding announced to date may be insufficient to fully address these pressures. With Council unallocated reserves having reduced in recent years to close to the minimum prudent level, the Head of Accountancy advised Cabinet that it would be prudent to apply the capital receipt of £1.96m to meet any unfunded COVID pressures, with any element of the capital receipt not required to address COVID pressures to be reassigned to the Capital Plan from 1 April 2022.

7. Under the terms of the fiscal flexibility guidance on capital receipts, full Council approval of the application of these funds to meet COVID pressures must be given in the year in which the receipts are recognised.

8. Having been advised of the additional capital receipt, in addition to approving the revision of maintenance work plans to address priority areas in respect of ventilation works within existing resources; noting the current programme shortfall of £0.425m; and agreeing to recommend to the Council that the movements in the programme be approved, the Cabinet also agreed to recommend to the Council that the £1.96m of capital receipts generated in the current year should be applied under fiscal flexibility powers to help address anticipated unfunded COVID pressures arising in 2020/21 and 2021/22, with any unspent elements being reallocated to support the Council's capital plans from 1 April 2022.

RECOMMENDATIONS

9. The Council is invited to:

- (i) approve the movements within the programme;
- (ii) agree that £1.96m of capital receipts generated in the current year should be applied under fiscal flexibility powers to help address anticipated unfunded COVID pressures arising in 2020/21 and 2021/22, with any unspent elements being reallocated to support the Council's capital plans from 1 April 2022.

Further information is available from :

M McCrossan, Head of Accountancy Tel 0141 577 3035

KEY WORDS

Capital receipts, fiscal flexibility, General Fund 2020/21

EAST RENFREWSHIRE COUNCILCABINET4 March 2021Report by Head of Accountancy (Chief Financial Officer)GENERAL FUND CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to monitor expenditure as at 31 December 2020 (Quarter 3) against the approved Capital Programme for 2020/21 and to recommend adjustments where necessary.

RECOMMENDATIONS

2. The Cabinet is asked to:-
 - note and approve the movements within the programme;
 - approve the revision of maintenance work plans to address priority areas in respect of ventilation works within existing resources; and
 - note the shortfall of £0.425m and that income and expenditure on the programme will be managed and reported on a regular basis.

BACKGROUND

3. The General Fund Capital Programme for 2020-2030 was approved by Council on 27 February 2020. A report recommending adjustments to the 2020/21 programme resulting from timing movements and cost variations was approved by Cabinet on 26 November 2020.

CURRENT POSITION

- | | | |
|----|--------------------------------------------|-----------------|
| 4. | Total anticipated expenditure (Appendix A) | £31.936m |
| | Total anticipated resources (Appendix B) | <u>£31.511m</u> |
| | Shortfall | <u>£ 0.425m</u> |

The impact of COVID-19 is continuing to have a significant effect on the timing and cost of projects due to market forces, inflation and new safe ways of working. Further rescheduling has been reflected in this report.

INCOME MOVEMENTS

5. The main income movements are as follows: -
 - Borrowing
Planned borrowing in the current financial year has been reduced by a net total of £14.149m due to timing variances and other adjustments noted below.

6

- **Town Centre Fund**
An element (£0.611m) of the Scottish Government grant funding approved for 2020/21 from the Town Centre Fund will be carried forward to support expenditure now planned in 2021/22.
- **Regeneration Capital Grant Fund (RGCF)**
Funding of £0.499m has been approved from the RGCF to support work at Cowan Park gate lodge which will continue into 2021/22 and this grant will be carried forward to support that.
- **Developer Contributions**
The level of developer contributions anticipated to be applied has been increased by £0.220m (net) to reflect the additional contributions applied for Balgraystone Road and timing movements for expenditure and receipts.
- **Other Resources**
A contribution from Housing of £0.100m to fund the additional scope of works at Balgraystone Road has been included under resources following on from a similar contribution from Roads in 2019/20.

EXPENDITURE MOVEMENTS

6. The total estimated expenditure has reduced by £14.939m below the level reported to Council on 26 November 2020. The main movements are as follows: -

Revised Project Timing

A prioritisation exercise identified a number of projects deferred until 2021/22 to allow focus on key deliverable projects in 2020/21. Work has continued on delivering the programme however a number of timing variations can now be reported.

- **Property - Schools**

Schools Major Maintenance – School Toilet Improvements work will now take place in 2021/22 (£0.075m). Window upgrades at Thornliebank PS are now scheduled for the Easter break and will fall into 2021/22 (£0.090m). With phase 1 of the windows upgrade at Giffnock PS complete, the remaining works have been deferred (£0.060m) The remaining projects within this grouping are either complete or progressing with outturn increased by £0.004m for some small variations and initial fees.

Maidenhill Primary School – Further work around the site, entranceways and connecting pathways is continuing but much of this work will now run on into 2021/22. Outturn for 2020/21 has been reduced by £0.150m to £0.100m.

St Ninian's HS Additional Temp Accommodation – Foundation works are complete and modular buildings will be installed in February 2021. A revised order of works will result in further movement in timing of expenditure with the main internal works now commencing in April 2021. Estimated outturn for the year has been reduced by £0.995m.

St Mark's Car Park – A traffic assessment is ongoing and the tender for the car park will be finalised shortly. The planned demolition on this site will be

carried out after a required ecological survey has been refreshed and will now progress in 2021/22 resulting in a reduction on outturn for the year of £0.320m.

Improving Learning – No projects are able to be completed by 31 March 2021 therefore the balance of £0.200m will be carried forward.

- Property – Culture & Leisure

General Building Improvement Fund – with a number of agreed projects not yet started, a further £0.200m of expenditure will fall into 2021/22.

Eastwood High School Sports Changing – expected to start on site in June 2021, therefore expenditure in the current year will be restricted to fees and as such outturn has been reduced by £0.015m.

Theatre & Gym Equipment – with facilities closed at present, equipment upgrade requirements will be re-assessed. Outturn has been reduced by £0.132m in 2020/21 with a plan to spend in 2021/22.

Neilston Leisure – some initial planning works for the leisure element of the Neilston Learning & Leisure project will take place in the current year therefore outturn for this element has been increased by £0.024m for 2020/21.

- Property – Other

City Deal – Following a review of timing of projects, allocations for each year of the programme have been revised.

- Railway Station/Balgraystone Road) – outturn for the year has increased by £0.126m following completion of the main Balgraystone Road works. This has been covered by additional contributions so has no impact on borrowing. Country Park Visitor Centre – outturn for 2020/21 has been reduced from £0.007m to zero with until completion of the Lever Valley/Aurs Road works.
- Greenlaw Business Centre – Minor works and retentions remain on this project and outturn has been reduced by £0.080m which will now be required in 2021/22 for final payments.

Eastwood Park Campus Improvements – no work is planned on this in the current year and works will be re-assessed as plans for Eastwood Leisure are progressed. Outturn has been reduced by £0.212m to zero.

Cowan Park Changing Facilities – works are complete however retention payments will fall into 2021/22 therefore outturn has been reduced by £0.009m

Capital Investment in Energy Efficiency Measures (NDEE Initiative) – Payments for completed works are expected shortly however no further spend will be incurred in the current year. Outturn has been reduced by £0.160m with this balance required for future years initiatives.

Vacant (Surplus) Property/ Demolition – The balance of budget remaining in this line had been earmarked to support demolition work at St Marks

which will now take place in 2021/22 therefore outturn has been reduced by £0.086m.

- Open Spaces

Country Park - Tourism Infrastructure And Economic Activity Projects – planned works will now take place in 2021/22 therefore outturn has been reduced by £0.183m in the current year.

Regeneration Projects – this allocation has been earmarked for planned projects in 2021/22 therefore outturn for the year has been reduced from £0.351m to zero.

Town Centre/Public Realm – a number of allocated budgets for works in town centres & public realm space were included in the 2020/21 programme. However as public consultation is required, no works can go ahead at present and plans will be re-developed in 2021/22 once these can be progressed. Outturn has been reduced by £0.102m.

Town Centre Regeneration – this grouping of small projects is funded by specific grant from the Scottish Government Town Centre Fund. Projects have been identified and approved however works will continue into the new financial year and outturn has been reduced by £0.611m to reflect that. Funding will remain available.

Cowan Park Gatehouse/Lodge – main works are expected to start in May 2021 therefore outturn has been reduced by £0.806m in the current year. Additional funding for this project will remain available in 2021/22.

Land And Property Acquisitions – This budget of £0.255m will be required for projects in 2021/22 therefore outturn for the current year has been reduced to zero.

- Roads

City Deal (Levern Valley/Aurs Road) – As noted above, a review of project timing has taken place across the City Deal programme. Main works on this project will now begin in 2022 therefore outturn for the year can now be adjusted to £0.102m, a reduction from the original 2020/21 allocation of £7.550m.

Main Roads works – Underspends from the current phases of Clarkston Road, Kingston Road, & Main Street/Levern Road (Barrhead) works, along with a small balance from the Roads Provisional sums can be used to cover higher tender prices for works at Rowbank Road and Fenwick Road. There is no impact on outturn or total costs across the main Roads programme as a result of these movements.

Roads Capital Works – works are progressing across a number of carriageways and footways and will continue in 2021/22. Outturn has been reduced by £0.732m for the current year with an anticipated outturn of £3.130m in 2020/21.

- ICT

The following projects are deferred or will run into 2021/22:

- Corporate GIS £0.088m – deferred with revised timing to be agreed
- Social Work Case Management System £0.110m – deferred with revised timing to be agreed
- Education CCTV £0.268m – deferred with revised timing to be agreed
- IT General Provision – £0.478m reduction in 2020/21. Some works are delayed due to difficulty in obtaining necessary kit
- Modern Smart Forms – £0.028m reduction in current year outturn due to extension of project timelines
- My Account Middleware & Vendor APIs – £0.016m reduction in current year outturn due to extension of project timelines
- Myaccount Signing In To On-Line Services – £0.095m reduction in current year outturn due to extension of project timelines
- HSCP - Responder Service Modernisation & Safety Net Technology £0.180m – deferred to 2021/22
- Major ICT Contract Renewals - £0.050m reduction in current year outturn due to covid-related delays
- Core Corporate Finance, Payroll & HR – reduction of £0.008m in outturn for the year to reflect latest estimates
- School Servers Storage – further £0.020m reduction in current year outturn due to supply chain & covid issues
- Telecare Service and Peripherals - £0.265m reduction in current year outturn – revised timescales from telecomms companies mean the project can be phased over the next two years.

- Fleet

Environment Vehicles – reduction in outturn of £0.080m due to changed timescales for purchase of a cleansing vehicle

Environment GPRS – replacement of system will now fall into 2021/22 therefore there is a reduction in current year outturn of £0.028m

Expenditure reductions resulting from revised project timing are not cost savings but simply a transfer of expenditure to future financial years.

Expenditure Variances and Transfers

- Property Schools

Neilston Learning & Leisure – as reported to Council on 16 December 2020, additional funding is required to deliver the learning, leisure and regeneration elements of this project in full. No additional funding is required in the current financial year however as some spend on the leisure element will take place this year the revised total for this element is shown on the appendices.

School ventilation works – to comply with the latest COVID guidance additional works will be required in schools in the coming months. Property & Technical Services and Education staff are compiling a full list of required works and additional costs but in the short term approval is sought for officers to revise maintenance work plans to address priority areas within existing resources.

- Property – Other

Barrhead Railway Station/Balgraystone Road (City Deal) – a report to Cabinet on 4 February 2021 updated members on the completion of the main Balgraystone Road works. This included a note of increased costs for this element of the project due to covid-19, standstill and abnormal costs. These will be managed within the overall project budget. The report also noted increased costs as a result of changes to project scope to deliver additional benefits. This has increased costs by £0.670m, with £0.100m absorbed by existing Roads budget (Roads contribution). The remaining £0.570m is an increase in the project cost however this has been funded by application of Developers Contributions along with a contribution from Housing.

Eastwood Leisure – a small allocation for initial planning and fees is included in 2020/21 with the total project cost shown at £26m. A report to Council on 16 December 2020 indicated that while allocations for 2020/21 and 2021/22 were sufficient, future years costs and timelines would be revised with an updated report to be presented.

- Roads – higher tender costs at Rowbank Road and Fenwick Road have been offset by underspends on Clarkston Road, phase 1 of Kingston Road, and Main Street Barrhead.

COMMENT

7. The projected shortfall of £0.425m represents 1.35% of the resources available and is within manageable limits.

PARTNERSHIP WORKING

8. This report has been prepared following consultation with appropriate staff from various departments within the Council including Property and Technical Services and Information Technology.

RECOMMENDATIONS

9. The Cabinet is asked to:-
 - note and approve the movements within the programme;
 - approve the revision of maintenance work plans to address priority areas in respect of ventilation works within existing resources; and
 - note the shortfall of £0.425m and that income and expenditure on the programme will be managed and reported on a regular basis.

Further information is available from Mark Waugh, Principal Accountant – Capital, telephone 0141 577 3123.

Margaret McCrossan
Head of Accountancy Services (Chief Financial Officer)
MMcC/MW
11 March, 2021

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

	ANNUAL COSTS £'000		
	CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR
Property - Schools	16,348	14,463	8,343
Property - Culture & Leisure	885	562	211
Property - Other	5,375	4,948	2,760
Open Spaces	3,312	1,004	598
Roads	13,038	4,756	2,687
Corporate Wide - ICT	5,903	4,297	1,522
Fleet	2,014	1,906	775
TOTAL	46,875	31,936	16,896

	TOTAL COST £'000	
<i>SPENT PRIOR TO 31.03.20</i>	<i>PREVIOUS TOTAL COST</i>	<i>REVISED TOTAL COST</i>
46,346	107,201	104,817
3,647	32,632	41,132
13,191	43,309	43,879
1,553	9,794	9,794
6,607	46,650	46,650
8,502	39,502	39,502
1,339	15,798	15,798
81,185	294,886	301,572

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Property - Schools

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
Grouped	Schools Major Maintenance	495	274	9	N/A	645	9,990	9,989
800050031	Maidenhill Primary School	250	100	10	Ongoing	13,807	15,050	15,050
800050033	St Cadoc'S Ps Remodelling To Provide Pre-Five Provision For 3 & 4 Years Olds	22	22	0	Retention	852	874	874
800050030	Kirkhill PS - Rewire	0	0	0	Project deferred until 2021/22	367	491	491
Grouped	Early Learning & Childcare - Expansion to 1,140 hours	11,965	11,965	7,823	Work in progress - revised costings	13,834	26,697	26,697
	Early Years - Crookfur/Fairweather/Overlee Masterplanning	10	10	0	Work programmed	0	10	10
800050039	St Ninian's HS Additional Temp Accomodation	1,800	805	138	Installation of modular units will take place Feb 2021 with internal works beginning in April 2021	40	2,492	2,492
	Learning & Leisure in Neilston	1,000	1,000	336	Planning works underway	0	30,384	28,000
800050038	St Mark's Car Park	334	14	0	Demonition of building will now take place in 2021/22 following survey refresh	16	350	350
	Uplawmoor PS Upgrade	0	0	0	Project deferred until 2021/22	0	100	100
	MCHS Sports Facility	20	20	0	Feasibility study underway, works will commence in 2021/22	0	1,726	1,726
	Improving Learning	200	0	0	Work to be agreed and programmed accordingly	0	2,000	2,000
800050017	Joint Faith Campus (New Denominational PS for Mearns Area & Relocation of Calderwood Lodge PS)	183	183	0	Complete - retention payments outstanding	16,488	16,671	16,671

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Property - Schools

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
800050012	Security (CCTV) Expansion	54	54	11	Ongoing	146	200	200
800050032	Education Provision In Neilston (Campus Development Study)	15	16	16	Complete	151	166	167
		16,348	14,463	8,343		46,346	107,201	104,817

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Property - Culture & Leisure

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
800200019	Eastwood Park Leisure - Refurbishment	298	298	41	Initial planning underway	2	26,000	26,000
800050049	ERCLT General Building Improvement Fund	366	166	154	Eastwood Gym and Clarkston Library completed. Duff Memorial Hall at consultation.	5	1,700	1,700
	Eastwood HS Sports Centre Changing Rooms/Disabled Facilities	20	5	0	Main works deferred until 2021/22	0	429	429
805600002	Equipment - Gym and Theatre	79	0	0	Work to be programmed	198	831	831
805600002	Education - Theatre Equipment	54	1	1	Work to be programmed	0	162	162
800200007	Barrhead Foundry Refurbishment (including Pool & Filtration System)	1	1	0	Retention	2,859	2,860	2,860
800200013	Barrhead Foundry Final Phase Works	67	67	15	Retention	583	650	650
	Neilston Leisure	0	24	0	Initial planning underway	0	0	8,500
		885	562	211		3,647	32,632	41,132

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Property - Other

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
	1. City Deal							
	Barrhead South Access - Balgraystone Road & Railway Station	1,470	1,596	1,520	Work in Progress	2,752	12,564	13,134
804000009	Country Park Visitor Centre & Infrastructure	7	0	0	At design stage, progress made on technical and legal fronts	300	4,836	4,836
804000006	Greenlaw Business Incubator And Innovation Centre & Employment Support Linked To Barrhead Foundry	127	47	35	Work complete - payments outstanding	5,595	5,722	5,722
	2. Environment Other Projects							
800420010	Cowan Park Changing Facilities	269	260	196	Work complete, retentions remain	11	280	280
800200018	Crookfur Pavilion Changing Upgrade	411	411	140	Work complete, final payments and retentions to follow	394	805	805
	Muirend Synthetic	0	0	0	Deferred until 2021/22	0	150	150
	RGP Toilets Upgrade	0	0	0	Deferred until 2021/22	0	130	130
	St Andrews House Refurbishment	0	0	0	Deferred until 2021/22	0	40	40
	Overlee House Extension	0	0	0	Deferred until 2021/22	0	630	630

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Property - Other

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
		5,375	4,948	2,760	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
13,191	43,309	43,879

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Open Spaces

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
	1. REGENERATION							
80400005	Country Park - Tourism Infrastructure And Economic Activity Projects	184	1	1	Further works will now take place in 2021/22	51	235	235
80200015	White Cart Tributaries Environmental Improvements	87	87	86	Work in progress	158	1,264	1,264
	Regeneration Projects - Provisional Sums	351	0	0	Deferred	0	2,701	2,701
	2. Environment - Other Projects							
80220010	Environment Task Force	25	0	0	Work to be programmed	35	240	240
80200018	Town Centre Action	19	0	0	Work in progress	79	278	278
80220007	Parks, Cemeteries & Pitch Improvements	297	297	149	Total adjusted to reflect application in 2019/20	265	1,762	1,762
80020017	Cowan Park	807	1	1	Work to be programmed	8	815	815
80300066	Town Centre Regeneration	1,201	590	351	Work in progress, some projects will run into 2021/22	133	1,334	1,334
80200005	Public Realm/Town Centre Resilience	9	9	3	Work in progress	215	224	224
80200011	Land And Property Acquisitions	255	0	0	Plans being re-assessed	144	399	399

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Open Spaces

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
	Giffnock Town Centre Improvements	10	0	0	Work in progress	0	10	10
802000007	Other Public Realm	17	0	0	Work in progress	3	20	20
802000002	Clarkston Town Centre Action And Traffic Management Improvements	35	4	4	Work in progress	182	217	217
802200008	Woodfarm - Grass Pitches	2	2	1	Work in progress	57	59	59
802200011	Mearns Historic Kirkyard Protective Works	3	3	2	Work in progress	81	84	84
800050029	St Ninian's HS - Rugby Pitch	10	10	0	Work in progress	142	152	152
		3,312	1,004	598		1,553	9,794	9,794

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Roads

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
	1. City Deal							
	Levern Valley Accessibility Project	7,652	102	29	Work in progress	2,081	20,707	20,707
	2. ERC Roads							
803000004	Lighting - Core Cable & Equipment Replacement	139	139	8	Work in progress	181	1,760	1,760
803000007	Bridges Refurbishment & Pointing Work	16	16	0	Work in progress	92	585	585
803000015	Principal Inspection Group 1-6	56	56	0	Work in progress	0	245	245
803000025	Traffic Calming Studies	41	41	3	Work in progress	9	275	275
803000016	Road Safety Measures/Equipment at Schools	28	28	3	Work in progress	12	220	220
803000018	Safe Routes to School	5	5	5	Work in progress	38	223	223
803000042	A736 KELBURN STREET/LOCHLIBO ROAD RECONSTRUCTION	110	110	0	Work in progress	0	372	372
803000030	A77 Ayr Road Reconstruction	1	1	1	Deferred until 2021/22 - covid	414	805	805
803000033	B767 CLARKSTON ROAD RECONSTRUCTION	70	50	0	Work in progress	4	184	164
803000035	B769 Stewarton Rd (Rural) Reconstruction	0	0	0	Complete	355	637	637

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Roads

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
803000034	B767 Eaglesham Road Reconstruction	0	0	0	Phase complete	444	804	804
803000036	B769 Thornliebank/Spiersbridge Reconstruction	0	0	0	Complete	233	233	233
803000047	C2 Kingston Road Reconstruction	200	154	1	Work in progress	84	624	578
803000089	A736 MAIN STREET/LEVERN ROAD BARRHEAD	130	119	119	Work in progress	0	636	625
803000038	C1 Mearns Road	0	0	0	Deferred until 2021/22 - covid	0	640	640
803000048	B755 Gleniffer Road	0	0	0	Complete	105	595	595
803000049	B776 ROWBANK ROAD	110	140	1	Deferred until 2021/22	95	575	605
803000050	C2 NEILSTON ROAD	0	0	0	Deferred until 2021/22	64	321	321
803000051	C3 UPLAWMOOR RD / MAIN ST, NEILSTON	0	0	0	Complete	84	324	324
803000024	Cycling, Walking & Safer Streets	419	419	200	Increased to include full Scottish Government Grant	0	419	419
803000045	Roads Online Costing System	26	26	0	Work in progress	174	200	200
803000031	A77 Fenwick Road Reconstruction	92	145	0	Work in progress	0	185	238
	Provisional Sums - Roads	77	71	0		0	77	71
	Roads Retention Works	4	4	4	Minor retention payments for completed projects, covered by transfer from provisional sums	0	4	4

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Roads

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
Grouped	Roads Capital Works	3,862	3,130	2,313	Work in progress
		13,038	4,756	2,687	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
2,138	15,000	15,000
6,607	46,650	46,650

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Council Wide - ICT

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
805000002	ICT Infrastructure Projects	588	588	380	Work in progress	455	5,543	5,543
805000025	IT General Provision	1,248	770	240	Work in progress	500	14,129	14,129
805000005	Corporate Information Security	96	96	54	Work in progress	619	750	750
805000023	GDPR Requirements	0	0	0	Deferred	60	250	250
805000003	Education Network	145	145	90	Work in progress	56	1,101	1,101
805000016	Document Repository Refresh	7	7	0	Work in progress	43	50	50
805000017	PCI DSS	15	15	0	Work in progress	25	135	135
	Public Wifi Network	0	0	0	Deferred	0	265	265
805000010	Wireless Local Area Network 2015	93	93	47	Work in progress	957	1,050	1,050
805000012	Enterprise Public Access Wifi (Incl BYOD)	3	3	0	Work in progress	112	115	115
805000026	Income Management E-Store	75	75	28	Work in progress	130	205	205
805400002	Corporate GIS	88	0	0	Deferred	112	200	200
805000018	Modern Smart Forms	63	35	0	Work in progress	137	200	200
805000020	My Account Middleware & Vendor	25	9	9	Work in progress	185	210	210

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Council Wide - ICT

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
805100002	Electronic Document Records Management (Rest Of Council)	124	124	0	Work to be programmed	229	353	353
805000020	Myaccount Signing In To On-Line Services	135	40	0	Work Programmed	150	285	285
	HSCP - Responder Service Modernisation & Safety Net Technology	180	0	0	Work Programmed however will fall into 2021/22	0	180	180
805000022	The Digital Workplace	3	3	3	Work in progress	276	600	600
	Flexi Time Application Replacement	0	0	0		40	80	80
805000024	Major ICT Contract Renewals	300	250	116	Work in progress	902	1,338	1,338
805000001	Core Corporate Finance, Payroll & HR	932	924	127	Work in progress	2,630	3,750	3,750
800050004	Education - Computer Equipment	516	516	370	Work in progress	323	5,353	5,353
805600001	ERCLT People's Network	40	40	0	Work in progress	9	229	229
	ERCLT Digital Platform	410	410	0	Work Programmed	0	410	410
805000009	School Servers Storage	30	10	0	Work in progress	176	350	350
	Social Work Case Management System	110	0	0	Deferred	0	110	110

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Council Wide - ICT

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
	Education CCTV	268	0	0	Deferred	0	626	626
	Telecare Service and Peripherals	300	35	11	Work Programmed	0	1,150	1,150
805100003	Agile (Rest Of Council)	3	3	1	Work in progress	257	260	260
805000008	Software Asset Management	9	9	5	Work in progress	56	65	65
805000021	Internet/Intranet Presence	41	41	41	Work in progress	9	50	50
800200008	Culture & Sport Self-Service Kiosk Hardware Refresh	56	56	0	Work Programmed	54	110	110
		5,903	4,297	1,522		8,502	39,502	39,502

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Fleet

		ANNUAL COSTS £'000			TOTAL COST £'000			
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	COMMENT	SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
806000004	HSCP - Vehicles	288	288	41	Vehicles on order	0	1,164	1,164
806000001	Education - Vehicles	364	364	0	Vehicles on order	0	1,122	1,122
806000002	Environment - Vehicles	1,327	1,247	734	Cleansing vehicle will now arrive in 2021/22	1,339	13,197	13,197
806000005	Environment - GPRS System	35	7	0	work in progress	0	315	315
		2,014	1,906	775		1,339	15,798	15,798

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Annex 1 - Schools Major Maintenance Analysis

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
800000002	Carolside PS - Window Renewal	0	2	2	Deferred until 2021/22, fees only in current year	63	207	207
800000019	ST Lukes Windows Entrance Area	0	1	1	Deferred until 2021/22, fees only in current year	36	150	150
800000004	Woodfarm HS - Window Renewal	0	2	2	Deferred until 2021/22, fees only in current year	66	298	298
800000014	School Toilet Improvements	75	0	0	Deferred until 2021/22	296	550	550
	THORNLIBANK PS PR 1- WINDOW RENEWAL	100	10	0	fees only in current year	0	100	100
	OLM ENTRANCE & MAIN DOORS at Robslee	20	20	0	fees only in current year	0	50	50
	Provisional Sums	107	106	0	Work to be programmed	0	8,258	8,257
800000008	Hazeldene Nursery - Window Renewal	1	1	0	Retention	2	3	3
	Braidbar PS - Roof Improvements	50	50	0	Complete - payment to be made	0	50	50
800000009	Mearns Castle HS - Window Renewal	25	25	1	Complete - final payment and retention	29	54	54
	Mearns Castle HS - Rear Stair Improvements	3	3	0	Retention	0	3	3
	St Joseph's PS - Structural Improvements	4	4	0	Retention	0	4	4
800000013	St Joseph's PS - Fabric Improvements	1	1	0	Retention	2	3	3

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Annex 1 - Schools Major Maintenance Analysis

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
800050002	St Luke'S HS - Roof Improvements (Gym Hall)	10	10	0	Retention
800000018	St Johns Windows and Gym	1	1	1	Retention
800000011	St Josephs Primary windows and entrance door	36	36	0	Work complete - payments to be made
800000007	Giffnock Primary windows (original block and ext	62	2	2	Work complete - payments to be made
		495	274	9	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
0	10	10
44	45	45
44	80	80
63	125	125
645	9,990	9,989

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

Annex 2 - Property Maintenance Analysis

		ANNUAL COSTS £'000			
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	COMMENT
	Corporate Total	1,574	1,574	391	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
1,155	11,199	11,199

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME 2020/21

PROGRESS REPORT

RESOURCES

	£'000	£'000
Borrowing		19,058
Grants		
Capital Grant	5,339	
City Deal	1,343	
Early Learning and Childcare - 1140 Hours Expansion	3,200	
Cycling, Walking & Safer Streets	419	
Scottish Environmental Protection Agency	87	
Town Centre Fund	590	
Regeneration Capital Grant Fund	0	
Renewable Energy Fund	<u>0</u>	10,978
Developers Contributions		1,057
Salix/Central Energy Efficiency Fund		0
Sustrans		0
CFCR		0
Capital Reserve		0
Capital Receipts		0
Capital - Other		418
		<u>31,511</u>

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EAST RENFREWSHIRE COUNCILCABINET4 March 2021Report by Head of Accountancy (Chief Financial Officer) and Director of EnvironmentHOUSING CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to monitor expenditure as at 31 December 2020 (Quarter 3) against the approved Capital Programme for 2020/21 and to recommend adjustments where necessary.

RECOMMENDATIONS

2. The Cabinet is asked to:-
 - note and approve the current movements within the programme; and
 - note the shortfall of £0.135m and that income and expenditure on the programme will be managed and reported on a regular basis.

BACKGROUND

3. This report is presented in relation to the following:
 - The Housing Capital Programme for 2020-2025 was approved by Council on 27 February 2020.
 - Adjustments to the 2020/21 programme, reflecting timing movements across the new build programme, were approved by Council on 26 November 2020.
 - An update of the Strategic Housing Investment Programme (SHIP) was approved by Cabinet on 3 December 2020.

CURRENT POSITION

4.	Total anticipated expenditure (Appendix A)	£ 7.262m
	Total anticipated resources (Appendix B)	£ <u>7.127m</u>
	Shortfall	£ <u>0.135m</u>

EXPENDITURE

5. The total estimated expenditure for 2020/21 has reduced by £2.697m due to the following changes in respect of timing of expenditure and other adjustments.

Building Works Programme – Existing Stock

The impact of COVID-19 has resulted in delays to much of the planned works. Government restrictions on activity, revised working practices to enable works to be

carried out safely for both council staff and residents, and restricted access to properties have resulted in the following timing adjustments across the existing stock programme.

- Estate Works – reduction of £0.072m
- Energy Efficiency – reduced by £0.150m
- Aids & Adaptations – reduced by a further £0.050m
- Internal Element renewals (£0.718m reduction) – a delayed tender process and government restrictions has resulted in a later than envisaged start date
- Communal Door Entry – reduced by £0.020m to zero in the current year
- Sheltered Housing – reduced by a further £0.017m

Final outturn on these and the other lines may be negatively impacted by the timing of anticipated changes to current COVID-19 restrictions and any further safe working measures imposed.

Capital New Build – Phase 1 and 2

With construction at Fenwick Drive, Robertson Street and Blackbyres Road complete, the programme in 2020/21 includes Balgraystone Road, and the Phase 2 sites at Commercial Road, Barrhead; Barrhead Road, Newton Mearns; and the first two sites at Maidenhill. An allocation for retention payments for the completed sites is included in the projected outturn (£0.134m)

The impact of COVID-19 has had a significant effect on the timing and cost of projects due to market forces, inflation and new safe ways of working. Progress has been delayed at all sites as a result of the difficulty to obtain tenders from sub-contractors, inability to undertake site investigations and the requirement to follow government guidance in order to safely mobilise site starts. Further restrictions have resulted in the following adjustments to 2020/21 outturn:

- Balgraystone Road, Barrhead
The project started on site in late 2020 however progress has been delayed as a result of the above issues and outturn for 2020/21 has been reduced by £0.609m to £2.111m.
- Maidenhill Area 6
Work is underway on this site with the first batch of units in progress. A revised outturn of £0.910m in the current year is now expected (a decrease in previous estimates of £0.990m) for Area 6. Initial fees and site investigation for the other Phase 2 projects at Barrhead Road and Commercial Road make up the total projected outturn of £0.966m

The impact of any changes will be reflected in the Housing Services 30 year Business Plan which is independently reviewed to ensure the programme remains affordable.

INCOME

6. Resources to support the Housing Capital Programme have been adjusted to reflect the changes noted above.
 - Scottish Government New Build Grant – additional grant has been secured to assist with COVID-19 health and safety measures and some of the abnormal site costs identified at Balgraystone Road however grant drawn

down in the current year will reflect revised expenditure on this site. A reduction in grant drawn down also applies with regard to the reduced outturn for Maidenhill A6, resulting in a total decrease in grant of £1.022m. This will be drawn down to support spend in future years.

- Borrowing – Changes noted above in respect of project timing movements, transfers and grant adjustments has resulted in a net reduction in borrowing of £1.675m for 2020/21.

COMMENT

7. The projected shortfall of £0.135m represents 1.9% of the resources available and is within manageable limits.

PARTNERSHIP WORKING

8. This report has been prepared following consultation with appropriate staff from Housing Services.

RECOMMENDATIONS

9. The Cabinet is asked to:-
 - note and approve the current movements within the programme; and
 - note the shortfall of £0.135m and that income and expenditure on the programme will be managed and reported on a regular basis.

Further information is available from Mark Waugh, Principal Accountant – Capital, telephone 0141 577 3123.

Margaret McCrossan
Head of Accountancy Services (Chief Financial Officer)
MMcC/MW
11 March, 2021

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EAST RENFREWSHIRE COUNCIL

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
835000002	Renewal of Heating Systems	446	446	0	Work in progress	0	872	872
832000001	Rewiring (including smoke/carbon monoxide detectors)	1,097	1,097	402	Work in progress	0	1,097	1,097
831000002	External Structural Works	1,833	1,833	509	Work in progress	0	1,833	1,833
835000008	Estate Works	97	25	7	works ongoing, delayed due to covid-19	0	97	97
835000006	Energy Efficiency (Including Cavity Wall Insulation)	300	150	56	works ongoing, delayed due to covid-19	0	300	300
835000009	Aids and Adaptations	100	50	14	works ongoing, delayed due to covid-19	0	234	234
831500001	Internal Element Renewals (including kitchens, bathrooms and doors)	1,076	358	77	works ongoing, delayed due to covid-19	0	1,244	1,244
835000005	Communal Door Entry Systems	20	0	0	works delayed due to covid-19	0	59	59
835000012	Sheltered Housing	35	18	18	works ongoing, delayed due to covid-19	0	978	978
N/A	Purchase of Property (CPO/Mortgage to Rent Acquisition)	25	25	0	Balance of ROTS budget approval - to be used to bring properties to higher standard	0	25	25
835000003	IT Systems	110	39	39	First element complete, remainder will take place in 2021/22	143	253	253
Grouped	Capital New Build Phase 1	2,854	2,245	542	First three sites complete with work in progress on remaining site	6,995	14,747	14,747
Grouped	Capital New Build Phase 2	1,956	966	86	Works progressing at Maidenhill Area 6	69	22,401	22,401

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EAST RENFREWSHIRE COUNCIL

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2020/2021

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT
		CURRENT YEAR APPROVED AT 26.11.20	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
N/A	Retentions	10	10	0	
		9,959	7,262	1,750	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
0	10	10
7,207	44,150	44,150

HOUSING CAPITAL PROGRAMME 2020/21

PROGRESS REPORT

RESOURCES

	20/21 Revised £'000
Borrowing	4,170
Grant - New Build Phase 1	2,111
Grant - New Build Phase 2	413
Recharges to Owner Occupiers (including HEEPS grant)	433
Total	<hr/> 7,127 <hr/>

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

11 March 2021

Report by Head of Accountancy (Chief Financial Officer)

Treasury Management Strategy Report for 2021/22

PURPOSE OF REPORT

1. To advise the Audit and Scrutiny Committee on the treasury management strategy for the financial year 2021/22.

RECOMMENDATIONS

2. It is recommended that Members:-
 - (a) Consider the content of the Treasury Management Strategy Report for 2021/22; and
 - (b) Recommend to the Council that the Treasury Management Strategy for 2021/22 be approved, including the amended list of organisations for investment of surplus funds (Annex F); and
 - (c) Recommend to the Council that they approve the policy on the repayment of loans fund advances, see section 3.4

BACKGROUND

3. In line with the CIPFA Treasury Management Code of Practice 2017, the Audit and Scrutiny Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies.
4. The attached Treasury Management Strategy Report for the financial year 2021/22 is submitted in accordance with this requirement.

TREASURY MANAGEMENT STRATEGY FOR 2021/22 (TMS)

5. The TMS for 2021/22 is attached (see Appendix 1).

EQUALITY IMPACT

6. A screening exercise has revealed that the Treasury Management Strategy has no direct relevance to the Council's equality duties

Report Author

Head of Accountancy (Chief Financial Officer):	Margaret McCrossan
Chief Accountant:	Barbara Clark
Telephone Number:	0141 577 3068
E-mail:	barbara.clark@eastrenfrewshire.gov.uk

Report Date:	February 2021
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APPENDIX 1

EAST RENFREWSHIRE COUNCIL

**TREASURY MANAGEMENT STRATEGY
2021/22**

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1 Background

The Council is required to operate a balanced budget, which broadly means that cash received during the year will meet cash expenditure. A major aspect of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, ensuring adequate liquidity before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, being essentially longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2 Reporting Requirements

2.1 The Council is required to receive and approve, as a minimum, three main reports on treasury activity each year, which incorporate a variety of policies as well as estimated and actual figures. These reports are as follows:-

a) **Treasury Management Strategy 2021/22** (this report).

This report is the most important of the three reports and covers:

- The capital plans of the Council (including prudential indicators);
- A policy for the statutory repayment of debt (how residual capital expenditure is charged to revenue over time);
- The Treasury Management Strategy (how the investments and borrowings are organised) including treasury indicators, and
- A permitted investment strategy (the parameters on how investments are to be managed).

- b) **Mid-Year Treasury Management Report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary and whether any policies require revision.
- c) **Annual Treasury Report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimate within the strategy.

2.2 Scrutiny

These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Audit and Scrutiny Committee.

2.3 Capital Investment Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital investment strategy report, which will provide the following:

- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital investment strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. An update to the Council's current Capital Investment Strategy will be presented to Council on 15 March 2021 for approval.

2.4 Treasury Management Strategy for 2021/22

The treasury management issues covered by this report are:

Capital Issues

- The capital expenditure plans and associated prudential indicators
- The loans fund repayment policy

Treasury management issues

- The current treasury position
- Treasury indicators which will limit the treasury risk and activities of the Council
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- The investment strategy and
- Credit Worthiness Policy

These elements cover the requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code (the Prudential Code), the CIPFA Treasury Management Code and Scottish Government Investment Regulations.

2.5 Treasury Management Consultants

The Council uses the Link Group, Treasury Solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that it does not rely solely upon information and advice from its treasury advisors.

It also recognises however that there is value in employing external providers of treasury management services in order to gain access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2.6 Council and Subsidiary Organisations

The Treasury Management Strategy covers the treasury management activities for the Council (including any subsidiary organisations i.e. East Renfrewshire Culture & Leisure Trust).

3 The Capital Prudential Indicators 2021/22 – 2025/26

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members to overview and confirm them.

A summary of the indicators can be found in Annex A

3.1 Capital Expenditure (Prudential Indicator PI-1)

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of this budget cycle. The indicator also includes expenditure financed by PFI and leasing type arrangements which, for the purposes of financial planning and reporting, must be treated as capital expenditure.

The following capital expenditure forecasts are in line with the housing capital plan 2021/22- 2030/31 which was approved by Council on 25 February 2021 and the general fund capital plan 2021/22 – 2030/31 which will be submitted to Council on 15 March 2021.

Capital Expenditure (PI-1) £'000	2019/20 Actual	2020/21 Probable	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund – Capital Programme – Other Relevant Expenditure	37,347 2,972	31,936	41,286	63,386	58,918	28,152	12,374
General Fund Subtotal	40,319	31,936	41,286	63,386	58,918	28,152	12,374
Housing	9,485	7,262	18,499	27,313	14,457	4,823	5,465
Total	49,804	39,198	59,785	90,699	73,375	32,975	17,839

3.2 Capital Financing Assumptions

The table below summarises the capital expenditure plans for the general fund and how these plans are being financed. Any shortfall of resources results in a funding borrowing need.

General Fund £'000	2019/20 Actual	2020/21 Probable	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Expenditure	37,347	31,936	41,286	63,386	58,918	28,152	12,374
Other Relevant Expenditure	2,972						
Total	40,319	31,936	41,286	63,386	58,918	28,152	12,374
Financed by:							
Capital Receipts	248	0	0	0	0	0	0
Capital Reserve	1,200	0	0	0	0	0	0
Developer Contributions	1,422	1,475	954	906	724	734	724
Govt. General Capital Grant	7,957	5,339	5,336	5,336	5,336	5,336	5,336
Govt. Specific Capital Grants	7,280	5,630	3,409	2,948	2,834	2,677	848
Other Grants & Contributions	216	0	0	0	0	0	0
Repairs & Renewals Fund/CFCR	1,189	0	0	0	0	0	0
Net Borrowing Requirement for the year	20,807	19,492	31,587	54,196	50,024	19,405	5,466

As part of the long term capital planning process, the 2020/21 probable capital outturn has been calculated using the General Fund capital monitoring report approved by Cabinet on 4 March 2021.

The table below summarises the capital expenditure plans for housing and how these plans are being financed. Any shortfall of resources results in a borrowing requirement.

Housing £'000	2019/20 Actual	2020/21 Probable	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Expenditure	9,485	7,262	18,499	27,313	14,457	4,823	5,465
Financed by:							
Capital Receipts – Right to Buy	0	0	0	0	0	0	0
Capital Receipts – Land Disposal	5	0	0	500	500	500	500
Recharges to Owners	0	381	100	100	100	100	100
Govt. Specific Capital Grants	1,425	2,576	7,447	8,331	1,994	140	140
Commuted Sums							
CFCR	0	0	0	0	0	0	0
Net Borrowing Requirement for the year	8,055	4,305	10,952	18,382	11,863	4,083	4,725

The table below summarises the borrowing requirement resulting from both the general fund (including PFI and leasing type arrangements) and housing capital plans.

Borrowing Requirement £'000	2019/20 Actual	2020/21 Probable	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund	20,807	19,492	31,587	54,196	50,024	19,405	5,466
Housing	8,055	4,305	10,952	18,382	11,863	4,083	4,725
Net Borrowing Requirement for the year	28,862	23,797	42,539	72,578	61,887	23,488	10,191

3.3 The Council's Borrowing Requirement (The Capital Financing Requirement – Prudential Indicator PI-2)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure identified above, which has not immediately been paid for (e.g. via grants), will increase the CFR.

The CFR does not increase indefinitely, as prudent annual repayments from revenue need to be made which reflect the useful life of capital assets financed by borrowing. From 1 April 2016 authorities may choose whether to use scheduled debt amortisation (loans pool charges) or another suitable method of calculation in order to repay borrowing.

The CFR includes any other long term liabilities (e.g. PPP schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these

schemes. The Council has liabilities of £88.701m relating to such schemes as at 31 March 2020.

The Council is asked to approve the CFR projections below:

Capital Financing Requirement (PI-2) £'000	2019/20 Actual	2020/21 Probable	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund	168,882	177,890	199,463	243,853	282,475	290,425	283,779
Housing	34,171	35,538	43,636	58,792	66,959	66,866	67,250
Total CFR (PI-2)*	203,053	213,428	243,099	302,645	349,434	357,291	351,029

Net borrowing requirement for the year (above)		23,797	42,539	72,578	61,887	23,488	10,191
Less scheduled debt amortisation and other financing movements		(13,422)	(12,868)	(13,032)	(15,098)	(15,631)	(16,453)
Movement in CFR		10,375	29,671	59,546	46,789	7,857	(6,262)

*The CFR for this calculation includes capital expenditure to 31 March of each financial year.

3.4 Statutory Repayment of Loans Fund Advances

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

A variety of options are provided to Councils so long as a prudent provision is made each year. The Council is recommended to approve the following policy on the repayment of loans fund advances:-

- For loans fund advances made before 1 April 2016, the policy will be to maintain the practice of previous years and apply the Statutory Method (in line with Schedule 3 of the Local Government (Scotland) Act 1975), with all loans fund advances being repaid by the annuity method in line with the repayment profile determined in previous years.
- Loans fund advances relating to City Deal projects which will be supported in later years by Government funding will be repaid in accordance with the funding/income profile method. This links the repayments to the project income stream.
- For loans fund advances made after 1 April 2016, excluding the above, the Council will continue to calculate loan charge repayments in line with Schedule 3 of the Local Government (Scotland) Act 1975, using an annuity rate of 4%. The Council is permitted to use this option for new borrowing taken out over a transitional period of five years until 31 March 2021. Thereafter a new policy

approach based on asset life periods will be adopted for any further new borrowing.

Additionally, the Scottish Government has granted various flexibilities to help address the current Covid-19 pressures which will impact on loan fund payments charged in 2020/21 and beyond. These fiscal flexibilities will relate to:-

- Capital Receipts. Capital receipts received in both 2020/21 and 2021/22 can be used to fund Covid-19 related revenue expenditure
- Loans Fund Principal Repayment Holiday. Councils can defer loans fund principal repayments due in either 2020/21 or 2021/22 (but not both years) and repay that deferred amount in future financial years
- Credit Arrangements. Council payments for service concessions, such as PFI type deals, include an element of debt repayment. This debt is paid over the life of the contract but approval has now been given to repay this debt over the life of the asset instead which would be a longer period.

The Non-HRA loans fund balances are expected to be, with year 1 being 2020/21:

£'000	Year 1	Years 2-5	Years 5-10	Years 10-15	Years 15-20	Years 20+
opening balance	80,183	94,054	214,297	214,857	190,062	166,923
advances	19,492	135,807	32,285	4,073	-	-
repayments	(5,621)	(15,564)	(31,725)	(28,868)	(23,139)	(166,923)
closing balance	94,054	214,297	214,857	190,062	166,923	-

The HRA loans fund balances are expected to be, with year 1 being 2020/21:

£'000	Year 1	Years 2-5	Years 5-10	Years 10-15	Years 15-20	Years 20+
opening balance	34,171	35,538	66,959	68,543	63,865	46,318
advances	4,305	41,197	17,417	11,369	-	-
repayments	(2,938)	(9,776)	(15,833)	(16,047)	(17,547)	(46,318)
closing balance	35,538	66,959	68,543	63,865	46,318	-

4 Borrowing

Section 3 provides a summary of the capital expenditure plans. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional Codes, so that sufficient cash is available to meet service activity and the Council's Capital Investment Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

4.1 Current Portfolio Position

The Council's actual and projected debt portfolio is summarised below. The table compares the actual and projected external debt against the Council's estimated borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

£'000 as at 31 March	2019/20 Actual	2020/21 Probable	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Borrowing	114,788	114,227	143,843	201,015	247,638	247,623	247,607
Other Long Term Liabilities	88,699	83,836	78,751	73,545	68,178	62,598	56,750
Total Gross Debt (Prudential Indicator PI-3)	203,487	198,063	222,594	274,560	315,816	310,221	304,357
CFR – the borrowing need	203,053	213,428	243,099	302,645	349,434	357,291	351,029
(Under) / Over Borrowing (Prudential Indicator PI-6)	434	(15,365)	(20,505)	(28,085)	(33,618)	(47,070)	(46,672)

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these (PI-3) is that the Council needs to ensure that its gross debt figure (shown above) does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by external loan debt as the cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains both prudent and cost effective as investment returns are low and counterparty risk is relatively high.

4.2 Treasury Indicators: Limits to Borrowing Activity

a) The Operational Boundary (Prudential Indicator PI-4)

This indicator takes account of capital expenditure and financing requirements and projects the expected level of external debt for operational purposes. Temporary breaches of the operational boundary may occur as a result of unexpected cash movements. The Head of Accountancy (Chief Financial Officer) has delegated authority to manage the movement between borrowing and other long term liabilities such as finance leases in accordance with option appraisal and value for money considerations if it is considered appropriate. Any such movement will be reported to Council following the change.

Operational boundary for external debt (PI-4) £'000	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Borrowing	163,947	229,154	280,870	293,957	293,556
Other Long Term Liabilities	83,836	78,751	73,545	68,178	62,598
Total	247,783	307,905	354,415	362,135	356,154

b) The Authorised Limit for External Debt (Prudential indicator PI-5)

This is a key prudential indicator and represents a control on the maximum level of borrowing. It is similar to the operational boundary but includes further headroom to accommodate adverse cash flow movements and opportunities for advance borrowing. It represents a legal limit which external debt is prohibited to exceed and reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. In circumstances where a breach takes place the reasons shall be reported to the next meeting of the Council and the limit revised if appropriate.

The authorised limits for external debt for the current year and two subsequent years are the legislation limits determined under Regulation 6(1) of the Local Authority (Capital Finance and Accountancy) (Scotland) Regulation 2016.

The proposed Authorised Limit for the Council is as follows:

Authorised limit for external debt (PI-5) £'000	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Borrowing	188,539	263,527	323,001	338,051	337,589
Other Long Term Liabilities	83,836	78,751	73,545	68,178	62,598
Total	272,375	342,278	396,546	406,229	400,187

4.3 Prospects for Interest Rates

The Council has appointed the Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. **Annex B** draws together a number of current city forecasts for short term (Base Rate) and longer fixed interest rates and the following table and commentary below gives the central view of the Link Group in November 2020

Link Group Interest Rate View		9.11.20											
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

Gilt yields / PWLB rates

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in "normal" times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political,

sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

- **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management and the policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. However, on 25.11.20, the Chancellor announced the conclusion to a review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1%
- **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows.
- While this authority will not be able to avoid borrowing to finance new capital expenditure and to replace maturing debt, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

4.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by external loan debt as the cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains prudent as investment returns are low and counterparty risk is still an issue to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Head of Accountancy (Chief Financial Officer) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *If it was felt that there was a significant risk of a sharp **FALL** in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then borrowing will be postponed.*
- *If it was felt that there was a significant risk of a much sharper **RISE** in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed funding will be*

drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to Members at the next available opportunity.

4.5 Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

(i) Upper limits on fixed interest rate exposure (Treasury Indicator TI-1)

This covers a maximum limit for borrowing exposure to fixed interest rates, based on the debt position and is set at 100%.

(ii) Upper limits on variable interest rate exposure (Treasury Indicator TI-2)

This identified a maximum limit for borrowing exposure to variable interest rates based upon the debt position and is set at 30%.

(iii) Maturity structure of borrowing (Treasury Indicator TI-3)

Gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing. The Council has set the limit of debt maturing in any one year to 15% at the time of borrowing.

4.6 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

The Head of Accountancy (Chief Financial Officer) has the authority to borrow in advance of need under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. The Head of Accountancy (Chief Financial Officer) will adopt a cautious approach to any such borrowing and a business case to support the decision making process must consider:

- The benefits of borrowing in advance,
- The risks created by additional levels of borrowing and investment, and
- How far in advance it is reasonable to borrow considering the risks identified

Any such advance borrowing should be reported through the mid-year or annual Treasury Management reporting mechanism.

4.7 Debt Rescheduling

The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings
- Helping to fulfil the treasury strategy
- Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

All rescheduling will be reported to Council at the earliest meeting following its action.

5 Investment Strategy

5.1 Investment Objectives and Policy

The Council's investment policy implements the requirements of the following:-

- Local Government Investments (Scotland) Regulations 2010 (and accompanying Finance Circular 5/2010),
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The above regulations and guidance place a high priority on the management of risk. The Council's investment priorities will be security first, liquidity second and then return. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of **types of investment instruments** that are permitted investments authorised for use in Annex D. Annex E expands on the risks involved in each type of investment and the mitigating controls.

5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the information gathered (see points 1-3 above)

6. This authority has engaged **external consultants**, (see paragraph 2.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

7. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 5.6d).

8. The Council has determined that it will only use approved counterparties from within the United Kingdom.

9. As a result of the change in accounting standards for 2019/20 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 5.7). Regular monitoring of investment performance will be carried out during the year.

5.2 Creditworthiness Policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security as set out in the investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Head of Accountancy (Chief Financial Officer) will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary (see **Annex F**). These criteria provide an overall pool of classes of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list, with the exception of the Council's own banker. Any rating changes, rating watches (notification of a likely change), rating Outlooks (notification of a longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applied to a counterparty that is already at the minimum Council criteria will be suspended from use, with all other counterparties being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties are:

- Banks 1 - good credit quality – the Council will only use UK banks which have, as a minimum, the following Fitch (or equivalent) ratings (where rated):
 - i. Short Term – F1
 - ii. Long Term – A-
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations*. This bank can be included if it continues to be part nationalised or it meets the ratings in Banks 1 above.
- Banks 3 – The Council’s own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- Building societies - The Council will use societies which meet the ratings for banks outlined above;
- Money Market Funds
- Ultra-Short Dated Bond Funds
- UK Government (including gilts, Treasury Bills and the DMADF)
- Local authorities, including Police, Fire and the Council's subsidiary

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

Hub Schemes. The Council also invests in hub projects, which are based on robust business cases and a cashflow from public sector organisations (i.e low risk). As additional assurance we restrict such investments to hub schemes where the Council is a significant participant.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council’s counterparty list are as stated in **Annex F**.

UK banks – *ring fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment

banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

5.3 Country and Council’s Banker

a) Country Limits –

The Council has determined that it will only use approved counterparties from within the United Kingdom. This policy may be reviewed if the sovereign rating for the UK is downgraded to below Fitch AA -, or equivalent.

b) Council’s Own Banker

The Council’s own banker (The Clydesdale bank) will be maintained on the Council’s counterparty list in situations where rating changes mean this is below the above criteria. This is to allow the Council to continue to operate normal current account banking facilities overnight and short-term investment facilities.

5.4 The Monitoring of Investment Counterparties

All credit ratings will be monitored on a weekly basis. The Council is alerted to changes to ratings of all three agencies through its use of the creditworthiness service of Link Asset Services.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council’s minimum criteria, its further use as a new investment will be withdrawn immediately.
- Additional market information (for example Credit Swaps and negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

If the Council has funds invested in an institution which is downgraded to below the acceptable rating criteria, the Council will enter discussions with the counterparty to establish if the funds can be returned early. This however will be subject to an appropriate cost versus risk assessment of the specific situation.

The criteria for choosing counterparties set out above provide a sound approach to investment in “normal” market circumstances. Under exceptional market conditions, the Head of Accountancy (Chief Financial Officer) may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out in this Strategy. These restrictions will remain in place until the Head of Accountancy (Chief Financial Officer) is of an

opinion that the banking system has returned to 'normal'. Similarly a restriction may be placed on the duration of investments.

5.5 Types of Investments

For institutions on the approved counterparty list, investments will be restricted to safer instruments (as listed in **Annex E**). Currently this involves the use of money market funds, the Debt Management Agency Deposit Facility (DMADF) and institutions with higher credit ratings than the minimum permissible rating outlines in the investment strategy, as well as the Council's own bank.

Where appropriate, investments will be made through approved brokers. The current list of approved brokers comprises:

- Sterling International Brokers Limited
- Tradition (UK) Limited
- Martins Brokers
- King and Shaxson Capital Limited
- Tullet Prebon Brokers
- Imperial Treasury Services

5.6 Investment Strategy and bank rate projections

a) In-house funds

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

b) Investment returns expectations

Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial

year are as follows (the long term forecast is for periods over 10 years in the future):

Average earnings in each year	
2020/21	0.10%
2021/22	0.10%
2022/23	0.10%
2023/24	0.10%
2024/25	0.25%
Long term later years	2.00%

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines may become available and widely administered to the population. It may also be affected by what deal the UK agrees as part of Brexit.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

c) Negative Investment Rates

While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is an excess amount of money at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

**d) Investment Treasury Indicator And Limit (Treasury Indicator TI-4)
Total Principal Funds Invested for Greater Than 365 days**

These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The treasury indicator and limit proposed is:

Maximum principal sums invested > 365 days (TI-4)			
	2019/20	2020/21	2021/22
Principal sums invested > 365 days	5%	5%	5%

For its cash flow generated balances, the Council will seek to utilise its notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

5.7 Risk Benchmarking

These benchmarks are simple guides to minimise risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmarks is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or annual report.

a) Security –

The Council's **maximum** security risk benchmark for the current portfolio, when compared to historic default tables, is:

0.06% historic risk of default when compared to the whole portfolio for 1 year.

b) Liquidity

In respect of this area the Council seeks to maintain:

- Bank Overdraft: £100,000 East Renfrewshire Council
£25,000 East Renfrewshire Culture & Leisure Trust

c) Yield

Local Measures of yield benchmarks are:

Investments – Internal returns above the 7 day LIBID rate

5.8 End of year investment report

At the end of the financial year, the Head of Accountancy (Chief Financial Officer) will report on its investment activity as part of the annual treasury report.

6 Performance Indicators

6.1 The CIPFA Code requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking.

6.2 Debt Performance Indicators

- Average "Pool Rate" charged by the Loans Fund compared to Scottish Local Authority average Pool Rate:
Target is to be at or below the Scottish Average for 2020/21
- Average borrowing rate movement year on year:
Target is to maintain or reduce the average borrowing rate for the Council versus 2020/21.

6.3 Loan Charges

Loan Charges for 2021/22 are expected to be at or below the Revenue Budget estimate contained in the Council's Financial Plans to be approved in February 2021, which are estimated as follows:

£m	2021/22 Estimate	2022/23 Estimate
Capital Repayments	4.929	4.600
Interest on Borrowing	3.777	5.124
Expenses	0.157	0.166
Total Loan Charges*	8.863	9.890

*The Loan Charges exclude the capital element of PPP repayments

7 Monitoring and Reporting

In line with the CIPFA Code the following formal reporting arrangements will be adopted:

Requirement	Purpose	Responsible Body	Frequency
Scrutiny of Treasury Management Strategy	Detailed scrutiny prior to annual approval by Council	Audit & Scrutiny Committee	Annually
Treasury Management Strategy	Reporting on Annual Strategy	Council	Annually prior to start of new financial year
Scrutiny of Treasury Management Mid-Year Report	Detailed scrutiny prior to approval by Council	Audit & Scrutiny Committee	Annually in October/November of the current year
Treasury Management Mid-Year Report	Mid-Year Performance Report	Council	Annually after reported to the Audit & Scrutiny Committee
Scrutiny of Treasury Management Annual Report	Detailed scrutiny prior to approval by Council	Audit & Scrutiny Committee	Annually in September/ October of the financial year
Treasury Management Annual Report	Annual Performance report for previous financial year	Council	Annually after reported to the Audit & Scrutiny Committee
Treasury Management Practices		Council	As appropriate
Treasury Management Policy Statement	Reviews and Revisions	Council	As required

8 Member and Officer Training

The CIPFA Code requires the Head of Accountancy (Chief Financial Officer) to ensure that both members and officers with responsibility for treasury management receive adequate training in this area. This Council will address this important issue by:

a) Elected Members

- Working with members to identify their training needs
- Working with the Link Group to identify appropriate training provision for elected members

b) Officers dealing with treasury management matters will have the option of various levels of training including:

- Treasury courses run by the Council's advisers
- Attendance at CIPFA treasury management training events
- Attendance at the CIPFA Scottish Treasury Management Forum and information exchanged via the Treasury Management Forum network

- Training identified as part of the Council's Performance Review & Development system in line with the approved Treasury Management Practices (TMPs).

ANNEXES

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ANNEX A

SUMMARY OF PRUDENTIAL AND TREASURY INDICATORS

Indicator Reference	Indicator	Page Ref.	2021/22	2022/23	2023/24	2024/25	2025/26
PRUDENTIAL INDICATORS							
Capital Expenditure Indicator							
PI-1	Capital Expenditure Limits		£'000	£'000	£'000	£'000	£'000
	General Fund		41,286	63,386	58,918	28,152	12,374
	Housing		18,499	27,313	14,457	4,823	5,465
	Total		59,785	90,699	73,375	32,975	17,839
PI-2	Capital Financing Requirement		£'000	£'000	£'000	£'000	£'000
	General Fund		199,463	243,853	282,475	290,425	283,779
	Housing		43,636	58,792	66,959	66,866	67,250
	Total		243,099	302,645	349,434	357,291	351,029
Affordability Indicator							
External Debt Indicators							
PI-3	Gross Debt		£'000	£'000	£'000	£'000	£'000
	Borrowing		143,843	201,015	247,638	247,623	247,607
	Other Long Term Liabilities		78,751	73,545	68,178	62,598	56,750
	Total		222,594	274,560	315,816	310,221	304,357
PI-4	Operational Boundary for External Debt		£'000	£'000	£'000	£'000	£'000
	Borrowing		163,947	229,154	280,870	293,957	293,556
	Other Long Term Liabilities		83,836	78,751	73,545	68,178	62,598
	Total		247,783	307,905	354,415	362,135	356,154
PI-5	Authorised Limit for External Debt		£'000	£'000	£'000	£'000	£'000
	Borrowing		188,539	263,527	323,001	338,051	337,589
	Other Long Term Liabilities		83,836	78,751	73,545	68,178	62,598
	Total		272,375	342,278	396,546	406,229	400,187
Indicators of Prudence							
PI-6	(Under)/Over Gross Borrowing against the CFR		£'000 (20,505)	£'000 (28,085)	£'000 (33,618)	£'000 (47,070)	£'000 (46,672)
TREASURY INDICATORS							
TI-1	Upper Limit to Fixed Interest Rates based on Net Debt		100% of debt position				
TI-2	Upper Limit to Variable Interest Rates based on Net Debt		30% of debt position				
TI-3	Maturity Structure of Fixed Interest Rate Borrowing		15% maturing in any one year at the time of borrowing				
TI-4	Maximum Principal Sum invested greater than 365 days		5%	5%	5%	5%	5%

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ANNEX B: INTEREST RATE FORECASTS 2021 – 2024 The PWLB rates below are based on the new margins over gilts announced on 26th November 2020. PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Link Group Interest Rate View	9.11.20				(The Capital Economics forecasts were done 11.11.20)									
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80	
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	
Bank Rate														
Link	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
Capital Economics	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-	
5yr PWLB Rate														
Link	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	
Capital Economics	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-	
10yr PWLB Rate														
Link	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	
Capital Economics	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-	-	
25yr PWLB Rate														
Link	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80	
Capital Economics	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-	
50yr PWLB Rate														
Link	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	
Capital Economics	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-	

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ANNEX C - LINK Group Economic Background (as at January 2021)

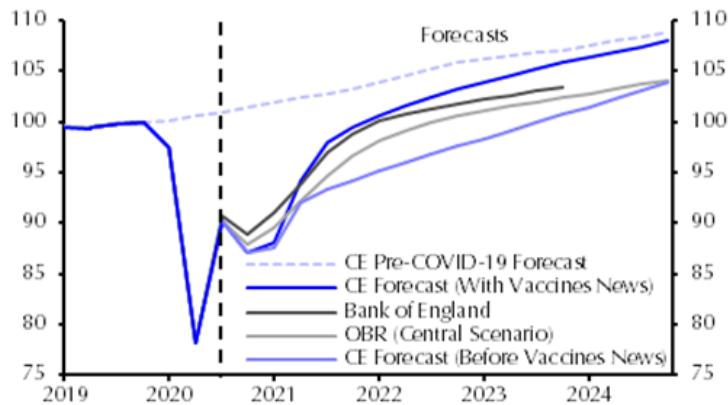
- **UK.** The key quarterly meeting of the Bank of England Monetary Policy Committee kept **Bank Rate** unchanged on 5.11.20. However, it revised its economic forecasts to take account of a second national lockdown from 5.11.20 to 2.12.20 which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of **quantitative easing (QE) of £150bn**, to start in January when the current programme of £300bn of QE, announced in March to June, runs out. It did this so that “announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target”.
- Its forecasts appeared, at that time, to be rather optimistic in terms of three areas:
 - The economy would recover to reach its pre-pandemic level in Q1 2022
 - The Bank also expected there to be excess demand in the economy by Q4 2022.
 - CPI inflation was therefore projected to be a bit above its 2% target by the start of 2023 and the “inflation risks were judged to be balanced”.
- Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it “stands ready to adjust monetary policy”, the MPC this time said that it will take “whatever additional action was necessary to achieve its remit”. The latter seems stronger and wider and may indicate the Bank’s willingness to embrace new tools.
- One key addition to **the Bank’s forward guidance in August** was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Our Bank Rate forecast currently shows no increase, (or decrease), through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern. **Inflation** is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern.
- However, the minutes did contain several references to **downside risks**. The MPC reiterated that the “recovery would take time, and the risks around the GDP projection were judged to be skewed to the downside”. It also said “the risk of a more persistent period of elevated unemployment remained material”. Downside risks could well include severe restrictions remaining in place in some form during the rest of December and most of January too. **Upside risks** included the early roll out of effective vaccines.
- **COVID-19 vaccines.** We had been waiting expectantly for news that various COVID-19 vaccines would be cleared as being safe and effective for administering to the general public. The Pfizer announcement on 9th November was very encouraging as its 90% effectiveness was much higher than the 50-60% rate of effectiveness of flu vaccines which might otherwise have been expected. However, this vaccine has demanding cold storage requirements of minus 70c that impairs the speed of application to the general population. It has therefore been particularly welcome that the Oxford University/AstraZeneca vaccine has now also been approved which is much cheaper and only requires fridge temperatures for storage. The Government has 60m doses on order and is aiming to vaccinate at a rate

of 2m people per week starting in January, though this rate is currently restricted by a bottleneck on vaccine production; (a new UK production facility is due to be completed in June).

- These announcements, plus expected further announcements that other vaccines could be approved soon, have enormously boosted confidence that **life could largely return to normal during the second half of 2021**, with activity in the still-depressed sectors like restaurants, travel and hotels returning to their pre-pandemic levels; this would help to bring the unemployment rate down. With the household saving rate having been exceptionally high since the first lockdown in March, there is plenty of pent-up demand and purchasing power stored up for these services. A comprehensive roll-out of vaccines might take into late 2021 to fully complete; but if these vaccines prove to be highly effective, then there is a possibility that restrictions could start to be eased, beginning possibly in Q2 2021 once vulnerable people and front-line workers have been vaccinated. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines would radically improve the economic outlook once they have been widely administered; it may allow GDP to rise to its pre-virus level a year earlier than otherwise and mean that the unemployment rate peaks at 7% in 2021 instead of 9%.
- **Public borrowing** was forecast in November by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PWLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is manageable despite the huge increase in the total amount of debt. The OBR was also forecasting that the government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26. However, initial impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.
- Overall, **the pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. It is likely that the one month national lockdown that started on 5th November, will have caused a further contraction of 8% m/m in November so the economy may have then been 14% below its pre-crisis level.
- **December 2020 / January 2021**. Since then, there has been rapid back-tracking on easing restrictions due to the spread of a new mutation of the virus, and severe restrictions were imposed across all four nations. These restrictions were changed on 5.1.21 to national lockdowns of various initial lengths in each of the four nations as the NHS was under extreme pressure. It is now likely that wide swathes of the UK will remain under these new restrictions for some months; this means that the near-term outlook for the economy is grim. However, the distribution of vaccines and the expected consequent removal of COVID-19 restrictions, should allow GDP to rebound rapidly in the second half of 2021 so that the economy could climb back to its pre-pandemic peak as soon as late in 2022. Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant caveat is if another mutation of COVID-19 appears that defeats the current batch of vaccines.

However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development and vaccine production facilities are being ramped up around the world.

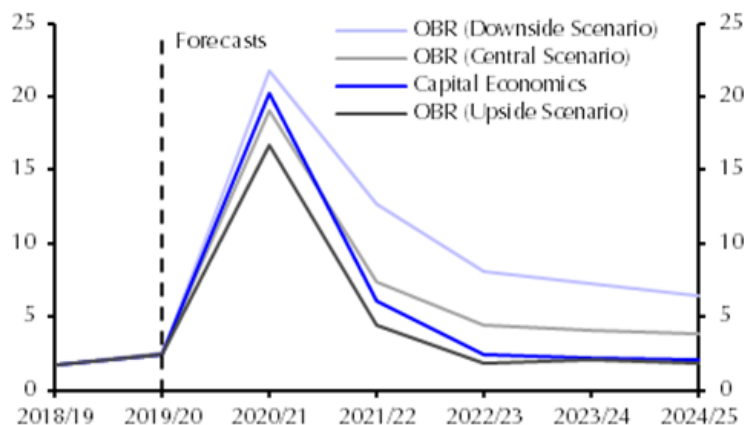
Chart: Level of real GDP (Q4 2019 = 100)



(the key describing each line in the above graph is in sequential order from top to bottom in parallel with the lines in the graph.)

This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade would have major repercussions for public finances as it would be consistent with the government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's most optimistic forecast in the graph below, rather than their current central scenario which predicts a 4% deficit due to assuming much slower growth. However, Capital Economics forecasts assumed that there is a reasonable Brexit deal and also that politicians do not raise taxes or embark on major austerity measures and so, (perversely!), depress economic growth and recovery.

Chart: Public Sector Net Borrowing (as a % of GDP)

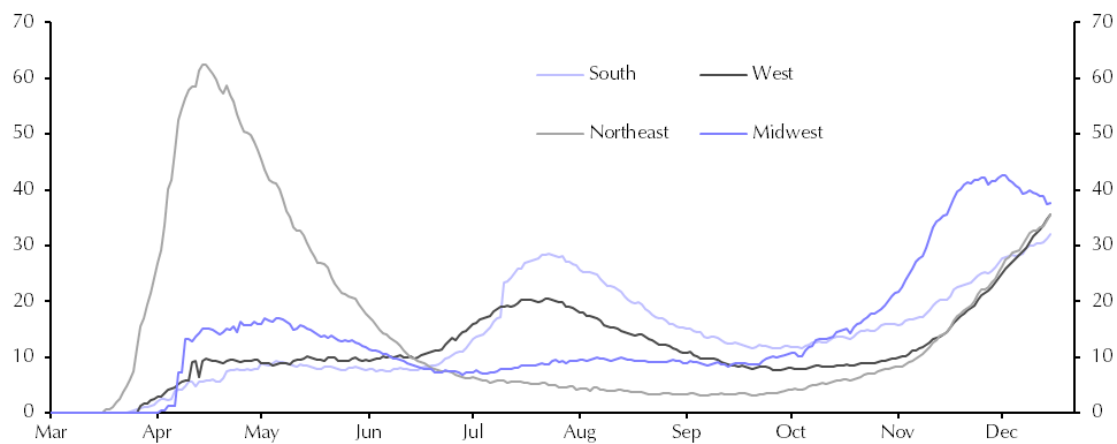


(the key describing each line in the above graph is in sequential order from top to bottom in parallel with the lines in the graph.)

- There will still be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever, even if vaccines are fully successful in overcoming the current virus. There is also likely to be a reversal of globalisation as this crisis has exposed how vulnerable long-distance supply chains are. On the other hand, digital services are one area that has already seen huge growth.
- **Brexit.** While the UK has been gripped by the long running saga of whether or not a deal would be made by 31.12.20, the final agreement on 24.12.20, followed by ratification by Parliament and all 27 EU countries in the following week, has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. As the forecasts in this report were based on an assumption of a Brexit agreement being reached, there is no need to amend these forecasts.
- **Monetary Policy Committee meeting of 17 December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks to the economy that it had highlighted in November. But this was caveated by it saying, “Although all members agreed that this would reduce downside risks, they placed different weights on the degree to which this was also expected to lead to stronger GDP growth in the central case.” So, while the vaccine is a positive development, in the eyes of the MPC at least, the economy is far from out of the woods. As a result of these continued concerns, the MPC voted to extend the availability of the Term Funding Scheme, (cheap borrowing), with additional incentives for small and medium size enterprises for six months from 30.4.21 until 31.10.21. (The MPC had assumed that a Brexit deal would be agreed.)
- **Fiscal policy.** In the same week as the MPC meeting, the Chancellor made a series of announcements to provide further support to the economy: -
 - An extension of the COVID-19 loan schemes from the end of January 2021 to the end of March.
 - The furlough scheme was lengthened from the end of March to the end of April.
 - The Budget on 3.3.21 will lay out the “next phase of the plan to tackle the virus and protect jobs”. This does not sound like tax rises are imminent, (which could hold back the speed of economic recovery).
- The **Financial Policy Committee** (FPC) report on 6.8.20 revised down their expected credit losses for the banking sector to “somewhat less than £80bn”. It stated that in its assessment, “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.
- **US.** The result of **the November elections** meant that while the Democrats gained the presidency and a majority in the House of Representatives, it looks as if the Republicans could retain their slim majority in the Senate provided they keep hold of two key seats in Georgia in elections in early January. If those two seats do swing to the Democrats, they will then control both Houses and President Biden will consequently have a free hand to determine policy and to implement his election manifesto.

- **The economy** had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases during quarter 4, to the highest level since mid-August, suggests that the US could be in the early stages of a fourth wave. While the first wave in March and April was concentrated in the Northeast, and the second wave in the South and West, the third wave in the Midwest looks as if it now abating. However, it also looks as if the virus is rising again in the rest of the country. The latest upturn poses a threat that the recovery in the economy could stall. This is **the single biggest downside risk** to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, states might feel it necessary to return to more draconian lockdowns.

COVID-19 hospitalisations per 100,000 population



- The restrictions imposed to control the spread of the virus are once again weighing on the economy with employment growth slowing sharply in November and retail sales dropping back. The economy is set for further weakness in December and into the spring. However, a \$900bn fiscal stimulus deal passed by Congress in late December will limit the downside through measures which included a second round of direct payments to households worth \$600 per person and a three-month extension of enhanced unemployment insurance (including a \$300 weekly top-up payment for all claimants). GDP growth is expected to rebound markedly from the second quarter of 2021 onwards as vaccines are rolled out on a widespread basis and restrictions are loosened.
- After Chair Jerome Powell unveiled the **Fed's adoption of a flexible average inflation target** in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed by a majority to a toned down version of the new inflation target in his speech - that *"it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time."* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has

actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. The FOMC's updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

- The Fed's meeting on **5 November** was unremarkable - but at a politically sensitive time around the elections. At its **16 December** meeting the Fed tweaked the guidance for its monthly asset quantitative easing purchases with the new language implying those purchases could continue for longer than previously believed. Nevertheless, with officials still projecting that inflation will only get back to 2.0% in 2023, the vast majority expect the fed funds rate to be still at near-zero until 2024 or later. Furthermore, officials think the balance of risks surrounding that median inflation forecast are firmly skewed to the downside. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping Treasury yields low – which will also have an influence on gilt yields in this country.
- **EU.** In early December, the figures for Q3 GDP confirmed that the economy staged a rapid rebound from the first lockdowns. This provides grounds for optimism about growth prospects for next year. In Q2, GDP was 15% below its pre-pandemic level. But in Q3 the economy grew by 12.5% q/q leaving GDP down by “only” 4.4%. That was much better than had been expected earlier in the year. However, growth is likely to stagnate during Q4 and in Q1 of 2021, as a second wave of the virus has affected many countries: it is likely to hit hardest those countries more dependent on tourism. The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support, and quickly enough, to make an appreciable difference in the countries most affected by the first wave.
- With inflation expected to be unlikely to get much above 1% over the next two years, **the ECB** has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a possible tool to use. The ECB's December meeting added a further €500bn to the PEPP scheme, (purchase of government and other bonds), and extended the duration of the programme to March 2022 and re-investing maturities for an additional year until December 2023. Three additional tranches of TLTRO, (cheap loans to banks), were approved, indicating that support will last beyond the impact of the pandemic, implying indirect yield curve control for government bonds for some time ahead. The Bank's forecast for a return to pre-virus activity levels was pushed back to the end of 2021, but stronger growth is projected in 2022. The total PEPP scheme of €1,850bn of QE which started in March 2020 is providing protection to the sovereign bond yields of weaker countries like Italy. There is therefore unlikely to be a euro crisis while the ECB is able to maintain this level of support. However, as in the UK and the US, the advent of highly effective vaccines will be a game changer, although growth will struggle before later in quarter 2 of 2021.

- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and then into Q3 and Q4; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth. At the same time, China's economy has benefited from the shift towards online spending by consumers in developed markets. These factors help to explain its comparative outperformance compared to western economies. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns in the longer term. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.
- **Japan.** A third round of fiscal stimulus in early December took total fresh fiscal spending this year in response to the virus close to 12% of pre-virus GDP. That's huge by past standards, and one of the largest national fiscal responses. The budget deficit is now likely to reach 16% of GDP this year. Coupled with Japan's relative success in containing the virus without draconian measures so far, and the likelihood of effective vaccines being available in the coming months, the government's latest fiscal effort should help ensure a strong recovery and to get back to pre-virus levels by Q3 2021 – around the same time as the US and much sooner than the Eurozone.
- **World growth.** World growth will have been in recession in 2020. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.
- Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

Summary

Central banks are, therefore, likely to support growth by maintaining loose monetary policy through keeping rates very low for longer. Governments could also help a quicker recovery by providing more fiscal support for their economies at a time when total debt is affordable due to the very low rates of interest. They will also need to avoid significant increases in taxation or austerity measures that depress demand in their economies.

If there is a huge surge in investor confidence as a result of successful vaccines which leads to a major switch out of government bonds into equities, which, in turn, causes government debt yields to rise, then there will be pressure on central banks to actively manage debt yields by further QE purchases of government debt; this would help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.

INTEREST RATE FORECASTS

Brexit. The interest rate forecasts provided by Link in paragraph 4.3 were predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31.12.20. There is therefore no need to revise these forecasts now that a trade deal has been agreed. Brexit may reduce the economy's potential growth rate in the long run. However, much of that drag is now likely to be offset by an acceleration of productivity growth triggered by the digital revolution brought about by the COVID crisis.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is still subject to some uncertainty due to the virus and the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **UK government** takes too much action too quickly to raise taxation or introduce austerity measures that depress demand in the economy.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for "weaker" countries. In addition, the EU agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next two or three years.

However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.

- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she will remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments.** Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU, and they had threatened to derail the 7 year EU budget until a compromise was thrashed out in late 2020. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK** - a significant rise in inflationary pressures e.g. caused by a stronger than currently expected recovery in the UK economy after effective vaccines are administered quickly to the UK population, leading to a rapid resumption of normal life and return to full economic activity across all sectors of the economy.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a rapid series of increases in Bank Rate to stifle inflation.

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ANNEX D

Objectives of each type of Permitted Investment instrument

1. DEPOSITS

The following forms of 'investments' are actually more accurately called deposits as cash is deposited in an account until an agreed maturity date or is held at call.

- a) **Debt Management Agency Deposit Facility (DMADF).** This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the Government. It is also easy to use as it is a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts. As it is low risk it also earns low rates of interest. However, it is very useful for authorities whose overriding priority is the avoidance of risk. The longest period for a term deposit with the DMADF is 6 months.
- b) **Term deposits with high credit worthiness banks and building societies.** This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF (dependent on term). The authority will ensure diversification of its portfolio of deposits ensuring that an approved maximum can be placed with any one institution or group. In addition, longer term deposits offer an opportunity to increase investment returns by locking in high rates ahead of an expected fall in the level of interest rates. At other times, longer term rates can offer good value when the markets incorrectly assess the speed and timing of interest rate increases. This form of investing therefore, offers a lot of flexibility and higher earnings than the DMADF. Where it is restricted is that once a longer term investment is made, that cash is locked in until the maturity date.
- c) **Call accounts with high credit worthiness banks and building societies.** The objectives are as for 1b, but there is instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Some use of call accounts is highly desirable to ensure that the authority has ready access to cash when needed to pay bills.
- d) **Fixed term deposits with variable rate and variable maturities (structured deposits).** This line encompasses ALL types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluidity of this area, this is a generic title for all structured deposits and provides greater flexibility to adopt new instruments as and when they are brought to the market. Approval will be sought before making deposits using instruments under this generic title.

2. DEPOSITS WITH COUNTERPARTIES CURRENTLY IN RECEIPT OF GOVERNMENT SUPPORT / OWNERSHIP

These banks offer another dimension of creditworthiness in terms of Government backing through either partial or full direct ownership. The view of this authority is that such backing makes these banks attractive institutions with whom to place deposits, and that will remain our view if the UK sovereign rating were to be downgraded in the coming year.

- a) **Term deposits with high credit worthiness banks which are fully or semi nationalised.** As for 1b, but Government full (or substantial partial) ownership, implies that the Government stands behind this bank and will be deeply committed to providing whatever support that may be required to ensure the continuity of that bank. This authority considers that this indicates a low and acceptable level of residual risk.

3. COLLECTIVE INVESTMENT SCHEMES STRUCTURED AS OPEN ENDED INVESTMENT COMPANIES (OEICS)

- a) **Government liquidity funds.** These are the same as money market funds (see below) but only invest in government debt issuance with highly rated governments. Due to the higher quality of underlying investments, they offer a lower rate of return than MMFs. However, their net return is typically on a par with the DMADF, but with instant access.
- b) **Money Market Funds (MMFs).** By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this authority does not currently have the expertise or capabilities to hold directly. However, due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities. They are particularly advantageous in falling interest rate environments as their 60 day WAM means they have locked in investments earning higher rates of interest than are currently available in the market. MMFs also help an authority to diversify its own portfolio as e.g. a £2m investment placed directly with HSBC is a 100% risk exposure to HSBC whereas £2m invested in a MMF may end up with say £10,000 being invested with HSBC through the MMF. For authorities particularly concerned with risk exposure to banks, MMFs offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF.
- c) **Ultra-short dated bond funds.** These funds are similar to MMFs, can still be AAA rated but have variable net asset values (VNAV) as opposed to a traditional MMF which has a Constant Net Asset Value (CNAV). They aim to achieve a higher yield and to do this either take more credit risk or invest out for longer periods of time, which means they are more volatile. These funds can have WAM's and Weighted Average Life (WAL's) of 90 – 365 days or even longer. Their primary objective is yield and capital preservation is second. They therefore are a higher risk than MMFs and correspondingly have the potential to earn higher returns than MMFs.

4. SECURITIES ISSUED OR GUARANTEED BY GOVERNMENTS

The following types of investments are where an authority directly purchases a particular investment instrument, a security, i.e. it has a market price when purchased and that value can change during the period the instrument is held until it matures or is sold. The annual earnings on a security is called a yield i.e. it is normally the interest paid by the issuer divided by the price you paid to purchase the security unless a security is initially issued at a discount e.g. treasury bills.

- a) **Treasury bills.** These are short term bills (up to 18 months, but usually 9 months or less) issued by the Government and so are backed by the sovereign rating of the UK. The

yield is higher than the rate of interest paid by the DMADF and another advantage compared to a term deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales could incur a net cost during the period of ownership.

- b) **Gilts.** These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a term deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales may incur a net cost. Market movements that occur between purchase and sale may also have an adverse impact on proceeds. The advantage over Treasury bills is that they generally offer higher yields the longer it is to maturity (for most periods) if the yield curve is positive.

5. SECURITIES ISSUED BY CORPORATE ORGANISATIONS

The following types of investments are where an authority directly purchases a particular investment instrument, a security, i.e. it has a market price when purchased and that value can change during the period the instrument is held until it is sold. The annual earnings on a security is called a yield i.e. is the interest paid by the issuer divided by the price you paid to purchase the security. These are similar to the previous category but corporate organisations can have a wide variety of credit worthiness so it is essential for local authorities to only select the organisations with the highest levels of credit worthiness. Corporate securities are generally a higher risk than government debt issuance and so earn higher yields.

- a) **Certificates of deposit (CDs).** These are shorter term securities issued by deposit taking institutions (mainly financial institutions). They are negotiable instruments, so can be sold ahead of maturity and also purchased after they have been issued. However, that liquidity can come at a price, where the yield could be marginally less than placing a deposit with the same bank as the issuing bank.
- b) **Corporate bonds.** These are (long term) bonds (usually bearing a fixed rate of interest) issued by a financial institution, company or other non-government issuer in order to raise capital for the institution as an alternative to issuing shares or borrowing from banks. They are generally seen to be of a lower creditworthiness than government issued debt and so usually offer higher rates of yield.
- c) **Floating rate notes.** These are bonds on which the rate of interest is established periodically with reference to short-term interest rates.

6. OTHER

- a) **Property fund.** This is a collective investment fund specialising in property. Rather than owning a single property with all the risk exposure attached to one property in one location rising or falling in value, maintenance costs, tenants actually paying their rent / lease etc., a collective fund offers the advantage of diversified investment over a wide portfolio of different properties. This can be attractive for authorities who want exposure to the potential for the property sector to rise in value. However, timing is critical to entering or leaving this sector at the optimum times of the property cycle of rising and falling values.

Typically, the minimum investment time horizon for considering such funds is at least 3-5 years.

- b) **Loans to 3rd parties.** These are loans provided to third parties at either market rates of interest or below market rates. Each application is supported by the service rationale behind the loan and requires member approval. These loans are highly illiquid and may exhibit credit risk.
- c) **Loans to a Local Authority Company/ Partnership or Charity.** These loans have to be supported by the service rationale /business case and requires member approval. In general these loans will involve some form of security or clear cash flow that is available to service the debt. These loans are highly illiquid and may exhibit credit risk.
- d) **Shares in Hub schemes.** These are shares in projects that have both Council and the Scottish Government as participants. As such the Council are well placed to influence and ensure the successful completion of the projects, which are based on robust business cases with a cash flow from the public sector organisations. These investments are highly illiquid with a low credit risk.

ANNEX E

Credit and Counterparty Risk Management

Permitted Investments, Associated Controls and Limits for East Renfrewshire Council and East Renfrewshire Culture & Leisure Trust

Type of Investment	Treasury Risks	Mitigating Controls	Limits
a. Deposits with the Debt Management Account Facility (UK Government) (Very low risk)	This is a deposit with the UK Government and, as such, counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months	Little mitigating controls required. As this is a UK Government investment, the monetary limit is high.	£20m Maximum 6 months
b. Deposits with other local authorities or public bodies (Very low risk)	These are considered quasi UK Government debt and, as such counterparty risk is very low, and there is no risk to value. Liquidity may present a problem as deposits can only be broken with the agreement of the counterparty, and penalties can apply. Deposits with non-local authority bodies will be restricted to the overall credit rating criteria	Little mitigating controls required for local authority deposits, as this is a quasi UK Government investment. Non-local authority deposits will follow the approved credit rating criteria	£5m (per body), maximum 6 months
c. Money Market Funds (MMFs) Low Volatility Net Asset Value (LVNAV) (Low to very low risk)	Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.	Funds will only be used where the MMFs has a “AAA” rated status from either Fitch, Moody’s or Standard & Pooors.	£10m per fund/£60m overall
d. Ultra-Short Dated Bond Funds (Low risk)	Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.	Funds will only be used where they have a “AAA” rated status from either Fitch, Moody’s or Standard and Poor’s.	£10m overall, part of category c.
e. Call account deposit accounts with financial institutions	These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. These type of investments have no risk to	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured	As shown in the counterparty

(banks and building societies) (Low risk depending on credit rating)	value, liquidity is high and investment can be returned at short notice	primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Day to day investment dealing with this criteria will be further strengthened by use of additional market intelligence.	listing (Annex F)
f. Term deposits with financial institutions (banks and building societies) (Low to medium risk depending on period & credit rating)	These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	As shown in the counterparty listing (Annex F)
g. UK Government Gilts and Treasury Bills (Very low risk)	These are marketable securities issued by the UK Government and, as such, counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates (no loss if these are held to maturity).	Little counterparty mitigating controls are required, as this is a UK Government investment. The potential for capital loss will be reduced by limiting the maximum monetary and time exposures.	£5m, maximum 6 months
h. Certificates of Deposit with Financial Institutions (Banks & Building Societies) (Low risk)	These are short dated marketable securities issued by financial institutions and as such counterparty risk is low, but will exhibit higher risks than categories (a), (b) and (c) above. There is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates (no loss if these are held to maturity). Liquidity risk will normally be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	Dependent on institution as listed in counterparty listing in annex F
i. Structured deposit facilities with banks and building societies	These tend to be medium to low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured	Dependent on institution as listed in

(escalating rates, de-escalating rates etc.) (Low to medium risk depending on period & credit rating)	Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply).	primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	counterparty listing in annex F
j. Corporate Bonds (Medium to high risk depending on period and credit rating)	These are marketable securities issued by financial and corporate institutions. Counterparty risk will vary and there is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Corporate bonds will be restricted to those meeting the base criteria. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	Dependent on institution as listed in counterparty listing in annex F
k. Investment properties	These are non-service properties which are being held pending disposal or for a longer-term rental income stream. These are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids)	In larger investment portfolios, some small allocation of property based investment may counterbalance/compliment the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams.	No limit
l. Loans to third parties, including soft loans	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application is supported by the service rationale behind the loan and the likelihood of partial or full default.	£0.5m
m. Loans to a local authority company/ partnership or charity	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid	Each loan to a local authority company requires Member approval and each application is supported by the service rationale/business case behind the loan and the likelihood of partial or full default.	£1m

n. Shares in Hub Schemes	These are investments that are exposed to the success or failure of individual projects and are highly illiquid.	The Council and Scottish Government (via the SFT) are participants in and party to the governance and controls within the project structure. As such they are well placed to influence and ensure the successful completion of the project's term. These projects are based on robust business cases with a cash flow from public sector organisations (i.e. low credit risk)	Investment limited to HUB schemes where the Council is a major participant
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The Monitoring of Investment Counterparties

The status of counterparties will be monitored regularly. The Council receives credit rating and market information from Link Asset Services, including when ratings change, and counterparties are checked promptly. On occasion rating may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately (with the exception of the Council's Bank) and if required new counterparties which meet the criteria will be added to the list with written permission of the Head of Accountancy (Chief Financial Officer).

Annex F

EAST RENFREWSHIRE COUNCIL

ORGANISATIONS APPROVED FOR THE INVESTMENT OF SURPLUS FUNDS

Banking Group	Individual Counterparty	Limits	
		Deposit	Transaction
Bank of England	Debt Management Office	£20m	£10m
	UK Treasury Bills	£5m	£5m
Barclays Banking Group	Barclays Bank	£5m	£5m
Goldman Sachs International Bank		£5m	£5m
HSBC		£5m	£5m
Lloyds Banking Group:	Bank of Scotland	£12.5m	£10m
Royal Bank of Scotland Group:	Royal Bank of Scotland	} £5m	£5m
	National Westminster Bank		£5m
Santander Group	Santander UK PLC	£7.5m	£7.5m
Standard Chartered Bank		£5m	£5m
Clydesdale Bank		£0	£0
Building Societies			
Nationwide		£5m	£5m
Local Authorities			
All Local Authorities including Police & Fire (per fund)		£5m	£5m
Money Market Funds and Ultra-Short Dated Bond Funds			
Maximum limit of £10m per fund,		£60m	£10m

Credit Ratings

	Fitch		Moody's		S&P	
	LT	ST	LT	ST	LT	ST
Minimum Criteria	A-	F1	A3	P-1/P-2	A	A-1/A-2

(Unless Government backed)

(Please note credit ratings are not the sole method of selecting counterparty)

Limit

Investment of surplus funds is permitted in each of the above organisations, with the limits set on an individual basis by the Head of Accountancy (Chief Financial Officer).

The limit may only be exceeded or another organisation approved with the written permission of the Head of Accountancy (Chief Financial Officer).

Deposit Periods

The maximum period for any deposit is currently set at 6 months, based on the Link Assets Services suggested Duration Matrix, with the exception of the Bank of Scotland which is set at 365 days. These limits can only be exceeded with the written permission of the Head of Accountancy (Chief Financial Officer).

Hub scheme deposit periods are dependent on the lifetime of the associated scheme.

GLOSSARY OF TERMS

CIPFA	Chartered Institute of Public Finance and Accountancy
CIPFA Code	Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes
CFR	Capital Financing Requirement is the estimated level of borrowing or financing needed to fund capital expenditure.
Consent to Borrow	Para 1 (1) of Schedule 3 of the Local Government (Scotland) Act 1975 (the 1975 Act) effectively restricts local authorities to borrowing only for capital expenditure. Under the legislation Scottish Ministers may provide consent for local authorities to borrow for expenditure not covered by this paragraph, where they are satisfied that the expenditure should be met by borrowing.
Gilts	A gilt is a UK Government liability in sterling, issued by HM Treasury and listed on the London Stock Exchange. The term “gilt” or “gilt-edged security” is a reference to the primary characteristic of gilts as an investment: their security. This is a reflection of the fact that the British Government has never failed to make interest or principal payments on gilts as they fall due.
LIBID	London Interbank Bid Rate The rate at which banks bid on Eurocurrency Deposits, being the rate at which a bank is willing to borrow from other banks.
MPC	Monetary Policy Committee
NHT	National Housing Trust initiative undertaken in partnership with the Scottish Futures Trust.
Other Long Term Liabilities	Balance sheet items such as Public Private Partnership (PPP), and leasing arrangements which already include borrowing instruments.
PPP	Public-Private Partnership.
Prudential Indicators	The Prudential Code sets out a basket of indicators (the Prudential Indicators) that must be prepared and used in order to demonstrate that local authorities have fulfilled the objectives of the Prudential Code.
QE	Quantitative Easing
Treasury Indicators	These consist of a number of Treasury Management Indicators that local authorities are expected to ‘have regard’ to, to demonstrate compliance with the Treasury Management Code of Practice.

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EAST RENFREWSHIRE COUNCIL15 March 2021Report by Head of Accountancy (Chief Financial Officer)DETAILED REVENUE ESTIMATES 2021/22**PURPOSE OF REPORT**

1. To submit for approval detailed revenue estimates of income and expenditure for 2021/22.

RECOMMENDATIONS

2. It is recommended that the Council approves the detailed revenue estimates for 2021/22 and the associated utilisation of £3.465m of reserves.

REVENUE BUDGET – FINAL SETTLEMENT POSITION

3. Due to the significant chance of late changes to the settlement, as experienced in recent years, the Council on 25 February 2021 agreed to set only an outline budget for 2021/22 at that point and to confirm detailed budgets and savings plans on 15 March once the full settlement had been confirmed. The Council had identified sufficient savings options to balance its budget but only wished to implement those which were absolutely necessary.

4. Following the finalisation of the UK and Scottish budgets in the last two weeks it has been confirmed that the Council Tax freeze funding for 2021/22 will be baselined. The Council also expects to receive some additional new monies in 2021/22 (amounts yet to be confirmed), however these will be tied to specific purposes associated with reducing class sizes and Pupil Equity Funds and therefore will not be available to support existing service pressures. For budget planning this effectively represents no net change at present from the figure announced on 28 January 2021 as set out in the table below.

	REVISED AEF 2020/21	AEF 2021/22
	£000	£000
General Revenue Funding	168,622	178,464*
Specific Grants	7,791	8,505
Non Domestic Rates	<u>14,877</u>	<u>9,107*</u>
	<u>191,290</u>	<u>196,076</u>

*The 2021/22 General Revenue Funding above has been increased in part to compensate for the loss of NDR income due to COVID rating reliefs.

5. The Scottish budget also confirmed that non-recurring funding will be made available to address COVID related pressures in 2021/22. The full amount to be made available to each Council is still to be confirmed but officers will closely monitor such costs in the coming year and, should these exceed the grant available, a further report will be brought to Council setting out the proposed actions available, including the use of fiscal flexibility powers.

RESERVES AND SAVINGS PROPOSALS

6. On 25 February 2021 the Council approved outline departmental non-COVID spending plans totalling £258.343m. This figure included confirmation of the Council's contributions to the Integrated Joint Board (IJB) and the East Renfrewshire Culture & Leisure Trust (ERCLT), together with savings of £3.503m still to be allocated to the Council's own departments.

7. Detailed budgets and savings for the Health & Social Care Partnership (HSCP) will be determined by the IJB. The Council's total allocation to the IJB for 2021/22, including new Government grant funding of £1.4m, is £2.4m higher than in the current year. This takes account of demographic, pay and contract pressures together with the savings target for HSCP.

8. Likewise ERCLT determine the detailed budget and savings plans for services provided via the Trust. Specific provision has been made in the Council's support for 2021/22 to permit the consolidation of living wage for Trust staff in line with the terms and conditions of Council employees. Any COVID related pressures impacting on the Trust in 2021/22 will be funded by the Council via Government grants and/or fiscal flexibilities.

9. As a result of the confirmed settlement figures the savings requirement for Council departments remains unchanged. The council's forecast reserves position has, however, been reviewed.

10. Budgets are closely monitored throughout the year and the latest 2020/21 monitoring reported to Cabinet on 4 March 2021 indicated a non-COVID related underspend of £2.472m by the year end. Since then continuous review of Education revenue and capital expenditure plans and anticipated grant income has identified a further forecast underspend of £0.465m through funding some equipment purchases from the capital programme rather than from the revenue budget. As this will result in an improved year end General Fund unallocated reserve position at 31 March 2021, it is proposed that the drawdown from reserves in 2021/22 is increased by this sum to a total of £3.465m to minimise the Education savings requirement for that year. This will still leave the forecast unallocated General Fund reserve at £5.615 million (2.20%) at 31 March 2022, as approved by Council on 25 February 2021.

11. Scrutiny of the 2020/21 revenue position will continue at year end, when it will be possible to confirm the final position of Devolved School Management budgets. Schools are permitted to carry forward up to 2% of unspent DSM resources into the next financial year using the DSM reserve, with any excess underspends (typically less than £100k in total) being taken to the General Fund unallocated reserve. Early indications are that the DSM reserve will increase by £0.4m, bringing its total at 31 March 2021 to over £4m (31/3/20 £3.58m). The DSM underspends are expected to be larger than usual due to the impact of COVID on spending plans, and the year end position may potentially be higher with the excess transferred to general reserves. If this position is confirmed at year end, Council may wish to consider making an additional allocation to school DSM budgets during 2021/22 from these unusually high underspends to assist in managing into the schools' savings required. Council will be asked to consider this issue when approving the Council's draft accounts for 2020/21 in June 2021.

12. Taking account of the position described above, revised departmental budgets are set out in Annex A together with detailed service budgets for approval. Where it has been possible to forecast COVID related grant funding and associated expenditure, this has also been reflected in the detailed estimates pages to assist managers in monitoring spend.

13. Savings to be applied are listed in Annex B. It should be noted that some savings are non-recurring and that alternative proposals will have to be identified by the relevant departments for future years.

NET EXPENDITURE

14. The resulting revenue estimates for 2021/22 provide for net expenditure of £258.808 million, made up as follows:-

	BUDGET 2021/22 £m
Education	152.519
Contribution to IJB	54.319
Environment	26.258
Community Resources	12.436
Chief Executive's - Non Support	0.065
Joint Boards	2.359
Contingency - Welfare	0.200
Capital Financing Costs	8.863
Other	1.789
	258.808

EQUALITY IMPACT ASSESSMENT

15. Section 149 of the Equality Act 2010 (the public sector general equality duty), requires the Council, in the exercise of its functions, to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

16. The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires the Council, when proposing a new policy or practice, or revising an existing one, to:

- assess the impact of applying its proposals or changes against the three needs of the general equality duty, listed above;
- consider relevant evidence relating to different equality groups (including any evidence received from individuals from those groups);
- take account of the results of any assessment in respect of that policy or practice;
- publish, within a reasonable period, the results of any assessment where the Council decides to apply the policy or practice in question; and
- make arrangements to review and where necessary revise any policy or practice that the Council applies in the exercise of its functions.

17. Recognising this statutory duty, the Council undertakes an equality impact assessment on each of the budget savings measures. Where appropriate, consultation and engagement is undertaken with relevant groups prior to implementing any savings measures assessed as possibly having an impact in equality terms with a view to minimising this impact.

RECOMMENDATIONS

18. It is recommended that the Council approves the detailed revenue estimates for 2021/22 and the associated utilisation of £3.465m of reserves.

Further information is available from M. McCrossan, Head of Accountancy, telephone 0141 577 3035.

KEY WORDS Revenue Estimates, Council Tax, Reserves and Balances, Financial Planning

FINANCIAL ESTIMATES 2021/22

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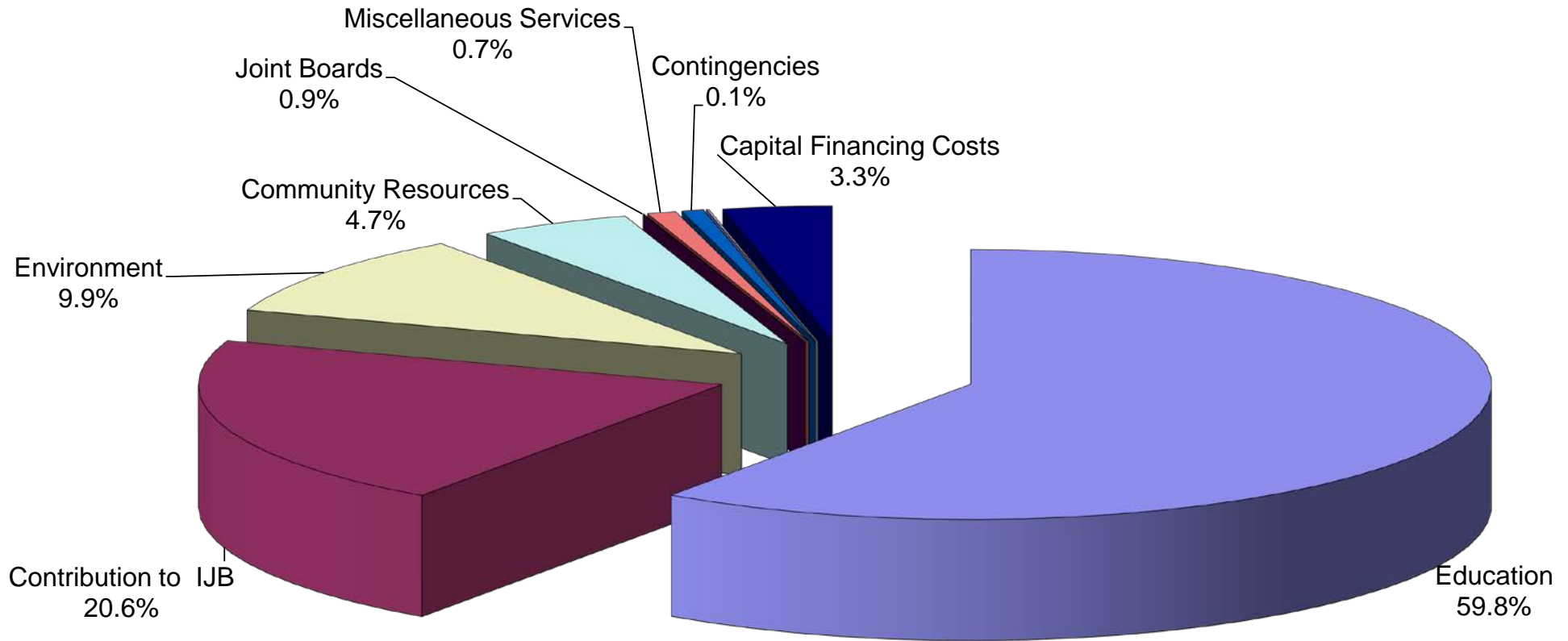
REVENUE ESTIMATES SUMMARY 2021/22 (excluding Covid-19 impact)

	2020/21 Approved Budget	2021/22 Approved Budget
	£'000	£'000
NET EXPENDITURE		
Education	148,812	152,519
Contribution to Integration Joint Board (including Ring Fenced Grant)	51,919	54,319
Environment	26,269	26,258
Community Resources	12,876	12,436
Chief Executive's Office - Non Support	55	65
Joint Boards	2,358	2,359
Miscellaneous Services	1,808	1,789
Contingency - Welfare	200	200
Capital Financing Costs	8,863	8,863
Additional Expenditure / (Savings) to be identified	597	0
	253,757	258,808
Contribution to Assist in Maintaining Reserves.		
	253,757	258,808
FINANCED BY:-		
Revenue Support Grant and Non Domestic Rates	183,499	187,571
Ring Fenced Grants	7,791	8,505
Contribution from Reserves	3,500	3,465
Council Tax	58,967	59,267
	253,757	258,808

REVENUE ESTIMATES SUMMARY 2021/22 (including Covid-19 assumptions)

NET EXPENDITURE	2020/21	2021/22
	Approved Budget	Approved Budget
	£'000	£'000
Education	148,812	157,882
Contribution to Integration Joint Board (including Ring Fenced Grant)	51,919	54,319
Environment	26,269	26,258
Community Resources	12,876	12,463
Chief Executive's Office - Non Support	55	65
Joint Boards	2,358	2,359
Miscellaneous Services	1,808	1,789
Contingency - Welfare	200	200
Capital Financing Costs	8,863	8,863
Additional Expenditure / (Savings) to be identified	597	0
	253,757	264,198
Contribution to Assist in Maintaining Reserves.		
	253,757	264,198
FINANCED BY:-		
Revenue Support Grant and Non Domestic Rates	183,499	187,571
Ring Fenced Grants	7,791	8,505
COVID-19 Funding	-	2,069
Fiscal Flexibilities	-	3,321
Contribution from Reserves	3,500	3,465
Council Tax	58,967	59,267
	253,757	264,198

2021/22 GENERAL FUND REVENUE BUDGET BY DEPARTMENT



E D U C A T I O N

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
Pre Five Education	15,270	15,730
Schools:- Primary	45,567	47,235
Secondary	58,837	60,160
Other	3,463	4,975
Special Education	7,063	7,502
Psychological Services	888	907
Transport (Excl Special)	1,146	1,109
Clothing	228	228
Administration & Support Services	7,399	7,854
Cleaning and Janitorial Services	1,683	1,948
Catering Services	-	-
School Crossing Patrollers	-	-
Culture and Leisure Services	7,268	10,234
	<u>148,812</u>	<u>157,882</u>

CONTRIBUTION TO INTEGRATION JOINT BOARD**DEPARTMENTAL SUMMARY**

	Budget 2020/21 £'000	Budget 2021/22 £'000
Ring Fenced Government Grant	606	614
Council Contribution to Integration Joint Board	51,313	53,705
	<u>51,919</u>	<u>54,319</u>

E N V I R O N M E N T

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
Directorate	1,808	1,910
Environment Accommodation	-	-
Energy Management	127	90
Environment - Non Operational Properties	224	165
Planning & Building Control	1,119	1,295
Economic Development	871	890
Roads	9,778	9,753
Roads Contracting Unit	-	-
Neighbourhood Services	4,731	5,133
Parks Services	(289)	(288)
Prevention Services	1,099	1,205
Waste Management	3,728	3,868
Cleansing	1,148	219
Vehicles Services	-	-
Other Housing	1,925	2,018
	<u>26,269</u>	<u>26,258</u>

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
Directorate	66	73
Community Safety	1,453	1,434
Elections, Members Expenses and Corporate & Democratic Core	2,306	2,162
Grants	172	165
Money Advice and Rights	949	1,006
Registrars	202	217
Strategy Operational	529	379
Communities	963	928
Auchenback Resource Centre	31	31
Council Tax & Non Domestic Rates	4,314	4,350
Revenues - Benefits & Discretionary Payments	971	839
Housing Benefits	610	590
Business Support Team	266	236
Communities, Revenues and Change	44	53
	<u>12,876</u>	<u>12,463</u>

CHIEF EXECUTIVE'S - NON SUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
Accountancy	51	59
Civic Licensing	4	6
Licensing Board	0	0
	<u>55</u>	<u>65</u>

JOINT BOARDS

	Budget 2020/21 £'000	Budget 2021/22 £'000
Passenger Transport	1,770	1,771
Valuation	588	588
	<u>2,358</u>	<u>2,359</u>

MISCELLANEOUS SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
Restructuring etc. costs	412	412
Miscellaneous	69	72
Superannuation Additional Allowances	1,036	1,036
Other Operational Costs	291	269
	<u>1,808</u>	<u>1,789</u>

BUDGETED PERSONNEL 2021/22**ALL SERVICES**

	Full Time Equivalent
Education	2,476
Environment	370
Corporate & Community - Community Resources	112
Chief Executive's - Support Services	52
Chief Executive's - Non Support Services	1
Corporate & Community - Support Services	181
Environment - Support	42
Health & Social Care Partnership	621
Total	<u><u>3,855</u></u>

EDUCATION

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	104,154	115,302
Property Costs	11,736	12,839
Transport Costs	1,996	1,964
Supplies & Services	32,081	26,513
Third Party Payments	7,658	12,527
Transfer Payments	849	849
Support Services	5,290	5,756
Total Expenditure	<u>163,764</u>	<u>175,750</u>
<u>Income</u>		
Ring Fenced Government Grant	7,185	7,892
Other Government Grant	2,788	3,026
Recharge Income (Internal)	9,196	12,247
Fees Charges etc	2,591	2,345
Other Income	377	250
Total Income	<u>22,137</u>	<u>25,760</u>
NET EXPENDITURE FOR COUNCIL TAX	<u>141,627</u>	<u>149,990</u>
<u>Adjustments</u>		
Ring Fenced Government Grant	7,185	7,892
NET EXPENDITURE	<u><u>148,812</u></u>	<u><u>157,882</u></u>

<u>Budgeted Personnel 2021/22</u>	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	1,331.0
APT & C	829.6
Manual	311.5
TOTAL	<u>2,476.1</u>

E D U C A T I O N

P R E F I V E E D U C A T I O N

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	8,594	13,930
Property Costs	316	775
Transport Costs	-	-
Supplies & Services	6,099	992
Third Party Payments	666	2,402
Transfer Payments	-	-
Support Services	10	8
Total Expenditure	15,685	18,107
<u>Income</u>		
Ring Fenced Government Grant	5,849	6,551
Other Government Grant	-	-
Recharge Income (Internal)	31	2,001
Fees Charges etc	384	376
Other Income	-	-
Total Income	6,264	8,928
Net Expenditure for Council Tax	9,421	9,179
<u>Adjustments</u>		
Ring Fenced Government Grant	5,849	6,551
NET EXPENDITURE	15,270	15,730

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	38.0
APT & C	359.3
Manual	-
Total	397.3

EDUCATION

PRIMARY EDUCATION

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	35,235	37,041
Property Costs	4,627	4,765
Transport Costs	-	-
Supplies & Services	7,193	6,995
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	74	59
Total Expenditure	47,129	48,860
<u>Income</u>		
Ring Fenced Government Grant	852	851
Other Government Grant	462	587
Recharge Income (Internal)	312	312
Fees Charges etc	723	661
Other Income	65	65
Total Income	2,414	2,476
Net Expenditure for Council Tax	44,715	46,384
<u>Adjustments</u>		
Ring Fenced Government Grant	852	851
NET EXPENDITURE	45,567	47,235

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	553.8
APT & C	140.5
Manual	-
Total	694.3

E D U C A T I O N
S E C O N D A R Y E D U C A T I O N

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	42,936	44,374
Property Costs	5,043	5,169
Transport Costs	17	17
Supplies & Services	13,555	13,191
Third Party Payments	850	835
Transfer Payments	-	-
Support Services	67	53
Total Expenditure	62,468	63,639
<u>Income</u>		
Ring Fenced Government Grant	360	353
Other Government Grant	2,272	2,277
Recharge Income (Internal)	235	235
Fees Charges etc	1,038	882
Other Income	86	85
Total Income	3,991	3,832
Net Expenditure for Council Tax	58,477	59,807
<u>Adjustments</u>		
Ring Fenced Government Grant	360	353
NET EXPENDITURE	58,837	60,160

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	642.4
APT & C	149.3
Manual	7.0
Total	798.7

EDUCATION

SCHOOLS - OTHER

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,343	2,215
Property Costs	200	574
Transport Costs	-	-
Supplies & Services	1,887	2,082
Third Party Payments	21	54
Transfer Payments	606	606
Support Services	1	1
Total Expenditure	4,058	5,532
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	29	137
Recharge Income (Internal)	-	-
Fees Charges etc	340	320
Other Income	226	100
Total Income	595	557
Net Expenditure for Council Tax	3,463	4,975
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	3,463	4,975

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	18.7
APT & C	6.0
Manual	29.0
Total	53.7

EDUCATION

SPECIAL EDUCATION

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	4,776	5,064
Property Costs	201	211
Transport Costs	773	776
Supplies & Services	457	471
Third Party Payments	914	1,039
Transfer Payments	-	-
Support Services	2	1
Total Expenditure	<u>7,123</u>	<u>7,562</u>
<u>Income</u>		
Ring Fenced Government Grant	111	124
Other Government Grant	-	-
Recharge Income (Internal)	18	18
Fees Charges etc	42	42
Other Income	-	-
Total Income	<u>171</u>	<u>184</u>
Net Expenditure for Council Tax	<u>6,952</u>	<u>7,378</u>
<u>Adjustments</u>		
Ring Fenced Government Grant	111	124
NET EXPENDITURE	<u><u>7,063</u></u>	<u><u>7,502</u></u>

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	56.9
APT & C	58.6
Manual	3.9
Total	<u>119.4</u>

E D U C A T I O N
P S Y C H O L O G I C A L S E R V I C E S

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	882	903
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	6	4
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	888	907
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure for Council Tax	888	907
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	888	907

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	10.3
APT & C	1.0
Manual	-
Total	11.3

E D U C A T I O N

TRANSPORT (EXCLUDING SPECIAL EDUCATION)

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	1,184	1,147
Supplies & Services	-	-
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,184	1,147
<u>Income</u>		
Ring Fenced Government Grant	-	13
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	38	38
Other Income	-	-
Total Income	38	51
Net Expenditure for Council Tax	1,146	1,096
<u>Adjustments</u>		
Ring Fenced Government Grant	-	13
NET EXPENDITURE	1,146	1,109

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

E D U C A T I O N
P R O V I S I O N F O R C L O T H I N G

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	-	-
Third Party Payments	-	-
Transfer Payments	228	228
Support Services	-	-
Total Expenditure	228	228
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure for Council Tax	228	228
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	228	228

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

E D U C A T I O N

ADMINISTRATION & SUPPORT SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	3,140	3,345
Property Costs	79	81
Transport Costs	-	-
Supplies & Services	564	374
Third Party Payments	32	16
Transfer Payments	-	-
Support Services	4,024	4,489
Total Expenditure	7,839	8,305
<u>Income</u>		
Ring Fenced Government Grant	13	-
Other Government Grant	25	25
Recharge Income (Internal)	415	426
Fees Charges etc	-	-
Other Income	-	-
Total Income	453	451
Net Expenditure for Council Tax	7,386	7,854
<u>Adjustments</u>		
Ring Fenced Government Grant	13	-
NET EXPENDITURE	7,399	7,854

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	10.9
APT & C	42.0
Manual	-
Total	56.9

E D U C A T I O N
C L E A N I N G A N D J A N I T O R I A L S E R V I C E S

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	4,071	4,980
Property Costs	110	170
Transport Costs	2	2
Supplies & Services	243	258
Third Party Payments	-	-
Transfer Payments	4	4
Support Services	123	138
Total Expenditure	4,553	5,552
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	2,870	3,604
Fees Charges etc	-	-
Other Income	-	-
Total Income	2,870	3,604
Net Expenditure for Council Tax	1,683	1,948
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	1,683	1,948

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	60.4
Manual	125.4
Total	185.8

E D U C A T I O N

CATERING SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	2,879	3,122
Property Costs	26	26
Transport Costs	17	18
Supplies & Services	1,975	2,048
Third Party Payments	-	-
Transfer Payments	11	11
Support Services	100	96
Total Expenditure	5,008	5,321
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	4,982	5,295
Fees Charges etc	26	26
Other Income	-	-
Total Income	5,008	5,321
Net Expenditure for Council Tax	-	-
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	-	-

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	12.5
Manual	128.0
Total	140.5

EDUCATION

SCHOOL CROSSING PATROLLERS

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	298	328
Property Costs	-	-
Transport Costs	3	4
Supplies & Services	29	22
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	3	2
Total Expenditure	333	356
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	333	356
Fees Charges etc	-	-
Other Income	-	-
Total Income	333	356
Net Expenditure for Council Tax	-	-
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	-	-

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	18.2
Total	18.2

E D U C A T I O N
C U L T U R E A N D L E I S U R E S E R V I C E S

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	1,134	1,068
Transport Costs	-	-
Supplies & Services	73	76
Third Party Payments	5,175	8,181
Transfer Payments	-	-
Support Services	886	909
Total Expenditure	<u>7,268</u>	<u>10,234</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>7,268</u></u>	<u><u>10,234</u></u>

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

ENVIRONMENT

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	14,603	15,429
Property Costs	2,517	2,573
Transport Costs	3,191	3,290
Supplies & Services	15,017	15,029
Third Party Payments	744	744
Transfer Payments	684	706
Support Services	2,825	2,956
Total Expenditure	39,581	40,727
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	675	737
Recharge Income (Internal)	7,159	7,181
Fees Charges etc.	3,994	5,069
Other Income	1,484	1,482
Total Income	13,312	14,469
Net Expenditure	26,269	26,258

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers	2.0
Teachers	-
APT & C	184.2
Manual	183.3
Total	369.5

ENVIRONMENT

DIRECTORATE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,214	1,228
Property Costs	83	83
Transport Costs	-	-
Supplies & Services	121	121
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	681	751
Total Expenditure	2,099	2,183
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	273	205
Fees Charges etc.	-	-
Other Income	18	68
Total Income	291	273
Net Expenditure	1,808	1,910

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	22.1
Manual	-
Total	23.1

ENVIRONMENT

ENVIRONMENT ACCOMMODATION

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	751	768
Transport Costs	-	-
Supplies & Services	12	3
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	763	771
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	763	771
Fees Charges etc.	-	-
Other Income	-	-
Total Income	763	771
Net Expenditure	-	-

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

ENVIRONMENT

NON-OPERATIONAL PROPERTIES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	157	159
Transport Costs	-	-
Supplies & Services	20	20
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	64	3
Total Expenditure	241	182
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	17	17
Other Income	-	-
Total Income	17	17
Net Expenditure	224	165

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

ENVIRONMENT

ENERGY MANAGEMENT

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	53	55
Property Costs	10	22
Transport Costs	-	-
Supplies & Services	1	1
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	63	12
Total Expenditure	127	90
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	127	90

<u>Budgeted Personnel 2021/22</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	1.0
Manual	-
Total	1.0

ENVIRONMENT

PLANNING & BUILDING CONTROL
 (INCORPORATING OUTDOOR ACCESS, COUNTRY PARK & WHITELEE)

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,865	2,074
Property Costs	115	115
Transport Costs	12	12
Supplies & Services	86	87
Third Party Payments	94	94
Transfer Payments	102	102
Support Services	189	214
Total Expenditure	2,463	2,698
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	228	228
Fees Charges etc.	995	1,036
Other Income	121	139
Total Income	1,344	1,403
Net Expenditure	1,119	1,295

Budgeted Personnel 2021/22

	Full-time Equivalent
Chief Officers	-
Teachers	-
APT & C	41.8
Manual	-
Total	<u>41.8</u>

ENVIRONMENT

PLANNING & BUILDING CONTROL (INCORPORATING OUTDOOR ACCESS, COUNTRY PARK & WHITELEE)

This service comprises:-

	Budget 2020/21 £'000	Budget 2021/22 £'000
Development Planning	516	564
Outdoor Access	45	45
Country Park	23	48
Whiteless	-	-
Development Management	87	167
Building Control	94	107
Business Intelligence	354	364
	1,119	1,295

ENVIRONMENT

ECONOMIC DEVELOPMENT
(INCORPORATING CITY DEAL)

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	840	926
Property Costs	197	196
Transport Costs	-	-
Supplies & Services	488	466
Third Party Payments	8	8
Transfer Payments	127	149
Support Services	204	202
Total Expenditure	1,864	1,947
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	131	265
Recharge Income (Internal)	-	-
Fees Charges etc.	259	259
Other Income	603	533
Total Income	993	1,057
Net Expenditure	871	890

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	17.4
Manual	-
Total	17.4

ENVIRONMENT

ROADS

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,659	1,577
Property Costs	243	235
Transport Costs	100	105
Supplies & Services	8,766	8,801
Third Party Payments	57	57
Transfer Payments	-	-
Support Services	348	373
Total Expenditure	11,173	11,148
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	129	129
Recharge Income (Internal)	862	862
Fees Charges etc.	343	343
Other Income	61	61
Total Income	1,395	1,395
Net Expenditure	9,778	9,753

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	29.8
Manual	-
Total	29.8

ENVIRONMENT

ROADS

This service comprises:-

	Budget 2020/21 £'000	Budget 2021/22 £'000
Routine Maintenance Roads	1,145	1,145
Routine Maintenance Street Lighting	504	504
Winter Maintenance	900	900
Footway Resurfacing & Patching	360	360
Carriageway Resurfacing & Patching	700	700
School Crossing Patrols	332	356
Street Lighting Electricity	689	692
Flood Prevention	70	70
Administration & Support (Including PFI Costs)	5,078	5,026
	<u>9,778</u>	<u>9,753</u>

ENVIRONMENT

ROADS CONTRACTING UNIT

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	981	1,000
Property Costs	50	50
Transport Costs	560	566
Supplies & Services	124	126
Third Party Payments	-	-
Transfer Payments	18	18
Support Services	24	26
Total Expenditure	1,757	1,786
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	1,757	1,786
Fees Charges etc.	-	-
Other Income	-	-
Total Income	1,757	1,786
Net Expenditure	-	-

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	1.0
Manual	24.0
Total	25.0

ENVIRONMENT

NEIGHBOURHOOD SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	4,789	5,156
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	-	34
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	4,789	5,190
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	58	57
Fees Charges etc.	-	-
Other Income	-	-
Total Income	58	57
Net Expenditure	4,731	5,133

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	17.0
Manual	134.4
Total	151.4

ENVIRONMENT

PARKS SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	264	264
Transport Costs	210	212
Supplies & Services	402	375
Third Party Payments	-	
Transfer Payments	-	
Support Services	157	172
Total Expenditure	1,033	1,023
<u>Income</u>		
Ring-Fenced Grant	-	
Other Government Grant	35	19
Recharge Income (Internal)	307	312
Fees Charges etc.	980	980
Other Income	-	-
Total Income	1,322	1,311
Net Expenditure	(289)	(288)

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	0.0

ENVIRONMENT

PARKS SERVICES

This service comprises:-

	Budget 2020/21 £'000	Budget 2021/22 £'000
Administration	210	213
Parks Operations	(312)	(325)
Arboriculture	81	80
Cemeteries	(262)	(258)
Park Rangers	(65)	24
Parks Upkeep	59	(22)
	<u>(289)</u>	<u>(288)</u>

ENVIRONMENT

PREVENTION SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	794	837
Property Costs	19	19
Transport Costs	-	-
Supplies & Services	135	175
Third Party Payments	74	74
Transfer Payments	2	2
Support Services	203	226
Total Expenditure	1,227	1,333
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	6	6
Recharge Income (Internal)	7	7
Fees Charges etc.	75	75
Other Income	40	40
Total Income	128	128
Net Expenditure	1,099	1,205

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	17.0
Manual	-
Total	17.0

ENVIRONMENT
PREVENTION SERVICES

This service comprises:-

	Budget 2020/21 £'000	Budget 2021/22 £'000
Environmental Health	695	749
Trading Standards	384	436
Licensing	20	20
	<u>1,099</u>	<u>1,205</u>

ENVIRONMENT

WASTE MANAGEMENT

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	68	77
Transport Costs	5	5
Supplies & Services	3,480	3,579
Third Party Payments	22	22
Transfer Payments	-	-
Support Services	203	220
Total Expenditure	3,778	3,903
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	50	35
Other Income	-	-
Total Income	50	35
Net Expenditure	3,728	3,868

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	0.0

ENVIRONMENT

WASTE MANAGEMENT

This service comprises:-

	Budget 2020/21 £'000	Budget 2021/22 £'000
Refuse Disposal	3,188	3,274
Strategic Waste Fund	540	594
	<u>3,728</u>	<u>3,868</u>

ENVIRONMENT

CLEANSING

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	340	350
Property Costs	142	142
Transport Costs	779	858
Supplies & Services	353	338
Third Party Payments	1	1
Transfer Payments	-	-
Support Services	178	224
Total Expenditure	1,793	1,913
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	92	92
Fees Charges etc.	553	1,602
Other Income	-	-
Total Income	645	1,694
Net Expenditure	1,148	219

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	-
Manual	6.0
Total	7.0

ENVIRONMENT
CLEANSING

This service comprises:-

	Budget 2020/21 £'000	Budget 2021/22 £'000
Refuse Collection	573	624
Street Cleaning	167	122
Cleansing Management	196	-747
Civic Amenity Sites	161	166
Thornliebank Depot	51	54
	<u>1,148</u>	<u>219</u>

ENVIRONMENT

VEHICLES SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	698	727
Property Costs	36	36
Transport Costs	1,525	1,532
Supplies & Services	183	183
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	79	92
Total Expenditure	2,521	2,570
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	2,491	2,540
Fees Charges etc.	30	30
Other Income	-	-
Total Income	2,521	2,570
Net Expenditure	-	-

<u>Budgeted Personnel 2021/22</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	1.0
Manual	18.9
Total	19.9

ENVIRONMENT
OTHER HOUSING

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,370	1,499
Property Costs	382	407
Transport Costs	-	-
Supplies & Services	846	720
Third Party Payments	488	488
Transfer Payments	435	435
Support Services	432	441
Total Expenditure	3,953	3,990
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	374	318
Recharge Income (Internal)	321	321
Fees Charges etc.	692	692
Other Income	641	641
Total Income	2,028	1,972
Net Expenditure	1,925	2,018

<u>Budgeted Personnel 2021/22</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	36.1
Manual	-
Total	36.1

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	4,676	4,557
Property Costs	61	64
Transport Costs	63	61
Supplies & Services	1,232	1,152
Third Party Payments	270	310
Transfer Payments	19,956	17,729
Support Services	3,735	3,499
Total Expenditure	29,993	27,372
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	15,525	13,230
Recharge Income (Internal)	826	877
Fees Charges etc.	414	435
Other Income	352	367
Total Income	17,117	14,909
Net Expenditure	12,876	12,463
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	12,876	12,463

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	-
APT & C	110.1
Manual	-
Total	112.1

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

DIRECTORATE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	175	178
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	5	5
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	29	33
Total Expenditure	<u>209</u>	<u>216</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	143	143
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>143</u>	<u>143</u>
Net Expenditure	<u><u>66</u></u>	<u><u>73</u></u>

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	0.8
Manual	-
Total	<u>1.8</u>

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

COMMUNITY SAFETY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,326	1,238
Property Costs	21	21
Transport Costs	31	29
Supplies & Services	61	61
Third Party Payments	57	64
Transfer Payments	-	-
Support Services	289	355
Total Expenditure	1,785	1,768
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	258	258
Fees Charges etc.	57	57
Other Income	17	19
Total Income	332	334
Net Expenditure	1,453	1,434

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	32.8
Manual	-
Total	32.8

CORPORATE & COMMUNITY - C O M M U N I T Y R E S O U R C E S**COMMUNITY SAFETY**

This service comprises:-

	Budget 2020/21 £'000	Budget 2021/22 £'000
Management	273	279
CCTV	734	800
Community Wardens	446	355
	<u>1,453</u>	<u>1,434</u>

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

ELECTIONS, MEMBERS EXPENSES AND CORPORATE & DEMOCRATIC CORE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	2	2
Property Costs	4	6
Transport Costs	-	-
Supplies & Services	703	722
Third Party Payments	1	3
Transfer Payments	-	-
Support Services	1,596	1,429
Total Expenditure	2,306	2,162
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	2,306	2,162

<u>Budgeted Personnel 2021/22</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

GRANTS

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	1	1
Third Party Payments	134	134
Transfer Payments	18	18
Support Services	19	12
Total Expenditure	172	165
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	172	165

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

MONEY ADVICE AND RIGHTS TEAM

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	686	737
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	25	26
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	238	269
Total Expenditure	949	1,032
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	26
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	26
Net Expenditure	949	1,006

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	17.8
Manual	-
Total	17.8

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

REGISTRARS

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	170	178
Property Costs	3	3
Transport Costs	-	-
Supplies & Services	9	9
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	153	161
Total Expenditure	335	351
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	128	129
Other Income	5	5
Total Income	133	134
Net Expenditure	202	217

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	4.0
Manual	-
Total	4.0

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

STRATEGY (OPERATIONAL)

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	328	308
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	173	73
Third Party Payments	8	8
Transfer Payments	-	-
Support Services	106	76
Total Expenditure	<u>615</u>	<u>465</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	86	86
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>86</u>	<u>86</u>
Net Expenditure	<u><u>529</u></u>	<u><u>379</u></u>

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	4.9
Manual	-
Total	<u><u>4.9</u></u>

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

COMMUNITIES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	696	664
Property Costs	33	34
Transport Costs	13	13
Supplies & Services	113	113
Third Party Payments	9	9
Transfer Payments	-	-
Support Services	99	105
Total Expenditure	<u>963</u>	<u>938</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	10
Total Income	<u>-</u>	<u>10</u>
Net Expenditure	<u><u>963</u></u>	<u><u>928</u></u>

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	11.9
Manual	-
Total	<u>11.9</u>

CORPORATE & COMMUNITY - COMMUNITY RESOURCES
COMMUNITIES

This service comprises:-	Budget 2020/21 £'000	Budget 2021/22 £'000
Communities	929	894
Mearns Youth Facility	11	10
Barrhead Youth Facility	23	24
	<u>963</u>	<u>928</u>

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

AUCHENBACK RESOURCE CENTRE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	-	-
Third Party Payments	31	31
Transfer Payments		
Support Services		
Total Expenditure	<u>31</u>	<u>31</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>31</u></u>	<u><u>31</u></u>

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

COUNCIL TAX & NON DOMESTIC RATES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	431	444
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	58	58
Third Party Payments	61	61
Transfer Payments	3,665	3,773
Support Services	598	533
Total Expenditure	4,813	4,869
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	12	12
Fees Charges etc.	229	249
Other Income	258	258
Total Income	499	519
Net Expenditure	4,314	4,350

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	14.0
Manual	-
Total	14.0

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

REVENUES - BENEFITS & DISCRETIONARY PAYMENTS TEAM

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	347	334
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	41	41
Third Party Payments	-	-
Transfer Payments	331	331
Support Services	377	281
Total Expenditure	1,096	987
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	53	73
Fees Charges etc.	-	-
Other Income	72	75
Total Income	125	148
Net Expenditure	971	839

Budgeted Personnel 2021/22

	Full Time Equivalent
Chief Officers	-
Teachers	-
APT & C	12.6
Manual	-
Total	12.6

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

REVENUES - HOUSING BENEFIT

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	180	173
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	10	10
Third Party Payments	-	-
Transfer Payments	15,911	13,607
Support Services	106	105
Total Expenditure	16,207	13,895
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	15,525	13,230
Recharge Income (Internal)	72	75
Fees Charges etc.	-	-
Other Income	-	-
Total Income	15,597	13,305
Net Expenditure	610	590

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	5.6
Manual	-
Total	5.6

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

BUSINESS SUPPORT TEAM

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	221	185
Property Costs	-	-
Transport Costs	19	19
Supplies & Services	16	16
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	102	110
Total Expenditure	358	330
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	92	94
Fees Charges etc.	-	-
Other Income	-	-
Total Income	92	94
Net Expenditure	266	236

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	5.9
Manual	-
Total	5.9

CORPORATE & COMMUNITY - COMMUNITY RESOURCES

COMMUNITIES, REVENUES AND CHANGE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	114	116
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	17	17
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	23	30
Total Expenditure	154	163
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	110	110
Fees Charges etc.	-	-
Other Income	-	-
Total Income	110	110
Net Expenditure	44	53

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	-
Manual	-
Total	1.0

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	23	23
Property Costs	-	-
Transport Costs	3	3
Supplies & Services	402	412
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	53	55
Total Expenditure	481	493
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	180	180
Fees Charges etc	246	248
Other Income	-	-
Total Income	426	428
Net Expenditure	55	65

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	0.7
Manual	-
Total	0.7

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES
ACCOUNTANCY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	231	239
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	231	239
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	180	180
Fees Charges etc	-	-
Other Income	-	-
Total Income	180	180
Net Expenditure	51	59

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

CIVIC LICENSING

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	23	23
Property Costs	-	-
Transport Costs	3	3
Supplies & Services	97	97
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	50	52
Total Expenditure	<u>173</u>	<u>175</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	169	169
Other Income	-	-
Total Income	<u>169</u>	<u>169</u>
Net Expenditure	<u><u>4</u></u>	<u><u>6</u></u>

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	0.7
Manual	-
Total	<u>0.7</u>

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

LICENSING BOARD

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	74	76
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	3	3
Total Expenditure	<u>77</u>	<u>79</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	77	79
Other Income	-	-
Total Income	<u>77</u>	<u>79</u>
Net Expenditure	<u><u>-</u></u>	<u><u>-</u></u>

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

CENTRAL SUPPORT

SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
Chief Executive's Office	418	432
Accountancy	1,450	1,399
Legal	454	431
Procurement	321	310
Internal Audit	267	272
Strategy Support and Insight	498	511
Project Management Office and Core Systems	337	344
Communications and Printing	573	554
Human Resources and Payroll	1,681	1,723
Democratic Services	412	412
Customer First	977	975
Revenues - General	358	374
Revenues - Creditors	401	386
Digital Services	4,913	5,291
Property and Technical	1,195	1,260
Accommodation	1,096	1,093
	<u>15,351</u>	<u>15,767</u>

ALLOCATION:-

Education (including ERCLT)	5,290	5,756
Health & Social Care Partnership	2,354	2,420
Community Resources	3,735	3,499
Chief Executives - Non Support	53	55
Environment	2,825	2,956
Joint Boards	6	7
Miscellaneous	69	72
Housing Revenue Account	1,019	1,002
	<u>15,351</u>	<u>15,767</u>

CHIEF EXECUTIVE'S - SUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	3,093	3,106
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	119	86
Third Party Payments	74	75
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	3,286	3,267
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	320	352
Fees Charges etc	45	45
Other Income	11	26
Total Income	376	423
Net Expenditure	2,910	2,844

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	0.0
APT & C	50.1
Manual	0.0
Total	52.1

CHIEF EXECUTIVE'S - SUPPORT SERVICES

CHIEF EXECUTIVE'S OFFICE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	416	430
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	2	2
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	418	432
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	418	432

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	6.0
Manual	-
Total	7

CHIEF EXECUTIVE'S - SUPPORT SERVICES
ACCOUNTANCY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,562	1,515
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	40	39
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,602	1,554
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	152	155
Fees Charges etc	-	-
Other Income	-	-
Total Income	152	155
Net Expenditure	1,450	1,399

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	24.6
Manual	-
Total	25.6

CHIEF EXECUTIVE'S - SUPPORT SERVICES

LEGAL SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	497	506
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	64	33
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	561	539
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	62	63
Fees Charges etc.	45	45
Other Income	-	-
Total Income	107	108
Net Expenditure	454	431

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.8
Manual	-
Total	7.8

CHIEF EXECUTIVE'S - SUPPORT SERVICES

PROCUREMENT

	Budget 2020/21 £'000	Budget 2021/22 £'000
Expenditure		
Staff Costs	354	386
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	10	9
Third Party Payments	74	75
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>438</u>	<u>470</u>
Income		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	106	134
Fees Charges etc	-	-
Other Income	11	26
Total Income	<u>117</u>	<u>160</u>
Net Expenditure	<u><u>321</u></u>	<u><u>310</u></u>

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.0
Manual	-
TOTAL	<u><u>7.0</u></u>

CHIEF EXECUTIVE'S - SUPPORT SERVICES

INTERNAL AUDIT

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	264	269
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	3	3
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	267	272
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	267	272

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	4.7
Manual	-
Total	4.7

CORPORATE & COMMUNITY - SUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	8,199	8,086
Property Costs	3	4
Transport Costs	26	26
Supplies & Services	3,823	4,164
Third Party Payments	20	20
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	12,071	12,300
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	1,869	1,703
Fees Charges etc.	48	23
Other Income	4	4
Total Income	1,921	1,730
Net Expenditure	10,150	10,570

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	-
APT & C	179.1
Manual	-
Total	181.1

CORPORATE & COMMUNITY - SUPPORT SERVICES

STRATEGY (SUPPORT) AND INSIGHT

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	385	398
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	95	95
Third Party Payments	18	18
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>498</u>	<u>511</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>498</u></u>	<u><u>511</u></u>

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	8.2
Manual	-
Total	<u>8.2</u>

CORPORATE & COMMUNITY - SUPPORT SERVICES

PROJECT MANAGEMENT OFFICE AND CORE SYSTEMS

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,016	855
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	22	22
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>1,038</u>	<u>877</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	701	533
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>701</u>	<u>533</u>
Net Expenditure	<u><u>337</u></u>	<u><u>344</u></u>

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	14.0
Manual	-
Total	<u>14.0</u>

CORPORATE & COMMUNITY - SUPPORT SERVICES

COMMUNICATIONS AND PRINTING

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	495	489
Property Costs	3	4
Transport Costs	13	13
Supplies & Services	143	129
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	654	635
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	81	81
Fees Charges etc.	-	-
Other Income	-	-
Total Income	81	81
Net Expenditure	573	554

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	10.8
Manual	-
Total	10.8

CORPORATE & COMMUNITY - SUPPORT SERVICES

HR AND PAYROLL

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,629	1,672
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	266	266
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,895	1,938
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	203	204
Fees Charges etc.	7	7
Other Income	4	4
Total Income	214	215
Net Expenditure	1,681	1,723

Budgeted Personnel 2021/22

	Full Time Equivalent
Chief Officers	1.0
Teachers	-
APT & C	38.1
Manual	-
Total	39.1

CORPORATE & COMMUNITY - SUPPORT SERVICES

DEMOCRATIC SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	369	375
Property Costs	-	-
Transport Costs	9	9
Supplies & Services	34	28
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	412	412
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	412	412

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.5
Manual	-
Total	7.5

CORPORATE & COMMUNITY - SUPPORT SERVICES

CUSTOMER FIRST

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,097	1,070
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	50	51
Third Party Payments	2	2
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,149	1,123
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	131	132
Fees Charges etc.	41	16
Other Income	-	-
Total Income	172	148
Net Expenditure	977	975

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	31.5
Manual	-
Total	31.5

CORPORATE & COMMUNITY - SUPPORT SERVICES

REVENUES - GENERAL

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	304	319
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	54	55
Third Party Payments	-	-
Transfer Payments	-	-
Support Services		
Total Expenditure	<u>358</u>	<u>374</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>358</u></u>	<u><u>374</u></u>

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	5.3
Manual	-
Total	<u>5.3</u>

CORPORATE & COMMUNITY - SUPPORT SERVICES

REVENUES - ACCOUNTS PAYABLE AND RECEIVABLE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	371	356
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	30	30
Third Party Payments	-	-
Transfer Payments	-	-
Support Services		
Total Expenditure	401	386
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	401	386

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	11.2
Manual	-
Total	11.2

CORPORATE & COMMUNITY - SUPPORT SERVICES

DIGITAL SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	2,533	2,552
Property Costs	-	-
Transport Costs	4	4
Supplies & Services	3,129	3,488
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	5,666	6,044
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	753	753
Fees Charges etc	-	-
Other Income	-	-
Total Income	753	753
Net Expenditure	4,913	5,291

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	52.4
Manual	-
Total	53.4

ENVIRONMENT - SUPPORT

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,986	2,123
Property Costs	1,030	1,042
Transport Costs	15	15
Supplies & Services	301	286
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	1	1
Total Expenditure	3,333	3,467
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	1,042	1,114
Fees Charges etc	-	-
Other Income	-	-
Total Income	1,042	1,114
Net Expenditure	2,291	2,353

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	42.0
Manual	-
Total	42.0

ENVIRONMENT - SUPPORT

PROPERTY & TECHNICAL

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,986	2,123
Property Costs	-	-
Transport Costs	15	15
Supplies & Services	235	235
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	1	1
Total Expenditure	2,237	2,374
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	1,042	1,114
Fees Charges etc	-	-
Other Income	-	-
Total Income	1,042	1,114
Net Expenditure	1,195	1,260

Budgeted Personnel 2021/22

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	42.0
Manual	-
TOTAL	42.0

ENVIRONMENT - SUPPORT

ACCOMMODATION

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	1,030	1,042
Transport Costs	-	-
Supplies & Services	66	51
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>1,096</u>	<u>1,093</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>1,096</u></u>	<u><u>1,093</u></u>

<u>Budgeted Personnel 2021/22</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

HEALTH & SOCIAL CARE PARTNERSHIP

DEPARTMENTAL SUMMARY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	23,133	23,869
Property Costs	939	938
Transport Costs	230	237
Supplies & Services	1,902	1,890
Third Party Payments	38,767	40,917
Transfer Payments	39	39
Support Services	2,354	2,420
Total Expenditure	67,364	70,310
<u>Income</u>		
Additional IJB Grant	6,090	5,262
Ring Fenced Government Grant	606	614
Other Government Grant	88	88
Recharge Income (Internal)	-	-
Fees,Charges etc.	1,220	1,247
Other Income	8,047	9,394
Total Income	16,051	16,605
Net Expenditure for Council Tax	51,313	53,705
<u>Adjustments</u>		
Ring Fenced Government Grant	606	614
Funding from Integrated Joint Board (Note 1)	51,919	54,319
Net Expenditure	-	-

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers *	3.0
Teachers	-
APT&C	416.3
Manual	202.0
TOTAL	621.3

* This excludes NHS post

Note 1: The HSCP's budget is indicative only and will be directed and amended by the Integrated Joint Board on an ongoing basis

HEALTH & SOCIAL CARE PARTNERSHIP

PUBLIC PROTECTION - CHILDREN & FAMILIES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	3,966	4,203
Property Costs	41	38
Transport Costs	31	32
Supplies & Services	390	462
Third Party Payments	5,186	5,353
Transfer Payments	37	37
Support Services	-	-
Total Expenditure	9,651	10,125
<u>Income</u>		
Additional IJB Grant	-	-
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	20	20
Other Income	239	295
Total Income	259	315
Net Expenditure for Council Tax	9,392	9,810
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	9,392	9,810

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	90.1
Manual	-
TOTAL	90.1

HEALTH & SOCIAL CARE PARTNERSHIP

INTENSIVE SERVICES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	7,932	9,498
Property Costs	89	91
Transport Costs	106	108
Supplies & Services	480	480
Third Party Payments	2,844	2,665
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	11,451	12,842
<u>Income</u>		
Additional IJB Grant	54	55
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	741	761
Other Income	1,233	1,541
Total Income	2,028	2,357
Net Expenditure for Council Tax	9,423	10,485
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	9,423	10,485

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	109.2
Manual	189.0
TOTAL	298.2

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - OLDER PEOPLE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	2,718	1,802
Property Costs	15	15
Transport Costs	24	24
Supplies & Services	152	153
Third Party Payments	14,475	16,324
Transfer Payments	1	1
Support Services	-	-
Total Expenditure	17,385	18,319
<u>Income</u>		
Additional IJB Grant	3,947	3,073
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	412	412
Other Income	642	1,385
Total Income	5,001	4,870
Net Expenditure for Council Tax	12,384	13,449
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	12,384	13,449

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	39.3
Manual	
TOTAL	39.3

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - PHYSICAL/SENSORY DISABILITY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,747	1,782
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	597	597
Third Party Payments	3,030	2,951
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	5,374	5,330
<u>Income</u>		
Additional IJB Grant	360	370
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	34	34
Other Income	258	405
Total Income	652	809
Net Expenditure for Council Tax	4,722	4,521
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	4,722	4,521

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	41.0
Manual	-
TOTAL	41.0

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - LEARNING DISABILITY

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,642	1,682
Property Costs	154	149
Transport Costs	60	55
Supplies & Services	71	62
Third Party Payments	11,192	11,784
Transfer Payments	1	1
Support Services	-	-
Total Expenditure	13,120	13,733
<u>Income</u>		
Additional IJB Grant	1,577	1,621
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	3	2
Other Income	3,848	3,893
Total Income	5,428	5,516
Net Expenditure for Council Tax	7,692	8,217
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	7,692	8,217

Budgeted Personnel 2021/22

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	28.9
Manual	13.0
TOTAL	41.9

HEALTH & SOCIAL CARE PARTNERSHIP

RECOVERY SERVICES - MENTAL HEALTH & ADDICTIONS

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	1,314	1,475
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	47	47
Third Party Payments	1,838	1,668
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	3,199	3,190
<u>Income</u>		
Additional IJB Grant	123	113
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	-	-
Other Income	1,220	1,272
Total Income	1,343	1,385
Net Expenditure for Council Tax	1,856	1,805
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	1,856	1,805

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	28.3
Manual	-
TOTAL	28.3

HEALTH & SOCIAL CARE PARTNERSHIP

CRIMINAL JUSTICE

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	424	631
Property Costs	17	18
Transport Costs	9	18
Supplies & Services	42	51
Third Party Payments	211	3
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	703	721
<u>Income</u>		
Additional IJB Grant	-	-
Ring Fenced Government Grant	606	614
Other Government Grant	88	88
Recharge Income (Internal)	-	-
Fees, Charges etc.	-	-
Other Income	-	-
Total Income	694	702
Net Expenditure for Council Tax	9	19
<u>Adjustments</u>		
Ring Fenced Government Grant	606	614
Net Expenditure	615	633

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	13.4
Manual	-
TOTAL	13.4

HEALTH & SOCIAL CARE PARTNERSHIP

FINANCE AND RESOURCES

	Budget 2020/21 £'000	Budget 2021/22 £'000
<u>Expenditure</u>		
Staff Costs	3,390	2,796
Property Costs	623	627
Transport Costs	-	-
Supplies & Services	123	38
Third Party Payments	- 9	169
Transfer Payments	-	-
Support Services	2,354	2,420
Total Expenditure	6,481	6,050
<u>Income</u>		
Additional IJB Grant	29	30
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	10	18
Other Income	607	603
Total Income	646	651
Net Expenditure for Council Tax	5,835	5,399
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	5,835	5,399

<u>Budgeted Personnel 2021/22</u>	
	<u>Full-time Equivalent</u>
Chief Officers *	3.0
Teachers	-
APT&C	66.1
Manual	-
TOTAL	69.1

* This excludes NHS post

SAVINGS PROPOSALS 2021/22TOTAL£'000CHANGE & EFFICIENCY*

Review of Chief Exec Services' Non-staff Budgets	5
Reduction in Externalised Legal Services	30
Revenues Redesign	89
Review of Creditors & Business Support	74
Review of Corporate & Community Services' Non-staff Budgets	26
Review of CEEF Investment Payback Contributions	20
Review of Education Printing & Stationery Budgets	5
Education Admin Savings	28
Retain Civic Amenity Site Appointment System	50
Review of Environment Non-staff Budgets	13
	<hr/>
	340
	<hr/>

ASSETS*

Reduction in Education/Culture & Leisure Utilities Consumption	40
Reduction in Compensation Costs for Trust Premises Closures	55
Property costs saving on Education property disposals	28
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	123
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PROCUREMENT *

Increased Procurement Contract Income	6
	<hr/>
Procurement efficiencies	6
	<hr/>

FINANCIAL

Increase in Duke of Edinburgh Scheme Charges	10
Introduce Charges for Brown Bin (Garden Waste) Uplift	800
Introduce Charges for Pre Application Planning Discussions	40
Increase in Special Uplift Charges	49

899
OTHER

Review of Accountancy vacancies/temp staff cover	77
Review of Chief Executive's Office services vacancies/temp staff cover/other	8
ICT Restructure	87
Review of Community Safety Capacity	103
Temporary Participatory Budgeting/CLD Funding Ends	134
Review of Strategic Services	40
Reduction in Civic Events	7
Review of Communications & Printing	31
Customer First Service Reductions	27
Reduction in Centrally Held School Resources	220
Reduction in Devolved School Budgets held by Headteachers	881
Remove SQA Price Increase Contingency	33
Reduction in Centrally Managed Absence Cover Budget for ELC	22
ERCLT Savings Target	222
IJB Savings Target	1,794

3,686
TOTAL PROPOSED SAVINGS

5,054

Further draw on reserves funded by capitalisation of Education CFCR

465

TOTAL SAVINGS TARGET

5,519

EAST RENFREWSHIRE COUNCIL15 March 2021Report by Head of Accountancy (Chief Financial Officer)CAPITAL INVESTMENT STRATEGY**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the Capital Investment Strategy covering the long term capital ambitions of the Council. This report, together with the Treasury Management Strategy report, provides background information on the scale, objectives, affordability and risks associated with the Council's capital plans.

RECOMMENDATIONS

2. The Council is invited to approve the Capital Investment Strategy.

REPORT

3. All Councils are required to prepare a Capital Investment Strategy setting out their long term capital ambitions and the associated resource implications and risks. This assists with long term financial and service planning and ensures that capital investment aligns with local, regional and national strategies. The Capital Investment Strategy has been compiled with regards to these requirements.

4. The Capital Investment Strategy has been developed with regard to the Prudential Code 2017 and the Treasury Management Code of Practice 2017.

5. The strategy adopts a corporate approach to long term capital planning, beyond the span of our current capital plans, taking direction from the Council's Outcome Delivery Plan and a range of other key plans and strategies. These objectives, determined by the Council, will be driven forward by the Corporate Management Team, working in conjunction with partner organisations and local communities to ensure that investment is aligned to our strategies and that performance is measured against expected outcomes.

6. Whilst approval of the Capital Plan later on today's agenda will commit to the Council's capital expenditure for 2021/22 only, a long term strategic and financial view is essential for resilience in uncertain times and the Capital Investment Strategy will continue to be updated as new challenges and opportunities arise so that future capital plans can also be adapted.

7. The Council will continue to take a prudent approach to affordability and risk, assessing resource impacts through the prudential indicators and seeking to take a long term view to ensure that funding is in place for the delivery of our capital ambitions. Delivery of projects will also be closely monitored through tailored capital project monitoring at both officer and elected member level.

8. The Council has significant capital investment ambitions across the authority and the Capital Investment Strategy, together with the Treasury Management Strategy, Capital Plan and Revenue Estimates and Financial Planning reports sets out how these will be funded and managed.

CONCLUSION

9. Councils are required to prepare a Capital Investment Strategy, compiled with regard to the relevant guidance, to assist in the long term planning of their capital ambitions.

RECOMMENDATION

10. The Council is invited to approve the Council's Capital Investment Strategy.

Further information is available from:

M McCrossan, Head of Accountancy Tele No. 0141 577 3035

KEY WORDS

Capital Investment Strategy, Capital Plans, Prudential Code, Treasury Management Code.



Capital Investment Strategy

March 2021

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Capital Investment Strategy Intention

Despite the uncertainties relating to the ongoing COVID pandemic we have set out a clear and strong direction for the Council in our Outcome Delivery Plan. This sets the scene for our investment ambition, which is intended to contribute significantly towards addressing the challenges that we are facing in continuing to provide excellent services to our communities, businesses and residents. Challenges such as meeting early learning and childcare requirements, achieving housing targets and maintaining school excellence.

Our Capital Investment Strategy considers how we can deal with short to medium term financial uncertainty by taking a longer term view of how our capital investment can be put to best effect to meet the needs of the area, as demonstrated in our strategies and plans, such as the Local Development Plan and Housing Strategy.

It is clear that we cannot achieve our investment ambition on our own, we need to work collaboratively with communities and localities to make sure that we have understood local needs properly and that we can deliver what we promise. This means delivering the commitments in our Community Plan, (including the aims in Fairer East Ren) and making sure that this works on the ground through the delivery of locality plans and other community initiatives.

We are realistic about what we can achieve with our known available resources, which is why we are working with partners to deliver regional economic and infrastructure improvements. By working strongly with partners, we are ensuring that our resources can sit alongside external funding opportunities to optimise the benefits for our area. A key example of this partnership working in action is the progress that we are making with City Deal initiatives.

Councillor Tony Buchanan – Leader of the Council

Focus on the Long-term Approach

As we continue to respond to the challenges of the ongoing COVID pandemic, it is all the more important for us to effectively and realistically plan for the delivery of our intended investment ambition. Our Capital Investment Strategy demonstrates the many influences on our capital plans, particularly external and partner influences, such as Scottish Government policies and the Glasgow and Clyde Valley City Deal.

When delivering our commitments, as set out in our Outcome Delivery Plan, we need to invest strongly for longer term benefit but always be mindful that any investment must be undertaken in a prudent, affordable and sustainable manner. Our Capital Investment Strategy takes a whole Council approach, ensuring that the Corporate Management Team is driving the delivery of our capital investment plan, ensuring that it is aligned to our strategy and measuring performance against the expected strategic outcomes.

Our Capital Investment Strategy is more than just a financial document. It has been informed by discussions across Directorates and service teams to produce a Strategy which encompasses all investment activities underway and in the pipeline. It explains why we are undertaking these investment activities in delivering our commitments to our communities, businesses and residents.

Our strategic, corporate and financial management processes are essential for achieving financial resilience in uncertain times. We must use our property, land and available resources wisely and ensure that we attract appropriate external funding to our area. Our Capital Plans cover a 10 year time frame and will continue to evolve and be updated as strategic influences change over time, as new challenges and opportunities present themselves and as the delivery of our investment ambition is realised.

Lorraine McMillan – Chief Executive

Summary of Capital Investment Strategy

This Capital Investment Strategy aims to set out our ambitions for capital investment across the full range of services provided by the Council for our communities. Whilst our General Fund and Housing Capital Plans cover the next 10 years, the Capital Investment Strategy considers longer term ambitions and allows them to be reflected in future planning. Not only does this longer term approach ensure that all future resource needs are recognised well in advance, but it also allows any challenges, shortfalls and opportunities for joint development to be identified early and addressed.

The Capital Investment Strategy is closely linked to the Council's medium and long term strategic plans. It is also aligned, however, with a range of national and regional plans and strategies across a number of individual services. This approach is strengthened by working with various partner organisations where appropriate, allowing the Council to benefit from an exchange of best practice and economies of scale.

The Council will now maintain a rolling, detailed 10 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's strategic objectives and asset management plans, are deliverable, affordable and represent best value. A 10 year rolling capital plan will also be maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and / or running / maintenance costs are then reflected in the Council's revenue budget planning.

The Council's proposed 10 year General Fund and 10 year Housing capital plans referred to in this document are derived from the Capital Investment Strategy and aim to deliver on the stated priorities of the Council and its partners. In particular, these focus on the demand for more schools to serve the increasing numbers of houses being built in the area, on the need to replace and upgrade existing leisure facilities nearing the end of their useful life, the requirement to significantly improve the condition of local roads and the commitment to deliver new Council housing across the authority.

Progress against the Council's capital plan is monitored by Cabinet, the Corporate Management Team and full Council, with any major issues examined by the Corporate Asset Management Group to ensure that good practice is followed in all projects. Risks are also identified and managed at both corporate and departmental level.

Whilst the Corporate Management Team will ensure that asset management plans and capital ambitions are continuously updated to take account of developing local and national strategies, the Chief Financial Officer will oversee the formal annual update of the Council's Capital Investment Strategy.

Relationship to other plans and strategies:

The Capital Investment Strategy does not stand in isolation but is closely linked to the strategic and operational plans developed by the Council and its partners. Figure 1 illustrates how our capital planning process aligns with both medium and long term local plans.

Figure 1: Integrating Strategic Plans and Operational Management

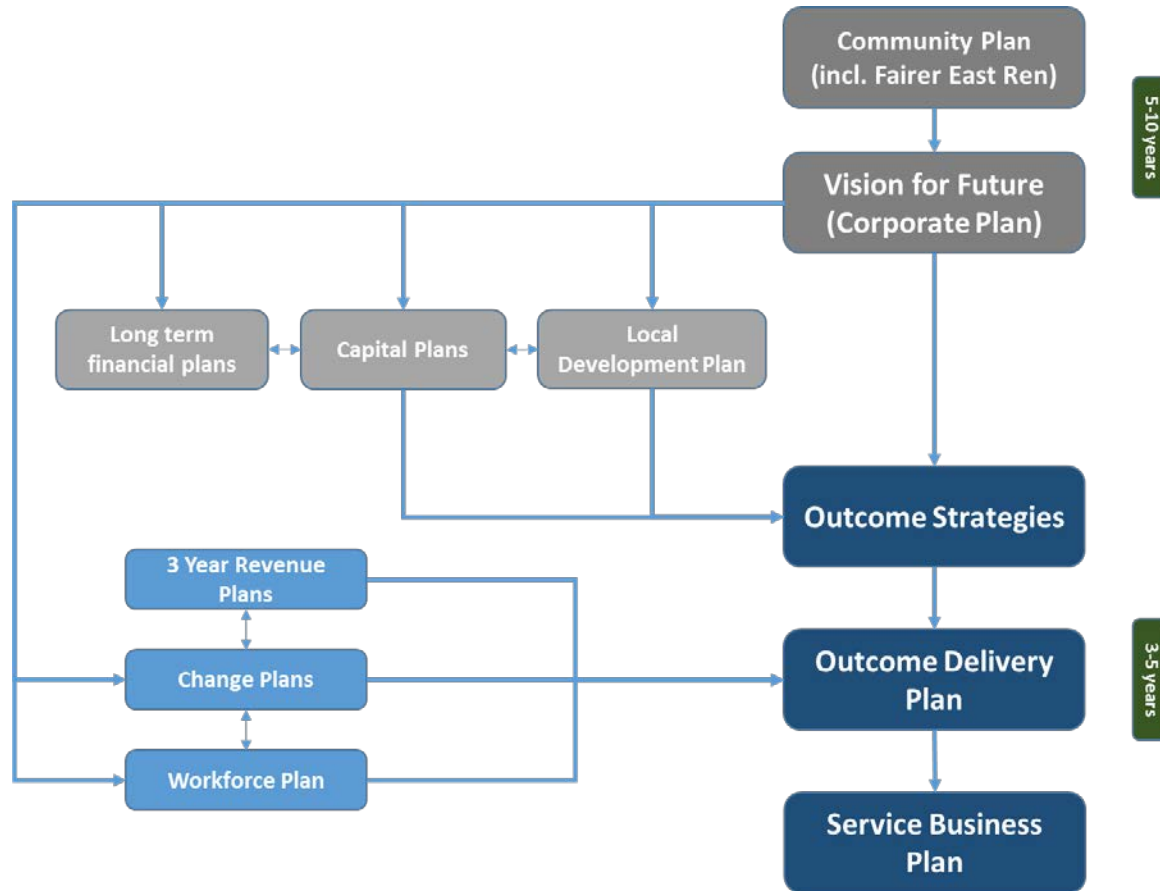
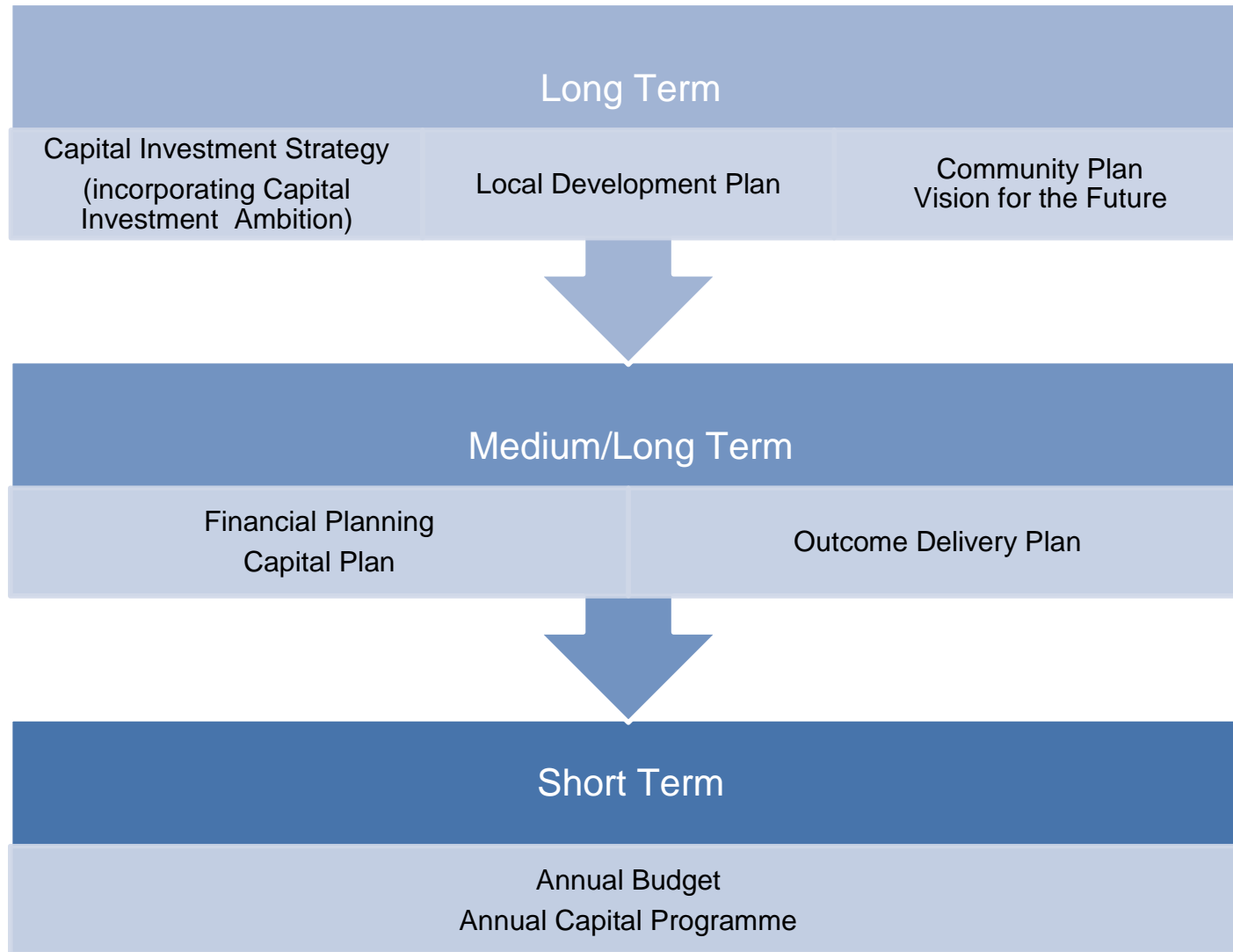


Figure 2: Summary of links to other plans and strategies



The above two diagrams show how the Capital Investment Strategy relates to the Council’s overall aims and flows thorough to our multi-year capital plans and the capital programmes for the coming year.

Core influences on Capital Investment

Our Capital Investment Strategy is influenced by many different factors. We have named them core influences, as these must be taken into account before establishing the appropriate strategy for contributing to the delivery of our Strategic Outcomes. In addition to the Council's own aspirations, these also reflect the ambitions of our local and regional partners as well as national strategies. More broadly, changing demands and demographic factors as set out in the Council's long term Financial Planning paper and our Planning for the Future statistical document also impact on our capital ambitions.

The following chart illustrates our core influences:

Figure 3: Summary of influences on the Capital Investment Strategy

<h2>National</h2>	<ul style="list-style-type: none"> • Scottish Govt: Housing Beyond 2021 • Scotland's Economic Strategy • Scotland's National Transport Strategy • Net Zero Carbon in Public buildings by 2045 • Climate Change Bill • Energy Efficiency Standard for Social Housing • Early Learning & Childcare Policy • Learning Estates Strategy
<h2>Regional</h2>	<ul style="list-style-type: none"> • Glasgow & Clyde Valley City Deal • Strathclyde Partnership for Transport Regional Transport Strategy
<h2>Local</h2>	<ul style="list-style-type: none"> • Community Plan • Fairer East Ren • Locality Plans • Local Development Plan • Outcome Delivery Plan • Local Housing Strategy • Corporate Asset Management Plans • SFT Learning Estate Metrics

Our Capital Investment Strategy has taken account of the external, partner and internal influences in shaping our approach. The following sections provide a summary of main points and our strategy and intended actions in each case:

National influences

Housing Beyond 2021

The Capital Investment Strategy will make links to the Scottish Government housing strategies and initiatives, and to the Council's Local Housing Strategy and Strategic Housing Investment Plan, in terms of the contribution that the Council's capital investment ambition is expected to make to the wider expectations for addressing the housing need in Scotland.

Supporting information:

[Scottish Government Housing Beyond 2021 briefing paper](#)

More Homes Scotland March 2018 update

The existing Government initiative, More Homes Scotland, has put in place a commitment to year-on-year increases in funding for affordable homes to be shared by councils across Scotland. The £1.75 billion investment from 2018-19 to 2020-21 is intended to give councils and housing associations the certainty they need to help deliver the ambitious affordable homes target.

Supporting information:

[Link to Scottish Government More Homes Scotland March 2018 update](#)

Housing to 2040: a conversation

In their 2018-18 Programme for Government the Scottish Government made a commitment to plan together with stakeholders for how our homes and communities should look and feel in 2040. It is anticipated that the resultant route map and action plan for housing in Scotland will be released late in 2020.

The Council is mindful that emerging new housing policies and initiatives could impact on local plans and we will continue to reflect this within our Local Housing Strategy. We continually monitor Scottish Government housing policy activity in order to address any resulting opportunities or challenges and will update the Capital Investment Strategy accordingly.

Supporting information:

[Link to Housing to 2040: a conversation](#)

Climate Change (Emissions Reduction Targets) (Scotland) Act 2019

Scottish Government has set an ambition to transition to a net-zero carbon Scotland for the benefit of our environment, people and prosperity. Scotland's world leading climate change legislation sets a target date for net-zero emissions of all greenhouse gases by 2045. Scottish Government is constantly updating policy and legislation to reflect the increased ambition of targets set. The key actions which Scottish Government and therefore East Renfrewshire Council will focus on are:

- Reducing greenhouse gas emissions through a transition to a net-zero economy and society
- Driving Scotland's adaptation to climate change
- Supporting decarbonisation in the public sector
- Engaging with business and industry on decarbonisation
- Encouraging individuals to move towards low carbon living
- Supporting local communities to tackle climate change.

An opportunity currently exists for the Council to provide an ambitious strategic approach to renewal of our previous Environmental Sustainability Strategy, this will allow the Council to align activities with the national policy agenda on climate change and meet likely future requirements around carbon and greenhouse gas emission reporting.

To support this, the Council has approved the development of a new Climate Change Strategy and Action Plan. Furthermore, a target to be 'carbon neutral' by 2040 has been set and approved. To support our ambitions, a Climate Change officer has been appointed and a cross party member / officer working group will be set up to progress the Climate Change Strategy and Action Plan.

The Council will lead by examples and has a role to play in both direct action and influencing behavioural change amongst its employees, local residents and businesses. Positive, disruptive change will be required in areas such as transport, the built environment, waste and consumption and how we generate energy, along with a focus on activities that will off-set our carbon emissions and plan for unavoidable climate change impacts.

[**Link to Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019**](#)

Scotland's Economic Strategy

Scotland's Economic Strategy sets out four priorities for sustainable growth. The Council's Capital Investment Strategy seeks to demonstrate the alignment of the local economic strategy to the national strategy.

The East Renfrewshire area currently has a relatively modest level of business activity. However, given the population growth expectations and the desirability for the area for families, particularly related to school excellence, there is merit in considering the potential knock on effect to business activity, particularly with regard to retail and leisure provision.

The Council and its partners have developed a Regional Economic Strategy which covers the wider City Deal region.

The development of East Renfrewshire Economic Strategy will be informed by the Local Development Plan and link to Scotland's Economic Strategy and the Regional

Economic Strategy. Once adopted, the Economic Strategy will inform the Council's capital investment plan, as part of the Capital Investment Strategy,

Supporting information:

[**Link to Scotland's Economic Strategy**](#)

Scotland's National Transport Strategy

The recently published National Transport Strategy 2 (NTS2) presents a Vision for Scotland's transport system over the next 20 years. The Strategy contains four key Priorities, each with three associated Outcomes for a sustainable, inclusive, safe and accessible transport system, helping to deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors. The key Priorities are:

- Reduce inequalities – “Everyone in Scotland will share the benefits of a modern and accessible transport system”
- Take climate action – “People will be able to make travel choices that minimise the long-term impacts on our climate and the wellbeing of future generations”
- Help deliver inclusive economic growth – “Scotland will have a transport system that will help deliver sustainable and inclusive economic growth enabling the whole country to flourish”
- Improve our health & wellbeing – “Scotland's transport system will be safe and enable a healthy, active and fit nation”

The Strategy also sets the scene for the Regional Transport Partnerships. In the case of East Renfrewshire the national Strategy influences the Strathclyde Partnership for Transport strategies and plans. The Regional Transport Strategy is currently in the process of being prepared, with East Renfrewshire's refreshed Local Transport Strategy due April 2021.

East Renfrewshire is demonstrating its alignment with national and regional transport strategy via the strategic City Deal projects. This is considered in more detail below.

2019 - 2020 saw the commencement of 2 of the major City Deal roads projects, Balgraystone Rd (2019) and Aurs Rd realignment (2020) although there have since been some delays due to Covid-19. Good progress is also being made with development of the proposed rail station at Barrhead South. As the position becomes clearer on the City Deal transport project details the Council will consider if there is any further need for transport infrastructure in the area, over and above what will be achieved from the current funding package. Any capital investment ambition that is unmet will form the basis of future discussions with Scottish Government and strategic partners.

When seeking to determine the longer-term strategy for the Council, it is not immediately possible to identify investment in any detail beyond the current City Deal timescale. However, development of a refreshed Local Transport Strategy will outline key policies, plans and actions to deliver key transportation, health, environmental and sustainability Outcomes in line with national, regional and local Strategic Objectives, including the East Renfrewshire Community and Fairer East Ren Plan Outcomes. East Renfrewshire Council will work with partners and stakeholders in order to develop key proposals including the development of local active travel networks (to enable more walking, cycling and wheeling for everyday journeys), encourage greater use of public transport, promote low-carbon transport modes, (such as development of electric vehicle infrastructure) as well as actions to reduce car dependency and promote greater inclusivity across the transport network through Community Transport options. On this basis, the Council will consider any risks, financial and non-financial, which will inform decision making at a local level.

Supporting information:

[Link to Scotland's National Transport Strategy](#)

Early Learning and Child Care

Early Learning and Childcare (ELC) in East Renfrewshire is mainly provided by the local authority, with 17% of children receiving their ELC in a funded (partnership) provider (i.e. private, voluntary and independent sectors and childminders) compared to a national average of 27% in 2019. The ERC facilities operate at relatively high occupancy levels and are organised into 4 geographical communities.

From August 2014, all local authorities had a duty to increase provision to 600 hours of free ELC for all 3 and 4 year old children and eligible two year olds; and to introduce some flexibility on how entitlement is provided for parents. This placed demands on the capacity (available places) and resulting occupancy levels of East Renfrewshire ELC facilities. The Council expanded provision to meet these duties for example the new Cart Mill Family Centre, increasing the nursery class at Calderwood Lodge primary school and the extended new build replacement Arthurlie Family Centre. In addition, further early years places for population growth have been taken forward with two new nursery classes which opened in August 2019, at St Cadoc's and Maidenhill primary schools.

The Scottish Government's A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland increased the entitlement to 1140 hours per year of free ELC for all 3 and 4 year olds and eligible 2 year olds by 2020. This vision effectively doubles the entitlement to free ELC and is underpinned by the key principles of quality, flexibility, accessibility and affordability. In addition to requiring more places, planning is more difficult and occupancy levels less efficient with greater parental choice and the commitments of increased flexibility and accessibility of provision.

East Renfrewshire has been planning ELC expansion over a number of years through increasing places provided by the local authority and funded through partnership with the private, voluntary and independent sectors and childminders. Proposals have also taken into account ongoing and future new residential development under local development planning as currently approved. In addition to the most recently opened new ELC facilities noted above, the Council is establishing 6 new ELC centres/ new build larger replacements (Busby, Crookfur, Cross Arthurlie, Eaglesham, Glenwood and Overlee) and 2 more modest extension/remodelling of existing early year's facilities at Carolside and Hazeldene. This equates to around £24 million of capital investment, of which circa £12 million has been provided from the Scottish Government for 1140hours.

The new entitlement was to take effect from August 2020 in line with legislation, however with the impact of the COVID-19 pandemic in 2020, Scottish Ministers relaxed this date. Prior to lockdown in March 2020 the new infrastructure was on schedule to open for August 2020; and whilst building work has been able to recommence under necessarily restricted operations progress continues with new facilities being available during 2021. The Council will seek to open the facilities as soon as practically possible realising they are a key part of our original intended delivery model.

However recognising the benefits for children and their families of ELC, East Renfrewshire exercised our contingency plans and was able to provide an offer of 1140 hours for August 2020, albeit on a more limited basis than the original intended offering. This was possible due to the work undertaken thus far in increasing and developing our early years' workforce in readiness for 2020, and in expanding provision including the increase in funded places with our partners overall increasing by some 4% in the year to 2019. 11 of the 31 other local authorities have also been able to offer 1140 hours from August 2020. The Council remains fully committed to full implementation of 1140 hours providing more choice and flexibility for families when our new settings are able to open and in time for it becoming legislative.

It has been highlighted to the Scottish Government that there is a shortfall in revenue funding allocated for implementation of 1140 hours to operate East Renfrewshire's original proposed delivery model in full. The Council continues to lobby for an increase in this funding and keenly awaits the outcome of the national review so that it can fully implement its planned offer to families. Whilst recognising the particular circumstances around the 2020 offer, generally over the years there has been a reasonable level of flexibility and accessibility to full day and holiday provision for families in East Renfrewshire within their own geographical community. This is at risk if there is insufficient revenue to take forward plans with the Council adjusting its 1140 hours offer in a less flexible and more limited way.

Beyond establishing expanded early years provision of 1140 hours, the availability of and demand for ELC places throughout the authority will continue to be subject of regular monitoring and review. This will take into account future local planning processes and resultant new housing land supplies, other demographic changes and relevant modifications to the educational estate as a consequence of local/national educational policy. In fact East Renfrewshire will be relooking at its provision in light of new legislation laid in the Scottish Parliament by the Scottish Government in December 2020 about funded early learning and childcare places for all children who defer their primary one start. All parents and carers in Scotland have the legal right to defer their child's entry to primary school if they are not yet 5 years old at the beginning of the school year. In the current system, the youngest children (those with a January or February birth date) are automatically entitled to an additional year of funded ELC; and those with an August to December birthday can still defer their school start, but that does not automatically come with funding for an additional year of ELC. The new legislation will mean that, from August 2023, all children who defer will be entitled and able to access funded ELC. The Scottish Government and COSLA have agreed to the phased implementation of this policy learning from some pilots on the lead up to the 2023 implementation date. With the increase in the number of children in ELC settings this approach is to inform assessment of likely uptake of the entitlement and improve the understanding of the consequent impact on available capacity and financial implications. This national implementation plan will inform local assessment of what this means for East Renfrewshire and feature in future reports.

The Children and Young People (Scotland) Act 2014 requires local authorities to consult on early learning and childcare every 2 years, and East Renfrewshire is again doing so in 2020/21. This will include seeking to address the changing needs of families with regards flexibility and choice and changes in provider status, reflecting available resources.

This evolving requirement will need to be updated in future iterations of the Capital Investment Strategy. It is a relatively high-risk area from a service delivery, asset and financial perspective, which is addressed in the Capital Investment Strategy risk assessment.

Supporting information:

[Link to Early Learning and Child Care](#)

We aim to build upon our high-quality Early Learning and Childcare (ELC) system by ensuring children and families have accessible and affordable childcare that is complemented with school and out-of-school care.

ELC will provide families with flexibility and choice which will enable parents to work, train or study, especially those who need help with finding sustainable employment.

Increasing the free entitlement to ELC

From August 2020 we will increase the offer of free hours of ELC from 600 to 1,140 hours per year, to further reduce barriers preventing parents from working. This decision is prior to the statutory obligation to do so.

We will work in partnership to identify eligible two year olds and optimise uptake of early learning and childcare.

We will provide free Early Learning and Childcare to all 2 year old applicants living in SIMD areas 1 and 2. This will improve outcomes for all children, especially those who are more vulnerable or disadvantaged, and help to close the attainment gap.

Increasing the entitlement and providing flexibility and choice to meet the needs of families will require a substantially larger workforce, significant investment in infrastructure, and new, innovative models of delivery.

Early learning and childcare access in a deferred year: joint implementation plan

Joint Scottish Government and Convention of Scottish Local Authorities (COSLA) plan for funded early learning and childcare places for all children who defer their primary one start.

The Scottish Government have laid legislation in the Scottish Parliament which will mean that, from August 2023, all children who defer their start to school will automatically be able to access funded ELC.

Learning Estate Strategy: Schools

The ambition for East Renfrewshire's learning estate is an inclusive one at the heart of the community with quality environments and experiences to support skills for learning, life and work and a focus on meeting needs of learners and supporting staff, families and communities to thrive. In so doing the estate should contribute effectively to the aspirations, principles and objectives of Scotland's Learning Estate Strategy, the achievement of the Council's corporate and community objectives and the policies of the Education Department, which are exemplified in the department's vision of *Everyone Attaining, Everyone Achieving through Excellent Experiences*. The intent is to seek investment to continually improve East Renfrewshire's learning estate both physically and digitally and ensure sufficiency of education places.

The Council has a well-earned reputation for providing an excellent education for children and young people and such success has contributed to a growth in the number of pupils in schools and children in early years' facilities. The number of East Renfrewshire resident pupils has risen by 14.4% from 2012 to 2019; and based on the National Records of Scotland projections show the children and young people cohort continuing to grow over the next 25 years. Accordingly, many educational establishments already have high occupancy levels and others are increasingly starting to face pressure. New build housing is in part facilitating this increase; however pupil numbers are also increasing in more established residential areas with families attracted by the education and the local environment. As well as this growth in demand from a resident population, schools attract a significant number placing requests from families out with the authority which we must accept within the legislative framework.

Changes in educational policy can impact on infrastructure requirements of the education estate. The Capital Plan includes provision for an extension at St Ninian's High School (2021/22) to temporarily increase the school's planning capacity as a consequence of a change in schools admission arrangements. This project is on programme. Remodelling of the school's accommodation will be required in the medium term related to the extended provision.

The need to ensure that all educational buildings are 'fit for purpose' is an active driver in developing and maintaining the learning estate and in achieving the policy aims of excellence and equity for all. The Council has undertaken major school refurbishment projects with the most recent being Barrhead High School and Crookfur Primary School both of which benefitted from some support investment released by the Scottish Government to improve the condition of schools.

In September 2019 East Renfrewshire was informed that it was successful in attracting some funding support from the Scottish Government's new Learning Estate Investment Programme (LEIP). This will help take forward the campus approach in the Capital Plan to improve facilities for Learning and Leisure in the village of Neilston, which includes new build replacements for Neilston and St Thomas' primary schools and Madras Family Centre. In summer 2020 the project team was appointed and consultation is underway on realising the first phase, with the new Learning Campus on the Neilston/Madras site and the next phase based on the vacated St Thomas's site focussed around further improvements to leisure for the village.

These school buildings in Neilston were identified as having the highest priority in need of renewal. There will be other projects that the Council will need to reflect in future Capital Investment Strategy and Capital Plan updates to address the ongoing need to renew/refurbish older schools whose condition and suitability deem them in need of investment. At present, Carolside and Cross Arthurlie primary schools and the older wings of Woodfarm and Mearns Castle high schools have the lowest rated buildings in terms of condition in East Renfrewshire. The newer wings at these secondary schools are in very good condition and provide a modern learning environment. Carolside and Cross Arthurlie are currently the buildings with the highest priority where their suitability and condition are in need of investment. The Council is intent on addressing these priorities as soon as it is able to do so. The Council will actively look to submit further LEIP submissions when future phases of this funding contribution are announced by the Scottish Government and local financial conditions permit. As noted, the Council will continue to explore funding opportunities to lever in additional investment to improve the condition and suitability of its learning environments.

Whilst new and refurbished schools have very good/excellent physical environments, there is the need to provide all learners with fit for purpose modern education facilities; however it is recognised that this will take some time to realise on a wholesale through major new build/refurb. In the interim to help progress improvements in the Council's older schools, capital provision is included in the Capital Plan providing an annual provision to upgrade learning environments to meet needs of modern learning styles and curriculum.

There are other specific projects to address curricular need such as in response to subject choices/uptake levels/ curricular entitlements that impact on the learning and teaching environment. For example the Capital Plan includes provision for a new synthetic sports pitch and athletics track to provide sufficient modern PE spaces to meet needs at Mearns Castle High School.

With the growth in the number of pupils, providing sufficient school places for residents continues to be a very high priority and is under close monitoring and review; the most recent examples being the new St Clare's and Maidenhill primary schools (opening August 2017 and 2019 respectively) which were planned as part of the infrastructure requirement of the current Local Development Plan (LDP1); and last year capital provision was made for an extension at Crookfur Primary School to open in 2023/24.

Based on information to date, a close watching brief continues to be required in the Busby and Eaglesham areas to ensure there are sufficient primary non-denominational places in the medium term. Should pressure on places at Eaglesham Primary continue there is a need for a new extension and some internal remodelling at the school. This is currently anticipated to be required from around 2026; and with the nursery being relocated to its new build on the school grounds in 2021, the area currently used by the nursery in the school provides some additional space in the interim as we continue to keep under review. Likewise close monitoring of places at Busby Primary will continue where it is currently anticipated there is a need to increase pupil places around the same time. The new build nursery at Busby to open in 2021 will offer at least an interim solution over the next few years.

With the new approved residential development brought forward and planned in parts of Barrhead, going forward the sufficiency of places in the primary denominational sector requires to be addressed based on information to date. There is scope in St John's Primary building to accommodate additional pupils, but plans highlight that St Mark's Primary could be facing pressure which requires additional provision from around 2025. This will be kept under review but could mean an extension to increase St Mark's from a 2-stream (class intake) to a 2.5 stream school based on anticipated pupils.

There is also a need to increase the very specialist places for our most vulnerable children and young people. East Renfrewshire has only one special school. Isobel Mair, which is experiencing pressure on places as a consequence of additional residential development, but also due to families moving into the area to access this widely recognised and valued specialist provision. Facilities at the school are becoming stretched and some additional temporary accommodations

have been made and the authority is taking forward a review of provision as part of a wider assessment of the needs of ASN services across the authority looking at how best to address needs in the short and longer term. Any plans would be taken forward sensitively, within legislation and with the community.

The preparatory work on the Main Issues Sites (MIR2) associated with the initial LDP2 reflected increased housebuilding and population growth and the major impact on new school requirements. These MIR2 sites were later dropped and in June 2019 the Council approved that the Proposed LDP2 would be about adopting a strategy of consolidation and regeneration through to 2029. Additional residential development and the resulting requirement of significantly more education infrastructure will be addressed when LDP3 is progressed.

The requirements for new build as known to date, are as noted above, and are included in the Proposed LDP2 and in capital planning. The Education Department will continue to monitor, evaluate and respond to the evolving requirements of our resident population for educational places throughout the learning estate including to the specialist requirements of our additional support needs sector to ensure the Council can meet its statutory obligations now and in the future. This will take account of future local planning processes and resultant new housing land supplies, other demographic changes and relevant modifications to the educational estate as a consequence of local/national educational policy. Should this signal the need for investment, this will be considered at that time with any changes to the learning estate the subject of future committee and council reports, take account of any necessary consultation and reflected in future Capital Investment Strategies and Capital Plans.

Supporting information:

Link to Scotland's Learning Estate Strategy

In September 2019, The Scottish Government and COSLA published their coproduced joint vision for the learning estate of the future which supports excellence and equity for all, Scotland's Learning Estates Strategy- Connecting People, Places and Learning.

The joint strategy comprises the following principles to guide investment in the learning estate:

- *Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners;*
- *Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners;*
- *The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value;*
- *The condition and suitability of learning environments should support and enhance their function;*
- *Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle;*
- *Learning environments should be greener, more sustainable, allow safe and accessible routes for walking, cycling and wheeling and be digitally enabled; Outdoor learning and the use of outdoor learning environments should be maximised;*
- *Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all;*
- *Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential; and finally,*
- *Investment in Scotland's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth.*

The **Scottish Government** digital strategy “Realising Scotland's full potential in a digital world: a digital strategy for Scotland” is the key national strategy covering Digital. Although not solely ICT focussed, there is a large emphasis and reliance on technology in achieving the Strategic Outcomes.

The Strategy defines a number of strategic actions which in many ways mirror the strategic digital outcomes within the Council:

- Digital support for businesses
- Digital talent
- Digital transformation
- Using data effectively
- Digital identity
- Technology standards and assurance
- Broadband and mobile
- Digital participation
- Data linkage

[Link to Scottish Government Digital Strategy](#)

Education Scotland has also developed a national digital strategy called the “Digital Learning and Teaching Strategy for Scotland”. This strategy results in direct change within the Education Department and has been used to inform and influence the Council’s Education Digital Strategy.

This strategy has four key objectives:

- Develop the skills and confidence of educators in the appropriate and effective use of digital technology to support learning and teaching
- Improve access to digital technology for all learners
- Ensure that digital technology is a central consideration in all areas of curriculum and assessment delivery
- Empower leaders of change to drive innovation and investment in digital technology for learning and teaching

[Link to Digital Learning and Teaching Strategy for Scotland](#)

NHS Scotland have developed a Digital Health and Care Strategy called Scotland's “Digital Health and Care Strategy: enabling, connecting and empowering”. This strategy which exists to guide the NHS Boards is of real relevance to the Health and Social Care Partnership (HSCP) of the Council.

This strategy focuses on how digital can support the strategic aim for Health and Social Care in Scotland which offers high quality services, with a focus on prevention, early intervention, supported self-management, day surgery as the norm, and – when hospital stays are required – for people to be discharged as swiftly as it is safe to do so.

[Link to Digital Health and Care Strategy](#)

The Scottish Local Government Digital Office doesn’t define strategy but does enable transformation through collaboration, building communities of interest and acting as a strong voice nationally, on behalf of the 32 Local Authorities. The programmes within the Digital Office often reflect the coming together of the national strategies identified above and the local strategies of the Local Authorities, which have real local context.

These national strategies influence the Council in terms of procurement and planned capital spend. They inform our own strategic goals around digital and technology. As an interface to the national arena, the Scottish Local Government Digital Office allows the Council to approach transformation with momentum, with collaboration and with maximum re-use of learning and capability. This momentum, re-use and shared learning directly influences ICT contract procurement and capital projects.

Regional influences

Glasgow and Clyde Valley City Deal

The Glasgow and Clyde Valley City Deal was formally signed in August 2014. The Council achieved a £44 million investment through the City Deal to deliver the infrastructure to support and enhance the place making strategy adopted through the Council's Local Development Plan.

Our £44m investment is focused on five key projects around the M77 Strategic Corridor, designed to provide economic benefits through employment, recreational, tourism, residential and business opportunities:

1. **Levern works** – Crossmill Business Units were completed in 2016 and all 10 units are now occupied. The former Nestle site is prepared for private investment. A planning application has been approved for a new Neighbourhood Centre on the site and the expectation is that substantive development will commence building work in 2021. This will produce outcomes of approx. 200 new jobs.
2. **Dams to Darnley Country Park enhancements** – Plans are in place to transform the Dams to Darnley Country Park into an important leisure destination including a visitor centre, wake board park and promenade - **planned completion 2022**
3. **Enhanced road network** - Improving connections between the communities of Barrhead, Newton Mearns and the M77 – **planned completion by 2025**
4. **Greenlaw Business Centre** - meeting a growing demand for flexible business space – **Completed 2019 and due to open February 2020** – Opening was delayed due to Covid-19.

The City Deal is a strong demonstration of the Council's approach to collaboration and partnership working in prioritising projects which will have an impact on the wider region.

The Capital Investment Strategy makes the connection between the ambitions of the City Deal and the delivery of ongoing projects at a local level, as demonstrated in the capital investment plan.

The Council will continue discussions with regional partners to identify delivery and funding opportunities, by engaging effectively as an integral part of the City Deal governance and through its wider partnership networks.

Supporting information:

[Link to Glasgow and Clyde Valley City Deal](#)

Strathclyde Partnership for Transport Strategy: A Catalyst for Change 2008-21

The Regional Transport Strategy (RTS) shared goals and objectives are an important influence on the Council's Capital Investment Strategy. It is important for the Council to demonstrate the alignment of local and regional transport strategy and to recognise the capital investment made by the Council via the Strathclyde Partnership for Transport (SPT) programme.

The new RTS is planned to be completed by late 2020 / early 2021, with the implementation of the new Strategy from 2021. The current position is covered by the SPT Delivery Plan 2018/19 – 2020/2021.

There are understandably a number of areas to be resolved with regard to the content of the Regional Transport Strategy and more clarity will be needed from the SPT in order to enable the Council to effectively plan for future transport proposals and the impact this will have at a local level.

The Council consider that the RTS (2008-2021) is still relevant but it is recognised that the regional transport situation has changed in the last decade. The Glasgow Region City Deal is a vehicle that will deliver new development and infrastructure and there are trends of increased congestion and car ownership. There is more emphasis on environmental issues, pollution, with sustainable transport and active travel being more prominent today. The Council acknowledge that whilst the RTS is still relevant, its renewal is a priority.

The Council is content with its involvement and engagement in the renewal of the RTS, being both a City Deal partner, along with SPT, being involved in the meetings with SPT to discuss the renewal of the RTS and as a member of the working group that has been set up. The Council is content that it will be able to appropriately influence the outcomes.

The Council do not envisage that the renewal of the RTS will impact on current or proposed capital projects, but this will continue to be assessed via future updates of the Capital Investment Strategy.

Supporting information:

[Link to Strathclyde Partnership for Transport Regional Transport Strategy – A Catalyst for Change 2008-21](#)

Local influences

Community Plan and Fairer East Ren

The strategic context for the Council starts with the Community Plan. The Community Plan was updated in 2018, which means that it has a very current and relevant influence on the Council's Capital Investment Strategy. The Community Plan incorporates Fairer East Ren Plan (this is the statutory Local Outcomes Improvement Plan and is a set of outcomes for reducing inequalities across East Renfrewshire) and is important in setting the scene for strategic financial planning. Reference to the Community Plan and Fairer East Ren could form part of the contextual material provided in relation to capital proposals and individual proposals could be aligned to the aims within these Plans.

The Fairer East Ren themes are aimed at reducing inequality and have been mapped to national outcomes. They are delivered by the Community Planning Partnership which is important in setting the scene for a partnership approach to capital investment and an open and frank dialogue with local communities.

The importance of community engagement and consultation in successfully planning for, and delivering, capital investment cannot be underestimated. The Council is very outcome focused, which makes it much easier to get strong messages across to community organisations, communities and residents when it comes to the purpose and expected outcome of capital investment plans.

The capital investment plan will be developed around the Community Plan strategic outcomes.

Supporting

information: [Link to](#)

Community Plan

Five Outcomes:

1. **Early Years and vulnerable young people** – all children in East Renfrewshire experience a stable and secure childhood and succeed
2. **Learning, Life and Work** – East Renfrewshire residents are healthy and active and have the skills for learning, life and work
3. **Economy and Environment** – East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents
4. **Safe, Supportive Communities** – East Renfrewshire residents are safe and live in supportive communities
5. **Older People and people with long term conditions** – Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives

Link to Fairer East Ren

- *Reducing the impact of Child Poverty* – The impact of child poverty is reduced
- *Improved employability* – Residents have the right skills, learning opportunities and confidence to secure and sustain work
- *Moving around* – East Renfrewshire's transport links are accessible, attractive and seamless
- *Improving mental health and wellbeing* – Residents' mental health and wellbeing is improved
- *Reducing social isolation, loneliness and increasing safety* Residents are safe and more socially connected with their communities

Locality Plans

The Locality Plans highlight specific areas of focus within the community with a specific aim of tackling inequality. Locality Plans are a good example of partnership working and collaboration in East Renfrewshire.

The Council will consider how the relationship with partners and the community, via Locality Plans, can be used to best effect to leverage greater investment capability and to find the best fit for community needs.

The Council will consider the timescale for increasing the number of Locality Plans. The resource implications will be considered and priorities for further roll-out will be examined.

Supporting information:

[Link to current Locality Plans](#)

ADD2 Barrhead 2017-27

Auchenback 2017-27

Neilston (in development)

Thornliebank (in development)

Vision for the Future

Vision for the Future sets out our long-term ambitions for the work of East Renfrewshire Council based on a horizon of 10 years.

In October 2018 Council approved that the Corporate Statement and Vision for the Future documents would be combined and that an updated Vision for the Future document covering a 10 year time period would be produced to reflect the updated Community Plan and the long-term ambition of the council's change programme.

In the 'golden thread' of strategic planning our refreshed 'Vision for the Future' sits under the Community Plan (our 10 year partnership strategy for the area) and above the Outcome Delivery Plan (our 3 year delivery plan). Its purpose is to set out the Council's long-term strategy and our plans to deliver our part of the Community Plan.

Significant work has been done over the last 2 years to improve the integration of strategic and operational planning to ensure a clear 'golden thread'. The new Community Plan, (incorporating Fairer East Ren) has given us a refreshed set of strategic outcomes, which when considered alongside our long-term financial plan, Capital Investment plan and detailed demographic analysis, have given us a solid foundation on which to further develop our Vision for the Future.

The Council's Vision for the Future document is currently being revised and an updated draft can be accessed on the Council meeting agenda for 27 February 2020.

Outcome Delivery Plan 2019-22

The Council's Outcome Delivery Plan is updated annually and covers a 3 year rolling period. The Outcome Delivery Plan is the Council's contribution to the Community Plan and provides a very current and relevant influence on the Council's Capital Investment Strategy. The Outcome Delivery Plan drives the Council's capital investment ambition.

There are intermediate outcomes for each Strategic Outcome, making it easier to map capital investment decisions to Community and Council priorities.

The Outcome Delivery Plan sets out the Council's contribution and the associated critical activities, which makes the Plan specific and measurable. It also describes the Council's policies, setting the Council's capital investment in context and highlighting service provision and challenges with strong examples.

Strategic Outcomes will be mapped to the capital investment plan where relevant. This helps with the evaluation and prioritisation of future capital schemes, where a business case needs to consider the contribution to the achievement of priorities, as well as non-financial and financial benefits.

Supporting information:

Outcome Delivery Plan - East Renfrewshire Council

East Renfrewshire Council is committed to improving the lives of local people, promoting equality and fairness and enhancing the area in which we live, now and for the future. This is the Council's Outcome Delivery Plan (ODP). It covers the time frame 2019-2022 and sets out how services across the Council are contributing to the delivery of our outcomes, and our vision to be:

"A modern, ambitious council creating a fairer future with all"

The Council works with our Community Planning Partners to deliver on our five strategic outcomes.

Local Development Plan 2015-25

The Council adopted the East Renfrewshire Local Development Plan 2015-2025 (LDP1) in June 2015. This document sets out a vision, development strategy and policy framework to guide and manage development in the area up to 2025 and beyond. The Plan aims to shape the investment plans and allocation of resources of the Council and other public, voluntary and private sector organisations. It is influenced by national, regional and local policy and together with Clydeplan, the Strategic Development Plan, makes up the Development Plan for East Renfrewshire.

LDP2 is currently in the examination by Scottish Ministers stage. LDP2 will cover the period up to 2029 and beyond and the Capital Investment Strategy acknowledges this development. The Council will continue to monitor the need for infrastructure to support new development and will identify requirements through the emerging plan.

The Strategic Aim and Objectives contained within LDP2 will influence the Council's capital investment ambition. The Council will consider the long-term impact of The Local Development Plan, and it will identify what part the Council's capital investment will play in contributing to meeting the long term needs of the local population and area.

For both LDP 2 (no new sites identified) and LDP 3 (which will include new sites) the Council will look to ensure that our Capital Investment Strategy will accommodate the additional spend that comes with house building such as (but not limited to) School provision, new roads, new street lighting, refuse routes, open spaces and other associated community infrastructure.

Supporting information:

[Link to Local Development Plan 2015-2025](#)

Local Housing Strategy 2017-22

It is important for the Strategic Priorities in the Local Housing Strategy (LHS) to be reflected in the Council's Capital Investment Strategy, both from a direct capital investment perspective and an enabling perspective. The Council plays a vital role in ensuring that the Local Delivery Plan is delivered in terms of projects, housing mix and timescale.

The Housing Strategy highlights the importance of working in partnership and internal service collaboration, particularly related to homelessness. The capital investment requirement is put into this context in the Capital Investment Strategy to demonstrate how this investment is contributing to the achievement of important housing targets.

The Council confirm the housing target is being met – the previous LHS for the period 2012-2017 was set at an average of 30 affordable units per year and was exceeded. The new LHS and LDP2 have a target of 45 units per year (on average over the 5-year period), which is a realistic target. 40 units of affordable housing have been achieved in 2019 – 20; 26 new build and 14 through Rent off the Shelf (ROTS). The expectation is that by the end of the 5 year period the target will be met.

The Housing Needs and Demand Assessment (HNDA) that was planned for this summer has been hampered by Covid-19, which has caused delays in the preparation of the latest household projections with consequential knock on delays in updates to the HDNA tool. It is expected that key information will be provided to allow analysis to begin in late 2020-21. This may affect targets in the future but a joint approach to target setting is in place between Housing and Planning. A revised Regional Housing Need and Demand Assessment (HNDA 2015) has been prepared to support the approved Strategic Development Plan and this provides housing estimates up to 2029. The Housing Supply Targets for LDP2 and the new LHS have been prepared jointly between Housing and Planning Teams based upon the HNDA.

The Council considers that there is currently a significant difference between the grant funding available to councils in comparison to RSL's. For example, councils are given a maximum £59k per unit, which has to cover all sizes and types. By comparison RSL's are funded differently and get on average £78k per unit but in certain circumstances can get more. This was based on the premise that Councils have favourable borrowing rates from prudential borrowing whereas RSL's have to go out to the market. At present due to low commercial interest rates and the recent increase in PWLB rates, this argument is not valid, and the Council will be seeking a more equitable approach.

Supporting information:

[Link to Local Housing Strategy 2017-2022](#)

Digital Council Strategy

It is important that the capabilities, solutions and services that ICT deliver are aligned with the overall outcomes of the Council. This is true across both normal service operation and where ICT help enable or support business transformation. To achieve this alignment the Council's Digital Strategy was created. The purpose of this strategy is to build our capability as a Council in digital technology and then to exploit digital to help us deliver our 5 outcomes for local people.

The vision is to be a digital council and the specific digital outcomes will be:

- All services are digital by design and use data analytics
- We have a digitally capable workforce with a modern working environment
- Communities engage digitally with the Council

The strategy informs how ICT develops its services and influences contract and vendor procurement and selection. It's important that this influences the ICT Asset Management plan as it is a key conduit to effect procurement and management of ICT hardware and software assets throughout their lifecycle.

A number of strategic principles also support and influence ICT's procurement and management of ICT hardware and software assets. These include the adoption of Enterprise Architecture principles and those of the Digital Customer Experience principles.

The Council is now developing a dedicated ICT Strategy that will aim to provide more specific ICT Strategic direction that more widely underpins the operational services that ICT provide. This strategy will provide the foundation for the service to meet the change, evolving and increasing demands for stable and performant technology to support business transformation.

Corporate Asset Management Plan

The importance of the link between the Corporate Asset Management Plan, and its constituent Asset Management Plans (AMPs), is stressed in the CIPFA Prudential Code. The AMPs should inform the Capital Investment Strategy but this also works both ways. The vision and ambition that is articulated in the Capital Investment Strategy should set the scene for the direction that the asset management in any particular area of operation should take. The Council's Corporate Asset Management Plan was produced in 2017 and, as such, is subject to review in the near future. This plan should provide the thread and link to the Council's corporate policies and objectives etc. and all actions within the 6 AMP's should align to these objectives and priorities.

A Corporate Landlord Manager (CLM) has been appointed to implement a corporate approach to asset management across Departments.

There are six AMPs maintained by the Council. There is a process in place for maintaining these plans, which are reviewed biennially. The Asset Management Plans have strategic objectives that clearly link with the Council's Strategic Outcomes.

Each AMP is brought to members of Corporate Asset Management Group (CAMG) firstly for peer review and comment and discussed at the CAMG forum. Following this process, the AMP's are reported to cabinet. CAMG will review the process once all AMP's have been reported to Cabinet. Summaries of the AMPs can be found at Appendix A.

The council will ensure that any refresh of the AMPs that results in a significant change will be reflected in an update to the Capital Investment Strategy.

Supporting information:

Corporate Asset Management Plan

There are six asset management plans. These are:

1. Roads*
2. Fleet
3. Open spaces
4. Property
5. ICT
6. HRA Assets

*The Roads Asset Management Plan is completed through participation with the Society of Chief Officers of Transportation in Scotland (SCOTS), which is a Scotland wide project which has prepared a standardised Roads Asset Management Plan format involving Transport Scotland and all Scottish Councils.

All other Asset Plans are prepared in accordance with the CIPFA Guide to Asset Management and Capital Planning and Audit Scotland's Best Value toolkit.

1. East Renfrewshire Culture and Leisure Business Plans

East Renfrewshire Culture and Leisure Trust delivers a wide range of services on behalf of the Council, as an ALEO and Community Planning Partner, and currently occupies under licence over a third of the 115 properties detailed in the Property Asset Management Plan from which Council services are delivered. In addition it is responsible for managing the letting of ERC schools out of hours.

Whilst these services include statutory services, including a number which are free-at-the-point-of-access, they are almost all customer-facing, with the vast majority commercial. Just as "...Council Property has an influence and impact on the Council's ability to deliver the outcomes of the Delivery Plan, to support the Single Outcome Agreement and to deliver the Council's overall vision," so the design, quality and condition of Trust-operated buildings has a direct impact on the ability of the Trust to deliver services on behalf of residents generally, and compete for commercial income in particular. Property issues particularly associated with the Trust building are detailed in the Property Asset Management Plan, but remain notable factors in the realisation of plans in relation to culture and leisure services across the authority.

The Trust's annual business plan is agreed by Council and identifies the projected resources and/or expenditure of the Trust during each Financial Year in performing the Services to support the Council's Community Plans, but also the capital programme building spend, and property maintenance budget required from the Council in relation to the facilities occupied by the Trust under licence from the Council,

These Business Plans are in turn aligned to wider strategies which the Council approves and which define the vision for Culture and Leisure Services in the authority:

- Public Library Strategy (2019)
- Sports & Physical Activity Strategy (2015);
- Arts & Heritage Strategy (2015)
- Indoor Sports Facility Strategy (2018)
- Sports Pitch and Outdoor Sports Facilities Strategy (2018)

These are closely articulated to property and asset management plans, since on the whole public sports and leisure services are essentially asset-based.

Partnership and collaborative working

The following tables map our Strategic Outcomes against our partnership and collaborative working activity. It is important to demonstrate these links to assist with demonstrating how the capital investment plan will contribute to the medium to long term commitments that result from these activities:

Strategic Oversight of Community Planning	Community Planning Partnership Board Performance and Accountability Review				
Strategic Outcomes	All children in East Renfrewshire experience a stable and secure childhood and succeed.	East Renfrewshire residents are healthy and active and have the skills for learning, life and work	East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	East Renfrewshire residents are safe and live in supportive communities	Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.
Regional Level Partnerships		Education Regional Improvement Collaborative	City Deal Board (regional level)		
Strategic Partnerships	Fairer East Ren: child poverty delivery group Children and Young Peoples' Services Plan <ul style="list-style-type: none"> • Early Years Sub-group • Parenting Steering Group • ASN sub-group • Corporate Parenting subgroup • Young Persons' Steering Group Early Learning and Childcare Expansion Board	Fairer East Ren: Local Employability Partnership – Strategic Community Learning and Development Partnership	Fairer East Ren: transport delivery group Local Housing Strategy Partnership Group	Fairer East Ren: Improving Outcomes for Adults Group (mental health and wellbeing and safe and socially connected)	
				Community Justice Partnership Alcohol and Drugs Partnership Violence Against Women and Girls Partnership Tobacco Alliance Greater Results in Partnership (GRIP)	HSCP Strategic Planning Group

<u>East Renfrewshire Community Plan: our high-level ambitions for all age groups and communities, and tackling inequality</u>					
Community Plan Strategic Outcomes	All children in East Renfrewshire experience a stable and secure childhood and succeed.	East Renfrewshire residents are healthy and active and have the skills for learning, life and work	East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	East Renfrewshire residents are safe and live in supportive communities	Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.
Regional and CP Partner strategies and strategic plans that help us to deliver our vision		Skills Development Scotland: vision for 20152020 Voluntary Action East Renfrewshire Strategic Plan West College Scotland Regional Outcome Agreement	Glasgow City Region Economic Strategy and Action Plan Scottish Enterprise Strategic Plan A Catalyst for Change: The Regional Transport Strategy for the west of Scotland 2008-2021 Strathclyde Partnership for Transport: Transport Outcomes Report Regional Transport Strategy Clydeplan	East Renfrewshire Local Fire and Rescue Plan Police Scotland's Local Policing Plan for East Renfrewshire Adult Mental Health Strategy 2018-2023 (NHS GGC wide) Voluntary Action East Renfrewshire Strategic Plan	Voluntary Action East Renfrewshire Strategic Plan

East Renfrewshire Community Plan: our high-level ambitions for all age groups and communities, and tackling inequality

<p>Outcome-focused Partnership strategies and strategic plans (*strategies in development are in italics)</p>	<p><i>Fairer East Ren: child poverty delivery plan</i> Getting it Right with You: East Renfrewshire Children and Young Peoples' Plan 2017-2020 (ICSP)</p>	<p><i>Fairer East Ren: employability delivery plan</i> / Local Employability Strategy Getting it Right with You: East Renfrewshire Children and Young Peoples' Plan 2017-2020 (ICSP)</p>	<p><i>Fairer East Ren: transport delivery plan</i> Local Housing Strategy 2017-2022 <i>Adaptations Strategy (planning for climate change)</i></p>	<p><i>Fairer East Ren: mental health and wellbeing delivery plan</i> Community Justice Outcome Improvement Plan <i>Violence Against Women and Girls Delivery Plan 2017-2020</i></p>	<p><i>Fairer East Ren: safe and socially connected delivery plan</i></p>
		<p><i>Community Learning and Development Strategy 2018-21</i></p>			
<p>Council "family" strategies and strategic plans (includes HSCP and Trust)</p>	<p>Health and Social Care Partnership Strategic Plan Early Years Strategy Corporate Parenting Plan</p>	<p>Health and Social Care Partnership Strategic Plan East Renfrewshire Culture and Leisure Trust Business Plan Sports Facilities Strategy <i>Tobacco Strategy</i> <i>Libraries Strategy</i> <i>Autism Strategy</i></p>		<p>Health and Social Care Partnership Strategic Plan</p>	<p>Health and Social Care Partnership Strategic Plan <i>Carers Strategy</i></p>

East Renfrewshire Community Plan: our high-level ambitions for all age groups and communities, and tackling inequality

<p>Council strategies and strategic plans</p>	<p>East Renfrewshire Council Outcome Delivery Plan</p> <p>Early Learning and Childcare Strategy</p>	<p>East Renfrewshire Council Outcome Delivery Plan</p> <p>Education Local Improvement Plan</p> <p>Advancing Equity and Excellence</p>	<p>East Renfrewshire Council Outcome Delivery Plan</p> <p>Local Development Plan</p> <p>Contaminated Land Strategy</p> <p><i>Economic Development Strategy</i></p> <p><i>Tourism Strategy</i></p> <p><i>Environmental Sustainability Strategy</i></p> <p><i>Community Benefits Strategy</i></p>	<p>East Renfrewshire Council Outcome Delivery Plan</p>	<p>East Renfrewshire Council Outcome Delivery Plan</p>
<p>Locality Plans (based on locally determined priorities)</p>	<p>Auchenback Locality Plan</p> <p>ADD2Barrhead Locality Plan</p> <p><i>Neilston Locality Plan</i></p>				

Capital Investment Ambition by Strategic Outcome

The following table illustrates how key elements of our 10-year General Fund and housing investment plans will deliver against the Strategic Outcomes in our Outcome Delivery Plan:

Outcome	Scheme Name	Short Narrative explaining the proposal	Output
All children in East Renfrewshire experience a stable and secure childhood and succeed	Early Learning and Childcare Expansion to 1140 Hours	As local nurseries and family centres are already operating close to capacity a significant increase in places must be provided in order to deliver the national requirement of 1140 hours by August 2020 for each eligible child per year from the existing 600 hours level.	10 new or extended early years facilities provided across the Council area by August 2020.
East Renfrewshire residents are healthy and active and have the skills for learning, life and work	Eastwood Leisure	Existing leisure facilities in the Eastwood area are dated and at the end of their lifespan. Improved facilities are needed to address local demands.	Investment in leisure/community facilities to be provided in the Eastwood area.
	Learning and Leisure in Neilston	Local school and community facilities in Neilston are in poor condition and require replaced/upgraded. The project has attracted some support funding from the Scottish Government funding to help take forward the school condition improvements.	Campus approach to improve facilities for Learning and Leisure in the village of Neilston, which includes new build replacements for Neilston and St Thomas' primary schools and Madras Family Centre in addition to a new library with the village also to benefit from improved leisure facilities.

	Primary School Extensions/Remodelling	To provide sufficient pupil places associated with inward migration including new housing per LDP1/2.	Crookfur Primary School Extension Busby Primary School Extension & Remodel Eaglesham Primary School Extension & Remodel
	Synthetic pitch and athletics track at Mearns Castle High School	To provide adequate number of suitable PE spaces to meet pupils' curricular needs.	New synthetic pitch and athletics track at Mearns Castle High School
East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents	New railway station – Barrhead South	To serve new housing and leisure developments in the Barrhead area rail transport links will be improved via a City Deal initiative.	New railway halt to be delivered for Barrhead South.
	Newton Mearns to Barrhead New Road Connection	As part of the City Deal economic growth proposals road links between the east and west of the authority will be improved.	New link road from Newton Mearns to Barrhead will be provided.
	Country Park Visitor Centre and Infrastructure	As part of the City Deal initiative a new visitor centre is planned together with improved access to the country park.	New visitor centre, board walk, parking etc to be built for Dams to Darnley country park.
	Roads	Increased capital investment is planned to ensure that roads are maintained in a safe condition.	Improved roads condition.

	Council Owned Public Buildings	Increased capital investment will be required to ensure that the Council can meet the net zero carbon in Public Buildings by 2040	Existing buildings will require to be adapted at a cost to the Council to ensure they are energy efficient in all areas going forward to meet statutory targets. Additionally, any new build properties will require a different approach, likely at a higher cost, to ensure they are sustainable in the first instance and continue to be throughout their lifespan.
	Council House New Build Programme	The Council will deliver up to 240 new homes for rent as part of the commitment to increase affordable housing supply set out in the Local Housing Strategy (and SHIP) and in line with national priorities for investment.	<p>A commitment to 240 new homes for rent from East Renfrewshire Council.</p> <p>Ph 1 sites (Barrhead) – Blackbyres Rd, Robertson St & Fenwick Rd (complete 2019/20); Balgraystone Rd (commencing September 2020). Total of 92 units.</p> <p>Ph 2 sites – remainder of units identified for Council Build Programme to be delivered at Maidenhill, Newton Mearns. 39 units started on site in July 2020 with a further 30 starting later this year. A further 130 units being looked at for this site.</p> <p>The Council will continue to identify additional sites for development to add to the rolling SHIP programme.</p>
East Renfrewshire residents are safe and live in supportive communities	CCTV Infrastructure Refresh	Ageing infrastructure to be replaced.	Modern, more reliable CCTV coverage of public areas.

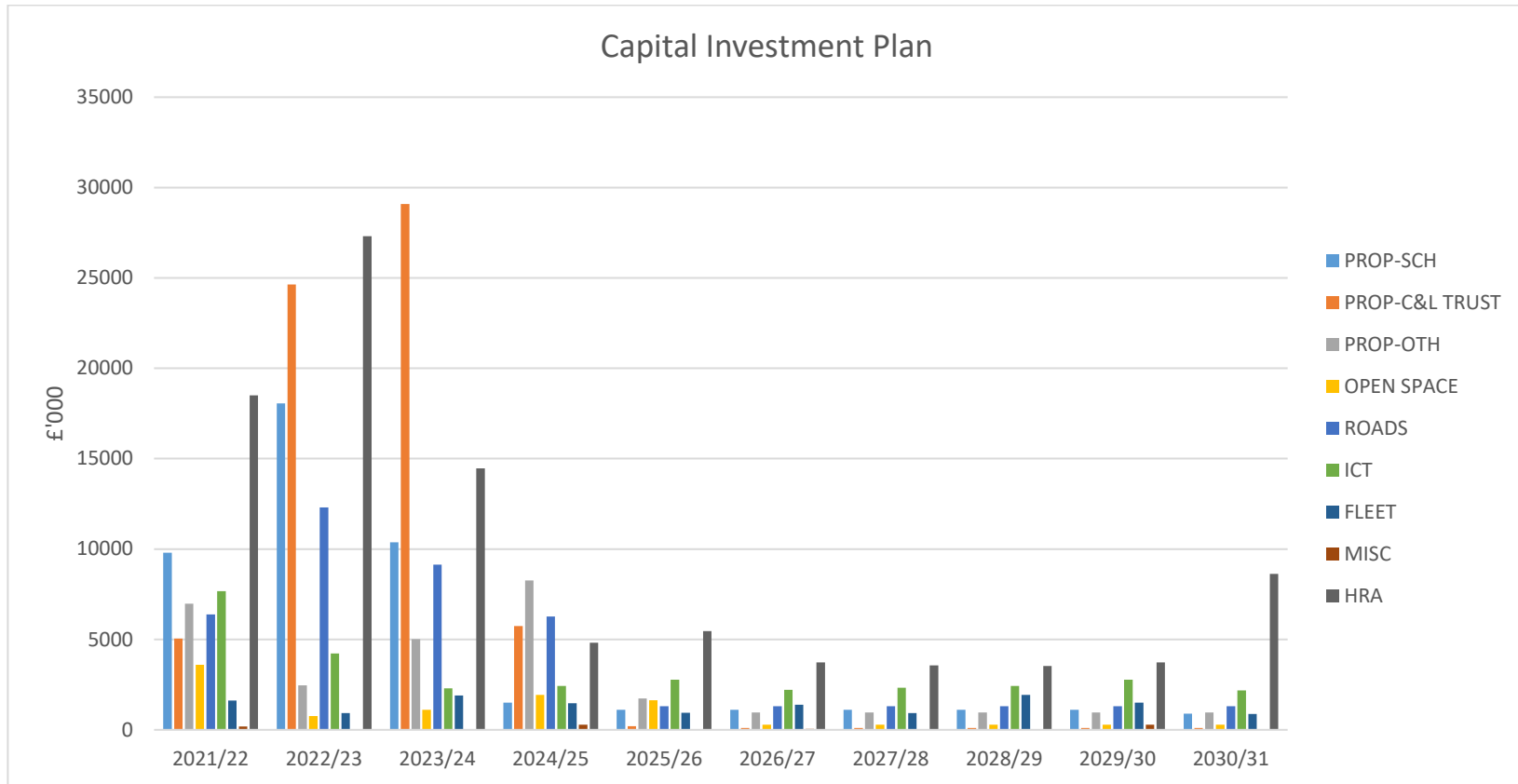
Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.	Bonnyton House Improvements	Care home for the elderly undergoing significant modernisation and improvement.	New roof and remodelled facilities to meet changing community needs.
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10-year Capital Investment Plan

Our 10-year capital investment plan covers the period 2021-2031, based on our capital investment ambition, similarly we have prepared a 10-year housing capital investment plan. These have been prioritised by applying our evaluation methodology to ensure that the longer term position is affordable and deliverable as planned and this is specifically addressed in our annual Treasury Management report which sets out the Prudential Indicators for the Council's spending plans. Our risk assessment examines the risk against the affordability and deliverability assumptions and this will inform the ongoing review of performance and update of the capital investment plan to ensure that it is effectively managed. Both capital plans are scheduled to be approved by Council on 15 March 2021 and links to these documents will be included in this strategy thereafter.

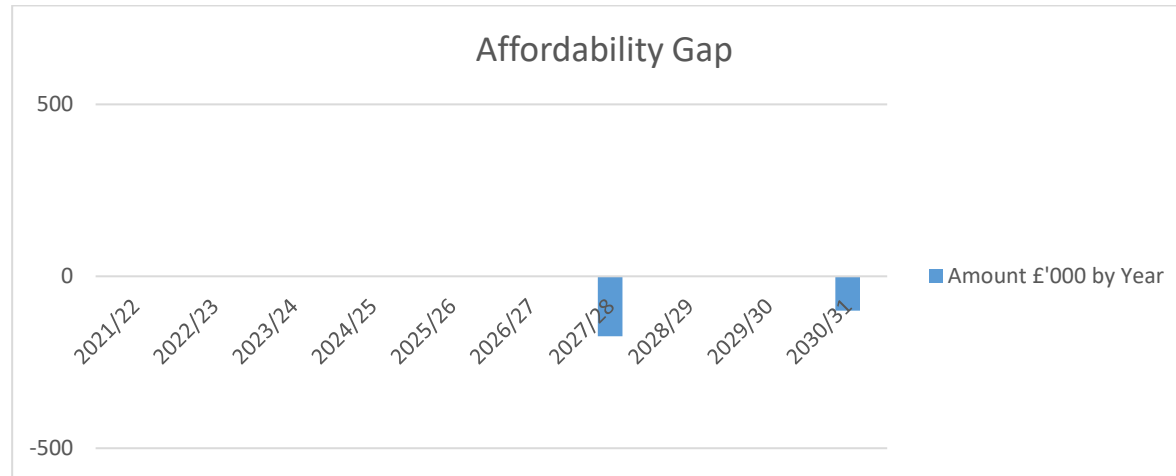
Several tables and charts have also been included within this strategy to provide a view of the 10-year capital investment plan from an investment and financing perspective, an affordability perspective and in terms of the contribution to the achievement of our Strategic Outcomes, our community improvements and our growth targets:

As work continues on development and delivery of our Local Development Plan 2, further capital investment needs are emerging. Once the timing and quantum of these items as been clarified they will be added to our future Capital Plans.



This graph shows the level of planned capital spend over the Council’s asset categories as set out in the Capital Plans, General Fund 2021-2031 and Housing 2021-2031.

The following sections examine the evaluation and prioritisation of our 10-year capital investment plan, the additional analysis that informs our Capital Investment Strategy principles, our capacity to deliver and the potential options for addressing our capital investment ambition gap.



This graph shows the shortfall in resources in the later years of the Council's capital plan. This will be kept under review and is expected to grow as LDP2 pressures are incorporated into our future capital ambitions. The Council's capital investment ambitions incorporated into its proposed capital plans would require additional funding, in addition to the borrowing set out in its capital plans 2021-30, as shown above.

Examination of outcomes from prioritisation

The Council maintains a rolling, detailed 10 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's key objectives and that asset management plans, are deliverable, affordable and represent best value. Only those proposals which make a significant contribution to the Council's objectives and are considered deliverable are progressed past an initial stage to a full appraisal by the Corporate Asset Management Group before being considered by the Corporate Management Team, Budget Strategy Group and Council. The current CPA template form is attached as Appendix B. For routine investments, such as ICT system renewals, property, parks & cemeteries and roads major maintenance, set sums are included in annual capital investment plans to facilitate forward planning and minimise administration.

The Corporate Asset Management Group also consider annually whether any adjustments are required to projects already listed in the capital plans (e.g. increased costs, reduced cost requirement, amended timing of spend etc.).

A 10 year rolling capital plan is maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and or running/maintenance costs are then reflected in the Council's revenue budget planning.

New projects added to the Capital Plan this year are listed in the table below. Some of the new projects added to the Capital Plan last year have been deferred to the current year due to the Council's response to Covid 19 pandemic and are also listed with an asterisk (*). Only CPA's of significant importance or unavoidable legislative consequences are being accepted for the 2021/22 Capital Programme.

PROJECT	ASSET CATEGORY	£'000
*Mearns Castle HS Sports Pitch & Athletics Track	Property Schools	1,726
*Learning Environments: Improvement & Upgrade	Property Schools	2,000
*Community Facilities Improvement Fund	Property: Culture & Leisure	500
*Muirend Synthetic Pitch	Property:Other	150
*Rouken Glen Toilet Upgrade	Property:Other	130
Rolling Road Test Facility	Fleet	50
Full Fibre Digital Transformation	ICT	2,700

Any projects which have been identified later in the year may not yet have been fully costed and appraised so are not included in the Council's updated capital plans to be considered in March 2021, however they will be incorporated into future years' updates. This applies to projects emerging as the Council's new Local Development Plan (LDP2) is developed. Those major projects currently identified are listed below to ensure that they are taken into consideration for future planning purposes; the projects and timings are based on information to date.

PROJECT	TIMING	COMMENT
Busby Primary School Extension & Remodel	from around 2026	Timescale to be kept under review as planning is progressed
Eaglesham Primary School Extension & Remodel	from around 2026	Timescale to be kept under review as planning is progressed
Isobel Mair School/ new ASN provision	Seek as soon as practical and depends on options timescale to realise	Timescale for the medium/longer term plan pending options exercise. Short term measures made to meet demand.
St Mark's Primary School Extension & Remodel	from around 2025	Timescale to be kept under review as planning is progressed

Capital Project Appraisal Process

Developing proposals

The Council has established a structured Capital Project Appraisal (CPA) process which begins in April of each year and concludes by November. Based on this process, the Corporate Management Team (CMT) consider the validity of recommended projects, before seeking Council approval for the annual update to the 10 Year General Fund Capital Plan.

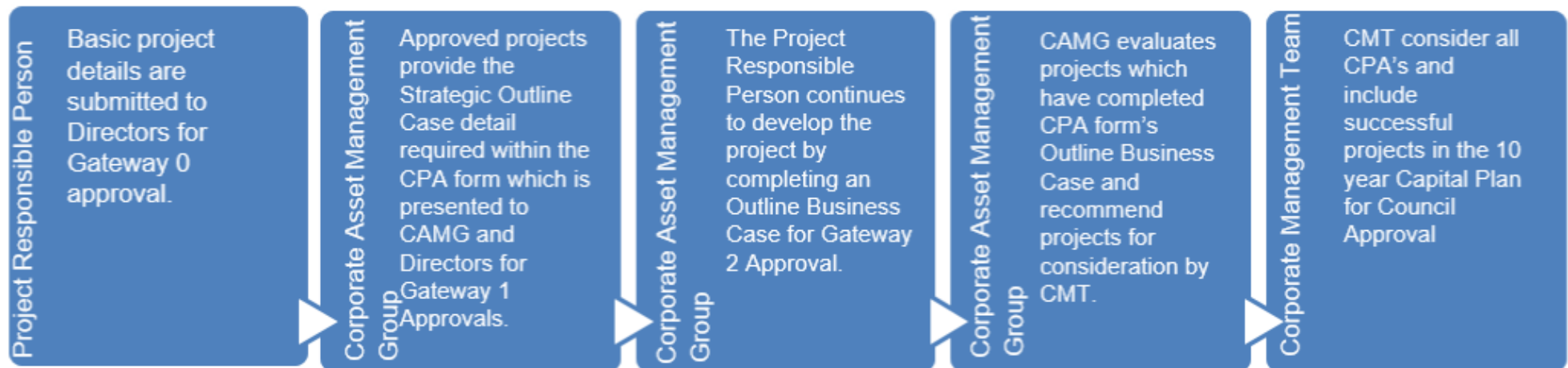
Capital Project Appraisal Form

The Capital Project Appraisal (CPA) Form, as shown in Appendix B, is designed to capture specific project information in order for that project to be assessed by the Corporate Asset Management Group (CAMG).

The form captures project details and objectives, links to strategic documentation and corporate aims and how the project can support these strategies and plans, finance details and delivery schedule. The form and the CPA process have recently been reviewed by the Corporate Asset Management Group, which has improved and refined the form to enhance, but simplify the process, build in gateway approval stages and monitor the outcomes.

The CAMG assesses the individual Capital Project Appraisal forms and evaluates projects against a Rating Matrix (see Appendix E). Following CAMG rating, new projects are passed to CMT for approval.

The chart below summarises the CPA form process up to the approval by Council stage:



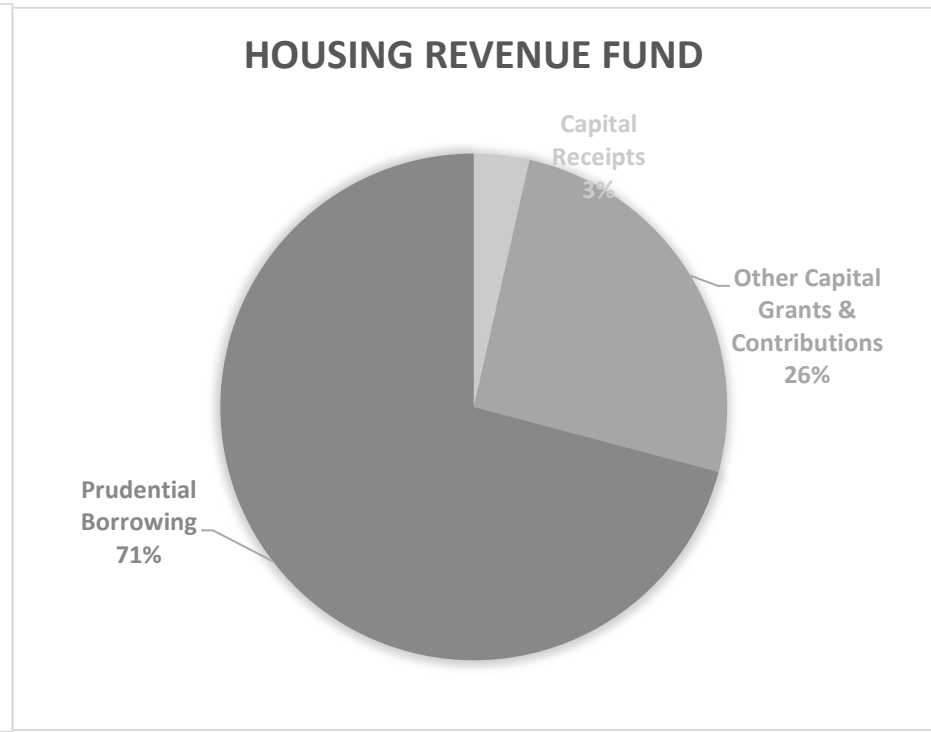
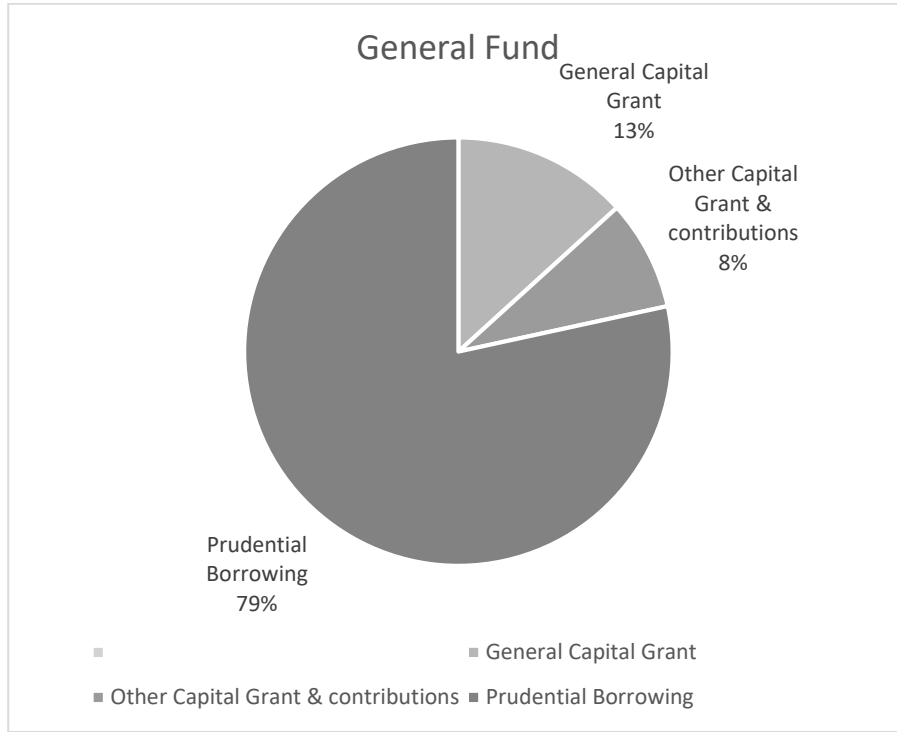
Capital resource allocation and analysis of balance sheet, treasury and reserve implications.

Current levels of capital grant are insufficient to address the Council's capital investment ambitions and so consideration must be given to closing the financial gap by additional borrowing (subject to affordability of future repayments), and by developer contributions, utilisation of capital reserves, capital receipts and grants from other bodies where available.

Decisions on the funding approaches require a joint evaluation of the revenue and capital financial needs and ambitions of the Council. This will take into account the overall availability of reserves, likely future pressures on capital and revenue budgets arising from both local demands and anticipated government grant settlements and the consideration of prudential indicators as set out in the CIPFA code. The impact of capital investment on the revenue budget (through increasing loan repayments arising from additional borrowing) are clearly articulated as this can directly impact on the level of revenue budget savings requirements in later years.

During 2019 the Council applied the new loans fund reprofiling flexibility offered to Councils in the 2019/20 Scottish Government settlement. This will assist in supporting future years' capital plans by ensuring that the authority's capital expenditure is financed over the expected life of the assets and that each year's repayment amount is reasonably commensurate with the period and pattern of the benefits.

The following pie charts highlight the Net Borrowing Requirements forecast for the following 5 years.



Treasury Management Strategy and Loans Fund Policy

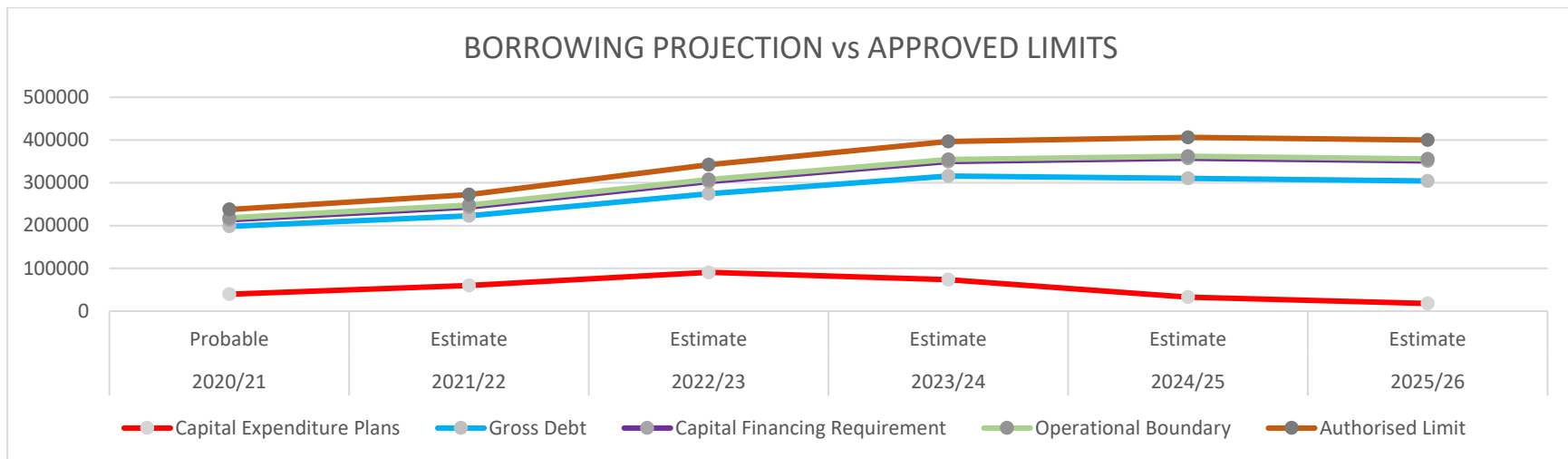
The Prudential Code for Capital Finance in local authorities enables councils to set their own borrowing limits with a requirement to ensure that investment plans are affordable, prudent and sustainable. The Council can borrow over a number of years to supplement its capital income, provided the resultant annual debt repayments can be accommodated within future years’ revenue budgets. The Council’s Treasury Management Strategy sets out the Prudential Indicators and parameters over the medium to long term, with regular reporting to Council members through:-

- Treasury Management Strategy
- Mid-year Treasury Management Report
- Annual Treasury Management Report, following the financial year end

Both of the monitoring reports compare the estimated Prudential Indicators with the Probable Outturn position.

The key prudential and treasury indicators include:-

- Capital expenditure plans
- Gross debt
- The Council’s overall borrowing need (the Capital Financing Requirement)
- Limits to borrowing activity through the Operational Boundary and Authorised Limit



As reflected in the Treasury Management Strategy for 2020/21, the analysis of the Capital Financing Requirement for East Renfrewshire Council indicates the borrowing needs to support delivery of the capital programme. The analysis also indicates that this borrowing need continues to be well within the parameters of both the Operational Boundary (the expected maximum borrowing position of the Council) and the Authorised Limit (the limit beyond which external debt is prohibited).

Examination of capacity to deliver

In determining capital investment consideration is also given to the following areas:

- **People** – The Council monitors capacity of staff in services such as property, accountancy, ICT, Legal and Procurement so as to ensure adequate resources are available to support capital plans. Where insufficient capacity is in place it may be possible to engage temporary /agency staff (potentially funded from the Council's Modernisation Fund reserve) or to utilise external consultants (e.g. private firms or public sector organisations such as hub West Scotland).
- **Procurement** – Wherever possible the Council encourages managers to self-serve for routine procurements and smaller procurements (under £50k) are undertaken by managers using the Quick Quote guidance. Projects over £50k are undertaken in conjunction with procurement professionals using a full tender process.
- **Reserves** – The Council maintains a Capital Reserve, Modernisation Fund, Insurance Fund and Repairs and Renewals Fund. These may be accessed in appropriate circumstances and such instances will be identified by the Corporate Asset Management Group. In closing the 2018/19 accounts a Feasibility Fund was also established to allow preliminary investigations to be carried out in advance of a proposed capital project, thus enabling a faster start on site.
- **Project support** – The Council's Project Management Office is available to provide project management support for major change projects such as system implementations. A capacity grid system is operated to assess whether any new demands can be accommodated. The Corporate Management Team have also developed a new executive reporting system to monitor progress of key projects.
- **Consultation process** – The Council has well established processes, particularly within the Environment and Education departments, for consultation with the public and other stakeholders on new proposals. It is essential that these are planned well in advance as long timescales are often required to accommodate both the consultation period and any potential objection/appeal processes.

- **Decision making process** – The Council has a clear process for consideration of capital proposals. This runs throughout the year from spring/summer when initial proposals are submitted, to February when formal approval of new schemes is granted by Council after consideration of affordability etc. Cabinet then monitors progress during the year with any changes to the agreed programme requiring approval by Council whose meetings are typically every 6 weeks.

Identification of platform for lobbying / negotiation / further discussion with Scottish Government / partners

The Council compiles a 3 year statement, Influencing the Future of East Renfrewshire, setting out key areas where it seeks additional powers or resources from the Scottish Government in order to support change. The statement for 2019-2022 was approved by Council on 18 December 2019 and includes several issues directly related to the Council's capital ambitions.

- Request for increased investment funding for improvement/replacement of school buildings.
- Request for increased funding for infrastructure (e.g. education, leisure, community facilities) to meet demands from population growth associated with increased local housing targets.
- Request for streamlined process for changes to the school estate.
- Request for additional funding for a second phase of City Deal.
- Request for more funding for active and sustainable travel.

Risk Management and Risk Assessment

Strategic Risk Register and Management Process

Updates to the Strategic Risk Register and Risk Management Process are provided bi-annually to Audit & Scrutiny Committee and are based on a 'live' risk register which is maintained by the Corporate Management Team.

These updates include a register of the corporate risks and draw out those which are evaluated as high or medium level risks. Where a risk has been evaluated as "low" it has been removed from the Strategic Risk Register and will be monitored within Departmental or Operational registers if appropriate'.

The report highlights how risks have been updated / re-evaluated according to the latest position, and illustrates the level of 'risk tolerance', through a matrix to demonstrate how risks have been scored.


The table below contains extracts from the Council's current Risk Management Strategy, demonstrates the processes in place to manage risks and the various levels of responsibility throughout the organisation. Details of the Council's risk management approach can be found here

(<https://www.eastrenfrewshire.gov.uk/article/8087/How-are-council-risks-managed>) and our risk management process is set out in Appendix D.

Area considered	Current Practice
Risk Management Strategy	<p>The Council's recognises the benefits of discussing risk on an open basis which are described as follows:</p> <ul style="list-style-type: none"> • Genuine consensus about the main risks (no hidden risks) • Clear allocation of risks and ownership as to how the risks will be managed • A clear process for managing and updating the view of risks • Greater trust and buy-in • One view and good communication is paramount. <p>Good risk management is about identifying what might go wrong, what the consequences might be of something going wrong and finally, deciding what can be done to reduce the possibility of something going wrong. If it does go wrong, as some things inevitably will, making sure that the impact is kept to a minimum.</p> <p>Risk management should ensure that an organisation makes cost effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact.</p>

Area considered	Current Practice																																																																																																			
	<p>Risk management should be a continuous and developing process which runs throughout the organisation’s strategy and the implementation of that strategy, methodically addressing all risks surrounding the Council’s activities past, present and future.</p> <p>Risk Appetite:</p> <p>The term risk appetite describes our attitude towards the amount of risk that the Council is prepared to accept in trying to achieve our outcomes. The attitude towards risk can differ across our services, from risk averse to risk taking. Risk appetite is about taking well thought through risks where the long-term rewards are expected to be greater than any short-term losses.</p> <p>East Renfrewshire Council’s approach is to minimise its exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of innovation and improved outcomes. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.</p> <p>The following diagram illustrates the Council’s risk tolerance levels across different areas of activity:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="4">Unacceptable to take risks</th> <th colspan="6">Higher willingness to take risks</th> </tr> <tr> <th></th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> <th>9</th> <th>10</th> </tr> </thead> <tbody> <tr> <td>Reputation</td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Compliance</td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Financial</td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>People and culture</td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operational services</td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Major change activities</td> <td></td> <td></td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> </tr> <tr> <td>Environmental and social responsibility</td> <td></td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> </tr> </tbody> </table>		Unacceptable to take risks				Higher willingness to take risks							1	2	3	4	5	6	7	8	9	10	Reputation											Compliance											Financial											People and culture											Operational services											Major change activities											Environmental and social responsibility										
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Area considered	Current Practice
Risk Assessment and Recording	<p>The Risk Management Strategy enables the Council to deliver advanced risk practice by incorporating risk within service plans and encouraging the use of joint risk registers where possible for projects and partnerships.</p> <p>Currently, each service has an operational risk register to record day to day and service specific risks. Meanwhile at council level, the strategic risk register sets out the key strategic risks to be considered by East Renfrewshire Council and details the actions that management has put in place to manage these risks. The strategic risk register is reviewed weekly by the CMT.</p> <p>The risk assessment technique used to determining the severity of the risk is consistent across the Council.</p>

<p>Risk Ownership:</p> <p>Roles and responsibilities</p>	<p>Roles and responsibilities in risk management are described in the Council's Risk Management Strategy, from Cabinet to individual employees, as illustrated in the following diagram:</p>  <p>The Risk Management Strategy (https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17458&p=0) contains a table summarising the roles and responsibilities in managing risk across the authority.</p>
<p>Monitoring and reporting:</p>	<p>The Risk Management Strategy includes risk reporting guidance and references tools available for the further information. One of these tools is the ALARM toolkit on how to complete a risk register. The Council continually monitors risk and reports are submitted to Audit & Scrutiny Committee twice yearly and annually to the Cabinet.</p>

Using the corporate Risk Management Strategy and Risk Assessment Technique, the following capital specific risk register summarises some of the risks relevant to the Capital Investment Strategy.

Risk ID#	Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (for review)	Risk Owner	Residual Risk Score
	Compliance	Insufficient catchment places available for children and young people across all sectors in light of inward migration, including the impact of new residential developments - in particular the Local Development Plan	<p>Regular review of places and demand including; and implementation of admission arrangements policy.</p> <p>Council's Capital Investment Strategy and associated 10-year Capital Plan updated to reflect education estate requirements for all school sectors taking account of operational requirements/timescales.</p> <p>On an ongoing basis, Education/Environment continue to review the release of housing and infrastructure requirements to also take cognisance of inward migration to existing housing along with ongoing residential developments under the adopted LDP1 and any windfall sites (similarly for Proposed LDP2) as reflected in the Housing Land Supply register.</p> <p>Education and Environment to collaborate closely about any potential further residential development as LDP3 progresses to ensure sufficiency of places across the education estate and that any new provision is included in future Capital Investment Strategies.</p>	<p>Annually</p> <p>Annually</p> <p>In line with relevant timescales</p>	Education Team	8

			<p>Continue to lobby Scottish Government and discuss implications of future requirements.</p> <p>As appropriate, education statutory consultation to be undertaken in advance of new provision and within required timeframes.</p> <p>Pupil Product Ratios refreshed to reflect up to date build costs</p>			
	Financial	Poor capital scheme forecasting leading to capital scheme overspends and higher revenue impact	<p>Collaboration across all relevant support services with intelligence and data sharing</p> <p>Application of scenario and sensitivity approach to test forecasts and assumptions</p> <p>Review of process for assessment of appropriate contingency levels</p> <p>Performance and exception reporting linked to main reporting cycle</p>	Quarterly	CMT/CAMG	8
	Financial	Poor capital programme management leading to slippage	<p>Strong management structure, robust governance and programme management in place</p> <p>Performance and exception reporting linked to main reporting cycle</p> <p>Revised reporting via new systems</p>	Quarterly	CMT/CAMG	9
	Financial / Operational	Adverse impact of COVID on capital project's timing and costs	<p>Robust governance/programme management in place</p> <p>Reprioritisation of key projects</p>	Quarterly	CFO	6

	Financial	Challenge of achieving new energy efficiency & building performance targets set by Scottish Government, particularly for Schools for the Future Programme could result in higher capital costs and negative impact on revenue funding streams.	ERC continue to liaise with Scottish Futures Trust to negotiate on scheme metrics and learn from best practice.	Quarterly	Education Team	8
	Financial	Glasgow and Clyde Valley City Deal infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits owing to 3rd party issues, resulting in a gap in funding provided by UK and Scottish Government	Continue to engage with partners to monitor and contribute to delivery as required. Explore opportunities for partnership delivery mechanisms where appropriate. Participate in City Deal Gateway Reviews	Ongoing	Corporate Management Team	4
	People and Culture	Failure to recruit / retain staffing resource to deliver the volume of ICT work / projects both underway and planned constrains delivery of ICT projects and specific pieces of work, impacting on delivery of services and morale of existing staff.	Continue to promote skills sharing. Continue to manage absence in line with corporate policy. Continue use of alternative resources e.g. external employment agencies are used and/or contracts. Maintain use of Capacity Grid internally, highlighting areas of concern which require corrective action.	Ongoing	ICT Management Team	4

			<p>Skills Framework for the Information Age being introduced which will facilitate skills capture and planning.</p> <p>Renew framework contract to allow ICT to draw down additional ICT resources as required.</p> <p>Ensure scope within budgets to ensure that financial resources are available to obtain additional resource as required.</p>			
	Operational services	Reliance on the Council's single shared internet pipe across the Council results in lack of internet resilience for Council connectivity, potentially affecting delivery of operational services.	<p>Use of JaNET connectivity managed by SWAN and part of national infrastructure.</p> <p>Proactive monitoring for alert & detection of problems to facilitate more proactive approach.</p> <p>Deliver second pipe through 2nd data centre delivery.</p>	Ongoing	ICT Management Team	4

Governance and Monitoring

Roles and responsibilities

The Chief Financial Officer will co-ordinate the annual updating of the Council's Capital Investment Strategy for approval in February each year, together with the Treasury Management Strategy and Prudential Indicators, prior to agreement of the revenue budget and capital plans.

The Corporate Management Team will review and update relevant strategies and influences as required by December each year.

The Corporate Asset Management Group will assess new capital proposals and any required changes to the current capital plan by October each year.

Cabinet will monitor progress against capital plans four times per year, with any changes being approved by Council.

Skills and training

Relevant professional staff will maintain up to date knowledge of capital issues by attendance at appropriate technical seminars (e.g. CIPFA training).

The Council's corporate procurement strategy sets out the process for all levels of projects and all projects over £50k are progressed in conjunction with procurement professionals through a full tender process.

All elected members will be offered capital, revenue and treasury management training as part of their induction, with refresher training normally offered every 2 years.

Capital Strategy Date for Review

The Capital Investment Strategy is intended as a 'living' document which is updated and refreshed in accordance with any changes in strategic influences and direction. The Strategy will therefore be updated on an annual basis, or as required.

Consultation and stakeholder engagement

All departments will be invited annually to submit proposals for inclusion in the Council's Capital Investment Plans. These will then be reviewed by the Corporate Asset Management Group, Corporate Management Team and elected members.

Where appropriate (e.g. for major property developments or proposals to build on open space), stakeholder consultation will be carried out in addition to any statutory consultation requirements.

A handwritten signature in blue ink, appearing to be 'M. McCon', written in a cursive style.

Signed: S95 Officer

Asset Management Plan Summaries

Executive Summary

Asset management ensures that assets are administered in the best way to meet the needs of the organisation and ensure the delivery of its corporate goals and objectives. This Corporate Asset Management Plan is about the long term broad plan for our assets to support corporate goals and objectives, derived from consideration of possible management options.

The Corporate Asset Management Plan serves to encapsulate that strategy and the key actions we will take to achieve our targeted outcomes.

Forward planning for assets is vital to secure best value for money:

- Time is needed to thoroughly formulate the Council's needs for assets and to translate those into sound proposals;
- It takes times to procure and deliver change in assets;
- Upkeep of assets can involve highly variable levels of expenditure that need to be forward planned; and
- Assets are expensive to provide and need to be used for the maximum time appropriate.

There are six services that are integral to the development of this Corporate Asset Management Plan and the ongoing maturity of East Renfrewshire Council's asset management approach.

Following the appointment of a Corporate Landlord Manager and the requirement to update the Corporate Asset Management Plan (CAMP), CAMG have taken the decision to suspend reviews of current AMP's until an overreaching new CAMP is completed which will be the hierarchical lead document for all other AMP's and will remove much of the duplication and wordiness of the current AMP's.

NB the 2020 response to the Covid 19 Pandemic has significantly affected progress with the CAMP revision.

Property

Property is an extremely important asset to the Council, as it can have a significant impact on all the services that East Renfrewshire Council provides to local residents. The long term objective for property is to ensure that the Council has the right properties in the right place to ensure they are fully utilised and provide best value to East Renfrewshire. The property portfolio should be suitable for its current use and support efficient and effective service delivery both now and in the future and meet the needs and expectations of building users. All properties must be safe and secure ensuring compliance with relevant property legislation. Properties need to be in an appropriate condition and maintained effectively. Adequate budget consideration is required to meet the demands of existing repairs and maintenance as well as future higher costs for the maintenance and servicing of advanced building management systems within newly constructed properties. Properties should be accessible for people with disabilities. Although current performance of property assets is good, it is not where the Council wants to be, and the actions within the document and the individual Property Asset Management Plan will drive forward an approach to asset management that allows the Council

to identify improvements, and increase the performance of the service in the long term. The latest Property AMP is for 2019/21 and was approved by Cabinet in 2019.

Roads

East Renfrewshire Council's roads service is dealing with a significant backlog of maintenance requirements and as roads is one of, if not the most valuable assets that the Council has, it is clear that a step change in the way it is managed is required to combat this issue. Future roads asset management will be focussed on creating an innovative approach to repairing backlog maintenance, and the order in which repairs are prioritised. The Council will ensure that it is a systematic approach that takes a long term view of areas such as lifecycle, maximising benefits, balancing demands and allocation of resources. The Roads AMP, unlike the other AMP's in the Council's suite, is undertaken through a national reporting system.

Housing

There is a high pressure on housing stock across East Renfrewshire, this present the Council with a key area for focus. Asset management techniques and processes will be embedded into Housing service delivery to maintain and improve current core stock, as well as enabling decision making for new homes across the area. Furthermore, East Renfrewshire Council will continue to make strong developments in ensuring all housing stock is at optimal levels of energy efficiency. The objectives of the Housing Asset Management plan are as follows:

- Ensure reliable stock condition information and thereby permit accurate level of EESSH compliance;
- Establish the level of investment required to achieve and maintain EESSH;
- Assess the make-up of the best portfolio required to deliver the Housing Service and meet housing need;
- Maximise efficiency of service delivery, ensuring that assets used for service delivery are fit for purpose;
- Improve stakeholder involvement and satisfaction with the provision of service;
- Ensure compliance with all statutory, legislative and regulatory requirements;
- Develop and implement programmes for energy efficiency initiatives that will deliver long term and sustainable energy use; and □ Develop and implement a planned maintenance and improvement programme that will maintain the assets to a good standard.

The current Housing Services AMP was reported to Cabinet in February 2019, for the years between 2019-23 and will be reviewed during 2021.

ICT

Investment in ICT assets is prioritised to enable the delivery of all ODP Outcomes and to ensure that the Council is modern and ambitious. The Council's focus will now be on how digital technology can improve outcomes for customers, particularly in big spend areas such as Education and Social Care. The Council will need to embrace and utilise new technologies to gather data that will enable decision making for quicker responses and the support of those who cannot access digital technology easily.

The ICT Asset Management Plan was approved in 2018 and its goals are:

- To acquire appropriate ICT assets for the Council with minimum costs and maximum benefits
- To optimise the use of each ICT asset during its life
- To dispose of ICT assets when they no longer provide a benefit compared to the cost to maintain them
- To support ICT asset compliance with relevant standards
- To provide the information needed for internal and external requirements

Fleet

East Renfrewshire Council has an extremely high performing fleet management service, continually performing outstandingly well against other UK authorities at APSE benchmarking data level. In the long term the Transport Service wishes to focus on building a wider role for fleet management, to ensure the continued success of the department, particularly concentrating on greater efficiencies, improved digital processes and reduced emissions. The Fleet Asset Management Plan was approved in 2018.

There are a number of challenges for fleet managers going forward, particularly in relation to climate change and the steady move away from fossil based fuels, the introduction of Low Emission Zones to improve air quality, increasing number of homes within the area to be serviced and the development of alternative fuels for both light and heavy goods vehicles. Capital planning will be required to assess future fleet requirements, ongoing workplace infrastructure and how these vehicles will be powered in the future. The current reliance on diesel will not be sustainable and will require a step change and capital funding in future years.

The Council has signed up to a long term, 25 year, contract in conjunction with Clyde Valley Local Authority partners, for the treatment of residual waste, and there should be no further requirement for capital investment in residual waste handling facilities at Greenhags, until that contract concludes.

The fleet requires operational centres to work from whether that be garaging, maintenance or collection / disposal points

The Council however, has other waste and recycling handling facilities, including Household Waste Recycling Centres, Bring Sites and recycling reception sheds / bays which will require future investment to enhance assets and be responsive to legislative changes and public demand, and this may impact on the type of fleet required to service these centres.

Open Spaces

Open Spaces is a combination of local outdoor access areas including parks such as Rouken Glen Park, Cowan Park, Dams to Darnley and Whitelee Wind Farm, but also playing fields, play areas, sports pitches and cemeteries. Green and open spaces are an important part of making East Renfrewshire an attractive place to live whilst providing a healthy and active lifestyle.

Rouken Glen Park continues to be developed as one of Scotland's most loved parks, and continues to win awards and accolades, being named Best Park in the UK 2016. Continued investment is required to ensure that parks and open spaces are improved and provide a diverse range of visitor opportunities across the area.

The corporate objectives for Open Spaces are:

- Provide a variety of opportunities for residents and visitors to exercise, learn and enjoy
- Provide a well-managed, accessible, attractive environment
- Focus on the needs of users and the community, and encourage their active involvement in the management of our land asset
- Ensure facilities on our publicly available green spaces, play areas and sports pitches are inclusive and modern and enhance the visitor experience for all users.

The OSAMP also includes information on woodland management, play areas and cemeteries.

Asset management for open spaces will be focused on developing a common and consistent approach to management, maintenance, operation and delivery across the services, and outlines future capital needs in a 6 year plan.

The current Outdoor Space AMP was approved by Cabinet in April 2018, and straddles the years 2018-2020.

All Asset Management Plans narratives will be updated to reflect the re-aligned timeframes from Overarching Council Corporate Strategy, Capital Investment Plan through CAMP and into the individual plans, however progress has been impacted by the global pandemic and this provides an opportunity to reconsider objectives and new ways of working post COVID, particularly in relation to property and ICT.

Capital Project Appraisal Form

Project Title:

Project Description (100 words max):

Total Capital Costs requested:

Project Rating:

RATING	PROJECT STATUS	PROJECT	CAMG COMMENTS
A	Must Have	Essential legislative requirement	
B	Service Improvement (High Priority)	Highly desirable project with Community benefits	
C	Service Improvement (Medium Priority)	Worthwhile project with community benefits	
D	Service Improvement (Low Priority)	Service project with limited benefits	

Link to CIS:

Revenue Impact (where applicable):

STRATEGIC OUTLINE PROGRAMME

STEP1: Project Outline – Strategic Fit

1.1 Strategic Objectives

This section is to be used to identify the main strategic objectives which the project will satisfy. Full definitions of the Council's objectives are detailed in the current Community Plan and Outcome Delivery Plan (ODP).

From the lists below please identify the relevant links to the Council's priorities (PLEASE IDENTIFY ONLY THE MOST APPROPRIATE STRATEGIC OUTCOME) :

Link to ODP Themes		Links to Asset Management Plans	
Strategic Outcome No.1		Outdoor Space AMP	
Strategic Outcome No.2		Housing AMP	
Strategic Outcome No.3		ICT AMP	
Strategic Outcome No.4		Fleet AMP	
Strategic Outcome No.5		Property AMP	
Customer, Efficiency and People		Roads AMP	
Health & Safety / Legal Requirement / Contractual Requirement		Council Capital Asset	

1.2 Costs

What is the estimated cost:

Capital costs

1.

Revenue costs

2.

Income Potential

3.

What is the source of your costings:

Capital costs

1.

Revenue costs

2.

Income Potential

1.3 Sponsoring Service

[Empty text box for Sponsoring Service]

1.4 Service Lead Officer

[Empty text box for Service Lead Officer]

GATE 0 – APPROVAL OF DIRECTOR REQUIRED

Director:

Approval Date:

Signature:

[Empty text box for Director, Approval Date, and Signature]

STRATEGIC OUTLINE CASE

STEP 2: Case For Change**2.1 Strategic context - Relationship with Council Strategy:**

This section is to be used to identify the main strategic objectives which the project will satisfy. Each project may relate to one or more of the Council's Strategic Objectives. Projects must also align with the Council's Capital Investment Strategy (see link below).

<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=23880&p=0>

Please fill out each relevant section.

NB Full definitions of the Council's objectives are detailed in the Community Plan and Outcome Delivery plan.

2.2 Strategic Outcomes

Please specifically identify which single Strategic outcome the project most identifies with.

<http://intranet.erc.insider/CHttpHandler.ashx?id=9410&p=0>

2.3 Asset Management Plan Commitments

This section should be used to demonstrate the link between the relevant Asset Management Planning (AMP) and the proposed capital investment.

2.4 5 Capabilities

This section should outline how the capabilities will be used to improve the delivery of the project outcomes:

5 Capabilities	Comments
Prevention	
Modernisation	
Community Engagement	
Digital	
Data, Evidence and Benchmarking	

2.5 What are the Benefits of the Project?

Please provide details of how the project fits in with the following assessment criteria:	
How does the project improve/enhance assets and what benefits are derived from the project? <i>e.g a new school could meet the demands of new build housing and offer new benefits such as shared community space.</i>	
Does the project meet the definition of Capital spend? <i>i.e. does the expenditure result in the acquisition or creation of a new asset, or the enhancement of a current asset?</i>	
Is the project required to fulfil a statutory obligation, Health and Safety, contractual or legal requirement, and if so, for what reasons?	
Will the project lead to increased efficiency and/or reduced revenue running costs and if so, please provide details? If there are ongoing revenue implications, please identify.	

Are there any other factors not covered by the above which need to be taken into account?	
-------------------------------------------------------------------------------------------	--

2.6 Are there any barriers to Project start e.g Planning permission, LDP status, land ownership, contamination etc?

--

STEP 3: Public Value

3.1 Public Value

Please outline in the box below, how the project is likely to be received by the community, both positives and negatives:

--

3.2 What are the Critical Success Factors which will define the project?

e.g. timing, best value, efficiency etc

3.3 What is the Service's strategy for delivering this project?

--

3.4 What other services can gain benefit from this project? Have you consulted with them?

--

3.5 Impact on the Environment and Carbon Reduction Benefits. Please outline any positive or negative effects the project will have once completed. In terms of carbon reduction for example, impacts could include use of renewable energy sources, reduced energy/fuel consumption, increasing recycling and reduced need for people to travel. In terms of the environment, benefits for example could include the

provision of sustainable drainage, treeplanting, habitat creation and reduced use of plastics.

GATE 1 – STRATEGIC OUTLINE CASE

Approval by Capital Asset Management Group and Directors

CAMG Approval date:

Director:

Approval Date:

Signed:

OUTLINE BUSINESS CASE

STEP 4: Full Options Appraisal

4.1 Options Appraisal:

A Concise Summary of the Options Considered should be Detailed below. At least 4 options should be considered i.e. Do nothing plus 3 viable options.

Number	Options considered	Comments
1		
2		
3		
4		
5		

STEP 5: Commercial Viability

5.1 Procurement Strategy - What is the Procurement Strategy (please highlight one option):

Value of £20,000 or less for capital works	Value of capital works between £20,000 and £150,000	Value of capital works £150,000 and above
Determined by the Director of the procuring Department	Advertised following Quick Quote procedure. Will be purchased through Framework Agreement.	Invitation to Tender advertised by Chief procurement Officer

Which Service will be expected to procure this project?

Service:

5.2 Outline any Risk Apportionment issues between the Council and Contractor:

--

5.3 Outline Payment Mechanism (where relevant e.g. Hub):

--

5.4 Identify any Potential Contractual Issues e.g is there a certain time of year the project must be undertaken:

--

Step 6 : Affordability Project Financial Details and Delivery Schedule

6.1 Project Delivery Schedule:

Milestones	Timescales
Project Development Phase:	
Construction / Commencement Phase:	

6.2 Project Implementation Costs – Capital Expenditure (excluding Revenue - £000):

Financial Year	Purchase of site	Site prep	Fees	Build costs	Equipment / Furniture	IT costs	Demolition of old site	Other costs	Total
2020/21									0
2021/22									0
2022/23									0
2023/24									0
2024/25									0
2025/26									0
Total	0	0	0	0	0	0	0	0	0

6.3 Impact on the Council Revenue Budget - Please provide details of any potential impact on the Council's Revenue budget and any potential income:

6.4 Does this project require the addition of an Optimism Bias?

STEP 7: Planning for Successful Delivery

7.1 Who will the project be managed by?

7.2. Which internal services / contractors are you reliant on for delivery? Have they built this into their forward work programme?

7.3 What is the latest lead in time for completion by scheduled project completion date?

7.4 Risk Management - how will you manage the project risk?

7.5 Post Project Evaluation Strategy – how will you identify lessons learned on completion of project?

GATEWAY 2 - OUTLINE BUSINESS CASE

CAMG to undertake scoring assessment to accompany CPA.

Recommendation for Approval by CAMG including prioritisation

Final scrutiny of prioritisation by CMT

Approval by Council of Capital Plan:

FINAL BUSINESS CASE

STEP 8: Procurement

8.1 What method of Procurement is being used and when?

STEP 9: Contracting for the Deal

9.1 Setup Deal and Contractual Arrangements:

9.2 review financial implications of the deal and get further approvals as required for any changes

STEP 10: Ensuring Successful Delivery

10 .1 Finalise Project Management:

10.2 Finalise Contractors / Services:

10.3 Finalise Costs:

10.4 Finalise Risk Management Arrangements:

10.5 Finalise Contract Monitoring Arrangements:

10.6 Finalise Project Evaluation Arrangements

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GATE 3: DIRECTOR OR SENIOR RESPONSIBLE PERSON

Date: Date: Date:

EAST RENFREWSHIRE COUNCIL

ORGANISATIONS APPROVED FOR THE INVESTMENT OF SURPLUS FUNDS

Banking Group	Individual Counterparty	Limits				
		Deposit	Transaction			
Bank of England	Debt Management Office	£20m	£10m			
	UK Treasury Bills	£5m	£5m			
Barclays Banking Group	Barclays Bank	£5m	£5m			
Goldman Sachs International Bank		£5m	£5m			
HSBC		£5m	£5m			
Lloyds Banking Group:	Bank of Scotland	£12.5m	£10m			
Royal Bank of Scotland Group:	Royal Bank of Scotland					
	National Westminster Bank	£5m	£5m			
Santander Group	Santander UK PLC	£7.5m	£7.5m			
Standard Chartered Bank		£5m	£5m			
Clydesdale Bank		£0	£0			
Building Societies						
Nationwide		£5m	£5m			
Local Authorities						
All Local Authorities including Police & Fire (per fund)		£5m	£5m			
Money Market Funds and Ultra-Short Dated Bond Funds						
Maximum limit of £10m per fund,		£60m	£10m			
Credit Ratings						
	Fitch		Moody's		S&P	
	LT	ST	LT	ST	LT	ST
Minimum Criteria	A-	F1	A3	P-1/P-2	A	A-1/A-2

(Unless Government backed)

(Please note credit ratings are not the sole method of selecting counterparty)

Limit

Investment of surplus funds is permitted in each of the above organisations, with the limits set on an individual basis by the Head of Accountancy (Chief Financial Officer).

The limit may only be exceeded or another organisation approved with the written permission of the Head of Accountancy (Chief Financial Officer).

Deposit Periods

The maximum period for any deposit is currently set at 6 months, based on the Link Assets Services suggested Duration Matrix, with the exception of the Bank of Scotland which is set at 365 days. These limits can only be exceeded with the written permission of the Head of Accountancy (Chief Financial Officer).

Hub scheme deposit periods are dependent on the lifetime of the associated scheme.

Risk Management Process

Risk Scoring Mechanism

A scoring chart and key is illustrated below:

		Risk Score		Overall Rating	
		11-16		High	RED
		5-10		Medium	YELLOW
		1-4		Low	GREEN

Likelihood	4				
	3				
	2				
	1				
		1	2	3	4
		Impact			

Roles and Responsibilities

The responsibility for managing risks lies with all members of the organisation and is summarised in the table below:

Group	Role
Cabinet (Reporting <i>Annually</i>)	Oversee the effective management of risk throughout the council, and gain an understanding of its benefits.
Audit and Scrutiny Committee (Reporting <i>Quarterly</i>)	Provide independent assurance of the risk management process and its benefits. To be informed of the key risks facing the Council and the control measures which have been put in place to mitigate those risks.
Corporate Management Team (Reporting <i>Annually</i>)	Oversee the implementation of the risk management strategy and agree any inputs and resources required supporting the work corporately. Support the development of the risk management process, review the strategic risk register regularly, share experience on risk, and aid/advise in the review of risk management issues.
Corporate Risk Management Group (Reporting <i>Bi-annually</i>)	Champion the risk management process throughout the council with both Members and officers ensuring the process is embedded and effective. The role of the departmental representative on the Corporate Risk Management Group is outlined in Appendix 1 of this strategy.
Service Managers	Raise awareness, manage and implement the risk management process effectively in their services areas, attend risk management training and recommend any necessary training for employees on risk management. To produce and review risks relating to the delivery of targets and activities within their service plans.
Employees	Manage risk effectively in their jobs, liaising with their manager to assess areas of risk in their job. Identify new or changing risks in their job and feed these back to their line manager.

Risk Reporting

The following table summarises the risk reporting and monitoring processes in place, along with associated timescales.

Timeframe	Description	Involvement from	Reported to
Weekly	Review of the strategic risk register	Corporate Management Team	Internally (keep live register of risks)
Biannually (November and May)	Risks related to service delivery (within service plans)	Chief Executive and Directors	Chief Executive (meetings)
Biannually (April and September)	Review of the strategic risk register	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Cabinet (annually) and Audit and Scrutiny Committee (biannually)
Biannually (February and August)	Progress on risk management	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Audit and Scrutiny Committee
Every 3 years	Review of the risk management strategy and process document to identify and agree major changes	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Cabinet and Audit and Scrutiny Committee

Corporate Asset Management Group - Rating Matrix

Project Name:

Is the Project commensurate with the aims of the Capital Investment Strategy?	Yes	No
-------------------------------------------------------------------------------	-----	----

Link to CIS:

Project Summary (100 words max)

Project Capital Costs

<u>20/21</u>		<u>21/22</u>		<u>22/23</u>		<u>23/24</u>		<u>24/25</u>	
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Project Revenue Costs

<u>20/21</u>		<u>21/22</u>		<u>22/23</u>		<u>23/24</u>		<u>24/25</u>	
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Strategic Influences – action plan

Action	Why is this required?	Responsibility	Timescale
Monitor Scottish Government housing policy activity and update the Capital Investment Strategy to address any resulting challenges and opportunities.	It is important for the Council to continually monitor Scottish Government housing policy activity to inform the Local Housing Strategy, the Capital Investment Strategy and future Local Development Plans. This is particularly important for the planning of future school places.	Director of Environment	Annually
Liaise closely with local Health Board partners to identify initiatives requiring new capital investment or facilitating joint development.	Integration of health and social care services is well embedded within East Renfrewshire. As our population increases our community based services, required to meet the demands of our residents also need to expand. Work is ongoing with our Health Board Partners to assess the impact of population growth on our local health and care facilities including our GP practices.	Chief Officer, IJB	Annually
Liaise closely with regional initiatives associated with City Deal so as to reflect any challenges and opportunities in Council capital planning.	Joint development of economic growth and improved service delivery vehicles is becoming more prevalent and can deliver new initiatives in an efficient and economical manner.	Director of Environment	Annually

Strategic Outcomes – action plan:

Action	Why is this required?	Responsibility	Timescale
Keep under review, particularly as LDP2 is developed.	As the Council's Local Development Plan is currently under review there are likely to be several significant changes required to future capital investment plans.	CMT	Annually

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Capital investment ambition gap – action plan

Action	Why is this required?	Responsibility	Timescale
Review Developer Contribution policy	To ensure adequate contribution to new schools/community infrastructure as a result of increased housebuilding.	Director of Environment	Policy review completed. New guidance to be submitted to Council
Closely monitor progress on capital projects and identify/rectify delays or overspends. Reprioritise schemes in wake of COVID.	Projects should be kept to planned phasings as far as possible to align with financial and staffing resource plans and to ensure benefits re promptly delivered.	Corporate Management Team /Head of Property/ Head of ICT	Ongoing
Continue to consider allocation of any in year revenue underspends to capital and other reserves	Such allocation would reduce the need for new borrowing and thus ease pressures on future revenue budgets.	Chief Financial Officer	Annually
Continually review opportunities to lobby Scottish Government and/or partners for support with capital schemes	Existing grant funding levels and constrained revenue budgets do not align with the Council's capital investment ambitions.	Corporate Management Team	Ongoing

Risk Management Action Plan

Action	Why is this required	Responsibility	Timescale
Refresh and review specific capital risks as the Capital Investment Strategy is updated	To ensure that the Capital Investment Strategy is consistent with corporate risk management practices and that stakeholders are aware of how capital specific risks are aligned with ambitions as set out in the Capital Investment Strategy	CMT/CEO Business Manager	As and when the Capital Investment Strategy is updated and at least annually

Evaluation process – action plan

Action	Why is this required?	Responsibility	Timescale
Review criteria for evaluation of CPAs to ensure aligns with Council priorities	Council updates its objectives and priorities and CPAs must reflect these.	CMT/CAMG	Completed

Governance and monitoring – action plan

Action	Why is this required?	Responsibility	Timescale
Review and update the Capital Investment Strategy	To continually refresh the Strategy in line with evolving strategic influences and delivery of the capital investment plan	Leadership team	Annually / as required

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EAST RENFREWSHIRE COUNCIL15 March 2021Report by Head of Accountancy (Chief Financial Officer)GENERAL FUND CAPITAL PLAN 2021/22 TO 2030/31**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the General Fund Capital Plan covering the 10 years from 2021/22 to 2030/31. This has been prepared in line with the approach set out in the Capital Investment Strategy report earlier on the agenda.

RECOMMENDATIONS

2. The Council is invited to:-

- (i) approve the programme for 2021/22 and authorise officers to progress the projects contained therein; and
- (ii) agree to allow a degree of flexibility within the Plan, subject to prudential indicators being adhered to during the year, if required in the light of updated information relating to the time critical Neilston Learning Campus project.

BACKGROUND

3. Whilst the Council only approves the capital programme for the coming year, the Capital Plan also includes figures for future years so that long term capital investment plans and their associated financial impacts can be recognised. Our rolling Capital Plan aligns with best practice in covering the next 10 years. The Council's Capital Investment Strategy provides an even broader view of the Council's capital ambitions.

RESOURCES

4. Capital resources available to support investment remain constrained for future years. Details of the available resources are provided in Appendix B.

5. Over the period of the Plan the Council does not currently envisage any significant capital receipts from the disposal of assets. This will be kept under review and disposals will only be progressed provided they demonstrate best value.

6. The Council's general capital grant for 2021/22 has been confirmed as £5.336 million. This is almost exactly the same level as in the current year. Indications from the Scottish Government are that grant will remain at this level from 2022/23 onwards. It is understood that the Scottish Government intend to publish multi-year capital grant figures later this year and this will be very helpful in future long term capital planning.

7. The Capital Plan assumes total borrowing of £168.0 million, (£31.6 million in 2021/22, £54.2 million in 2022/23, £50.0 million in 2023/24 and £28.5 million in later years). This represents an increase of £37.1 million over the previously approved Plan. An increase

in borrowing will result in increased loan charges which must be funded from revenue budgets, however with historically low interest rates expected to continue for the next two years the revenue impact will be minimised. The cost of all elements of the planned borrowing has been factored into the Council's revenue budget plans for 2021/22 and beyond.

8. As highlighted in previous Capital Plans, the City Deal project is funded by £38m of Government funding and £6m of Council funding. However the projects will be completed over a 10 year period with grant income over a 20 year period. In the coming years the Council will require to fund further new borrowing of up to £22.3 million until full payment is received reducing the long term impact on the revenue budget.

9. In response to financial pressures arising from the COVID pandemic, the Scottish Government has permitted Councils "fiscal flexibilities" in 2020/21 and 2021/22, effectively allowing certain capital funding approaches to be applied to cover COVID related revenue pressures. These include the flexibility to utilise capital receipts generated in 2020/21 and 2021/22 to help address unfunded COVID-19 pressures in these years. As the Council's current level of confirmed grant funding is insufficient to cover our forecast COVID pressures for these years, and our general reserve is expected to reduce to close to the minimum prudent level, it is proposed to allocate capital receipts of around £2m generated in 2020/21 to meet unfunded COVID pressures. Should the final unfunded gap not require the full utilisation of these receipts, any unused portion would be made available to support the capital plan from 1 April 2022.

10. Some guidance on the detail of these flexibilities is still awaited and their application may result in slight increases in overall loans fund repayments in future years. Accountancy staff will continue to smooth repayment profiles between years to minimise any large variations in repayments between years.

11. The Council continues to have active discussions with developers over contributions receivable in relation to housing developments. The timescale and amount of such receipts are often difficult to evaluate fully until each scheme progresses, however estimates of contributions totalling £4.3 million have been reflected within the proposed Plan. These will be firmed up as developments progress.

12. In recent years the Council has built up and utilised a significant Capital reserve to assist in supporting major projects. The projected balance on this reserve at 31 March 2021 is £2.671 million. This provides an element of cover should unforeseen costs arise. There are no plans to draw further on this reserve in 2021/22.

EXPENDITURE PLAN

13. The detailed programme for 2021/22 and the outline plan for the subsequent 9 years are set out in Appendix A. These plans are developed to support the delivery of the Council's overall strategy, have been compiled in line with the approach set out in the Council's Capital Investment Strategy (considered earlier on today's agenda) and align with the Asset Management Plans summarised in that document.

14. Significant capital investment of £238.571m is planned for the 10 year period and includes the following (with total project costs quoted below including the current or previous financial years' spend where appropriate to assist in clarifying the total investment on a particular project):

Outcome 1 – Early Years & Vulnerable Young People

- The final elements of an investment totalling £26.9 million are now being delivered with the Council having met the Scottish Government's original aims of expanding early learning and childcare provision to 1,140 hours per year from August 2020. Funding of £11.7 million from the Scottish Government has been provided towards this programme of works.
- Investment of £0.5m to upgrade Capelrig House, allowing the facility to be brought back into use and leased by a national charity to benefit vulnerable children.

Outcome 2 – Learning, Life and Work

- The Council will participate in the first phase of the Scottish Government's Learning Estate Strategy, an initiative to improve the condition of schools by replacing old facilities. Recognising this, the Plan makes provision totalling £40m for Learning and Leisure in Neilston.
 - The first stage of this project will be the provision of a new education campus comprising new build replacements for Neilston Primary, St Thomas' Primary and Madras Family Centre, together with replacement library provision. An estimated allocation of £28m has been earmarked for these elements. The new facilities will be maintained to a high standard and will deliver improvements in digital learning and energy efficiency as well as providing additional employment opportunities during the construction phase. As a result the Council expects to attract significant new revenue grant funding in future. The new facilities are scheduled to open in August 2023 and so flexibility may be required within the broader project funding envelope to allow works to progress as scheduled should cost pressures be higher than anticipated during the year. Should this arise, costs will be managed in line with the Council's prudential indicators and a report will be brought back to Council as soon as possible thereafter.
 - Future stages of the project will address leisure and regeneration within the village.
- Completion of the £2.5 million investment to provide extended facilities to temporarily increase the planning capacity at St Ninian's High School and honour the commitment made at the time related to changing schools admission arrangements.
- Investment of £2.2 million to further extend Crookfur Primary School in view of increasing demand within the catchment area.
- Over £1.7 million to be invested to provide a new all-weather pitch and running track for Mearns Castle High School.
- A further £2 million to be invested over the next 10 years to improve learning environments to better meet modern learning styles and curricular experiences across the school estate.
- Investment of up to £55m for the provision of top quality new leisure facilities in Eastwood Park.
- More than £2 million to be invested over the next 10 years to improve cultural, leisure and community facilities.

Outcome 3 – Environment & Economy

- City Deal investment of £38.1 million in infrastructure projects including improved road links from Barrhead to the M77, a new railway halt for Barrhead south and country park developments. This is part of an overall regional investment of £1.13 billion across the Glasgow City region which will bring a wide range of benefits to residents such as increased access to jobs.
- Major capital investment in Roads projects which will total £23.0 million over the 10 year period, aimed at achieving a significant improvement in the condition and safety of roads. This is in addition to the investment in roads through City Deal funding.
- Investment of £2.7 million to extend full fibre digital infrastructure across the area.

Outcome 4 – Safer, Supportive Communities

- Increased investment £0.626 million to extend and improve our CCTV service which protects local residents, schools, leisure facilities and other property.
- £0.630 million investment in Overlee House to increase provision for the homeless.

Outcome 5 – Older People & People with Long Term Conditions

- Investment of £1.15 million to upgrade our telecare systems which allow older and vulnerable people to remain in their own homes.

Corporate

- A provision of £26.8 million for further ICT technology projects over the 10 year period to support necessary corporate improvements, enhance technology available in schools and other Council premises and provide a more modern, digital service to residents.
- A provision of £14.4 million over the period of the Plan for improvements necessary to Council property including energy efficiency measures.

CONCLUSIONS

15. Planned borrowing has been increased over the next three years to support the capital plan and the revenue consequences have been factored into the Council's revenue budget plans. Planned 2021/22 expenditure is in line with available resources.

16. Some flexibility may be required within the 2021/22 to 2030/31 Capital Plan during the course of the year once the Council has confirmation of the costs of the Neilston Learning campus.

17. The expenditure plan for subsequent years will continue to be subject to review in light of progress on capital receipts and the levels of funding provided by the Scottish Government.

RECOMMENDATIONS

18. The Council is invited to:-

- (i) approve the programme for 2021/22 and authorise officers to progress the projects contained therein; and
- (ii) agree to allow a degree of flexibility within the Plan, subject to prudential indicators being adhered to during the year, if required in the light of updated information relating to the time critical Neilston Learning Campus project.

Further information is available from:

M McCrossan, Head of Accountancy Tele No. 0141 577 3035

KEY WORDS

General Fund Capital Plan 2021/22 to 2030/31, capital receipts, Capital Reserve.

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10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
A. PROPERTY - SCHOOLS	88,792	42,635	9,803	18,066	10,378	1,510	1,100	1,100	1,100	1,100	1,100	900
B. PROPERTY - CULTURE & LEISURE TRUST	65,729	529	5,041	24,641	29,084	5,739	195	100	100	100	100	100
C. PROPERTY - OTHER	43,159	13,918	6,976	2,462	5,010	8,260	1,733	960	960	960	960	960
D. OPEN SPACES	12,645	2,138	3,599	768	1,110	1,940	1,640	290	290	290	290	290
E. ROADS	52,821	10,926	6,391	12,300	9,142	6,262	1,300	1,300	1,300	1,300	1,300	1,300
F. ICT	41,434	10,131	7,678	4,227	2,292	2,430	2,765	2,212	2,331	2,430	2,765	2,173
G. FLEET	16,719	3,245	1,612	922	1,902	1,474	941	1,384	922	1,937	1,509	871
H. MISCELLANEOUS	993	199	186	0	0	277	0	54	0	0	277	0
TOTAL	322,292	83,721	41,286	63,386	58,918	27,892	9,674	7,400	7,003	8,117	8,301	6,594
RESOURCES	238,845		41,286	63,386	58,918	27,892	9,674	7,574	7,003	8,117	8,301	6,694
SHORTFALL/(SURPLUS)	(274)		0	0	0	0	0	(174)	0	0	0	(100)

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

B. PROPERTY - CULTURE & LEISURE TRUST

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
EASTWOOD PARK LEISURE - REFURBISHMENT	55,000	300	4,000	24,000	24,000	2,700	0	0	0	0	0	0
NEILSTON LEISURE	8,500	24	217	441	4,884	2,839	95	0	0	0	0	0
ERCLT GENERAL BUILDING IMPROVEMENT FUND	1,800	200	400	200	200	200	100	100	100	100	100	100
EASTWOOD HS SPORTS CENTRE CHANGING ROOMS/DISABLED FACILITIES	429	5	424	0	0	0	0	0	0	0	0	0
TOTAL	65,729	529	5,041	24,641	29,084	5,739	195	100	100	100	100	100

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

C. PROPERTY - OTHER

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
PROPERTY MAINTENANCE (SEE ANNEX 2)	12,363	883	3,290	910	910	910	910	910	910	910	910	910
EASTWOOD PARK CAMPUS IMPROVEMENTS	522	310	212	0	0	0	0	0	0	0	0	0
OFFICE ACCOMMODATION	2,200	231	1,969	0	0	0	0	0	0	0	0	0
CAPITAL INVESTMENT IN ENERGY EFFICIENCY MEASURES (NDEE INITIATIVE)	1,754	1,594	160	0	0	0	0	0	0	0	0	0
VACANT (SURPLUS) PROPERTY DEMOLITION	276	190	86	0	0	0	0	0	0	0	0	0
TOTAL	43,159	13,918	6,976	2,462	5,010	8,260	1,733	960	960	960	960	960

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

D. OPEN SPACES

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1. REGENERATION												
COUNTRY PARK - TOURISM INFRASTRUCTURE AND ECONOMIC ACTIVITY PROJECTS	235	52	183	0	0	0	0	0	0	0	0	0
WHITE CART TRIBUTARIES ENVIRONMENTAL IMPROVEMENTS	1,264	245	1,019	0	0	0	0	0	0	0	0	0
TOWN CENTRE FUND	1,334	723	611	0	0	0	0	0	0	0	0	0
GIFFNOCK TOWN CENTRE IMPROVEMENTS	10	0	10	0	0	0	0	0	0	0	0	0
CLARKSTON TOWN CENTRE ACTION AND TRAFFIC MANAGEMENT IMPROVEMENTS	217	186	31	0	0	0	0	0	0	0	0	0
OTHER PUBLIC REALM	20	3	17	0	0	0	0	0	0	0	0	0
NEILSTON REGENERATION	3,500	0	100	200	500	1,350	1,350	0	0	0	0	0
REGENERATION PROJECTS (TO BE IDENTIFIED)	2,511	100	183	228	250	250	250	250	250	250	250	250
2. ENVIRONMENT - OTHER PROJECTS												
ENVIRONMENTAL TASK FORCE	260	35	45	20	20	20	20	20	20	20	20	20
TOWN CENTRE ACTION	298	79	39	20	20	20	20	20	20	20	20	20
PARKS, CEMETERIES & PITCH INVESTMENT	1,762	562	300	300	300	300	0	0	0	0	0	0
COWAN PARK	815	9	806	0	0	0	0	0	0	0	0	0
LAND AND PROPERTY ACQUISITIONS	399	144	255	0	0	0	0	0	0	0	0	0
BRAIDBAR QUARRIES	20	0	0	0	20	0	0	0	0	0	0	0

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

D. OPEN SPACES

£'000												
Project	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
TOTAL	12,645	2,138	3,599	768	1,110	1,940	1,640	290	290	290	290	290

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

E. ROADS

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1. CITY DEAL												
NEW LINK ROAD FROM JUNCTION 5 TO BARRHEAD	20,707	2,183	720	8,000	4,842	4,962	0	0	0	0	0	0
2. ERC ROADS												
LIGHTING 5TH CORE CABLE	1,920	320	160	160	160	160	160	160	160	160	160	160
BRIDGES REFURBISHMENT	638	108	53	53	53	53	53	53	53	53	53	53
PRINCIPAL INSPECTIONS GROUP 1-6	266	56	21	21	21	21	21	21	21	21	21	21
TRAFFIC CALMING STUDIES	300	50	25	25	25	25	25	25	25	25	25	25
ROAD SAFETY MEASURES/EQUIPMENT AT SCHOOLS	240	40	20	20	20	20	20	20	20	20	20	20
SAFE ROUTES TO SCHOOL	243	43	20	20	20	20	20	20	20	20	20	20
B771 PAISLEY ROAD RECONSTRUCTION	301	0	0	0	181	120	0	0	0	0	0	0
A736 KELBURN STREET/LOCHLIBO ROAD RECONSTRUCTION	372	110	0	0	0	141	121	0	0	0	0	0
A77 AYR ROAD RECONSTRUCTION	805	415	40	110	0	110	130	0	0	0	0	0
PEDESTRIAN CROSSINGS	25	0	0	25	0	0	0	0	0	0	0	0
B767 CLARKSTON ROAD RECONSTRUCTION	164	54	110	0	0	0	0	0	0	0	0	0
B769 STEWARTON RD (RURAL) RECONSTRUCTION	637	355	32	0	120	0	130	0	0	0	0	0
B767 EAGLESHAM ROAD RECONSTRUCTION	804	444	120	0	120	0	120	0	0	0	0	0

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

F. ICT

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
PCI DSS	135	40	95	0	0	0	0	0	0	0	0	0
PUBLIC WIFI NETWORK	265	0	265	0	0	0	0	0	0	0	0	0
SAFETY NET TECHNOLOGY	180	0	180	0	0	0	0	0	0	0	0	0
SOCIAL WORK CASE MANAGEMENT SYSTEM	110	0	110	0	0	0	0	0	0	0	0	0
TELECARE SERVICE AND PERIPHERALS	1,150	35	590	525	0	0	0	0	0	0	0	0
THE DIGITAL WORKPLACE	600	279	321	0	0	0	0	0	0	0	0	0
FULL FIBRE DIGITAL TRANSFORMATION	2,700	0	1,350	1,350	0	0	0	0	0	0	0	0
TOTAL	41,434	10,131	7,678	4,227	2,292	2,430	2,765	2,212	2,331	2,430	2,765	2,173

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

G. FLEET

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
HSCP	1,164	288	0	150	288	0	0	0	150	288	0	0
EDUCATION	1,122	364	0	0	281	98	0	0	0	281	98	0
ENVIRONMENT	14,068	2,586	1,464	772	1,333	1,341	871	1,384	772	1,333	1,341	871
ENVIRONMENT GPRS SYSTEM	315	7	98	0	0	35	70	0	0	35	70	0
ROLLING ROAD TEST FACILITY	50	0	50	0	0	0	0	0	0	0	0	0
TOTAL	16,719	3,245	1,612	922	1,902	1,474	941	1,384	922	1,937	1,509	871

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

H. MISCELLANEOUS

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1. PURCHASE OF ASSETS												
ERCLT - GYM EQUIPMENT (5 YEARS REPLACEMENT PROGRAMME)	831	198	79	0	0	277	0	0	0	0	277	0
ERCLT - THEATRE EQUIPMENT (5 YEARS REPLACEMENT PROGRAMME)	162	1	107	0	0	0	0	54	0	0	0	0
TOTAL	993	199	186	0	0	277	0	54	0	0	277	0

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

	TOTAL £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
GRANTS											
GENERAL CAPITAL GRANT	53,360	5,336	5,336	5,336	5,336	5,336	5,336	5,336	5,336	5,336	5,336
CITY DEAL	9,614	607	2,873	2,759	2,602	773	0	0	0	0	0
SALIX/CENTRAL ENERGY EFFICIENCY FUND	930	255	75	75	75	75	75	75	75	75	75
SCOTTISH ENVIRONMENTAL PROTECTION AGENCY	1,019	1,019	0	0	0	0	0	0	0	0	0
TOWN CENTRE FUND	611	611	0	0	0	0	0	0	0	0	0
REGENERATION CAPITAL GRANT FUND	499	499	0	0	0	0	0	0	0	0	0
CYCLING WALKING SAFER STREETS	418	418	0	0	0	0	0	0	0	0	0
TOTAL GRANTS	66,451	8,745	8,284	8,170	8,013	6,184	5,411	5,411	5,411	5,411	5,411
DEVELOPERS CONTRIBUTIONS	4,345	954	906	724	724	724	313	0	0	0	0
BORROWING - ASSETS	18,979	2,587	1,134	2,272	2,220	1,745	1,650	1,292	2,406	2,590	1,083
BORROWING - INVESTMENT IN ENERGY EFFICIENCY	160	160	0	0	0	0	0	0	0	0	0
BORROWING - CITY DEAL	22,313	543	5,977	6,133	9,660	0	0	0	0	0	0
BORROWING - GENERAL	126,597	28,297	47,085	41,619	7,275	1,021	200	300	300	300	200
	238,845	41,286	63,386	58,918	27,892	9,674	7,574	7,003	8,117	8,301	6,694

EAST RENFREWSHIRE COUNCIL15 March 2021Report by Deputy Chief ExecutiveCHIEF OFFICER ORGANISATIONAL CHANGES**PURPOSE OF REPORT**

1. The purpose of this report is to update on changes within the Chief Officer posts and to put arrangements in place to ensure continuity and stability within the Education department and HSCP. This report seeks Council approval for an Appointments Committee for the Head of Education post and for the change of the Head of Service remits within the HSCP.

RECOMMENDATION

2. It is recommended that the Council:
- (a) notes the retirement of the Head of Education Services with effect from 25 June 2021 and the Head of Adult Health and Social Care Localities with effect from 30 June 2021;
 - (b) approves the recruitment procedure for the Head of Education Services post as detailed;
 - (c) delegate to the Deputy Chief Executive, in consultation with the Director of Education to make the necessary arrangements for the recruitment;
 - (d) provide nominations to the Appointments Committee for the Head of Education post;
 - (e) authorise the Director of Education to put in place appropriate interim management arrangements for the Department if required;
 - (f) approves the changes of remit to the Head of Service positions in the HSCP;
 - (g) approves, in principle, the General Manager, Hosted Learning Disability Services being matched into the Head of Adult Learning Disability and Recovery Services as part of the NHSGGC process.

BACKGROUND

3. Fiona Morrison has worked in the Education Department since the inception of East Renfrewshire Council and has been a Head of Education Services and a member of the Education Leadership Team since 2002. The Head of Education Services has now intimated that she will retire from her role with effect from 25 June 2021. Ms Morrison has been instrumental in developing the Education Department's EMIS Unit and the use of data to support continuous improvement with a particular focus on ensuring every child can

access the best possible education. Her vision and leadership have been key factors in the delivery of a range of new schools and ELC establishments most recently Barrhead High School, Maidenhill Primary School and six new nurseries and family centres. We wish her well in her retirement.

4. It is proposed that a recruitment exercise is undertaken for the Head of Education Services Performance and Provision role as soon as possible.

5. Candy Millard, Head of Adult Health and Social Care Localities, is a NHS employee and has worked within East Renfrewshire Health and Social Care Partnership since 2006 and has been a member of the Directorate Management Team since 2012. The Head of Adult Health and Social Care Localities has now intimated that she will retire with effect from 30 June 2021. During her time in East Renfrewshire, Ms Millard initially led the Planning and Commissioning function and played a key role in the establishment of the partnerships Joint Board. Ms Millard then focussed on Adult Health and Social Care implementing a locality based model for Adult Health and Social Care including introducing “Talking Points” to allow vulnerable adults within the community to access services more easily. In the last 12 months Ms Millard has been pivotal in the HSCP’s response to Covid and the implementation the HSCP’s Flu and Covid vaccination programme. We wish her well in her retirement.

EDUCATION RECRUITMENT PROCEDURE

6. In view of the timing of the Head of Education Service’s departure it is proposed that the Appointments Committee be established to recruit a new Head of Education Services Performance and Provision.

7. The following is the proposed timetable for the appointment to the post:

Post advertised:	26 March
Closing date:	18 April
Shortlisting by Interview Committee:	26 April
Shortlist by Assessment Centre:	4 May
Interview date:	14 May

8. An Appointments Committee, comprising 5 Elected Members, should be established to shortlist and interview candidates, and to make an appointment to the post.

9. The assessment centre will focus on ensuring the candidates have the correct skills mix to be considered for appointment by the Committee. With agreement of the Committee, if for any reason a candidate does not meet the criteria at assessment centre they will not proceed to interview.

10. If for any reason a successor is not in place as a result of the initial recruitment process the Director of Education may put in place interim management arrangements to ensure stability and continuity within the service until such time as a suitable replacement can be recruited. As is normal practice in such situations, the Director of Education will put in place suitable interim management arrangements within the existing team.

HSCP ORGANISATIONAL CHANGE

11. The current HSCP Leadership Team has four Heads of Services, a General Manager and two Clinical Leads. The HSCP has both Local Government and NHS employees with three Heads of Service being employed by East Renfrewshire Council and one Head of Service and the General Manager and Clinical Leads all employed by NHSGGC. It is the Head of Adult Health & Social Care Localities which will become vacant. Julie Murray, the Chief Officer of the HSCP has the following direct reports within the Senior Leadership Team:

- Head of Adult Health & Social Care Localities – NHS employed, this one will become vacant.
- Head of Recovery and Intensive Services
- Head of Finance and Resources (Chief Financial Officer)
- Head of Public Protection and Children’s Services (Chief Social Work Officer)
- Chief Nurse – NHS employed
- Clinical Director – NHS employed
- General Manager, Hosted Learning Disabilities – NHS employed

The current structure and remits are shown in Appendix 1.

12. There will be no changes to the remits of:

- Head of Finance and Resources (Chief Financial Officer)
- Head of Public Protection and Children’s Services (Chief Social Work Officer)

In Appendix 1 there is further detail of these remits given in the proposed structure.

13. It is proposed to change the current remits for the Head of Adult Health & Social Care Localities (NHS filled) and the Head of Recovery and Intensive Services with these becoming the:

- Head of Adult Services, Learning Disability & Recovery Services – NHS filled
- Head of Adult Services, Communities and Wellbeing

The proposed changes to the remits will also impact the General Manager, Hosted Learning Disability post.

The Chief Officer of the HSCP is proposing these changes to ensure there is stability and integration within the services across both health and local government to deliver a stronger health and social care experience for our residents. To ensure a clear alignment Recovery Services (Mental Health and Addictions) and Learning Disability will all sit within the one remit and all Adult, Community and Wellbeing, primarily including older adult social work and care services, will sit under the other remit. The reconfiguration of the remits of the Heads of Services are also set out in Appendix 1.

14, As part of the revised remits, the Chief Officer of the HSCP seeks to integrate the General Manager, Hosted Learning Disability into the wider Head of Service structure within the HSCP. This would strengthen the remits of the Heads of Service. This will ensure stability at a time where the HSCP is faced with an unprecedented increase in demand for services. The revised remit of Head of Adult Services, Learning Disability and Recovery Services will ensure a good link with the hosted learning disability, learning disability services within East Renfrewshire and recovery services.

15. Given the challenging financial context, it is proposed that the management structures are streamlined by deleting the post of General Manager and re-designating this role as the Head of Adult Services, Learning Disability and Recovery to more accurately reflect the role and additional responsibilities.

16. As such, the role will not be recruited to but will be appointed to as part of an NHSGGC Organisational Change process. The General Manager, Hosted Learning Disability would be the only candidate in the selection pool for the vacancy of Head of Adult Services Learning Disability and Recovery, meeting all essential criteria, and as such will be matched into this post. As this is a NHS post the changes will be made by NHSGGC who are supportive of this change.

17. As part of the overall redesign there will be further changes to management teams in order to increase management capacity as service demands increase. This will include recruitment of an additional post and the remits of other posts changing. This means there will be no budget saving from this proposal as savings will be reinvested within services.

FINANCIAL IMPLICATIONS

18. There are no additional financial implications in Education as no new posts are being added into the structure. All costs associated with the recruitment process will be found from within existing budgets.

19. There are no additional financial implications in HSCP. The funding for HSCP posts is shared with the Health Board given the Team's joint accountability to both Health Board and the Council.

CONSULTATION AND PARTNERSHIP WORKING

20. Consultation in relation to these proposals will be undertaken with affected employees and the Trade Union.

IMPLICATIONS OF THE PROPOSALS

21. There are no IT, sustainability, equalities or other implications associated with this report.

RECOMMENDATION

22. It is recommended that the Council:

- (a) notes the retirement of the Head of Education Services with effect from 25 June 2021 and the Head of Adult Health and Social Care Localities with effect from 30 June 2021;
- (b) approves the recruitment procedure for the Head of Education Services post as detailed;
- (c) delegate to the Deputy Chief Executive, in consultation with the Director of Education to make the necessary arrangements for the recruitment;

- (d) provide nominations to the Appointments Committee for the Head of Education post;
- (e) authorise the Director of Education to put in place appropriate interim management arrangements for the Department if required;
- (f) approves the changes of remit to the Head of Service positions in the HSCP;
- (g) approves, in principle, the General Manager, Hosted Learning Disability Services being matched into the Head of Adult Learning Disability and Recovery Services post as part of the NHSGGC process.

REPORT AUTHOR:

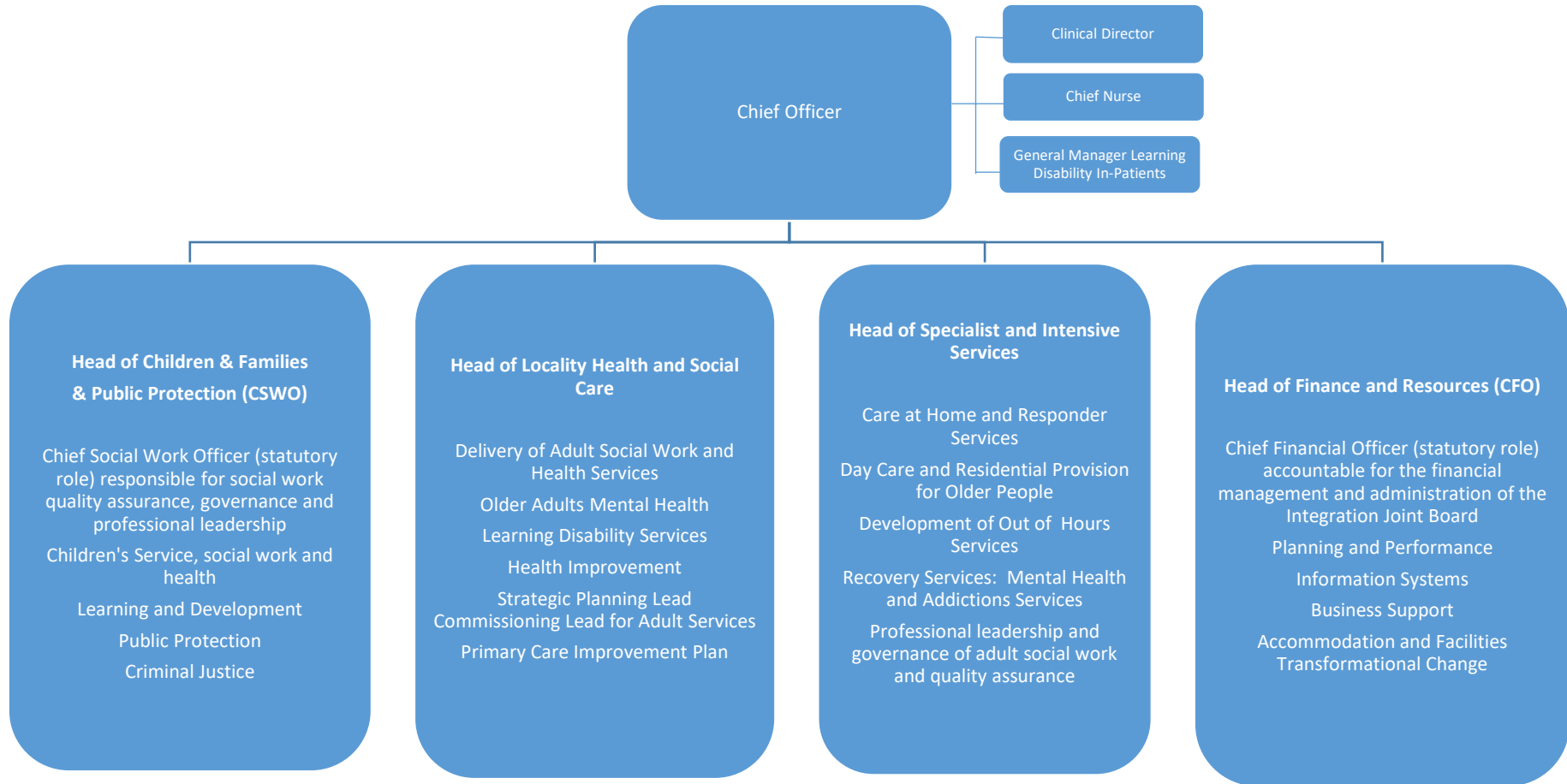
Sharon Dick, Head of HR and Corporate Services, Tel 07741 235242

CONVENER:

Councillor Tony Buchanan, Tel 0141 577 3107

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HSCP Current Structure

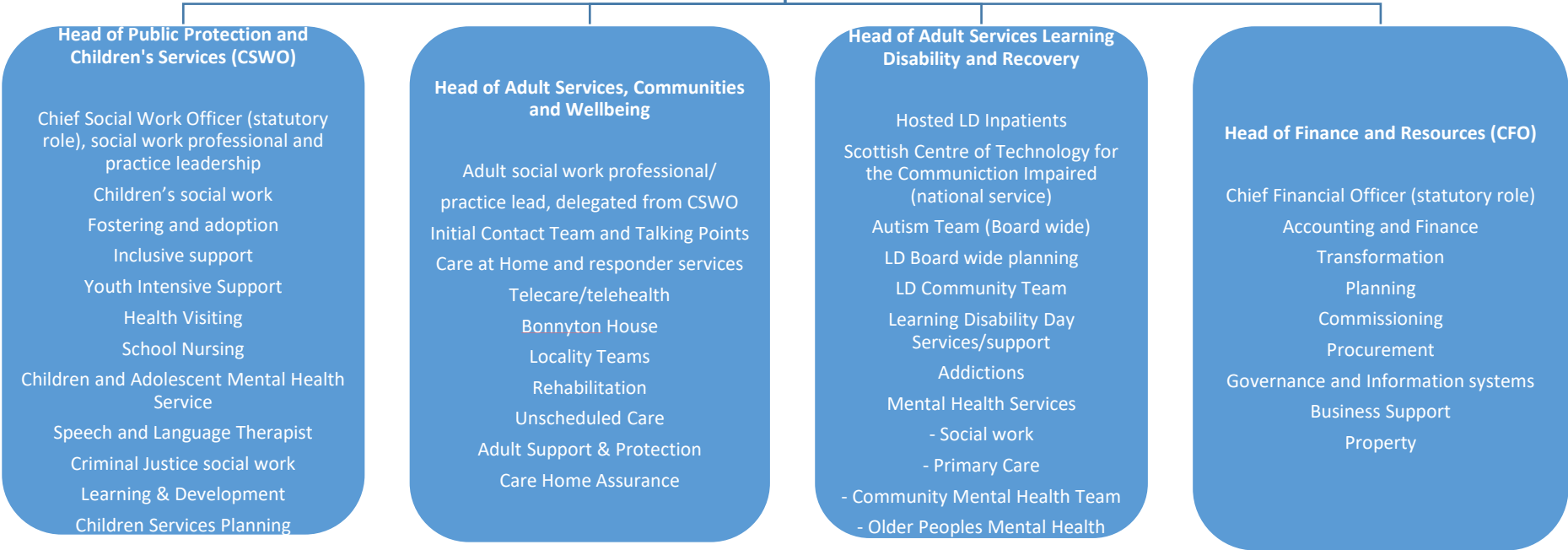


HSCP Proposed Structure

Chief Officer

Clinical Director

Chief Nurse



Head of Public Protection and Children's Services (CSWO)

Chief Social Work Officer (statutory role), social work professional and practice leadership
 Children's social work
 Fostering and adoption
 Inclusive support
 Youth Intensive Support
 Health Visiting
 School Nursing
 Children and Adolescent Mental Health Service
 Speech and Language Therapist
 Criminal Justice social work
 Learning & Development
 Children Services Planning

Head of Adult Services, Communities and Wellbeing

Adult social work professional/practice lead, delegated from CSWO
 Initial Contact Team and Talking Points
 Care at Home and responder services
 Telecare/telehealth
 Bonnyton House
 Locality Teams
 Rehabilitation
 Unscheduled Care
 Adult Support & Protection
 Care Home Assurance

Head of Adult Services Learning Disability and Recovery

Hosted LD Inpatients
 Scottish Centre of Technology for the Communication Impaired (national service)
 Autism Team (Board wide)
 LD Board wide planning
 LD Community Team
 Learning Disability Day Services/support
 Addictions
 Mental Health Services
 - Social work
 - Primary Care
 - Community Mental Health Team
 - Older Peoples Mental Health

Head of Finance and Resources (CFO)

Chief Financial Officer (statutory role)
 Accounting and Finance
 Transformation
 Planning
 Commissioning
 Procurement
 Governance and Information systems
 Business Support
 Property

EAST RENFREWSHIRE COUNCIL15 March 2021Report by Deputy Chief ExecutivePLATINUM JUBILEE HOLIDAY 2022**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval by the Council to move the May Bank Holiday in 2022 to 2 June 2022 and for the adoption of an extra holiday on 3 June 2022 created to mark the Queen's 70 years on the throne.

RECOMMENDATION

2. That Council approve the moving of the May Bank Holiday on Monday 30 May 2022 to Thursday 2 June and approve a further holiday on 3 June 2022 to mark The Queen's Platinum Jubilee.

PLATINUM JUBILEE

3. In November 2020 the Minister of the Department for Digital, Culture, Media and Sport State announced the UK Government plans to mark Her Majesty the Queen's 70th anniversary as monarch in 2022.

4. The May Bank Holiday weekend will be moved to Thursday 2 June and an additional Bank Holiday on Friday 3 June will see a four-day weekend to celebrate Her Majesty The Queen's Platinum Jubilee – the first time any British Monarch has reached this historic milestone.

5. In Scotland, national holidays are a devolved matter however Scottish Government has confirmed that the traditional late May Bank Holiday would be moved to Thursday 2 June 2022 and the extra holiday on Friday 3 June 2022 would also apply to Scotland.

6. Bank or public holidays do not have to be given as paid leave. These can be included as part of a worker's statutory annual leave and it is for the Council to determine. In previous years the approach has been to align with the Scottish Government's position on bank holidays related to such celebrations.

7. All employee conditions of service that apply to public holidays (such as overtime for Local Government Employees) will therefore no longer apply on Monday 30 May 2022 but will instead be applied on 2 and 3 June 2022.

RECOMMENDATIONS

8. That Council approve the moving of the May Bank Holiday on Monday 30 May 2022 to Thursday 2 June and approve a further holiday on 3 June 2022 to mark The Queen's Platinum Jubilee.

REPORT AUTHOR:

Sharon Dick, Head of HR and Corporate Services, Tel 07741 235242

CONVENER:

Councillor Tony Buchanan, Tel 0141 577 3107