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Council Building
2 High Street
Perth
PH1 5PH

5 September 2019

A Meeting of the **Strategic Policy and Resources Committee** will be held in the **Council Chamber, 2 High Street, Perth, PH1 5PH** on **Wednesday, 11 September 2019** at **09:30**

If you have any queries please contact Committee Services on (01738) 475000 or email Committee@pkc.gov.uk.

KAREN REID
Chief Executive

Those attending the meeting are requested to ensure that all electronic equipment is in silent mode.

Please note that the meeting will be recorded and will be publicly available on the Council's website following the meeting.

Members:

Councillor Murray Lyle (Convener)	Provost Dennis Melloy
Councillor Peter Barrett (Vice-Convener)	Councillor Andrew Parrott
Councillor Chris Ahern	Councillor Caroline Shiers
Councillor Alasdair Bailey	Councillor Colin Stewart
Councillor Bob Band	
Councillor Stewart Donaldson	
Councillor Dave Doogan	
Councillor John Duff	
Councillor Angus Forbes	
Councillor Grant Laing	
Councillor Roz McCall	
Councillor Sheila McCole	

Strategic Policy and Resources Committee

Wednesday, 11 September 2019

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

- 1 WELCOME AND APOLOGIES/SUBSTITUTES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES**
 - 3(i) MINUTE OF MEETING OF THE STRATEGIC POLICY AND RESOURCES COMMITTEE OF 12 JUNE 2019 FOR APPROVAL AND SIGNATURE** **5 - 8**
(copy herewith)
 - 3(ii) MINUTE OF MEETING OF THE EXECUTIVE SUB-COMMITTEE OF STRATEGIC POLICY AND RESOURCES COMMITTEE OF 15 MAY 2019 FOR NOTING** **9 - 10**
(copy herewith)
 - 3(iii) MINUTE OF MEETING OF THE PROPERTY SUB-COMMITTEE OF 15 APRIL 2019 FOR NOTING** **11 - 12**
(copy herewith)
 - 3(iv) MINUTE OF MEETING OF THE PROPERTY SUB-COMMITTEE OF 17 JUNE 2019 FOR NOTING** **13 - 14**
(copy herewith)
 - 3(v) MINUTE OF MEETING OF THE PROVOST'S SUB-COMMITTEE OF 14 AUGUST 2019 FOR NOTING** **15 - 16**
(copy herewith)
 - 3(vi) MINUTE OF MEETING OF THE APPEALS SUB-COMMITTEE OF 10 JUNE 2019 FOR NOTING** **17 - 18**
(copy herewith)
 - 3(vii) MINUTE OF MEETING OF THE CORPORATE HEALTH, SAFETY AND WELLBEING CONSULTATIVE COMMITTEE OF 11 MARCH 2019 FOR NOTING** **19 - 22**
(copy herewith)

3(viii)	MINUTE OF THE SPECIAL MEETING OF THE PERTH AND KINROSS INTEGRATION JOINT BOARD OF 22 MARCH 2019 FOR NOTING (copy herewith)	23 - 26
3(ix)	MINUTE OF MEETING OF THE PERTH AND KINROSS INTEGRATION JOINT BOARD OF 1 MAY 2019 FOR NOTING (copy herewith)	27 - 32
3(x)	MINUTE OF MEETING OF THE TAY CITIES REGION JOINT COMMITTEE OF 22 MARCH 2019 FOR NOTING (copy herewith)	33 - 36
3(xi)	MINUTE OF MEETING OF THE PERTH CITY DEVELOPMENT BOARD OF 4 SEPTEMBER 2018 FOR NOTING (copy herewith)	37 - 40
4	COMPOSITE CAPITAL BUDGET 2019/29 & HOUSING INVESTMENT PROGRAMME 2019/24 - MONITORING REPORT NUMBER 1 Report by Head of Finance (copy herewith 19/245)	41 - 76
5	REVENUE BUDGET 2019/20 - MONITORING REPORT NUMBER 1 Report by Head of Finance (copy herewith 19/246)	77 - 106
6	ANNUAL EFFICIENCY STATEMENT 2018/19 Report by Head of Finance (copy herewith 19/247)	107 - 118
7	BUSINESS LOAN FUNDING UPDATE Report by Depute Chief Executive, Chief Operating Officer (copy herewith 19/248)	119 - 128
8	TRANSFORMATION PROGRAMME 2015-2020 Report by Depute Chief Executive, Chief Operating Officer (copy herewith 19/249)	129 - 148
9	SAVINGS ARISING FROM EARLY RETIREMENT DECISIONS TAKEN IN 2018/19 Report by Head of Finance (copy herewith 19/250)	149 - 156

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STRATEGIC POLICY AND RESOURCES COMMITTEE

Minute of meeting of the Strategic Policy and Resources Committee held in the Council Chamber, Council Building, 2 High Street, Perth on Wednesday 12 June 2019 at 9.30am.

Present: Councillors M Lyle, P Barrett, C Stewart, B Band, R Brock (substituting for A Bailey) S Donaldson, D Doogan, J Duff, A Forbes, G Laing, R McCall, Provost D Melloy and Councillors A Parrott, C Purves, C Shiers and R Watters (substituting for S McCole).

In Attendance: K Reid, Chief Executive; J Valentine, Depute Chief Executive and Chief Operating Officer; C Irons, S Mackenzie, C Mackie, M Mitchell, L Potter, L Simpson, and S Walker (all Corporate and Democratic Services); S Devlin, G Boland and A Seggie (both Education and Children's Services); B Renton, L Brady, F Crofts, M Dow, K Fraser, P Marshall, J McCrone, E McLaughlin and G Stewart (all Housing and Environment) and J Smith, Perth and Kinross Health and Social Care Partnership.

Apologies: Councillors A Bailey and S McCole.

Councillor M Lyle, Convener, Presiding.

The Convener led discussion on Arts. ???; (items 1-4 & 8) Vice-Convener P Barrett led discussion on Art. ??? (item 5) and Vice-Convener C Stewart led discussion on Arts. ??? (items 6&7)

. **WELCOME AND APOLOGIES**

The Convener welcomed all those present to the meeting. Apologies and substitutions were noted as above.

. **DECLARATIONS OF INTEREST**

There were no Declarations of Interest in terms of the Councillors' Code of Conduct.

. **MINUTES OF PREVIOUS MEETINGS**

(i) **Strategic Policy and Resources Committee**

The minute of meeting of the Strategic Policy and Resources Committee of 17 April 2019 (Arts.181-194) was submitted, approved as a correct record and authorised for signature.

(ii) **Executive Sub-Committee of the Strategic Policy and Resources Committee**

The minute of meeting of the Executive Sub-Committee of 20 March 2019 was submitted and noted. (*Appendix I*)

(iii) Property Sub-Committee of the Strategic Policy and Resources Committee

The minute of the Property Sub-Committee of 18 February 2019 was submitted and noted. **(Appendix II)**

(iv) Appeals Sub-Committee

The minute of meeting of the Appeals Sub-Committee of 18 March 2019 was submitted and noted. **(Appendix III)**

(v) Appeals Sub-Committee

The minute of meeting of the Appeals Sub-Committee of 2 May 2019 was submitted and noted. **(Appendix IV)**

(vi) Employees Joint Consultative Committee

The minute of meeting of the Employees Joint Consultative Committee of 28 February 2019 was submitted and noted. **(Appendix V)**

(vii) Perth and Kinross Integration Joint Board

The minute of meeting of the Integration Joint Board of 15 February 2019 was submitted and noted. **(Appendix VI)**

TOWN CENTRE FUND

There was submitted a report by the Depute Chief Executive and Chief Operating Officer (19/170), outlining options to utilise the new ring-fenced Scottish Government Town Centre Fund for 2019-20.

Resolved:

- (i) The background to Report 19/170 in relation to the Scottish Government's Town Centre Fund be noted.
- (ii) The Town Centre Fund monies be allocated to the four projects in Coupar Angus; Kinross; Crieff and Pitlochry and listed in Report 19/170, be approved.
- (iii) That consideration be given to reviewing the other potential projects with a view to having a reserve project if funding was not all spent on the four approved projects, be noted.
- (iv) The Depute Chief Executive and Chief Operating Officer be requested to submit a report to a future meeting of this Committee on progress with the Town Centre Fund projects.

CHANGES TO DEVELOPER CONTRIBUTIONS AND AFFORDABLE HOUSING SUPPLEMENTARY GUIDANCE

There was submitted a report by the Executive Director (Housing and Environment) (19/171). The Developer Contributions and Affordable Housing

Supplementary Guidance required to be updated in line with Local Development Plan 2. The report provides an overview of the main modifications proposed to the Guidance which had been considered by the Executive Officer Team and the Planning Member Officer Working Group and recommended that these changes be approved prior to public consultation.

Resolved:

- (i) The contents of Report 19/171, be noted.
- (ii) The recommended modifications to the Developer Contributions and Affordable Housing Supplementary Guidance be approved.
- (iii) The guidance be made available for public consultation in September 2019.
- (iv) A report be submitted to a future meeting of this Committee on the outcomes of the public consultation and any changes to the Supplementary Guidance.
- (v) A development session be arranged for all Councillors on the Guidance.

AUTHORITY TO WRITE OFF DEBTS AND OBSOLETE STOCK

There was submitted a report by the Head of Finance (19/172) seeking (1) approval to write off identified debts in respect of Sales ledger; Council Tax (including Water and Waste Charges); Non-Domestic Rates; Irrecoverable Rents; Housing Benefit Overpayments and Car Park trading Account Income; and (2) approval to write off obsolete stock and process other miscellaneous small adjustments.

Resolved:

- (i) That all amounts, as detailed in section 2 and appendices 1 – 5 to Report 19/172 were written off or on for accounting purposes, be approved.
- (ii) That files would not be closed and every effort would be made to collect the outstanding debt, be noted.

PROCUREMENT UPDATE 2018/19

There was submitted a report by the Head of Finance (19/173) on (1) progress made by this Council during 2018/19 in concluding the work set out in the Procurement Strategy approved by Council in December 2015; and (2) providing evidence of achievement of the objectives set out in the strategy and demonstrating value through the purchasing decisions taken for the period.

Resolved:

- (i) The Procurement Annual report attached as appendix 1 to Report 19/173 be approved for publication.
- (ii) The revised Procurement Strategy for 2019/20 (including the relevant Contract Delivery Plan), attached as appendix 2 to report 19/173, be approved, pending the conclusion of the review of procurement and commissioning work across the Tayside area.
- (iii) The record of tenders accepted under the procurement regime, be noted.
- (iv) Grant funding disbursed under the Following the Public Pound Code, be noted.

. **TRANSFORMATION PROGRAMME 2015-2020**

There was submitted a report by the Depute Chief Executive and Chief Operating Officer (19/174) (revised) providing (1) an update on phase four of the Transformation Programme approved by Council on 1 July 2015; and (2) providing an overview of progress on the current projects.

Resolved:

- (i) The progress related to the Transformation Programme, as detailed in Appendices 1 and 2 to Report 19/174, be noted.
- (ii) A report be submitted to the Council in September 2019 on the future of school meal provision.

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REVISED

## EXECUTIVE SUB-COMMITTEE OF THE STRATEGIC POLICY AND RESOURCES COMMITTEE

Minute of Meeting of the Executive Sub-Committee of the Strategic Policy and Resources Committee held in the Council Chamber, Ground Floor, Council Building, 2 High Street, Perth on Wednesday 15 May 2019 at 3.00pm.

Present: Councillors M Lyle, P Barrett, C Stewart, D Doogan and G Laing.

In Attendance: B Renton, Executive Director (Housing and Environment); M Butterworth, F Crofts, K McNamara and B Reekie (all Housing and Environment); C Flynn, C Irons and S Walker (all Corporate and Democratic Services).

Councillor M Lyle, Convener, Presiding.

### 1. WELCOME AND APOLOGIES

The Convener welcomed everyone present to the meeting. There were no apologies.

### 2. DECLARATIONS OF INTEREST

There were no Declarations of Interest in terms of the Councillors' Code of Conduct.

**IT WAS AGREED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973**

### P1. COMMERCIAL WASTE RECYCLING SERVICES UPDATE

There was submitted a report by the Executive Director (Housing and Environment) (19/152) on the Council's Commercial Waste Recycling services.

#### **Resolved:**

- (i) The contents of Report 19/152, in relation to the acquisition of a commercial waste and recycling collection service, be noted.
- (ii) The value of the acquisition as detailed in Report 19/152, subject to due diligence, be approved.
- (iii) The funding solution, as detailed in Report 19/152, be approved.
- (iv) It be delegated to the Executive Director (Housing and Environment) to submit a formal offer to the Company and Heads of Terms, in conjunction with the Head of Legal and Governance subject to further due diligence being undertaken.

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PROPERTY SUB-COMMITTEE

Minute of meeting of the Property Sub-Committee of the Strategic Policy and Resources Committee held in the Council Chambers, Ground Floor, Council Building, 2 High Street, Perth on Monday 15 April 2019 at 10.00am.

Present: Councillors M Lyle, B Band, P Barrett, D Doogan, G Laing, R McCall (substituting for C Shiers) and C Stewart.

In Attendance: K Leer, M McCaskie, S Merone (all Housing and Environment); G Fogg, P Mair and D Williams (all Corporate and Democratic Services).

Apologies: Councillor C Shiers.

Councillor M Lyle, Convener, presiding.

1. WELCOME AND APOLOGIES/SUBSTITUTES

The Convener welcomed all those present to the meeting. Apologies and substitutions were noted as above.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Councillors' Code of Conduct.

3. MINUTES

The minute of meeting of the Property Sub-Committee of 18 February 2019 were submitted and approved as a correct record.

IT WAS AGREED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEMS IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973

P1. SALE OF RIO HOUSE, DUNDEE ROAD, PERTH

There was submitted a report by the Executive Director (Housing and Environment) (19/105) seeking approval for the sale of Rio House, Dundee Road, Perth after offers received at a closing date on 13 February 2019.

Resolved:

- (i) Rio House be sold to the individual(s) specified in Recommendation (i) of Report 19/105, or their nominees on the basis of the terms contained in Report 19/105 and otherwise on terms and conditions to the satisfaction of the Executive Director (Housing and Environment) and the Head of Legal and Governance.
- (ii) In the event that the offer from the individual(s) specified in Recommendation (i) of Report 19/105 for the Sale of Rio House, Dundee Road, Perth, fails to

conclude, it be returned to a future meeting of the Property Sub-Committee or a future special meeting of the Property Sub-Committee for further consideration.

P2. COLLACE QUARRY, COLLACE – EXTENSION OF LEASE

There was submitted a report by the Executive Director (Housing and Environment) (19/106) seeking authority from the Property Sub-Committee to extend the lease of Collace Quarry for a further period of 10 years until 31 March 2032.

Resolved:

The Committee gave authority for the extension of the lease of Collace Quarry for a further period of ten years up to and including 31 March 2032.

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## PROPERTY SUB-COMMITTEE

Minute of meeting of the Property Sub-Committee of the Strategic Policy and Resources Committee held in the Council Chambers, Ground Floor, Council Building, 2 High Street, Perth on Monday 17 June 2019 at 09.30am.

Present: Councillors M Lyle, B Band, P Barrett, D Doogan, G Laing and C Stewart.

In Attendance: M Hill, J Janes and S Crawford (all Housing and Environment); G Boland (Education and Children's Services) C Flynn, G Fogg and K Molley (all Corporate and Democratic Services).

Councillor M Lyle, Convener, presiding.

### 1. WELCOME AND APOLOGIES/SUBSTITUTES

The Convener welcomed all those present to the meeting.

### 2. DECLARATIONS OF INTEREST

In terms of the Councillors' Code of Conduct, Councillor G Laing declared a non-financial interest in Item 5.

### 3. MINUTES

The minute of meeting of the Property Sub-Committee of 15 April 2019 were submitted and approved as a correct record.

### 4. SCHOOL ESTATE PROGRAMME – PROGRESS UPDATE

There was submitted a report by the Executive Director (Education and Children's Services) (19/175) (1) updating Property-Sub Committee on the progress and proposals for delivering current projects within the Education and Children's Services School Estate Programme; and (2) detailing key milestones which have been achieved since the last update to Property Sub-Committee on 18 February 2019 (Report No. 19/144 refers).

#### **Resolved:**

The significant milestones achieved since the previous report to this Sub-Committee on 18 February 2019, as detailed in Appendix A to Report 19/175, be noted.

### 5. DISPOSAL BY AUCTION OF OUTDOOR CENTRES AT KINLOCH RANNOCH AND BLACKWATER

There was submitted a report by the Executive Director (Housing and Environment) (19/176) seeking approval for the disposal by auction of two Council owned outdoor centres located at Kinloch Rannoch and Blackwater, Bridge of Cally.

**Resolved:**

The decision to auction two Council owned outdoor centres located at Kinloch Rannoch and Blackwater, Bridge of Cally be deferred until the next Property Sub-Committee meeting in August 2019 to let the recent request for a Community Asset Transfer for Kinloch Rannoch be considered and to allow further opportunity for community interest on Blackwater to be noted.

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PROVOST'S SUB-COMMITTEE OF THE STRATEGIC POLICY AND RESOURCES COMMITTEE

Minute of meeting of the Provost's Sub-Committee of the Strategic Policy and Resources Committee held in the Council Chamber, Ground Floor, 2 High Street, Perth on Wednesday 14 August 2019 at 1.00pm.

Present: Provost D Melloy and Councillors S Donaldson, M Lyle, R McCall and A Parrott.

In Attendance: C Flynn and C Irons (both Corporate and Democratic Services).

Provost D Melloy, Presiding.

1. WELCOME AND APOLOGIES

The Provost welcomed everyone to the meeting.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Councillors' Code of Conduct.

3. MINUTES OF THE PREVIOUS MEETING

The minute of meeting of the Provost's Sub-Committee of 27 June 2018 was submitted and noted.

4. PROPOSED TWINNING VISIT TO BYDGOSZCZ, POLAND – SEPTEMBER 2019

There was submitted a report by the Head of Legal and Governance Services (19/215) advising of an invitation extended to the Provost to visit Bydgoszcz, Poland from 27 September to 1 October 2019, to celebrate the 21st anniversary of Perth and Kinross' twinning link with Bydgoszcz.

Resolved:

- (i) The invitation to visit Bydgoszcz, Poland from 27 September to 1 October 2019, be accepted.
- (ii) The Council be represented by the Provost and Councillor W Robertson as the Council member for the Friends of Bydgoszcz twinning organisation, supported by the Council Officer.
- (iii) The costs, estimated to be £1895, be met from the 2019/20 twinning budget.

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## **APPEALS SUB-COMMITTEE OF STRATEGIC POLICY AND RESOURCES COMMITTEE**

Minute of Meeting of the Appeals Sub-Committee held in the Council Building, 2 High Street, Perth on Monday 10 June 2019.

Present: Councillors Ahern, Anderson and Jarvis.

In Attendance: Appellant; Service's Representative (E Bayne, Human Resources) and M McLaren, Legal Services.

### **1. APPOINTMENT OF CONVENER**

It was unanimously agreed that Councillor Ahern be appointed Convener of the Appeals Sub-Committee.

Councillor Ahern took the Chair.

### **2. PROCEDURE TO BE USED FOR DISCIPLINARY APPEAL**

#### **Resolved:**

The procedure, as issued for the information of all present, be adopted.

**IT WAS AGREED THAT THE PUBLIC AND PRESS BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH WAS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973**

#### **P1. APPEAL AGAINST DISMISSAL (Disciplinary Procedures)**

The Appeals Sub-Committee was convened to consider an appeal against dismissal by a member of staff from Housing and Environment.

The Appeals Sub-Committee considered documentation lodged by both parties and heard evidence from the Service's representative and his witnesses, and from the Appellant. Thereafter the parties summed up their cases and withdrew.

#### **Resolved:**

That the dismissal was found to be fair and reasonable and the appeal be not upheld.

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PERTH AND KINROSS COUNCIL
STRATEGIC POLICY AND RESOURCES COMMITTEE
CORPORATE HEALTH, SAFETY AND WELLBEING
CONSULTATIVE COMMITTEE

Minute of meeting of the Corporate Health, Safety and Wellbeing Consultative Committee held in the Council Chamber, Ground Floor, Council Building, 2 High Street, Perth on Monday 11 March 2019 at 10.00am.

- Present:**
- Representing Perth and Kinross Council**
 Councillor P Barrett
 Councillor K Baird
 Councillor E Drysdale
 Councillor S McCole
 G Boland (on behalf of Executive Director (Education and Children's Services))
 P Johnstone (on behalf of Corporate Human Resources Manager)
 C Flynn (on behalf of the Chief Executive)
 R Lyle, Regulatory Services Manager, Housing and Environment Service
 R Turner, Senior Health and Safety Advisor, Housing and Environment Service
- Trade Union Safety Representatives and Elected Representatives of Employee Safety Committees**
 M Blacklaws (SSTA)
 M Swan (EIS)
 S Hope (Unison)
 S Robertson (Unite the Union)
- In attendance:**
- S Crawford, Head of Property Services, Environment and Housing Service
 L McGeorge, Property Compliance Team Leader, Environment and Housing Service
 K Molley, Professional Trainee, Corporate and Democratic Services
- Councillor S McCole in the Chair

1. APPOINTMENT OF VICE-CONVENER

Nominations were sought for the appointment of Vice-Convenor.

M Blacklaws nominated S Hope, seconded by M Swan as Vice-Convenor. S Hope be appointed as Vice-Convenor for 6 months to September 2019.

2. DECLARATIONS OF INTEREST

In terms of Councillors' Code of Conduct, Councillor S McCole declared a non-financial interest in Item 5 (Fire Safety Quarterly Report).

3. MINUTES

The minute of the meeting of the Corporate Health, Safety and Wellbeing Consultative Committee of 10 December 2018 was submitted and approved for signature subject to the following amendment:

Councillor K Baird was present at the meeting.

4. HEALTH AND SAFETY PERFORMANCE QUARTERLY REPORT

There was submitted a report by the Regulatory Service Manager (Housing and Environment) (G/19/135) preparing to inform and assist the Corporate Health, Safety and Wellbeing Consultative Committee in monitoring health and safety performance across Perth and Kinross Council; and (2) asking for progress to be noted.

In response to a question from Councillor E Drysdale regarding the action taken after an employee injury in Corporate & Democratic Services, S Crawford advised that additional lighting was being installed in that area.

In response to a question from Councillor E Drysdale regarding the number of Violence and Aggression incidents throughout schools, R Turner advised that there is now an online reporting system for behavioural incidents which had raised awareness. P Johnstone added that statistics are presented quarterly to the Joint Negotiating Committee for Teaching Staff. These results are broken down into incident, stage, trend and training that is provided to support staff in dealing with aggressive behaviour from children.

M Swan emphasised the importance of looking at methods to reduce violence and aggression behaviour of children throughout schools. S Hope added that violence and aggression behaviour does not only affect teachers but can also include members of staff such as learning support assistants.

P Johnstone advised that a review is currently underway to look at inclusion and how children are learning and being supported in schools. She added that the review is due to last for 12 months. There will be a report on this subject which will go to the Joint Negotiating Committee for Teaching Staff in due course.

Councillor S McCole raised her concern about the number of action plans outstanding in the Housing and Environment Service. R Turner advised that with regard to actions plans, services follow a timeline, making it difficult to get information before reports are due to Committee. R Lyle added that once an action plan has been completed then another action plan is introduced, creating continuous improvement. S Crawford advised that this issue is on the

agenda for the next Senior Management meeting of the Housing and Environment Service. Councillor E Drysdale suggested that Service Coordinator's be invited to future committee meetings of the Corporate Health, Safety and Wellbeing Consultative Committee.

Resolved:

The contents of the report, be noted.

5. FIRE SAFETY QUARTERLY REPORT

There was submitted a report by the Health, Safety and Wellbeing Team Leader (G/19/136) informing and assisting the Corporate Health, Safety and Wellbeing Consultative Committee in monitoring fire safety performance across Perth and Kinross Council; and (2) providing the Committee with the Fire Safety Key Performance indicators for Quarter 3 of 2018/19 for noting.

In response to a question from Councillor E Drysdale on fire testing and training at Perth High School, G Boland confirmed that R Speedie (Fire Safety and Prevention Adviser) had been working with the business manager at Perth High School to ensure fire tests are occurring regularly. S Crawford confirmed that there had also been recommendations for a water system at Perth High school with procedures in place. He added that updates are received electronically.

In response to a question from Councillor S McCole regarding the action required at Parkdale and if the works had been completed, L McGeorge confirmed that there are fire risk assessment procedures in place and would provide an update to the next Committee. R Turner added that in residential care homes, regular fire evacuation checks are carried throughout the day to accommodate staff working different shifts.

Resolved:

The contents of the report, be noted.

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## PERTH AND KINROSS INTEGRATION JOINT BOARD

Minute of Special Meeting of the Perth and Kinross Integration Joint Board (IJB) held in the Council Chamber, Ground Floor, Council Building, 2 High Street, Perth on Friday 22 March 2019 at 2.00pm.

### **Present:**

#### **Voting Members**

Dr R Peat, Tayside NHS Board (Chair)  
 Councillor C Stewart, Perth and Kinross Council (Vice-Chair)  
 Councillor E Drysdale, Perth and Kinross Council  
 Councillor C Purves, Perth and Kinross Council  
 Councillor A Bailey (substituting for Councillor X McDade), Perth and Kinross Council  
 P Kilpatrick (substituting for L Birse-Stewart) (Tayside NHS Board) (from Item 3 onwards)

#### **Non-Voting Members**

Mr R Packham, Chief Officer  
 Ms J Smith, Chief Financial Officer

#### **Stakeholder Members**

Mr A Drummond, Staff Representative, NHS Tayside  
 Mr S Hope, Staff Representative, Perth and Kinross Council  
 Ms S Auld, Service User Public Partner (substituting for Ms L Lennie)  
 Ms S Watts, Perth Citizens Advice Bureau (substituting for Ms C Gallagher)

### **In Attendance:**

K Reid, Chief Executive, Perth and Kinross Council; J Valentine, Deputy Chief Executive, Perth and Kinross Council; S Hendry, A Taylor and R Fry (all Perth and Kinross Council); V Aitken, R Duarte, P Henderson (up to and including Item 4), D Fraser, E Devine, H Dougall, M Rapley, D Mitchell, P Johnstone, A Taylor, L Baillie and A McManus (all Perth and Kinross Health and Social Care Partnership)

### **Apologies:**

Professor N Beech, Tayside NHS Board  
 Ms G Costello, Tayside NHS Board  
 Ms L Birse-Stewart, Tayside NHS Board  
 Mr J Foulis, NHS Tayside  
 Dr A Noble, External Adviser to Board  
 Ms C Gallagher, Independent Advocacy Perth and Kinross  
 Ms L Lennie, Service User Public Partner  
 B Campbell, Carer Public Partner

## **1. WELCOME AND APOLOGIES**

Dr Peat welcomed all those present to the meeting and apologies were noted as above.

## **2. DECLARATIONS OF INTEREST**

There were no Declarations of Interest made in terms of the Perth and Kinross Integration Joint Board Code of Conduct.

## **3. UPDATE - STRATEGIC COMMISSIONING PLAN 2019-2022 - PERTH AND KINROSS IJB**

There was submitted a report by the Chief Officer (G/19/53) notifying the IJB of a delay to the completion of the 2019-22 Strategic Commissioning Plan and seeking authority to continue operations in line with the 2016-19 plan until completion of the current plan which will come to this Board for approval on 27 September 2019.

### **Resolved:**

- (i) The delay in the preparation of the 2019-2022 Strategic Commissioning Plan for Perth and Kinross IJB, for the reasons set out in Report G/19/53, be noted.
- (ii) The continuation of strategic planning and operational management under principles set out in the 2016-19 Strategic Commissioning Plan until the 2019-22 plan is completed, be approved.
- (iii) A workshop for all board members be arranged to help set out the strategic direction for the Health and Social Care Partnership.
- (iv) An interim update on the progress of the 2019-22 Strategic Commissioning Plan be provided to Members at the IJB meeting on 26 June 2019.
- (v) The Chief Officer to present the refreshed Strategic Commissioning Plan for approval at the IJB meeting on 27 September 2019.

P KILPATRICK ARRIVED DURING THE ABOVE ITEM.

## **4. OLDER PEOPLE AND UNSCHEDULED CARE STRATEGIC DELIVERY PLAN**

There was submitted a report by the Associate Medical Director (G/19/56) providing the first iteration of the Strategic Delivery Plan for the Older People and Unscheduled Care Board.

### **Resolved:**

- (i) The progress towards developing the Strategic Delivery Plan for Older People and Unscheduled Care be noted and supported.
- (ii) The completed Strategic Delivery Plan be submitted for approval to the IJB meeting on 26 June 2019.

P HENDERSON LEFT THE MEETING AT THIS POINT.

## **5. CORE HEALTH AND SOCIAL CARE BUDGET 2019/20, 2020/21 AND 2021/22**

There was submitted a report by the Chief Financial Officer (G/19/54) (1) recommending the setting of a recurring budget for Core Health and Social Care



Services for 2019/20 and the provisional budgets for 2020/21 and 2021/22; and (2) setting out the next steps required to ensure delivery of financial balance in 2019/20.

**Resolved:**

- (i) It be noted that following a formal budget offer from Perth and Kinross Council and an indicative offer from NHS Tayside, a £2.842m gap for Core Health and Social Care Services is reported in the 2019/20 Financial Plan.
- (ii) The Chief Officer to bring forward further proposals to the IJB that will support delivery of break-even in 2019/20.
- (iii) The 2019/20 Financial Plan and the associated 2019/20 Transformation and Efficiency Proposals, as outlined in Report G/19/54, be approved.
- (iv) The update on progress in developing the 2019/20 Financial Plans for Prescribing and Hosted Services be noted.
- (v) The indicative 2020/21 and 2021/22 Financial Plan and the associated Transformation and Efficiency Proposals, as outlined in Report G/19/54, be approved.
- (vi) The Chief Officer to issue the necessary Directions to NHS Tayside and Perth and Kinross Council to implement the service changes contained within the 3 Year Financial Plan.

## **6. BOARD MEMBERSHIP UPDATE**

There was submitted a report by the Clerk to the Board (G/19/55) (1) updating the Board on the membership of both voting and non-voting members of the Board; and (2) outlining proposals made in terms of the re-appointment of an additional member of the Board and the membership of the Clinical, Care and Professional Governance Committee.

**Resolved:**

- (i) The updates in both voting and non-voting membership of the Board be noted.
- (ii) The proposals set out in section 2.4 of Report G/19/55 be approved.
- (iii) The appointment of Ms Clare Gallagher as a non-voting member of the Clinical, Care and Professional Governance Committee be approved.

## **7. VALEDICTORIES**

R Peat referred to this being the last meeting of the Integration Joint Board for Dr Alastair Noble and thanked him for his contribution to the work of the Board over the years.

He also further referred to the upcoming retiral at the end of April of Rob Packham, who had been the Chief Officer of the Health and Social Care Partnership since its inception in 2015, and intimated that this would be Rob's last meeting of the Integration Joint Board. He thanked Rob for his extensive contribution to the work of the IJB over the last three and a half years and wished him well for a happy retirement.

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PERTH AND KINROSS INTEGRATION JOINT BOARD

Minute of Meeting of the Perth and Kinross Integration Joint Board (IJB) held in the Council Chamber, Ground Floor, Council Building, 2 High Street, Perth on Wednesday 1 May 2019 at 2.00pm.

Present:

Voting Members

Dr R Peat, Tayside NHS Board (Chair)
Councillor C Stewart, Perth and Kinross Council (Vice-Chair)
Councillor E Drysdale, Perth and Kinross Council
Councillor X McDade, Perth and Kinross Council
Councillor C Purves, Perth and Kinross Council
Mr B Benson, Tayside NHS Board
Ms L Birse-Stewart, Tayside NHS Board (from Item 7.1 onwards)

Non-Voting Members

Mr J Foulis, NHS Tayside
Mr G Paterson, Chief Officer / Director – Integrated Health & Social Care
Ms J Smith, Chief Financial Officer

Stakeholder Members

Ms B Campbell, Carer Public Partner (from Item 3 (i) onwards)
Ms L Lennie, Service User Public Partner
Ms S Watts, Perth Citizens Advice Bureau (substituting for Ms C Gallagher)

In Attendance:

K Reid, Chief Executive, Perth and Kinross Council (up to and including Item 8.1); S Hendry, A Taylor and L Gowans (all Perth and Kinross Council); C Jolly (until Item 8.1), D Mitchell (until Item 9.1), M Rapley, E Devine (until Item 9.2), H Dougall, D Hubbard and V Aitken (all Perth and Kinross Health and Social Care Partnership); A Wood (up to and including Item 8.1), L Denvir, L Hamilton (up to and including Item 8.1), K Russell (up to and including Item 8.1) and K Matthews (up to and including Item 8.1) (all NHS Tayside).

Apologies:

P Kilpatrick, Tayside NHS Board
Dr D Lowden, NHS Tayside
Ms C Gallagher, Independent Advocacy Perth and Kinross
Mr A Drummond, Staff Representative, NHS Tayside
Ms J Pepper, Chief Social Work Officer, Perth and Kinross Council

1. WELCOME AND APOLOGIES

Dr Peat welcomed all those present to the meeting and apologies were noted as above. Dr Peat particularly welcomed Gordon Paterson to his first meeting of the Board as the new Chief Officer/Director – Integrated Health & Social Care. It was also noted that this was Jim Foulis's last meeting prior to his retiral from NHS

Tayside. Board members thanked him for his contribution to the work of the Board and wished him well for the future.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Perth and Kinross Integration Joint Board Code of Conduct.

3. MINUTES OF PREVIOUS MEETINGS

(i) MINUTE OF MEETING OF THE PERTH AND KINROSS INTEGRATION JOINT BOARD OF 15 FEBRUARY 2019

The minute of meeting of the Perth and Kinross Integration Joint Board of 15 February 2019 was submitted and approved as a correct record.

(ii) MINUTE OF SPECIAL MEETING OF THE PERTH AND KINROSS INTEGRATION JOINT BOARD OF 22 MARCH 2019

The minute of the special meeting of the Perth and Kinross Integration Joint Board of 22 March 2019 was submitted and approved as a correct record, subject to amending the attendance list to show S Watts representing Perth Citizens Advice Bureau.

4. ACTION POINT UPDATE

There was submitted and noted the action point update for the Perth and Kinross Integration Joint Board as at 1 May 2019 (G/19/65).

The Chief Officer agreed to further investigate the possibility of an additional development session for board members during the summer.

5. MATTERS ARISING

There were no matters arising from the previous minute.

6. BOARD MEMBERSHIP UPDATE

There was submitted a report by the Clerk to the Board (G/19/66) (1) updating the Board on the membership of both voting and non-voting members of the Board; and (2) outlining proposals made in terms of the appointment of a member of the Board to the Audit and Performance Committee.

Resolved:

- (i) The updates in both the voting and non-voting membership of the Board be noted.
- (ii) It be agreed that Ms B Campbell, carer representative, and Ms M Summers (substitute) continue in their respective roles until the conclusion of an election process for these board positions.
- (iii) The appointment of Ms P Kilpatrick to the Audit and Performance Committee as a voting member be approved.

7. FINANCE AND GOVERNANCE

7.1 2018/19 FINANCIAL POSITION

There was submitted a report by Chief Financial Officer (G/19/67) providing an update on the year-end financial forecast for 2018/19 based on the 11 months to 28 February 2019.

- (i) The overall projected overspend of £1.559m for Perth & Kinross IJB for 2018/19; an improvement of £0.395m from the last report, be noted.
- (ii) The progress made with 2018/19 savings delivery, as set out in Report G/19/67, be noted.
- (iii) The update regarding IJB reserves, as set out in Report G/19/67, be noted.
- (iv) It be noted that further discussions would take place between the Chief Executives of Perth and Kinross Council and NHS Tayside, the Chief Officer, as well as the Chair and Vice-Chair of the IJB regarding the issue of financial overspends.

L BIRSE-STEWART ENTERED THE MEETING DURING THE ABOVE ITEM.

8. DEVELOPING STRATEGIC OBJECTIVES

8.1 MENTAL HEALTH/LEARNING DISABILITY SERVICE REDESIGN PROGRAMME / TAYSIDE MENTAL HEALTH ALLIANCE

A Wood, L Hamilton, K Russell and K Matthews provided the Board with a slide based presentation on the Mental Health / Learning Disability Service Redesign Programme and the Tayside Mental Health Alliance.

Resolved:

The Board noted the current position.

A WOOD, L HAMILTON, K RUSSELL, K MATTHEWS AND K REID ALL LEFT THE MEETING AT THIS POINT.

8.2 CHIEF OFFICER STRATEGIC UPDATE

There was submitted a report by the Chief Officer (G/19/68) updating Board members on progress against tasks outlined in the rolling actions list.

Resolved:

The contents of Report G/19/68 and the following strategic updates be noted:

- (i) The update on the Strategic Plan refresh;
- (ii) Joint inspection of Adult Services by Care Inspectorate and Health Improvement Scotland;
- (iii) Ministerial Strategic Group Review of Progress with Integration of Health and Social Care and Self-Evaluation;
- (iv) Implementation of Free Personal Care;
- (v) Updates on Programmes of Care.

8.3 PERTH AND KINROSS HEALTH & SOCIAL CARE PARTNERSHIP - WINTER PLAN

There was submitted a report by Head of Health / Head of Adult Care (G/19/69) providing an update on the progress of the Unscheduled Care, Winter Planning actions put in place for Perth and Kinross for the period 1 November 2018 to 31 March 2019.

Resolved:

- (i) The implementation and impact of the Tayside and local winter planning actions, as set out in Report G/19/69, be noted;
- (ii) NHS Tayside's aim to take a year round planning approach, which will sit within a 3-year USC operational plan, to meet times of increasing demand throughout the year, and not only for winter, be supported.

9 STRATEGIC PROGRAMMES OF CARE

9.1 TAYSIDE PRIMARY CARE IMPROVEMENT PLAN - IMPLEMENTATION UPDATE REPORT

There was submitted a report by Associate Medical Director (G/19/70) providing an update on progress made in respect of the implementation of the Tayside Primary Care Improvement Plan in so far as it relates to the Perth and Kinross Health and Social Care Partnership.

H Dougall made reference to a minor error in the report, Page 60 – Table 3, '489' should read '389'.

Resolved:

- (i) The progress made to date with the implementation of the Tayside Primary Care Improvement Plan be noted.
- (ii) The plans for continued service development into year 2 of the programme, 2019/20, be approved.
- (iii) A further update on progress to be provided to the Board in 12 months' time.

D MITCHELL LEFT THE MEETING DURING THE ABOVE ITEM.

THERE FOLLOWS A RECESS AND THE MEETING RECONVENED AT 5.05PM.

IN TERMS OF STANDING ORDER 5.3, THE CHAIR RULED THAT THE FOLLOWING ITEM BE CONSIDERED AS AN URGENT ITEM IN ORDER TO ALLOW THE IJB TO CONSIDER THE MATTER AS PART OF THE TIMESCALES INVOLVED IN THE PROJECT.

9.2 APPLICATION TO AMEND GMS CONTRACT and TO CLOSE THE BRANCH SURGERY PREMISES IN BANKFOOT FOR THE STANLEY MEDICAL PRACTICE, STANLEY

There was submitted a report by the Chief Officer (G/19/71) (1) outlining the current issues relating to the general practice provision for the Stanley Medical Practice, Stanley; and to consider the Practice's request to amend their GMS

Contract; and (2) advising of the Practice's proposal to close their branch surgery in Bankfoot and to provide general medical services from their main practice centre in Stanley.

Resolved:

- (i) The application made by the Stanley Medical Practice to close their branch surgery premises in Bankfoot, in accordance with Part 8 - Variation and Termination of Contracts of the National Health Service (General Medical Services Contracts) (Scotland) Regulations 2018, be noted.
- (ii) The aim of the Stanley Medical Practice, that all current patients would have the opportunity to remain registered with the Stanley Medical Practice and continue to see their current GP team, be supported.
- (iii) The preferred option for the Stanley Medical Practice to consolidate its services on one site to maintain the sustainability of the practice be noted.
- (iv) It be noted that it is subsequently for NHS Tayside Board to approve the application for closure as the holders of the contract with the Practice. A closure date would be agreed with the Practice and the patients notified of this. If they choose to, patients could register with an alternative practice.
- (v) Further detailed information on such areas as opening hours, transport options and consultation to be provided to board members by the Chief Officer.

E DEVINE LEFT THE MEETING DURING THE ABOVE ITEM.

IN TERMS OF STANDING ORDER 5.3, THE CHAIR RULED THAT THE FOLLOWING ITEM BE CONSIDERED AS AN URGENT ITEM IN ORDER TO ALLOW THE IJB TO PROVIDE FURTHER ASSURANCES ON THE SUBJECT OF RECENT MEDIA COVERAGE

9.3 RECENT MEDIA COVERAGE

R Peat referred to the newspaper article in the Courier newspaper on 30 April 2019 regarding Four Seasons Health Care going into administration.

Resolved:

Following a discussion by Board members, the Chief Officer gave an assurance that the situation was being closely monitored by staff. It was agreed that the Chief Officer would submit a report to a future meeting of the Board, in the context of revising the Strategic Commissioning Plan, examining the market for types and models of care in relation to both the public and private sector.

10 FUTURE IJB MEETING DATES 2019

Wednesday 26 June 2019 at 2.00pm
Friday 27 September 2019 at 9.30am
Wednesday 4 December 2019 at 2.00pm

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At a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** held at Dundee on Friday, 22nd March, 2019.

Present:-

Angus Council

Councillor David FAIRWEATHER  
Councillor Bob MYLES (Articles I to V)  
Councillor Angus MacMillan DOUGLAS  
Councillor Bill DUFF

Dundee City Council

Councillor Willie SAWERS (substitute for Councillor John ALEXANDER)  
Councillor Lynne SHORT  
Councillor George McIRVINE (substitute for Councillor Richard McCREADY)

Fife Council

Councillor Tim BRETT  
Councillor David ALEXANDER (substitute for Councillor David ROSS)

Perth & Kinross Council

Councillor Angus FORBES (substitute for Councillor Murray LYLE)  
Councillor Dave DOOGAN  
Councillor Colin STEWART

Non-Elected Members

Alison CARRINGTON, Skills Development Scotland (substitute for Gordon McGUINNESS)  
Professor Andrew ATHERTON, Principal, University of Dundee Regional HE/FE Forum  
Ellis WATSON, Tay Cities Enterprise Forum

Also Present

Mo SAUNDERS, Tay Cities Deal  
Craig BIRRELL, Scottish Government  
Lesley JACKSON, Scottish Government  
David MARTIN, Dundee City Council  
Robin PRESSWOOD, Dundee City Council  
Margo WILLIAMSON, Angus Council  
Vivian SMITH, Angus Council  
Jim VALENTINE, Perth & Kinross Council  
Julie FARR, Third Sector  
Mark MITCHELL, Dundee City Council

Councillor Bob MYLES, in the Chair for Articles I, II, III, IV and V.

Councillor David ALEXANDER, in the Chair for Articles V to XIII.

Prior to the commencement of business, the Chair, on behalf of the Joint Committee, referred to the sad passing of Councillor Brian Gordon and paid tribute to his role on the Joint Committee.

**I APOLOGIES**

Apologies had been intimated from Councillors John Alexander, Richard McCready, Karen Marjoram, David Ross and Murray Lyle, Mr Jim Reid and Mr Gordon McGuinness.

**II DECLARATION OF INTEREST**

No declarations of interest were made.

### **III MEMBERSHIP**

The Joint Committee noted that due to the retiral of Professor Sir Pete Downes, and, in form of Clause Six of the 2017 Minute of Agreement, the University of Dundee had appointed Professor Andrew Atherton, Principal and Vice Chancellor, as their representative on the Joint Committee.

Furthermore, Tim Allan of Unicorn Properties Limited, intimated his resignation from the Joint Committee on 16th January, 2019, which had resulted in a vacancy on the Joint Committee. In terms of Clause Six of the 2017 Minute of Agreement, the Tay Cities Regional Business Forum had been requested to appoint a replacement for Mr Allan.

The Joint Committee also noted due to the sad passing of Councillor Brian Gordon, there was a vacancy for a co-opted member from TACTRAN. TACTRAN had been requested to appoint a replacement, and had intimated that this would be made following their June Committee meeting.

### **IV CHANGE OF CONVENERSHIP**

It was reported that the term of Convenership held by Angus Council was at an end and the position of Convener required to be filled by Perth and Kinross Council, in terms of Article II of the minute of meeting of 18th May, 2018. The position of Convener would be filled by Councillor Murray Lyle.

### **V VICE CONVENERSHIP**

In terms of Clause Twelve of the 2017 Minute of Agreement, the position of Vice-Convener required to be filled by a member of Fife Council. The Joint Committee agreed that this position be filled by Councillor David Ross.

The Joint Committee further agreed that in the absence of both the Convener and the Vice Convener, Councillor David Alexander take the Chair for the remainder of the meeting.

Councillor Alexander thereupon took the Chair.

### **VI MINUTE OF MEETING OF 9TH NOVEMBER, 2018**

The minute of meeting of 9th November, 2018 was submitted and approved.

### **VII MATTERS ARISING**

#### **(a) MICHELIN GROUP**

It was noted that discussions were continuing with regards to the phasing out operations and that employees affected were continuing to receive guidance from relevant organisations. Strong support had also been received from the Scottish Government, which was welcomed by the Joint Committee.

### **VIII HEADS OF TERMS**

There was submitted Report No TRCJC3-2019 by the Executive Director of City Development providing the Joint Committee with an update on the Heads of Terms for Tay Cities Deal.

The Joint Committee noted and welcomed the package of new resources for the Tay Cities Deal.

### **IX NEXT STEPS PRESENTATION – SCOTTISH GOVERNMENT/UK GOVERNMENT & PMO (INCLUDING OUTLINING OF ROLE OF TAY CITIES REGION JOINT COMMITTEE FOR DELIVERING TAY CITIES DEAL)**

A presentation was given to the Joint Committee by Lesley Jackson, Scottish Government, Craig Birrell, UK Government and Mo Saunders, Tay Cities Deal, on next steps for delivering the Tay Cities Deal, a copy of which is appended to the minute.

An overview was given of the current position of Tay Cities Deal, noting that Heads of Terms had been signed in November 2018. Support and guidance was continuing to be offered to all regional partners, with open dialogue continuing.

It was anticipated that Full Deal status would be achieved with the funding programme and robust deal documentation. This would also move forward in tandem with identified projects and programme development.

In conclusion it was noted that meetings had taken place with all project owners, and efforts were being made to achieve identified targets.

The Joint Committee then had the opportunity to ask questions, with the following points being made:-

- It would be possible, once approval had been given, for project leaders to commence works then claim back monies spent and that adequate governance arrangements would be in place for this.
- For a project to be approved there would need to be clear evidence of deliverability, however priority would not be given to one project at the expense of another.
- The programme for Tourism and Culture would be finalised with input from the Scottish Government, thereafter the nominated partner would lead in the organisation of this.
- It would make more financial sense and have a greater social impact for the programme to have a ten year timescale, and this needed to be demonstrated clearly to the Scottish Government.
- The additional £50 million which was available did not form part of the deal, but was aligned to the project, however a business case would be required for this funding to be awarded.
- It was important for the private sector to play a proactive role and share skills to enable delivery of projects within agreed timescales.

## **X PROVISIONAL REVENUE BUDGET 2019/2020**

There was submitted Report No TCRJC1-2019 by the Treasurer seeking approval for the Tay Cities Region Joint Committee's 2019/20 to 2021/22 Provisional Revenue Budget.

The Joint Committee agreed to:-

- (i) approve the 2019/20 Provisional Revenue Budget for the Tay Cities Region Project Management Office as detailed in Appendix A;
- (ii) note that the agreement regarding the proportion of costs shared with Higher and Further Education, and other Institutions would be agreed separately;
- (iii) note that the external audit estimate was likely to change, once an external auditor had been appointed; and
- (iv) note the indicative Revenue Budgets for 2021/22.

## **XI UPDATE ON TAY CITIES DEAL: NEXT STEPS: PROJECT OWNER MEETINGS & TIMESCALES FOR OUTLINING BUSINESS CASES**

Mo Saunders advised the Joint Committee that all project owner meetings had taken place and that once bids were received, a process of analysis and appraisal for deliverability would be undertaken. Dialogue would be open with all project leaders to ensure robust bids were submitted timeously.

**XII REGIONAL TOURISM STRATEGY UPDATE**

There was submitted Report No TRCJC2-2019 by Business Development Team Leader providing the Joint Committee with an update on progress on the development of a Regional Tourism Strategy.

The Joint Committee agreed to:-

- (i) note the content of the report; and
- (ii) request a further update on the Regional Tourism Strategy at a future meeting of the Committee.

**XIII DATE OF NEXT MEETING**

Friday, 21st June, 2019 at 10.00 am in Council Chamber, 2 High Street, Perth.

David ALEXANDER, Chair.



## **PERTH AND KINROSS COUNCIL**

### **PERTH CITY DEVELOPMENT BOARD**

Minute of meeting of the Perth City Development Board, held in Room 410, Council Building, 2 High Street, Perth on Tuesday 4 September 2018 at 4.30pm.

**Present:**

- J Bullough, SCAA (Chair)
- Councillor D Doogan
- Councillor M Lyle
- Councillor S McCole
- Ms K Reid, Perth and Kinross Council
- Mr J Valentine, Perth and Kinross Council
- Mr S Brannigan, Scone Palace
- Mr K Bazley, Scottish Enterprise (substituting for Dr E Mitchell)
- Mr M Beale, Algo (Blairgowrie) Ltd
- Ms D Fuge, Perth Traders' Association
- Mr K Greenhorn, SSE Enterprise
- Mr B Nicoll, NHS Tayside
- Dr T Ryan, Perthshire Photographic Society and Perthshire Society of Natural Sciences
- Mr M Robinson, Live Active Leisure
- Mr G Ruddock, Giraffe
- Mr S Stewart, Perthshire Chamber of Commerce
- Mr A Taylor, Perth Traders' Association

**In Attendance:**

- Councillor A Forbes
- D Littlejohn, Perth and Kinross Council
- J McCrone, Perth and Kinross Council
- D Williams, Perth and Kinross Council

**Apologies:**

- Councillor P Barrett
- Mr D Robertson, Stagecoach East Scotland
- Mr D Ross, Kilmac Construction

#### **1. WELCOME AND INTRODUCTIONS**

J Bullough, Chairman, Perth City Development Board, welcomed all present to the meeting, and apologies were noted as above.

#### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest in any item on the agenda.

### **3. MINUTE OF PREVIOUS MEETING**

The minute of meeting of the Perth City Development Board of 14 November 2017 was submitted and approved as a correct record.

### **4. MATTERS ARISING**

There were no matters arising.

COUNCILLOR DOOGAN ENTERED THE MEETING DURING THE CONSIDERATION OF THE FOLLOWING ITEM

### **5. STORY OF PLACE**

Prior to the commencement of agenda business, S Stewart, Perthshire Chamber of Commerce, delivered a slide based presentation on the ongoing work surrounding the Story of Place.

S Stewart made reference to the background work involved in developing the Story of Place, including a number of focus groups, stakeholder interviews, and work with Thinking Place. S Stewart made further reference to the cultural and natural environment as a strong asset base for Perth, whilst also highlighting the need to complement developments in neighbouring cities and areas, highlighting the need for more focus upon the wider story of the Tay Region as an economic area.

S Stewart also made reference to Perth's boutique retail offering, the potential to appeal to a larger retail offering, Perth's local connections – with accessibility to Edinburgh, Glasgow, Aberdeen and Dundee presently subjected to improved roads connection and lobbying around rail connection – and potential international connection, the quality of life in Perth, and the cultural offerings available in Perth.

S Stewart informed members that the next steps regarding the work around the Story of Place would be to refine the narrative of the project, and also highlighted the importance around communication and marketing of the project.

In response to a query from G Ruddock, Giraffe Trading, regarding the ambassador element of the project, S Stewart stated that this was a continuous process, with opportunities to promote Perth arising through working situations.

K Reid, Chief Executive, Perth and Kinross Council, praised the work surrounding the Story of Place as exciting and aspirational, highlighting the potential for this work to be linked to the work of the Council.

### **6. PERTH CITY PLAN REVIEW**

There was submitted a report by J Bullough, Chairman, Perth City Development Board (G/19/113), asking the Board to agree to progress actions to amend the Perth City Plan and governance arrangements in accordance with proposals and principles set out in the attached paper and seek nominations for

Board representatives to help manage this work and bring forward detailed proposals.

The Chairman delivered a verbal background to members of the work of the work of the Board in relation to supporting the Perth City Plan since the creation of the Perth City Plan in 2013. The Chairman added that the proposed amendments to the Perth City Plan would be the second time the Perth City Plan had been amended since its inception in 2013, and highlighted the success of the Board in relation to the first amendment of the Perth City Plan and significant development in themes since.

With relation to the work around the proposed amendment to the Perth City Plan, the Chairman highlighted to members the work undertaken with Yellow Book in compiling the amended Perth City Plan and stressed to members the importance of work with the private sector and revised governance arrangements.

### **Resolved**

- (i) The Board agreed to review the content and delivery of the Perth City Plan and the Board's role in supporting this on the basis of the scope of work and proposals set out in Appendix 1 of Report (G/18/113).
- (ii) The Board nominated J Bullough, M Robinson, S Stewart, K Greenhorn, D Fuge and D Ross to manage and bring forward detailed proposals in relation to the amendment of the Perth City Plan and Board governance arrangements.
- (iii) The Board agreed to postpone Board elections.
- (iv) The Board agreed to suspend theme groups.

## **7. TAY CITIES DEAL UPDATE**

D Littlejohn, Perth and Kinross Council, delivered a verbal update to the Board on the Tay Cities Deal.

D Littlejohn informed members that negotiations were continuing with UK and Scottish Governments on the financial aspects of the deal, informing members that specifics of negotiations relating to funding for aspirations were ongoing.

In response to a query from J Bullough regarding the funding of projects, D Littlejohn and Councillor Lyle informed members that the UK and Scottish Government would indicate the level of financial support for projects with management of the delivery of project agreed at the regional level

## **8. PERTH CITY PLAN DELIVERY – PROGRESS**

There was submitted a report by the Chairman (G/18/114) updating the Board on the delivery of the Perth City Plan in respect of the key themes and associated Big Moves.

With regards to Infrastructure for Smart Growth, J Valentine informed members that progress was ongoing positively in all aspects, highlighting the parts of the A985 had now opened.

With regards to the City Centre, J McCrone informed members that projects located in Perth city centre were progressing, highlighting the start of renovation and restoration project at St. Paul's Church and progress on the development of designs for the City Hall and improvements to the surrounding area.

With regards to the Visitor Economy, the Chairman informed members that a bid had been placed regarding the Stone of Destiny, but added that no further developments from that bid were expected until the end of the year.

**Resolved**

The progress in respect of the delivery of the Perth City Plan, be noted.

**9. ANY OTHER COMPETENT BUSINESS**

There was no other competent business.

**10. DATE OF NEXT MEETING**

The next meeting of the Perth City Development Board will take place on 13 November 2018.

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PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 11 September 2019

COMPOSITE CAPITAL BUDGET 2019/29 & HOUSING INVESTMENT PROGRAMME 2019/24 – MONITORING REPORT NUMBER 1

Report by Head of Finance
(Report No. 19/245)

PURPOSE OF REPORT

This report provides a summary position to date for the 10 year Composite Capital Programme for 2019/20 to 2028/29 and the 5 year Housing Investment Programme 2019/20 to 2023/24, and seeks approval for adjustments to the programmes.

1. BACKGROUND / MAIN ISSUES

- 1.1 At its meeting on 20 February 2019, the Council approved a ten-year gross Composite Capital Budget for 2019/20 to 2028/29 totalling £619,767,000 (report 19/47 refers). In addition, the Housing & Communities committee approved a five year gross Housing Investment Programme for 2019/20 to 2023/24 on 23 January 2019 totalling £67,832,000 (report 19/12 refers). These programmes were subsequently revised by the Strategic Policy & Resources Committee at its meeting on 17 April 2019 (report 19/111 refers).
- 1.2 This report advises on the impact of the final outturn expenditure in 2018/19 on the programmes; expenditure to 31 July 2019, and the latest estimate of the projected outturn for each of the years to 2028/29 for the Composite Programme and to 2023/24 for the Housing Investment Programme.
- 1.3 The Capital Programme Exceptions Report (Appendix IV) provides summary information on the latest position for individual projects reported within Sections 3 and 4 of this report.

2. COMPOSITE CAPITAL PROGRAMME – GROSS CAPITAL RESOURCES

- 2.1 The current estimated total gross capital resources (which includes movements in Capital Receipts, Capital Grants, Contributions and the Borrowing Requirement, summarised at Section 2.4) available over the ten years 2019/20 to 2028/29 amount to £632,930,000. Movements from the revised Composite Capital Budget approved on 17 April 2019 are summarised in the table below, and the constituent elements for each year are shown at Appendix I.

Total Composite Gross Capital Resources			
	Approved 17 April 2019	Current Estimate	Movement
	£'000	£'000	£'000
2019/20	78,536	72,230	(6,306)
2020/21	120,337	110,059	(10,278)
2021/22	137,916	153,202	15,286
2022/23	111,962	116,782	4,820
2023/24	46,744	46,787	43
2024/25	27,786	27,839	53
2025/26	27,456	27,998	542
2026/27	27,277	26,952	(325)
2027/28	25,236	24,888	(348)
2028/29	26,233	26,193	(40)
Total	629,483	632,930	3,447

- 2.2 The report on 17 April 2019 did not include estimates for amounts carried forward from 2018/19. To determine the carry-forward adjustment required for each project in 2019/20, the 2018/19 actual outturns (subject to audit) have been compared to the projected outturns. A summary of the movements are outlined below, and included in Appendix II. These adjustments are neutral over the 2 financial years. It is, therefore, proposed to adjust the budget in 2019/20 by the carry forward amounts detailed within the table below and summarised at Appendix II.

	2018/19 Projected Outturn	2018/19 Actual	Proposed C/F to 2019/20
	£'000	£'000	£'000
Gross Expenditure	57,516	55,828	1,688
Capital Grants	(20,065)	(20,065)	0
Third Party, Developer & Revenue Contributions	(3,504)	(2,829)	(675)
General Fund & Commercial Property Receipts	(2,489)	(2,817)	328
Ring Fenced & General Fund Housing Receipts	(237)	(264)	27
Sub-total	31,221	29,853	1,368
Capital Receipts b/f and c/f	1,451	1,801	(350)
Composite Borrowing Requirement	32,672	31,654	1,018

- 2.3 The movement in the total Gross Resources for the 10 years 2019/20 to 2028/29 shown at Section 2.1 above can be summarised as follows:

	£'000
Increase in Borrowing Requirement b/f from 2018/19 (Section 2.2)	1,018
Decrease in General Fund Property, Commercial Property and Ring-Fenced Capital Receipts (Section 2.4)	(345)
Increase in Receipts b/f from 2018/19 and Receipts c/f to future years (Section 2.4)	400
Increase in Third Party, Revenue and Developer Contributions & General Fund Housing Receipts (Section 2.5)	1,626
Increase in new Borrowing Requirement (Section 2.6)	748
Increase in Gross Capital Resources (Section 2.1)	3,447

- 2.4 The movements in General Fund, Commercial Property and Ring-Fenced Capital Receipts in 2019/20 nearly all relate to timing differences between the 2018/19 budget and outturn which are adjusted in 2019/20. Commercial Property Receipts brought forward from 2018/19 have increased by £350,000 after adjusting for the 2018/19 outturn as a result of the sale of units and Perth Food and Drink Park originally anticipated for 2019/20. In addition, Receipts carried forward to future years have reduced by £50,000 as a result of a reduction of £10,000 in projected receipts and an increase of £40,000 in projected Commercial Property expenditure in the current programme.
- 2.5 Third Party Contributions over the 10-year budget have increased by £926,000. This relates to additional contributions for Timber Routes (£795,000, section 3.3.2), the Creative Exchange (£27,000, section 3.3.5) and Smart Waste Initiatives (£182,000, section 3.3.8), offset by a reduction in SUSTRANS funding (£60,000, section 3.3.2), together with a reduction of £18,000 of contributions in the current programme as result of timing differences in the 2018/19 outturn. Similarly, the increases in Revenue Contributions (£27,000) and Developer Contributions (£668,000) in the current programme all relate to timing differences between 2018/19 and 2019/20. However, there is an overall increase in projected Housing Receipts of £5,000 in 2019/20.
- 2.6 The projected Borrowing Requirement in 2019/20, which is effectively the balancing item for resources, is £25,957,000. This is £7,819,000 lower than the Borrowing Requirement approved by this Committee on 17 April 2019. This is after including a £1,018,000 increase in borrowing in 2019/20 relating to the various amounts carried forward from 2018/19 (Section 2.2 refers). Therefore, the movement in current projections has reduced borrowing in 2019/20 by £8,837,000.
- 2.7 The total Borrowing Requirement in the subsequent years 2020/21 to 2028/29 has increased by £9,585,000 to £342,442,000, resulting in an overall increase of £1,766,000 across the whole ten year programme. After allowing for the amount brought forward from 2018/19, this leaves an increase of £748,000

relating to new borrowing. The movements in borrowing is summarised as follows:

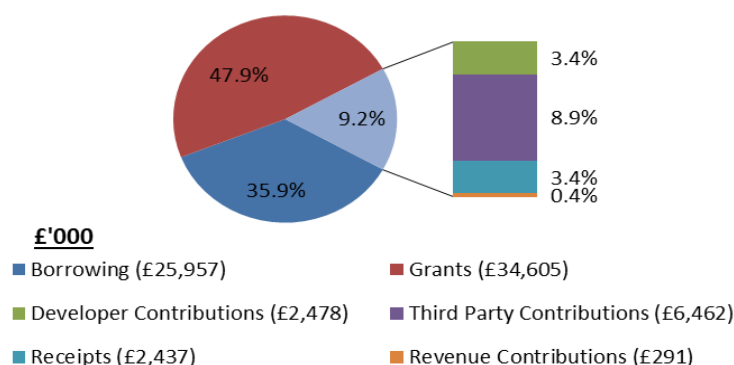
	2019/20	2020-2029	Total
	£'000	£'000	£'000
Proposed Revised Borrowing 2019/20 (including Carry Forward)	25,957	342,442	368,399
Previously Approved Borrowing (Report 19/111 refers)	33,776	332,857	366,633
Increase/(Decrease) in Borrowing Requirement	(7,819)	9,585	1,766
Less Borrowing Brought Forward from 2018/19 (Section 2.2)	(1,018)	0	(1,018)
New Borrowing Required	(8,837)	9,585	748

- 2.8 All movements in the Borrowing Requirement are shown in the Proposed Budget Adjustment column within Appendix II, and summarised in the table below:

	2019/20	2020/21	2021/22	Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Increased Borrowing Requirement brought forward from 2018/19 (Section 2.2)	1,018	0	0	0	1,018
Increase/(Reduction) on The Housing & Environment Service Prudential Borrowing Programme (Section 3.3.3, and 3.3.8 & 3.3.9)	(355)	63	1,034	12	754
Increase in Housing Receipts (Appendix II)	(6)	0	0	0	(6)
Movements arising from re-phasing of other expenditure and receipts (Appendix II)	(8,476)	(10,401)	14,153	4,724	0
Increase/(Decrease) in Borrowing Requirement	(7,819)	(10,338)	15,187	4,736	1,766

- 2.9 The chart below shows the Capital Resources required to fund the 2019/20 Composite Capital Programme following the proposed budget adjustments detailed in this report.

Projected Capital Resources 2019/20 (July 2019)



3. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

3.1 Total Expenditure and Proposed Budget Adjustments to the Current Programme

- 3.1.1 Total expenditure (net of grants and contributions) to 31 July 2019 on the Composite Capital Programme amounts to £11,268,000, which is detailed at Appendix II and can be summarised as follows:

	Net Expenditure to 31 July 2019
	£'000
Education and Children's Services	1,916
Housing & Environment	8,833
Health and Social Care	28
Corporate & Democratic Services	491
Total	11,268

- 3.1.2 In addition, General Capital Grant and Capital Receipts received to 31 July 2019 amounts to £9,440,000. Therefore, the borrowing requirement to 31 July 2019, after allowing for the movement in receipts brought forward of £2,577,000 (Appendix II) and carried forward of £2,571,000, totals £1,822,000.

- 3.1.3 A comprehensive monitoring exercise has been carried out, which is detailed at Appendix II. The most significant features are discussed below.

3.2 Education and Children's Services

- 3.2.1 The Executive Director (Education & Children's Services) has reviewed the programme for their Service and proposes the following budget adjustments.

- 3.2.2 It is proposed to realign the budget for the Blairgowrie Recreation Centre Replacement project in line with a projected completion date of March 2023, by moving £866,000 from 2019/20 and £4,400,000 from 2020/21 into 2021/22. It is also proposed to move a further £183,000 from 2021/22 into 2022/23. The design process has begun, with the aim that the User Reference Group consisting of key stakeholders will meet before the end of the year once designs have been developed.

- 3.2.3 Within the Early Learning & Childcare expansion programme, there are proposed movements between the years 2019/20, 2020/21 and 2021/22. Accordingly, it is proposed to realign the budgets in line with the latest profile of expenditure as follows :-

- Letham Primary School: £500,000 of contingencies from 2019/20 into 2020/21, as there has been no requirement to use these monies to date, with works due to be completed as anticipated.
- Rattray Primary School: £2,477,000 from 2019/20, with £2,269,000 moving to 2020/21 and £208,000 to 2021/22, due to a delay in the site start date, with completion due in April 2021.

- 3.2.4 As resources are currently prioritised towards delivering the Early Learning and Childcare expansion programme, it is proposed to realign £5,000,000 from the Investment in the Learning Estate programme in 2020/21 by moving £2,500,000 to 2021/22 and £2,500,000 to 2022/23.
- 3.2.5 Asbestos removal on the St. Ninians Primary School Upgrade project has been carried out. Accordingly, it is proposed to move £220,000 to the St Ninians Primary School Upgrade project in 2019/20 from the Investing in the Learning Estate programme in 2022/23 to fund these works. The project remains on track to allow the nursery to open in August 2020.
- 3.2.6 The procurement process for the North Perth Primary School project has begun and the schedule of works has been further developed. It is, therefore, proposed to realign the budget in line with this schedule of works by moving £350,000 from 2019/20, £1,000,000 from 2020/21 and £250,000 from 2021/22 into 2022/23. It is anticipated that the new school will open in August 2022.
- 3.2.7 In addition, it is proposed to rephase various other projects to match the current anticipated expenditure, and all of these adjustments have been included at Appendix II.

3.3 Housing & Environment

- 3.3.1 The Executive Director (Housing & Environment) has reviewed the programme for their Service and proposes various budget adjustments, the most significant of which are described below.
- 3.3.2 The Council has been awarded a further grant of £795,000 from the Forestry Commission under the Strategic Timber Transport Scheme. This equates to 70% of the cost of the project, with the balance to be funded from the Council's Structural Maintenance budget in 2019/20. Accordingly, it is proposed to increase the Structural Maintenance budget by the full cost of the scheme, together with the inclusion of the Third Party funding. In addition, it is proposed to transfer £143,000 from the Structural Maintenance budget in 2019/20 to Brioch Road, Crieff Re-Alignment & Safety Measures. This reflects an increase in costs as a result of contaminated road material and the ineligibility of the scheme to meet Sustrans grant conditions. Within the Bridges Improvement programme, it is also proposed to move £254,000 of the budget for the Dalhousie Culvert from 2019/20 to 2020/21 in line with the revised timescale for the works to be undertaken.
- 3.3.3 The contracted works for the Almondbank Flood Protection Scheme are now complete, however, minor works relating to additional instructions continue. As reported to this Committee on 17 April 2019 (report 19/111 refers), a project of this scale and complexity would normally be subject to a number of compensation events, including land compensation. A review of land compensation has been undertaken and additional provision for the likely outcome is included in the latest projected outturn. It is, therefore, proposed to

increase the budget by £600,000 in 2019/20 and to fund this by Prudential Borrowing.

- 3.3.4 Following a revised schedule of works developed with Education and Children's Services, it is proposed to realign the School Road Safety Measures budget by moving £130,000 from 2019/20 to 2020/21, reflecting the current proposed programme of work and road safety assessments.
- 3.3.5 Within the Planning Projects programme, it is proposed to increase the expenditure and Third Party Funding budget for the Creative Exchange, Perth by £27,000 to provide additional works which have been requested and funded by Workshop Artist Studio Provision (Scotland) Ltd (WASPS).
- 3.3.6 Within the Community Greenspace programme, works are continuing in relation to securing suitable land within the Cemetery Extension project and it is, therefore, proposed to move £79,000 from 2019/20 into 2020/21. There are other small adjustments within the Community Greenspace programme which relate to adjustments to 2019/20 budgets in light of final outturns on the 2018/19 programme of works.
- 3.3.7 Following a recent review of the Commercial Property Investment Programme (CPIP) there are various proposed adjustments to the CPIP budget, which have been incorporated into Appendix II. These adjustments include additional expenditure of £40,000 relating to infrastructure across various projects within the programme, which reduces the amount of available receipts carried forward to future years.
- 3.3.8 Within the Prudential Borrowing programme, it is proposed to increase the level of borrowing by £754,000 over the 10 year programme, including the proposed increase in borrowing for the Almondbank Flood Mitigation scheme (Section 3.3.3 refers). The balance relates to the Smart Cities – Smart Waste programme where it is proposed to increase expenditure on the programme by £456,000 in total over the years 2019/20 to 2022/23. This is partly funded by additional ERDF grant of £182,000 over these years, as well as proposed transfers from other waste initiatives, such as the Wheeled Bin (Domestic) Replacement Programme (£40,000), Recycling Containers (£42,000) and Litter Bins (£37,000). These adjustments result in an overall increase in borrowing on the Smart Waste programme of £155,000.
- 3.3.9 In addition, it is proposed to realign the Technology & Innovation Incubator Units budget of £1,000,000, which is related to the Tay City Deal programme, from 2019/20 to 2021/22 whilst the project is further developed. There are also various other small adjustments to the 2019/20 Prudential Borrowing programme relating to final outturns for 2018/19, which reduce borrowing by £1,000.
- 3.3.9 All the above proposed adjustments have been reflected in Appendices I and II.

3.4 Corporate & Democratic Services

- 3.4.1 The Depute Chief Executive (Chief Operating Officer) has reviewed the programme for their Service and proposes the budget adjustments described below.

Cultural Projects

- 3.4.2 It is proposed to realign the budget for the City Hall Redevelopment project in line with the latest cash flow estimates and programme of works proposed by the contractor. Work is continuing on the finalisation of tendering packages and market testing, with construction due to begin on the City Hall in late 2019/20. It is, therefore, proposed to make the following adjustments to reflect the revised programme of works :-

- Rephase £3,471,000 from 2019/20 into 2021/22.
- Rephase £2,053,000 from 2020/21 into 2021/22 (£1,658,000) and 2022/23 (£395,000).

Information Systems & Technology

- 3.4.3 Within the IT Infrastructure programme, it is proposed to rephase the existing budget across the 10 year programme in order to match the latest projections for various licensing costs, including the projected costs associated with the Microsoft Estate.
- 3.4.4 As a result of continued progress in relation to the development and replacement of digital systems within the Customer Contact Centre, it is proposed to accelerate £42,000 into 2019/20 and £56,000 into 2020/21 from future years within the programme.
- 3.4.5 The SWIFT System Replacement Project budget has also been reviewed and it is proposed to rephase the budget in line with the latest projections for the planned purchase and installation of the new system. Therefore, it is proposed to move £706,000 from 2019/20 and £1,096,000 from 2020/21 to 2021/22 (£1,536,000) and 2022/23 (£266,000).
- 3.4.6 All the above proposed adjustments have been reflected in Appendices I and II.

4. HOUSING INVESTMENT PROGRAMME

- 4.1 The total expenditure for 2018/19 on the Housing Investment Programme (subject to audit) was as follows:

	2018/19 Approved Budget 17 April 2019 £'000	Actual Net Expenditure to 31 March 2019 £'000	Variance to Budget £000
Housing Investment Programme	17,638	17,530	108

- 4.2 In order to determine the carry-forward adjustments required for each project in 2019/20, the 2018/19 actual outturns have been compared to the previous projections. Net expenditure for the year was £17,530,000, which is £108,000 less than budgeted. It is, therefore, proposed to adjust the budget in 2019/20 by this amount as detailed at Appendix III.
- 4.3 The current estimated expenditure, net of contributions, for the Housing Investment Programme over the 5 years 2019/20 to 2023/24 amounts to £69,398,000, including the £108,000 brought forward from 2018/19. Movements from the previous estimates approved by this committee on 17 April 2019 are as follows, and detailed in Appendix III:

	Approved 17 Apr 2019	Current Estimate	Movement
	£'000	£'000	£'000
2019/20	14,013	18,477	4,464
2020/21	9,552	8,771	(781)
2021/22	7,148	5,715	(1,433)
2022/23	10,321	9,093	(1,228)
2023/24	28,256	27,342	(914)
Total	69,290	69,398	108

4.4 Total Expenditure to 31 July 2019 (Housing Investment Programme)

Net expenditure for 2019/20 to 31 July 2019 amounts to £3,972,000 and receipts amount to £48,000, giving a borrowing requirement of £3,924,000 for the year to date.

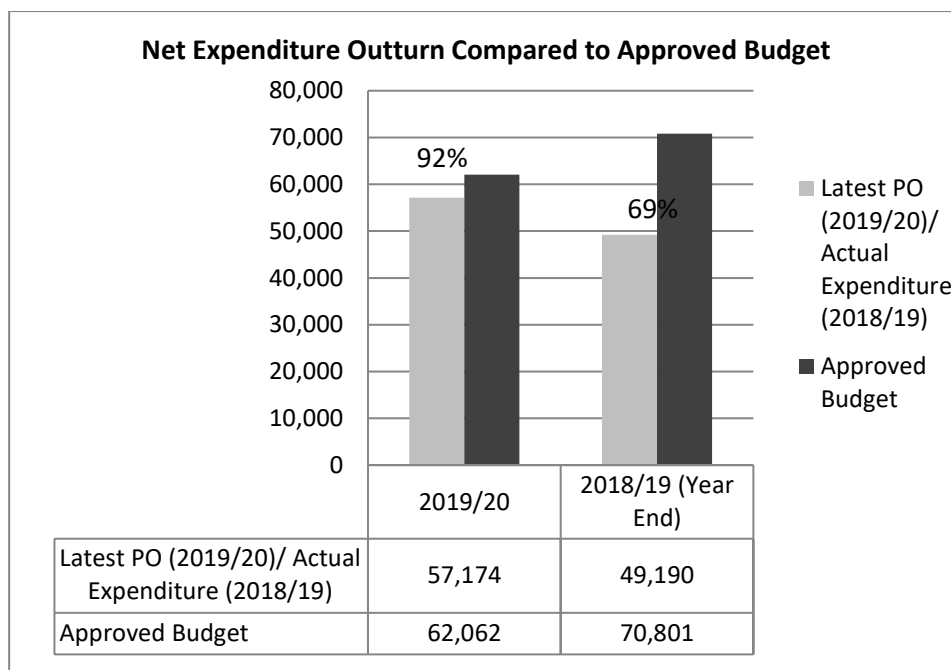
- 4.5 The Executive Director (Housing & Environment) has reviewed the Housing Investment Programme and proposes the following budget adjustments which are included at Appendix III.
- 4.6 It is proposed to transfer a total of £96,000 to the New Build Future Development budget in 2019/20 to individual schemes. This includes the following adjustments:-
- The development at the site of the former 208, Crieff Road, has now been completed with only the final account and remaining professional fees to be settled. It is, therefore, proposed to move £29,000 from Future Developments into the 208, Crieff Road budget in 2019/20 in order to meet this expenditure.
 - Within the Blackthorn Place, Blairgowrie New Build project, various alterations to properties have been undertaken and final account projections received. Expenditure previously anticipated to be met by the Scottish Government grant in 2019/20 have been included in previous grant claims, therefore, there are no further grant claims to be submitted to the Scottish Government in 2019/20. In order to reflect the above, it is proposed to move £38,000 from Future Developments to the Blackthorn Place new build project in 2019/20.

- As a result of continuing work on the Glebe, Scone new build project, it is proposed to transfer £179,000 from Future Developments to the budget in 2019/20 to meet the cost of professional fees prior to the construction phase.
 - In the current absence of a suitable development site in Invergowrie, it is proposed to re-allocate £345,000 back into the Future Developments New Build Budget in 2019/20 whilst alternative options are considered.
 - The remaining proposed allocations from the Future Developments budget relate to smaller movements to align the budgets with anticipated spend. These include £2,000 at Ardler Road, Meigle and £1,000 at Newburgh Road, Abernethy.
- 4.7 External grant funding has been awarded from the National Grid Warm Home Fund (WHF) in 2019/20. This funding is administered in partnership with Scottish and Southern Electric (SSE) with PKC's share of funding being £1,140,000, which will be received in 2019/20. This scheme is designed to reduce energy costs for tenants, increase comfort and improve health outcomes. It is, therefore, proposed to increase the Central Heating expenditure budget by £1,140,000, the costs of which will be met by this Third Party Contribution in 2019/20.
- 4.8 In addition, a revised plan of works has been proposed within the Central Heating and Rewiring programme, with additional works scheduled for 2019/20 in line with the latest energy efficiency and Energy Efficiency Standards for Social Housing (ESSH) strategies and priorities. As a result, the following movements and rephasing of budgets within the programme are proposed to realign the budgets with the latest schedule of works:-
- A total of £500,000 from Energy Efficiency in 2019/20 and 2021/22 to Central Heating and Rewiring in 2019/20.
 - A total of £2,500,000 from future years with the Central Heating and Rewiring programme to 2019/20.
- 4.9 Anticipated expenditure on the Rannoch Road conversion project has increased by £293,000 as a result of additional works being undertaken. The initial proposals were to convert the vacant units into a smaller number of larger properties. The original proposals have been revised, based on housing need, to include a larger number of smaller properties. The increased number of flats has led to increased costs for the installation of additional kitchens, bathrooms and central heating systems. Additional costs have also been identified relating to the reconfiguration of the common stairs and walkways including additional security measures. It is, therefore, proposed to make the following adjustments to the programme:-
- £130,000 from Major Adaptations to the Rannoch Road Conversion project in 2019/20.
 - £24,000 from General Capital Works to the Rannoch Road Conversion project in 2019/20.

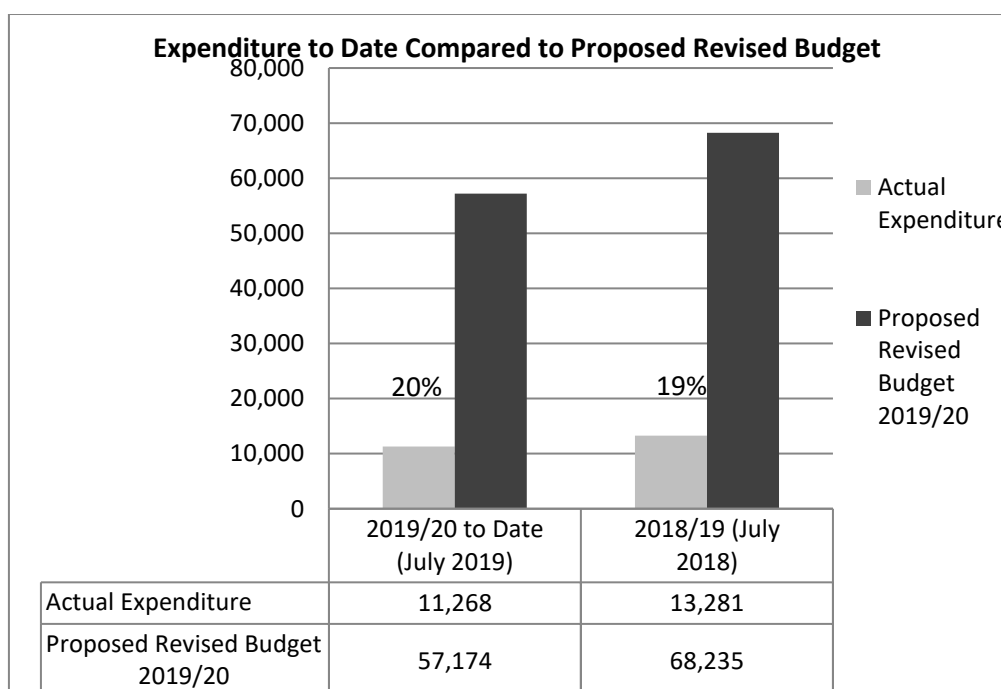
- A total of £139,000 from future years within General Capital Works to the Rannoch Road Conversion project in 2019/20.
- 4.10 It is proposed to move £376,000 from the External Fabric programme in 2022/23 and £92,000 from Energy Efficiency to the Triple Glazing programme in 2019/20 to reflect the nature and the latest programme of works, including the upgrade of sheltered housing developments. In addition, there is a small adjustment of £27,000 to the 2019/20 Energy Efficiency programme relating to final outturns for 2018/19.
- 4.11 In addition, within the Controlled Door Entry programme, the Council has been successful in obtaining additional owner/occupier agreements, allowing communal lighting works to commence. As a result, it is proposed to move a further £27,000 from the External Fabric programme in 2022/23 to the Controlled Door Entry programme in 2019/20 to reflect these additional works.
- 4.12 It is also proposed to accelerate budgeted expenditure in 2019/20 on a number of projects within the programme, as follows:-
- Triple Glazing - £600,000 from future years to 2019/20.
 - Environmental Improvements - £90,000 from 2021/22 to 2019/20.
 - External Fabric - £350,000 from 2023/24 to 2019/20.
 - Kitchen Modernisation programme - £273,000 from 2021/22 to 2019/20.
- 4.13 A revised cost estimate for the conversion of 149-151 Dunkeld Road, Perth has been received. Accordingly, it is proposed to move £50,000 from General Capital Works in 2020/21 to 149-151 Dunkeld Road, Perth in 2019/20 to reflect the revised programme of works. It is also proposed to rephase £169,000 from 2019/20 into 2020/21 for the Balmoral Road, Rattray conversion following a delay in the planned acquisition of the site and to reflect the latest projections for the programme of works.
- 4.14 As a result of all the proposed adjustments, including amounts carried forward from 2018/19, the total Housing Investment Programme borrowing requirement over the five year period to 31 March 2024 remains unchanged from the position approved by this committee on 17 April 2019 (Report 19/111 refers).

5. BUDGET OVERVIEW

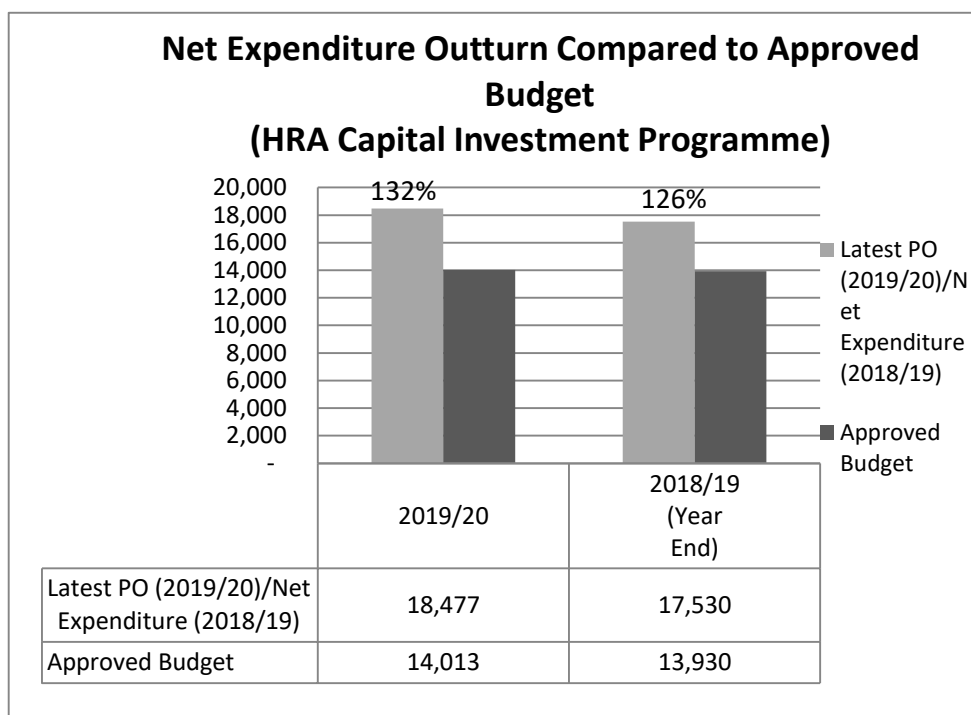
- 5.1 The Composite Capital Budget approved by this Committee on 17 April 2019 has been reviewed and updated to reflect the latest monitoring.
- 5.2 The latest projected 2019/20 net expenditure outturn for the Composite Capital Programme represents 92% of the 2019/20 budget approved on 20 February 2019:



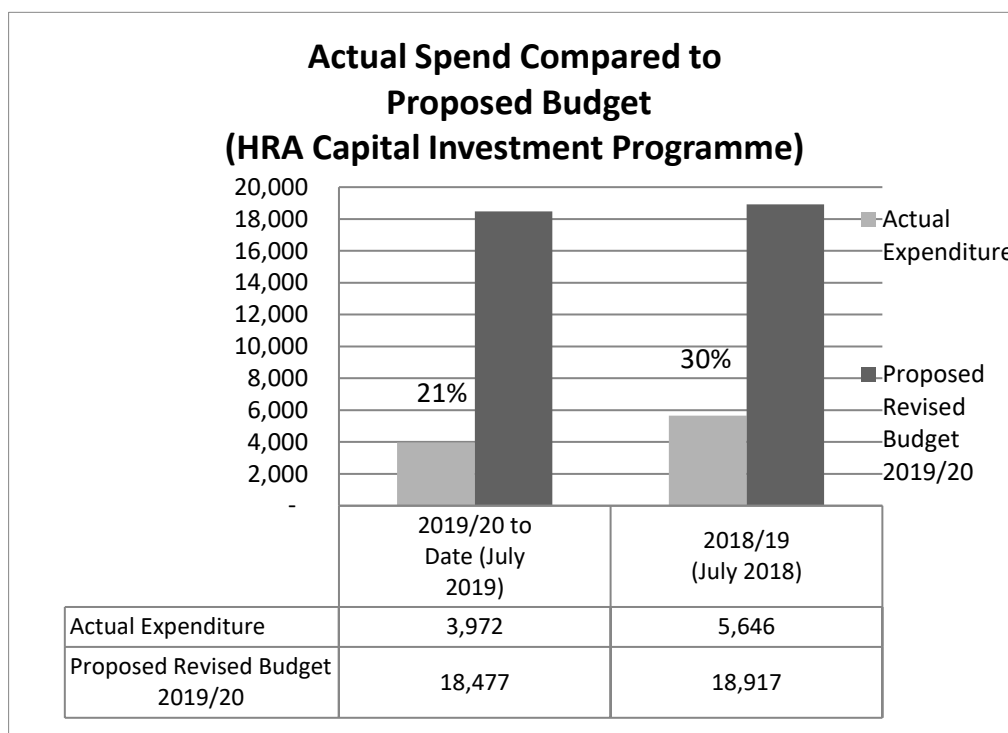
- 5.3 Movements in proposed net expenditure on the Composite Capital Programme and the subsequent impact upon the Council's Borrowing Requirement will continue to be managed through the Council's Treasury function. Actual net expenditure to 31 July 2019 on the programme represents 20% of the proposed revised 2019/20 budget:



- 5.4 The latest projected net expenditure outturn for the Housing Investment Programme represents 132% of the 2019/20 budget approved by the Housing and Communities Committee in January 2019:



- 5.5 The increase in projected 2019/20 expenditure relates to the increase in the Central Heating and Rewiring programme (£4,140,000) and the acceleration of other programmes as outlined within Section 4 of this report.
- 5.6 Actual net expenditure at 31 July 2019 on the Housing Investment Programme represents 21% of the proposed revised 2019/20 budget:



- 5.7 This report identifies revised projected expenditure and proposed budget movements on a number of Capital projects and programmes. As detailed in Sections 2.6 to 2.8, the proposed borrowing requirement on the 10 year Composite Programme has increased by £748,000. Proposed movements on the Housing Investment Programme are detailed at Section 4, with the borrowing requirement over the 5 year budget remaining the same as the position approved by this committee on 17 April 2019 (Report 19/111 refers).

6. RECOMMENDATIONS

- 6.1 It is recommended that the Committee:

- (i) Notes the contents of this report.
- (ii) Approves the proposed budget adjustments to the ten year Composite Capital Budget 2019/20 to 2028/29 set out in Sections 2 and 3 of this report and summarised at Appendices I and II.
- (iii) Approves the proposed budget adjustments to the Housing Investment Programme Budget 2019/20 to 2023/24 set out in Section 4 of this report and summarised at Appendix III.

Author(s)

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive and Chief Operating Officer	29 August 2019
Stewart MacKenzie	Head of Finance	29 August 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2018 – 2023 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

2.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

Workforce

- 2.2 There are no direct workforce implications arising from this report other than those reported within the body of the main report.

Asset Management (land, property, IT)

- 2.3 There are no direct asset management implications arising from this report other than those reported within the body of the main report.

3 Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

- 4.1 The Chief Executive and the Executive Directors have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

- Appendix I – Composite Capital Programme - Estimated Capital Resources 2019/20 to 2028/29
- Appendix II – Composite Capital Programme - Summary of Capital Resources and Expenditure 2019/20 to 2028/29
- Appendix III – HRA Capital Investment Programme – Summary of Capital Resources and Expenditure 2019/20 to 2023/24
- Appendix IV – Capital Programme Exceptions Report 2019/20

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
Estimated Capital Resources 2019/20 to 2028/29

	Capital Resources 2019/20 (£'000) Revised Budget	Capital Resources 2020/21 (£'000) Revised Budget	Capital Resources 2021/22 (£'000) Revised Budget	Capital Resources 2022/23 (£'000) Revised Budget	Capital Resources 2023/24 (£'000) Revised Budget	Capital Resources 2024/25 (£'000) Revised Budget	Capital Resources 2025/26 (£'000) Revised Budget	Capital Resources 2026/27 (£'000) Revised Budget	Capital Resources 2027/28 (£'000) Revised Budget	Capital Resources 2028/29 (£'000) Revised Budget	Capital Resources TOTAL (£'000) Revised Budget
Capital Grants											
Cycling, Walking & Safer Streets (CWSS)	247	200	200	200	200	200	200	200	200	200	2,047
Early Learning & Childcare	5,600	3,800	0	0	0	0	0	0	0	0	9,400
Town Centre Fund	1,983	0	0	0	0	0	0	0	0	0	1,983
Perth Transport Futures - CTLR	0	11,000	29,000	0	0	0	0	0	0	0	40,000
General Capital Grant	26,775	25,638	17,483	14,452	14,000	14,000	14,000	14,000	14,000	14,000	168,348
Total Capital Grants	34,605	40,638	46,683	14,652	14,200	14,200	14,200	14,200	14,200	14,200	221,778
General Capital Receipts											
General Fund - Capital Receipts	667	487	151	550	250	250	250	250	250	250	3,355
General Fund - Housing Receipts	8	3	4	4	0	0	0	0	0	0	19
General Fund - Ring Fenced Receipts	473	256	221	354	300	300	300	300	300	300	3,104
Total General Capital Receipts	1,148	746	376	908	550	550	550	550	550	550	6,478
Commercial Property Receipts											
Capital Receipts brought-forward	2,577	2,211	1,745	1,634	2,064	1,869	1,969	1,969	1,969	1,969	2,577
Commercial Property Capital Receipts	923	854	184	725	100	100	0	0	0	0	2,886
Capital Receipts carried-forward	(2,211)	(1,745)	(1,634)	(2,064)	(1,869)	(1,969)	(1,969)	(1,969)	(1,969)	(1,969)	(1,969)
Total Commercial Property Receipts Applied	1,289	1,320	295	295	295	0	0	0	0	0	3,494
Contributions											
Third Party Contributions	6,462	5,060	41	9	0	0	0	0	0	0	11,572
Developer Contributions	2,478	1,810	2,010	2,020	2,100	2,100	2,100	2,100	2,100	2,100	20,918
Revenue Budget Contributions	291	0	0	0	0	0	0	0	0	0	291
Total Contributions	9,231	6,870	2,051	2,029	2,100	2,100	2,100	2,100	2,100	2,100	32,781
Capital Borrowing Requirement	25,957	60,485	103,797	98,898	29,642	10,989	11,148	10,102	8,038	9,343	368,399
TOTAL CAPITAL RESOURCES/ GROSS BUDGET EXPENDITURE	72,230	110,059	153,202	116,782	46,787	27,839	27,998	26,952	24,888	26,193	632,930

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
Estimated Capital Resources 2019/20 to 2028/29

APPENDIX I

Movements in Resources from Approved Budget - 17 April 2019

	Revised Budget 2019/20 £'000	Revised Budget 2020/21 £'000	Revised Budget 2021/22 £'000	Revised Budget 2022/23 £'000	Revised Budget 2023/24 £'000	Revised Budget 2024/25 £'000	Revised Budget 2025/26 £'000	Revised Budget 2026/27 £'000	Revised Budget 2027/28 £'000	Revised Budget 2028/29 £'000	Revised Budget TOTAL £'000
Increase/(Decrease) in:											
Capital Receipts - General Fund	(53)	0	58	0	0	0	0	0	0	0	5
Capital Receipts - Commercial Property	(344)	0	0	0	0	0	0	0	0	0	(344)
Capital Receipts - Housing Receipts	5	0	0	0	0	0	0	0	0	0	5
Capital Receipts - Ring Fenced	(6)	0	0	0	0	0	0	0	0	0	(6)
Capital Grants:											
Cycling, Walking & Safer Streets (CWSS)	0	0	0	0	0	0	0	0	0	0	0
Early Learning & Childcare	0	0	0	0	0	0	0	0	0	0	0
Town Centre Fund	0	0	0	0	0	0	0	0	0	0	0
General Capital Grant	0	0	0	0	0	0	0	0	0	0	0
Third Party Contributions	816	60	41	9	0	0	0	0	0	0	926
Revenue Contributions	27	0	0	0	0	0	0	0	0	0	27
Developer Contributions	668	0	0	0	0	0	0	0	0	0	668
Resources b/f	350	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	350
Resources c/f to future years	50	50	50	50	50	50	50	50	50	50	50
Borrowing Requirement	(7,819)	(10,338)	15,187	4,811	43	53	542	(325)	(348)	(40)	1,766
Total Increase/(Decrease) in Resources	(6,306)	(10,278)	15,286	4,820	43	53	542	(325)	(348)	(40)	3,447
Approved Resources 17 April 2019	78,536	120,337	137,916	111,962	46,744	27,786	27,456	27,277	25,236	26,233	629,483
Revised Resources	72,230	110,059	153,202	116,782	46,787	27,839	27,998	26,952	24,888	26,193	632,930

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2019/20 to 2028/29

APPENDIX II

	Approved Budget 17-Apr-19 2018/19 (£'000)	Actual Expenditure 2018/19 (£'000)	Proposed Carry Forward to 2019/20 (£'000)	Approved Budget 17-Apr-19 2019/20 (£'000)	Proposed Brought Forward from 2018/19 (£'000)	Proposed Budget Adjustment Report 1 2019/20 (£'000)	Revised Budget Report 1 2019/20 (£'000)	Actuals to 31-Jul-19 2019/20 (£'000)	Projected Outturn 2019/20 (£'000)	Approved Budget 17-Apr-19 2020/21 (£'000)	Proposed Budget Adjustment Report 1 2020/21 (£'000)	Revised Budget Report 1 2020/21 (£'000)	Approved Budget 17-Apr-19 2021/22 (£'000)	Proposed Budget Adjustment Report 1 2021/22 (£'000)	Revised Budget Report 1 2021/22 (£'000)
EDUCATION AND CHILDREN'S SERVICES	2,826	3,338	(512)	18,253	(512)	(3,954)	13,787	1,916	13,787	43,086	(7,631)	35,455	52,463	7,522	59,985
HOUSING & ENVIRONMENT	43,226	41,108	2,118	40,519	2,118	(779)	41,858	8,833	41,858	40,106	526	40,632	44,997	1,034	46,031
HEALTH AND SOCIAL CARE	394	406	(12)	569	(12)	0	557	28	557	340	0	340	370	0	370
CORPORATE AND DEMOCRATIC SERVICES	4,451	4,338	113	4,976	113	(4,117)	972	491	972	16,549	(3,233)	13,316	10,665	6,689	17,354
TOTAL NET EXPENDITURE (NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)	50,897	49,190	1,707	64,317	1,707	(8,850)	57,174	11,268	57,174	100,081	(10,338)	89,743	108,495	15,245	123,740
GENERAL CAPITAL GRANT	(15,060)	(15,060)	0	(26,775)	0	0	(26,775)	(9,495)	(26,775)	(25,638)	0	(25,638)	(17,483)	0	(17,483)
DEVELOPER CONTRIBUTIONS	(2,123)	(1,455)	(668)	(1,810)	(668)	0	(2,478)	0	(2,478)	(1,810)	0	(1,810)	(2,010)	0	(2,010)
CAPITAL RECEIPTS	(2,493)	(2,822)	329	(1,990)	329	63	(1,598)	55	(1,598)	(1,344)	0	(1,344)	(281)	(58)	(339)
ANNUAL BORROWING REQUIREMENT	31,221	29,853	1,368	33,742	1,368	(8,787)	26,323	1,828	26,323	71,289	(10,338)	60,951	88,721	15,187	103,908
CAPITAL RECEIPTS BROUGHT FORWARD	(776)	(776)	0	(2,227)	0	(350)	(2,577)	(2,577)	(2,577)	(2,261)	50	(2,211)	(1,795)	50	(1,745)
CAPITAL RECEIPTS CARRIED FORWARD	2,227	2,577	(350)	2,261	(350)	300	2,211	2,571	2,211	1,795	(50)	1,745	1,684	(50)	1,634
TOTAL NET BORROWING REQUIREMENT	32,672	31,654	1,018	33,776	1,018	(8,837)	25,957	1,822	25,957	70,823	(10,338)	60,485	88,610	15,187	103,797

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2019/20 to 2028/29

APPENDIX II

	Approved Budget 17-Apr-19 2022/23 (£'000)	Proposed Budget Adjustment Report 1 2022/23 (£'000)	Revised Budget Report 1 2022/23 (£'000)	Approved Budget 17-Apr-19 2023/24 (£'000)	Proposed Budget Adjustment Report 1 2023/24 (£'000)	Revised Budget Report 1 2023/24 (£'000)	Approved Budget 17-Apr-19 2024/25 (£'000)	Proposed Budget Adjustment Report 1 2024/25 (£'000)	Revised Budget Report 1 2024/25 (£'000)	Approved Budget 17-Apr-19 2025/26 (£'000)	Proposed Budget Adjustment Report 1 2025/26 (£'000)	Revised Budget Report 1 2025/26 (£'000)
EDUCATION AND CHILDREN'S SERVICES	26,760	4,063	30,823	12,950	0	12,950	4,650	0	4,650	4,650	0	4,650
HOUSING & ENVIRONMENT	80,150	12	80,162	29,124	0	29,124	19,001	0	19,001	18,525	0	18,525
HEALTH AND SOCIAL CARE	320	0	320	320	0	320	320	0	320	320	0	320
CORPORATE AND DEMOCRATIC SERVICES	4,178	736	4,914	3,850	43	3,893	3,315	53	3,368	3,461	542	4,003
TOTAL NET EXPENDITURE (NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)	111,408	4,811	116,219	46,244	43	46,287	27,286	53	27,339	26,956	542	27,498
GENERAL CAPITAL GRANT	(14,452)	0	(14,452)	(14,000)	0	(14,000)	(14,000)	0	(14,000)	(14,000)	0	(14,000)
DEVELOPER CONTRIBUTIONS	(2,020)	0	(2,020)	(2,100)	0	(2,100)	(2,100)	0	(2,100)	(2,100)	0	(2,100)
CAPITAL RECEIPTS	(1,279)	0	(1,279)	(350)	0	(350)	(350)	0	(350)	(250)	0	(250)
ANNUAL BORROWING REQUIREMENT	93,657	4,811	98,468	29,794	43	29,837	10,836	53	10,889	10,606	542	11,148
CAPITAL RECEIPTS BROUGHT FORWARD	(1,684)	50	(1,634)	(2,114)	50	(2,064)	(1,919)	50	(1,869)	(2,019)	50	(1,969)
CAPITAL RECEIPTS CARRIED FORWARD	2,114	(50)	2,064	1,919	(50)	1,869	2,019	(50)	1,969	2,019	(50)	1,969
TOTAL NET BORROWING REQUIREMENT	94,087	4,811	98,898	29,599	43	29,642	10,936	53	10,989	10,606	542	11,148

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2019/20 to 2028/29

APPENDIX II

	Approved Budget 17-Apr-19 2026/27 (£'000)	Proposed Budget Adjustment Report 1 2026/27 (£'000)	Revised Budget Report 1 2026/27 (£'000)	Approved Budget 17-Apr-19 2027/28 (£'000)	Proposed Budget Adjustment Report 1 2027/28 (£'000)	Revised Budget Report 1 2027/28 (£'000)	Approved Budget 17-Apr-19 2028/29 (£'000)	Proposed Budget Adjustment Report 1 2028/29 (£'000)	Revised Budget Report 1 2028/29 (£'000)	Revised Budget Report 1 TOTAL (£'000)
EDUCATION AND CHILDREN'S SERVICES	4,650	0	4,650	4,823	0	4,823	4,500	0	4,500	176,273
HOUSING & ENVIRONMENT	18,539	0	18,539	16,166	0	16,166	18,136	0	18,136	328,174
HEALTH AND SOCIAL CARE	320	0	320	320	0	320	320	0	320	3,507
CORPORATE AND DEMOCRATIC SERVICES	3,268	(325)	2,943	3,427	(348)	3,079	2,777	(40)	2,737	56,579
TOTAL NET EXPENDITURE (NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)	26,777	(325)	26,452	24,736	(348)	24,388	25,733	(40)	25,693	564,533
GENERAL CAPITAL GRANT	(14,000)	0	(14,000)	(14,000)	0	(14,000)	(14,000)	0	(14,000)	(168,348)
DEVELOPER CONTRIBUTIONS	(2,100)	0	(2,100)	(2,100)	0	(2,100)	(2,100)	0	(2,100)	(20,918)
CAPITAL RECEIPTS	(250)	0	(250)	(250)	0	(250)	(250)	0	(250)	(6,260)
ANNUAL BORROWING REQUIREMENT	10,427	(325)	10,102	8,386	(348)	8,038	9,383	(40)	9,343	369,007
CAPITAL RECEIPTS BROUGHT FORWARD	(2,019)	50	(1,969)	(2,019)	50	(1,969)	(2,019)	50	(1,969)	(2,577)
CAPITAL RECEIPTS CARRIED FORWARD	2,019	(50)	1,969	2,019	(50)	1,969	2,019	(50)	1,969	1,969
TOTAL NET BORROWING REQUIREMENT	10,427	(325)	10,102	8,386	(348)	8,038	9,383	(40)	9,343	368,399

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	Approved Budget 17-Apr-19	Actual Expenditure	Proposed Carry Forward to 2019/20 (£'000)	Approved Budget 17-Apr-19	Proposed Brought Forward 2018/19 (£'000)	Proposed Budget Adjustment Report 1 2019/20 (£'000)	Revised Budget Report 1 2019/20 (£'000)	Actual to 31-Jul-19 (£'000)	Projected Outturn (£'000)	Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1 2020/21 (£'000)	Revised Budget Report 1 2020/21 (£'000)	Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1 2021/22 (£'000)	Revised Budget Report 1 2021/22 (£'000)	Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1 2022/23 (£'000)	Revised Budget Report 1 2022/23 (£'000)	Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1 2023/24 (£'000)	Revised Budget Report 1 2023/24 (£'000)
Scottish Government Grant	0	0	0	0	0		0		0	(11,000)		(11,000)	(29,000)		(29,000)	0		0	0		0
A977 Upgrades	368	258	110	161	110		271	41	271	0	0	0	0	0	0	0	0	0	0	0	0
Brioch Road, Crieff - Road Realignment & Safety Measures	5	6	(1)	315	(1)	83	397	291	397	0	0	0	0	0	0	0	0	0	0	0	0
Third Party Contribution (Developers)	0	0	0	(195)	0		(195)		(195)	0	0	0	0	0	0	0	0	0	0	0	0
Third Party Contribution (SUSTRANS)	0	0	0	(60)	0	60	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	15,402	14,313	1,089	1,668	1,089	144	2,901	621	2,901	75	0	75	6,190	0	6,190	57,455	0	57,455	9,000	0	9,000
Rural Flood Mitigation Schemes																					
Almondbank Flood Protection Scheme	4,488	4,393	95	0	95		95	26	95	0	0	0	0	0	0	0	0	0	0	0	0
Third Party Contribution	(11)	(11)	0	0	0		0		0	0	0	0	0	0	0	0	0	0	0	0	0
Comrie Flood Prevention Scheme	604	625	(21)	962	(21)		941	38	941	11,611		11,611	12,008		12,008	0		0	0		0
Milnathort Flood Prevention Scheme	63	55	8	153	8		161	5	161	705		705	939		939	0		0	0		0
South Kinross Flood Prevention	20	23	(3)	282	(3)		279	56	279	188		188	1,888		1,888	965		965	0		0
Scone Flood Prevention	10	10	0	159	0		159		159	524		524	30		30	0		0	0		0
Sub-Total	5,174	5,095	79	1,556	79	0	1,635	125	1,635	13,028	0	13,028	14,865	0	14,865	965	0	965	0	0	0
Rural Iniatives																					
Conservation of Built Heritage	14	11	3	1,002	3	(1)	1,004	10	1,004	0		0	0		0	0		0	0		0
Third Party Contribution	0	0	0	(100)	0		(100)		(100)	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	14	11	3	902	3	(1)	904	10	904	0	0	0	0	0	0	0	0	0	0	0	0
Perth & Kinross Place-making																					
Mill Street Environmental Improvements	146	19	127	0	127		127		127	0		0	0		0	0		0	0		0
St Paul's Church	406	496	(90)	1,753	(90)		1,663	418	1,663	0		0	0		0	0		0	0		0
Perth City Centre Golden Route (Rail Station)	10	0	10	487	10		497	6	497	0		0	0		0	0		0	0		0
Green Network Routes	9	8	1	114	1		115		115	0		0	0		0	0		0	0		0
City Greening	50	3	47	40	47		87	55	87	0		0	0		0	0		0	0		0
Tay Street, Perth	0	0	0	170	0		170		170	500		500	1,200		1,200	0		0	0		0
Mill St, Perth (Phase 3) - Shared Space at Bus Station	0	0	0	50	0		50		50	550		550	0		0	0		0	0		0
South Street, Perth - Transport Hub	0	0	0	0	0		0		0	0		0	200		200	740		740	0		0
Perth & Kinross Lighting Action Plan	238	240	(2)	1,091	(2)		1,089	196	1,089	1,030		1,030	1,077		1,077	673		673	0		0
Sub-Total	859	766	93	3,705	93	0	3,798	675	3,798	2,080	0	2,080	2,477	0	2,477	1,413	0	1,413	0	0	0
Other Planning Projects																					
Creative Exchange (former St. John's Primary School)	2,113	2,077	36	1,934	36	27	1,997	787	1,997	0		0	0		0	0		0	0		0
Third Party Contribution	(395)	(470)	75	(230)	75	(27)	(182)		(182)	0	0	0	0	0	0	0	0	0	0	0	0
Town Centre - Regeneration & Economic Improvements	0	0	0	1,983	0		1,983		1,983	0		0	0		0	0		0	0		0
Scottish Government Grant	0	0	0	(1,983)	0		(1,983)		(1,983)	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	1,718	1,607	111	0	1,704	111	0	787	1,815	0	0	0	0	0	0	0	0	0	0	0	0
Community Greenspace																					
Play Areas - Improvements Implementation Strategy	773	640	133	523	133		656	223	656	150		150	150		150	150		150	150		150
Revenue Contribution	0	(16)	16	0	16	(16)	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Third Party Contribution	(152)	(112)	(40)	(20)	(40)	16	(44)		(44)	0	0	0	0	0	0	0	0	0	0	0	0
3G Pitch, Blairgowrie	0	0	0	0	0		0		0	0	0	0	0	0	0	0	0	0	500		500
Countryside Sites	9	4	5	156	5		161		161	0		0	0		0	0		0	0		0
Community Greenspace Sites	0	0	0	715	0	(21)	694		694	784		784	0		0	0		0	300		300
Small Parks	30	12	18	0	18		18	4	18	0		0	0		0	0		0	0		0
Community Greenspace Bridges	31	50	(19)	0	(19)	21	2	2	2	0		0	0		0	0		0	0		0
Core Path Implementation	85	62	23	0	23	3	26		26	0		0	0		0	0		0	0		0
Third Party Contribution	(45)	(48)	3	0	3	(3)	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Pitlochry Recreation Park	6	4	2	0	2		2		2	0		0	0		0	0		0	0		0
Third Party Contribution	0	0	0	0	0	(1)	(1)		(1)	0	0	0	0	0	0	0	0	0	0	0	0
Alyth Environmental Improvements	524	418	106	0	106		106	3	106	0		0	0		0	0		0	0		0
Third Party Contributions	(19)	(18)	(1)	0	(1)		(1)		(1)	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Contribution	(20)	(20)	0	0	0		0		0	0	0	0	0	0	0	0	0	0	0	0	0
Air Quality Improvements	0	0	0	0	0		0		0	100		100	0		0	0		0	0		0
Premier Parks	35	27	8	40	8		48	7	48	0		0	0		0	0		0	0		0
The Knock	9	9	0	85	0		85	1	85	0		0	0		0	0		0	0		0
Kinnoull Hill	9	9	0	105	0		105	1	105	0		0	0		0	0		0	0		0
Countryside Access	10	8	2	0	2		2		2	0		0	0		0	0		0	0		0
Cemetery Extensions	35	29	6	257	6	(79)	184		184	100	79	179	100		100	100		100	100		100
Sub-Total	1,320	1,058	262	1,861	262	(80)	2,043	241	2,043	1,134	79	1,213	250	0	250	250	0	250	1,050	0	1,050
Support Services																					
PC Replacement & IT Upgrades																					
Hardware	13	14	(1)	27	(1)		26	6	26	20		20	20		20	20		20	20		20
Licenses	239	45	194	44	194		238		238	30		30	30		30	32		32	120		120
Corporate Programme Management System	43	43	0	0	0		0		0	0		0	0		0	0		0	0		0
Third Party Contribution (HRA)	(3)	(3)	0	0	0		0		0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	292	99	193	71	193	0	264	6	264	50	0	50	50	0	50	52	0	52	140	0	140
Property Services																					
DDA Adaptation & Alteration Works Programme	199	151	48	280	48		328		328	200		200	200		200	200		200	200		200
Property Compliance Works Programme	804	868	(64)	680	(64)		616	20	616	680		680	680		680	692		692	650		650
Capital Improvement Projects Programme	1,329	1,337	(8)	2,054	(8)	1	2,047	226	2,047	2,000		2,000	2,000		2,000	2,000		2,000	2,000		2,000
Fire Audit Works - Robert Douglas Memorial school	369	331	38	0	38		38		38	0		0	0		0	0		0	0		0
Pitlochry High School - Upgrade Programme	421	270	151	887	151		1,038	284	1,038	502		502	502		502	502		502	0		0
Salix Energy Efficiency Programme	40	1	39	0	39		39	39	39	0		0	0		0	0		0	0		0
Third Party Contribution (Salix)	(12)	0	(12)	0	(12)		(12)		(12)	0		0	0		0	0		0	0		0

	Approved Budget 17-Apr-19	Actual Expenditure	Proposed Carry Forward to		Approved Budget 17-Apr-19	Proposed Brought Forward from	Proposed Budget Adjustment Report 1	Revised Budget Report 1	Actual to 31-Jul-19	Projected Outturn		Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1	Revised Budget Report 1		Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1	Revised Budget Report 1		Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1	Revised Budget Report 1		Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1	Revised Budget Report 1	
	2018/19 (£'000)	2018/19 (£'000)	2019/20 (£'000)		2019/20 (£'000)	2018/19 (£'000)	2019/20 (£'000)	2019/20 (£'000)	2019/20 (£'000)	2019/20 (£'000)		2020/21 (£'000)	2020/21 (£'000)	2020/21 (£'000)		2021/22 (£'000)	2021/22 (£'000)	2021/22 (£'000)		2022/23 (£'000)	2022/23 (£'000)	2022/23 (£'000)		2023/24 (£'000)	2023/24 (£'000)	2023/24 (£'000)	
Revenue Contriubution (CEEF)	(28)	(1)	(27)		0	(27)		(27)	(27)	(27)		0		0		0		0		0		0		0		0	
Sub Total	3,122	2,957	165	0	3,901	165	1	4,067	542	4,067		3,382	0	3,382		3,382	0	3,382		3,394	0	3,394		2,850	0	2,850	
Commercial Property Investment Programme																											
North Muirton Industrial Estate - Site Servicing & Provision of Uni	301	316	(15)		563	(15)	(359)	189	4	189		1,023	(1,023)	0		0		0		0		0		0		0	
Western Edge, Kinross - Site Servicing	20	(8)	28		10	28	(1)	37	2	37		0		0		0		0		0		0		0		0	
Additional Infrastructure Investment - Broxden	7	4	3		43	3		46		46		0		0		0		0		0		0		0		0	
Creative Industries Land/Advance Units	0	0	0		250	0		250		250		0		0		0		0		0		0		0		0	
Rural Business Units Programme	0	0	0		367	0		367		367		297		297		295		295		295		295		295		295	
Eco-Hub Manufacturing Facility	0	0	0		0	0	400	400		400		0	1,023	1,023		0		0		0		0		0		0	
Sub-Total	328	312	16		1,233	16	40	1,289	6	1,289		1,320	0	1,320		295	0	295		295	0	295		295	0	295	
Prudential Borrowing Projects																											
Wheeled Bin Replacement Programme - Domestic Bins	166	166	0		233	0	(40)	193	27	193		200		200		200		200		200		200		200		200	
Wheeled Bin Replacement Programme - Commercial Bins	6	0	6		9	6		15		15		12		12		12		12		18		18		20		20	
Recycling Containers, Oil Banks & Battery Banks Replacement P	44	73	(29)		107	(29)	1	79		79		56	(14)	42		60	(14)	46		62		62		65		65	
Capital Receipts - Disposals	0	(15)	15		0	15	(15)	0		0		0		0		0		0		0		0		0		0	
Litter Bins	25	25	0		25	0	(9)	16		16		25	(14)	11		25	(14)	11		25		25		25		25	
Smart Cities - Smart Waste	105	107	(2)		50	(2)	181	229	9	229		0	151	151		0	103	103		0	21	21		0		0	
Third Party Contribution (ERDF)	(46)	(44)	(2)		(17)	(2)	(72)	(91)		(91)		0	(60)	(60)		0	(41)	(41)		0	(9)	(9)		0		0	
Vehicle Replacement Programme	2,634	2,625	9		4,184	9		4,193	433	4,193		2,559		2,559		2,206		2,206		3,543		3,543		3,000		3,000	
Capital Receipts - Vehicle Disposals	(233)	(239)	6		(479)	6		(473)	(147)	(473)		(256)		(256)		(221)		(221)		(354)		(354)		(300)		(300)	
Energy Conservation & Carbon Reduction Programme	142	142	0		150	0		150		150		150		150		150		150		150		150		150		150	
Canal Street Car Park Improvements	(35)	(36)	1		0	1	(1)	0		0		0		0		0		0		0		0		0		0	
Crematorium - Memorial Garden Enhancement	29	29	0		25	0		25	9	25		0		0		0		0		0		0		0		0	
Crematorium - Abatement Works	469	438	31		10	31		41		41		0		0		0		0		0		0		0		0	
Street Lighting Renewal - LED & Column Replacement	645	635	10		837	10		847	232	847		774		774		971		971		998		998		1,024		1,024	
Smart Cities - Intelligent Street Lighting	327	332	(5)		0	(5)	5	0		0		0		0		0		0		0		0		0		0	
Third Party Contribution (EDRF)	(132)	(139)	7		0	7	(7)	0		0		0		0		0		0		0		0		0		0	
Third Party Contribution (CIF)	(15)	0	(15)		0	(15)	2	(13)		(13)		0		0		0		0		0		0		0		0	
Perth Harbour - Dredging	20	17	3		708	3		711		711		0		0		0		0		0		0		0		0	
Almondbank Flood Mitigation	0	0	0		0	0	600	600		600		0		0		0		0		0		0		0		0	
Land Purchase & Development	0	0	0		0	0		0		0		1,000		1,000		0		0		0		0		0		0	
Technology & Innovation Incubator Units	0	0	0		1,000	0	(1,000)	0		0		0		0		0	1,000	1,000		0		0		0		0	
Sub Total	4,151	4,116	35		6,842	35	(355)	6,522	563	6,522		4,520	63	4,583		3,403	1,034	4,437		4,642	12	4,654		4,184	0	4,184	
Housing Projects																											
Gypsy Travellers Site Improvement Works	76	76	0		0	0		0		0		0		0		0		0		0		0		0		0	
Housing with Care - Communal Facilities	0	0	0		297	0		297		297		0		0		0		0		0		0		0		0	
Sub Total	76	76	0	0	297	0	0	297	0	297		0	0	0		0	0	0		0	0	0		0	0	0	
TOTAL: HOUSING & ENVIRONMENT																											
	43,226	41,108	2,118	0	40,519	2,118	(779)	41,858	8,833	41,858		40,106	526	40,632		44,997	1,034	46,031		80,150	12	80,162		29,124	0	29,124	
Health & Social Care																											
Occupational Therapy Equipment	250	250	0		250	0		250		250		250		250		250		250		250		250		250		250	
Software Licences	85	99	(14)		90	(14)		76	28	76		90		90		120		120		70		70		70		70	
Developing Supported Tenancies	0	0	0		229	0		229		229		0		0		0		0		0		0		0		0	
Refurbish & Extend Lewis Place Day Care Centre for Older Peop	59	57	2		0	2		2		2		0		0		0		0		0		0		0		0	
TOTAL: HEALTH & SOCIAL CARE	394	406	(12)		569	(12)	0	557	28	557		340	0	340		370	0	370		320	0	320		320	0	320	
CORPORATE AND DEMOCRATIC SERVICES																											
City Centre Developments - Cultural Attractions																											
Perth City Hall	1,276	1,205	71		5,500	71	(3,471)	2,100	257	2,100		10,753	(2,053)	8,700		4,971	5,129	10,100		0	395	395		0		0	
Revenue Contribution	(90)	(90)	0		(180)	0		(180)		(180)		0		0		0		0		0		0		0		0	
Perth Museum & Art Gallery (PMAG)	15	8	7		25	7	18	50		50		200	(18)	182		2,614		2,614		504		504		0		0	
Collections Centre	23	7	16		525	16		541		541		5,939		5,939		0		0		0		0		0		0	
Third Party Contribution (Tay City Deal)	0	0	0		(5,000)	0		(5,000)		(5,000)		(5,000)		(5,000)		0		0		0		0		0		0	
Community Planning																											
Letham Wellbeing Hub	14	14	0		1,236	0		1,236		1,236		0		0		0		0		0		0		0		0	
Information Systems & Technology																											
ICT Infrastructure & Replacement and Upgrade Programme	3,074	3,029	45		1,394	45		1,439	159	1,439		2,492	(122)	2,370		2,580	59	2,639		3,209	75	3,284		3,385	43	3,428	
School Audio-Visual (AV) Equipment Replacement Programme	100	129	(29)		335	(29)		306	50	306		425		425		425		425		425		425		425		425	
Swift Social Work System Replacement	0	0	0		1,000	0	(706)	294	15	294		1,700	(1,096)	604		0	1,536	1,536		0	266	266		0		0	
Council Contact Centre	39	36	3		141	3	42	186	10	186		40	56	96		75	(35)	40		40		40		40		40	
TOTAL: CORPORATE AND DEMOCRATIC SERVICES	4,451	4,338	113		4,976	113	(4,117)	972	491	972		16,549	(3,233)	13,316		10,665	6,689	17,3									

	Approved Budget 17-Apr-19	Actual Expenditure	Proposed Carry Forward to 2019/20 (£'000)	Approved Budget 17-Apr-19	Proposed Brought Forward from 2018/19 (£'000)	Proposed Budget Adjustment Report 1 2019/20 (£'000)	Revised Budget Report 1 2019/20 (£'000)	Actual to 31-Jul-19	Projected Outturn	Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1 2020/21 (£'000)	Revised Budget Report 1 2020/21 (£'000)	Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1 2021/22 (£'000)	Revised Budget Report 1 2021/22 (£'000)	Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1 2022/23 (£'000)	Revised Budget Report 1 2022/23 (£'000)	Approved Budget 17-Apr-19	Proposed Budget Adjustment Report 1 2023/24 (£'000)	Revised Budget Report 1 2023/24 (£'000)
CAPITAL RECEIPTS																					
General Capital Grant - Scottish Government	(15,060)	(15,060)	0	(26,775)	0		(26,775)	(9,495)	(26,775)	(25,638)		(25,638)	(17,483)		(17,483)	(14,452)		(14,452)	(14,000)		(14,000)
Developer Contributions	(2,123)	(1,455)	(668)	(1,810)	(668)		(2,478)		(2,478)	(1,810)		(1,810)	(2,010)		(2,010)	(2,020)		(2,020)	(2,100)		(2,100)
General Fund - Capital Receipts/Disposal	(710)	(704)	(6)	(720)	(6)	59	(667)	57	(667)	(487)	0	(487)	(93)	(58)	(151)	(550)	0	(550)	(250)	0	(250)
Commercial Property - Capital Receipts/Disposal	(1,779)	(2,113)	334	(1,267)	334	10	(923)	0	(923)	(854)	0	(854)	(184)	0	(184)	(725)	0	(725)	(100)	0	(100)
General Fund Housing Receipts	(4)	(5)	1	(3)	1	(6)	(8)	(2)	(8)	(3)		(3)	(4)		(4)	(4)		(4)	0		0
Total: Capital Receipts	(19,676)	(19,337)	(339)	(30,575)	(339)	63	(30,851)	(9,440)	(30,851)	(28,792)	0	(28,792)	(19,774)	(58)	(19,832)	(17,751)	0	(17,751)	(16,450)	0	(16,450)
Annual Composite Borrowing Requirement	31,221	29,853	1,368	33,742	1,368	(8,787)	26,323	1,828	26,323	71,289	(10,338)	60,951	88,721	15,187	103,908	93,657	4,811	98,468	29,794	43	29,837
CAPITAL RECEIPTS BROUGHT FORWARD	(776)	(776)	0	(2,227)	0	(350)	(2,577)	(2,577)	(2,577)	(2,261)	50	(2,211)	(1,795)	50	(1,745)	(1,684)	50	(1,634)	(2,114)	50	(2,064)
CAPITAL RECEIPTS CARRIED FORWARD	2,227	2,577	(350)	2,261	(350)	300	2,211	2,571	2,211	1,795	(50)	1,745	1,684	(50)	1,634	2,114	(50)	2,064	1,919	(50)	1,869
TOTAL NET COMPOSITE BORROWING REQUIREMEN	32,672	31,654	1,018	33,776	1,018	(8,837)	25,957	1,822	25,957	70,823	(10,338)	60,485	88,610	15,187	103,797	94,087	4,811	98,898	29,599	43	29,642

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2019/20 to 2028/29

	Approved Budget 17-Apr-19 2024/25 (£'000)	Proposed Budget Adjustment Report 1 2024/25 (£'000)	Revised Budget Report 1 2024/25 (£'000)	Approved Budget 17-Apr-19 2025/26 (£'000)	Proposed Budget Adjustment Report 1 2025/26 (£'000)	Revised Budget Report 1 2025/26 (£'000)	Approved Budget 17-Apr-19 2026/27 (£'000)	Proposed Budget Adjustment Report 1 2026/27 (£'000)	Revised Budget Report 1 2026/27 (£'000)	Approved Budget 17-Apr-19 2027/28 (£'000)	Proposed Budget Adjustment Report 1 2027/28 (£'000)	Revised Budget Report 1 2027/28 (£'000)	Approved Budget 17-Apr-19 2028/29 (£'000)	Proposed Budget Adjustment Report 1 2028/29 (£'000)	Revised Budget Report 1 2028/29 (£'000)	Revised Budget Report 1 TOTAL (£'000)
EDUCATION AND CHILDREN'S SERVICES																
Arts Strategy Phase 1 - Redevelopment of Perth Theatre	0		0	0		0	0		0	0		0	0		0	13
MIS - Procurement & Integration	0		0	0		0	0		0	0		0	0		0	104
Almondbank Cottages - REACH Project	0		0	0		0	0		0	0		0	0		0	0
Blairgowrie Recreation Centre - Replacement	0		0	0		0	0		0	0		0	0		0	15,066
<u>Schools Modernisation Programme</u>																
Investment in the Learning Estate	4,650		4,650	4,650		4,650	4,650		4,650	4,650		4,650	4,500		4,500	45,552
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	0
Pitcairn Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	825
Longforgan Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	5,830
Early Learning & Childcare	0		0	0		0	0		0	0		0	0		0	3,327
Scottish Government Grant	0		0	0		0	0		0	0		0	0		0	(9,400)
- Letham Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	4,957
- Oakbank Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	602
- St.Ninians Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	1,506
- Rattray Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	3,458
- Inchture Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	1,718
Alyth Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	0
Blackford Primary School (Developer Contribution)	0		0	0		0	0		0	173		173	0		0	173
Kinross Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	175
Tulloch Primary School Upgrade Project	0		0	0		0	0		0	0		0	0		0	122
North/West Perth - New Primary School	0		0	0		0	0		0	0		0	0		0	14,350
North Perth Primary School	0		0	0		0	0		0	0		0	0		0	16,000
Technology Upgrades	0		0	0		0	0		0	0		0	0		0	1,776
Perth Academy - New Sports Facilities	0		0	0		0	0		0	0		0	0		0	0
Perth Academy - Refurbishments & Sports Facilities	0		0	0		0	0		0	0		0	0		0	13,547
Perth Grammar School - Upgrade Programme Phase 3	0		0	0		0	0		0	0		0	0		0	6,594
Perth High School - Internal Services & Refurbishment	0		0	0		0	0		0	0		0	0		0	103
Perth High School - New School Investment	0		0	0		0	0		0	0		0	0		0	49,875
TOTAL: EDUCATION AND CHILDREN'S SERVICES	4,650	0	4,650	4,650	0	4,650	4,650	0	4,650	4,823	0	4,823	4,500	0	4,500	176,273
HOUSING & ENVIRONMENT																
Traffic & Road Safety																
Road Safety Initiatives (20mph Zones etc..)	200		200	200		200	200		200	200		200	100		100	2,040
Road Safety Initiatives	0		0	0		0	0		0	0		0	0		0	731
Schools Road Safety Measures	0		0	0		0	0		0	0		0	0		0	1,000
Vehicle Activation Signs	0		0	0		0	0		0	0		0	0		0	301
Cycling Walking & Safer Streets (CWSS)	200		200	200		200	200		200	200		200	200		200	2,047
Scottish Government Grant - CWSS	(200)		(200)	(200)		(200)	(200)		(200)	(200)		(200)	(200)		(200)	(2,047)
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	0
Car Parking Investment	0		0	0		0	0		0	0		0	0		0	443
Revenue Contribution	0		0	0		0	0		0	0		0	0		0	(84)
Car Parking Investment - Pitlochry	0		0	0		0	0		0	0		0	0		0	150
Strathmore Cycle Network	0		0	0		0	0		0	0		0	0		0	100
Sub-Total	200	0	200	200	0	200	200	0	200	200	0	200	100	0	100	4,681
Asset Management - Roads & Lighting																
Structural Maintenance	9,800		9,800	9,800		9,800	9,800		9,800	7,500		7,500	9,800		9,800	99,936
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	(795)
Street Lighting Renewals - Upgrading/Unlit Areas	0		0	0		0	0		0	0		0	0		0	324
Traffic Signal Renewals - Upgrading	100		100	100		100	100		100	13		13	0		0	863
Unadopted Roads & Footways (Match Funding)	0		0	0		0	0		0	0		0	0		0	77
Third Party Contributions	0		0	0		0	0		0	0		0	0		0	(6)
Footways	435		435	435		435	435		435	435		435	435		435	4,442
Investment in Local Footpaths	0		0	0		0	0		0	0		0	0		0	200
Road Safety Barriers	0		0	0		0	0		0	0		0	0		0	137
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	(22)
Pedestrian Gritters	0		0	0		0	0		0	0		0	0		0	31
Sub-Total	10,335	0	10,335	10,335	0	10,335	10,335	0	10,335	7,948	0	7,948	10,235	0	10,235	105,187
Asset Management - Bridges																
Bridge Refurbishment Programme	690		690	690		690	690		690	690		690	740		740	6,419
West of Fearnan Culvert	0		0	0		0	0		0	0		0	0		0	19
Pitcur Culvert	0		0	0		0	0		0	0		0	0		0	0
Dalhenzean Culvert	0		0	0		0	0		0	0		0	0		0	293
Dunkeld Golf Course	0		0	0		0	0		0	0		0	0		0	228
Vehicular Bridge Parapets Programme - Assess & Upgrade	0		0	0		0	0		0	0		0	0		0	155
Old Perth Bridge - Strengthening	0		0	0		0	0		0	0		0	0		0	2,575
Perth Queens Bridge - Strengthening	0		0	0		0	0		0	0		0	0		0	2,629
Sub-Total	690	0	690	690	0	690	690	0	690	690	0	690	740	0	740	12,318
Improvement Schemes																
New Rural Footways	0		0	0		0	0		0	0		0	0		0	0
A9/A85 Road Junction Improvements	0		0	0		0	0		0	0		0	0		0	985
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	0
Perth Transport Futures	0		0	0		0	0		0	0		0	0		0	114,163

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COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2019/20 to 2028/29

	Approved Budget 17-Apr-19 2024/25 (£'000)	Proposed Budget Adjustment Report 1 2024/25 (£'000)	Revised Budget Report 1 2024/25 (£'000)	Approved Budget 17-Apr-19 2025/26 (£'000)	Proposed Budget Adjustment Report 1 2025/26 (£'000)	Revised Budget Report 1 2025/26 (£'000)	Approved Budget 17-Apr-19 2026/27 (£'000)	Proposed Budget Adjustment Report 1 2026/27 (£'000)	Revised Budget Report 1 2026/27 (£'000)	Approved Budget 17-Apr-19 2027/28 (£'000)	Proposed Budget Adjustment Report 1 2027/28 (£'000)	Revised Budget Report 1 2027/28 (£'000)	Approved Budget 17-Apr-19 2028/29 (£'000)	Proposed Budget Adjustment Report 1 2028/29 (£'000)	Revised Budget Report 1 2028/29 (£'000)	Revised Budget Report 1 TOTAL (£'000)
Scottish Government Grant	0		0	0		0	0		0	0		0	0		0	(40,000)
A977 Upgrades	0		0	0		0	0		0	0		0	0		0	271
Brioch Road, Crieff - Road Realignment & Safety Measures	0		0	0		0	0		0	0		0	0		0	397
Third Party Contribution (Developers)	0		0	0		0	0		0	0		0	0		0	(195)
Third Party Contribution (SUSTRANS)	0		0	0		0	0		0	0		0	0		0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75,621
Rural Flood Mitigation Schemes																
Almondbank Flood Protection Scheme	0		0	0		0	0		0	0		0	0		0	95
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	0
Comrie Flood Prevention Scheme	0		0	0		0	0		0	0		0	0		0	24,560
Milnathort Flood Prevention Scheme	0		0	0		0	0		0	0		0	0		0	1,805
South Kinross Flood Prevention	0		0	0		0	0		0	0		0	0		0	3,320
Scone Flood Prevention	0		0	0		0	0		0	0		0	0		0	713
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,493
Rural Iniatives																
Conservation of Built Heritage	0		0	0		0	0		0	0		0	0		0	1,004
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	(100)
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	904
Perth & Kinross Place-making																
Mill Street Environmental Improvements	0		0	0		0	0		0	0		0	0		0	127
St Paul's Church	0		0	0		0	0		0	0		0	0		0	1,663
Perth City Centre Golden Route (Rail Station)	0		0	0		0	0		0	0		0	0		0	497
Green Network Routes	0		0	0		0	0		0	0		0	0		0	115
City Greening	0		0	0		0	0		0	0		0	0		0	87
Tay Street, Perth	0		0	0		0	0		0	0		0	0		0	1,870
Mill St, Perth (Phase 3) - Shared Space at Bus Station	0		0	0		0	0		0	0		0	0		0	600
South Street, Perth - Transport Hub	0		0	0		0	0		0	0		0	0		0	940
Perth & Kinross Lighting Action Plan	0		0	0		0	0		0	0		0	0		0	3,869
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,768
Other Planning Projects																
Creative Exchange (former St. John's Primary School)	0		0	0		0	0		0	0		0	0		0	1,997
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	(182)
Town Centre - Regeneration & Economic Improvements	0		0	0		0	0		0	0		0	0		0	1,983
Scottish Government Grant	0		0	0		0	0		0	0		0	0		0	(1,983)
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,815
Community Greenspace																
Play Areas - Improvements Implementation Strategy	150		150	150		150	150		150	150		150	135		135	1,991
Revenue Contribution	0		0	0		0	0		0	0		0	0		0	0
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	(44)
3G Pitch, Blairgowrie	0		0	0		0	0		0	0		0	0		0	500
Countryside Sites	0		0	0		0	0		0	0		0	0		0	161
Community Greenspace Sites	300		300	300		300	300		300	300		300	275		275	3,253
Small Parks	0		0	0		0	0		0	0		0	0		0	18
Community Greenspace Bridges	0		0	0		0	0		0	0		0	0		0	2
Core Path Implementation	0		0	0		0	0		0	0		0	0		0	26
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	0
Pitlochry Recreation Park	0		0	0		0	0		0	0		0	0		0	2
Third Party Contribution	0		0	0		0	0		0	0		0	0		0	(1)
Alyth Environmental Improvements	0		0	0		0	0		0	0		0	0		0	106
Third Party Contributions	0		0	0		0	0		0	0		0	0		0	(1)
Revenue Contribution	0		0	0		0	0		0	0		0	0		0	0
Air Quality Improvements	0		0	0		0	0		0	0		0	0		0	100
Premier Parks	0		0	0		0	0		0	0		0	0		0	48
The Knock	0		0	0		0	0		0	0		0	0		0	85
Kinnoull Hill	0		0	0		0	0		0	0		0	0		0	105
Countryside Access	0		0	0		0	0		0	0		0	0		0	2
Cemetery Extensions	100		100	100		100	100		100	100		100	75		75	1,138
Sub-Total	550	0	550	550	0	550	550	0	550	550	0	550	485	0	485	7,491
Support Services																
PC Replacement & IT Upgrades																
Hardware	20		20	20		20	20		20	20		20	0		0	186
Licenses	120		120	120		120	120		120	120		120	120		120	1,050
Corporate Programme Management System	0		0	0		0	0		0	0		0	0		0	0
Third Party Contribution (HRA)	0		0	0		0	0		0	0		0	0		0	0
Sub-Total	140	0	140	140	0	140	140	0	140	140	0	140	120	0	120	1,236
Property Services																
DDA Adaptation & Alteration Works Programme	200		200	200		200	200		200	200		200	150		150	2,078
Property Compliance Works Programme	650		650	650		650	650		650	650		650	600		600	6,518
Capital Improvement Projects Programme	2,000		2,000	2,000		2,000	2,000		2,000	2,000		2,000	1,900		1,900	19,947
Fire Audit Works - Robert Douglas Memorial school	0		0	0		0	0		0	0		0	0		0	38
Pitlochry High School - Upgrade Programme	0		0	0		0	0		0	0		0	0		0	2,544
Salix Energy Efficiency Programme	0		0	0		0	0		0	0		0	0		0	39
Third Party Contribution (Salix)	0		0	0		0	0		0	0		0	0		0	(12)

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2019/20 to 2028/29

	Approved Budget 17-Apr-19 2024/25 (£'000)	Proposed Budget Adjustment Report 1 2024/25 (£'000)	Revised Budget Report 1 2024/25 (£'000)	Approved Budget 17-Apr-19 2025/26 (£'000)	Proposed Budget Adjustment Report 1 2025/26 (£'000)	Revised Budget Report 1 2025/26 (£'000)	Approved Budget 17-Apr-19 2026/27 (£'000)	Proposed Budget Adjustment Report 1 2026/27 (£'000)	Revised Budget Report 1 2026/27 (£'000)	Approved Budget 17-Apr-19 2027/28 (£'000)	Proposed Budget Adjustment Report 1 2027/28 (£'000)	Revised Budget Report 1 2027/28 (£'000)	Approved Budget 17-Apr-19 2028/29 (£'000)	Proposed Budget Adjustment Report 1 2028/29 (£'000)	Revised Budget Report 1 2028/29 (£'000)	Revised Budget Report 1 TOTAL (£'000)
Revenue Contriubution (CEEF)	0		0	0		0	0		0	0		0	0		0	(27)
Sub Total	2,850	0	2,850	2,850	0	2,850	2,850	0	2,850	2,850	0	2,850	2,650	0	2,650	31,125
Commercial Property Investment Programme																
North Muirton Industrial Estate - Site Servicing & Provision of Uni	0		0	0		0	0		0	0		0	0		0	189
Western Edge, Kinross - Site Servicing	0		0	0		0	0		0	0		0	0		0	37
Additional Infrastructure Investment - Broxden	0		0	0		0	0		0	0		0	0		0	46
Creative Industries Land/Advance Units	0		0	0		0	0		0	0		0	0		0	250
Rural Business Units Programme	0		0	0		0	0		0	0		0	0		0	1,549
Eco-Hub Manufacturing Facility	0		0	0		0	0		0	0		0	0		0	1,423
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,494
Prudential Borrowing Projects																
Wheeled Bin Replacement Programme - Domestic Bins	200		200	200		200	200		200	200		200	200		200	1,993
Wheeled Bin Replacement Programme - Commercial Bins	20		20	20		20	20		20	20		20	20		20	177
Recycling Containers, Oil Banks & Battery Banks Replacement P	65		65	65		65	65		65	65		65	65		65	619
Capital Receipts - Disposals	0		0	0		0	0		0	0		0	0		0	0
Litter Bins	50		50	50		50	50		50	50		50	50		50	338
Smart Cities - Smart Waste	0		0	0		0	0		0	0		0	0		0	504
Third Party Contribution (ERDF)	0		0	0		0	0		0	0		0	0		0	(201)
Vehicle Replacement Programme	3,000		3,000	3,000		3,000	3,000		3,000	3,000		3,000	3,000		3,000	30,501
Capital Receipts - Vehicle Disposals	(300)		(300)	(300)		(300)	(300)		(300)	(300)		(300)	(300)		(300)	(3,104)
Energy Conservation & Carbon Reduction Programme	150		150	150		150	150		150	150		150	150		150	1,500
Canal Street Car Park Improvements	0		0	0		0	0		0	0		0	0		0	0
Crematorium - Memorial Garden Enhancement	0		0	0		0	0		0	0		0	0		0	25
Crematorium - Abatement Works	0		0	0		0	0		0	0		0	0		0	41
Street Lighting Renewal - LED & Column Replacement	1,051		1,051	575		575	589		589	603		603	621		621	8,053
Smart Cities - Intelligent Street Lighting	0		0	0		0	0		0	0		0	0		0	0
Third Party Contribution (EDRF)	0		0	0		0	0		0	0		0	0		0	0
Third Party Contribution (CIF)	0		0	0		0	0		0	0		0	0		0	(13)
Perth Harbour - Dredging	0		0	0		0	0		0	0		0	0		0	711
Almondbank Flood Mitigation	0		0	0		0	0		0	0		0	0		0	600
Land Purchase & Development	0		0	0		0	0		0	0		0	0		0	1,000
Technology & Innovation Incubator Units	0		0	0		0	0		0	0		0	0		0	1,000
Sub Total	4,236	0	4,236	3,760	0	3,760	3,774	0	3,774	3,788	0	3,788	3,806	0	3,806	43,744
Housing Projects																
Gypsy Travellers Site Improvement Works	0		0	0		0	0		0	0		0	0		0	0
Housing with Care - Communal Facilities	0		0	0		0	0		0	0		0	0		0	297
Sub Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	297
TOTAL: HOUSING & ENVIRONMENT																
	19,001	0	19,001	18,525	0	18,525	18,539	0	18,539	16,166	0	16,166	18,136	0	18,136	328,174
Health & Social Care																
Occupational Therapy Equipment	250		250	250		250	250		250	250		250	250		250	2,500
Software Licences	70		70	70		70	70		70	70		70	70		70	776
Developing Supported Tenancies	0		0	0		0	0		0	0		0	0		0	229
Refurbish & Extend Lewis Place Day Care Centre for Older Peop	0		0	0		0	0		0	0		0	0		0	2
TOTAL: HEALTH & SOCIAL CARE	320	0	320	320	0	320	320	0	320	320	0	320	320	0	320	3,507
CORPORATE AND DEMOCRATIC SERVICES																
City Centre Developments - Cultural Attractions																
Perth City Hall	0		0	0		0	0		0	0		0	0		0	21,295
Revenue Contribution	0		0	0		0	0		0	0		0	0		0	(180)
Perth Museum & Art Gallery (PMAG)	0		0	0		0	0		0	0		0	0		0	3,350
Collections Centre	0		0	0		0	0		0	0		0	0		0	6,480
Third Party Contribution (Tay City Deal)	0		0	0		0	0		0	0		0	0		0	(10,000)
Community Planning																
Letham Wellbeing Hub	0		0	0		0	0		0	0		0	0		0	1,236
Information Systems & Technology																
ICT Infrastructure & Replacement and Upgrade Programme	2,850	53	2,903	2,996	542	3,538	2,803	(325)	2,478	2,962	(325)	2,637	2,312		2,312	27,028
School Audio-Visual (AV) Equipment Replacement Programme	425		425	425		425	425		425	425		425	425		425	4,131
Swift Social Work System Replacement	0		0	0		0	0		0	0		0	0		0	2,700
Council Contact Centre	40		40	40		40	40		40	40	(23)	17	40	(40)	0	539
TOTAL: CORPORATE AND DEMOCRATIC SERVICES	3,315	53	3,368	3,461	542	4,003	3,268	(325)	2,943	3,427	(348)	3,079	2,777	(40)	2,737	56,579
TOTAL COMPOSITE NET EXPENDITURE																
	27,286	53	27,339	26,956	542	27,498	26,777	(325)	26,452	24,736	(348)	24,388	25,733	(40)	25,693	564,533
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCE)																

	Approved Budget 17-Apr-19 2024/25 (£'000)	Proposed Budget Adjustment Report 1 2024/25 (£'000)	Revised Budget Report 1 2024/25 (£'000)	Approved Budget 17-Apr-19 2025/26 (£'000)	Proposed Budget Adjustment Report 1 2025/26 (£'000)	Revised Budget Report 1 2025/26 (£'000)	Approved Budget 17-Apr-19 2026/27 (£'000)	Proposed Budget Adjustment Report 1 2026/27 (£'000)	Revised Budget Report 1 2026/27 (£'000)	Approved Budget 17-Apr-19 2027/28 (£'000)	Proposed Budget Adjustment Report 1 2027/28 (£'000)	Revised Budget Report 1 2027/28 (£'000)	Approved Budget 17-Apr-19 2028/29 (£'000)	Proposed Budget Adjustment Report 1 2028/29 (£'000)	Revised Budget Report 1 2028/29 (£'000)	Revised Budget Report 1 TOTAL (£'000)
CAPITAL RECEIPTS																
General Capital Grant - Scottish Government	(14,000)		(14,000)	(14,000)		(14,000)	(14,000)		(14,000)	(14,000)		(14,000)	(14,000)		(14,000)	(168,348)
Developer Contributions	(2,100)		(2,100)	(2,100)		(2,100)	(2,100)		(2,100)	(2,100)		(2,100)	(2,100)		(2,100)	(20,918)
General Fund - Capital Receipts/Disposal	(250)	0	(250)	(250)	0	(250)	(250)	0	(250)	(250)	0	(250)	(250)	0	(250)	(3,355)
Commercial Property - Capital Receipts/Disposal	(100)	0	(100)	0	0	0	0	0	0	0	0	0	0	0	0	(2,886)
General Fund Housing Receipts	0		0	0		0	0		0	0		0	0		0	(19)
Total: Capital Receipts	(16,450)	0	(16,450)	(16,350)	0	(16,350)	(16,350)	0	(16,350)	(16,350)	0	(16,350)	(16,350)	0	(16,350)	(195,526)
Annual Composite Borrowing Requirement	10,836	53	10,889	10,606	542	11,148	10,427	(325)	10,102	8,386	(348)	8,038	9,383	(40)	9,343	369,007
CAPITAL RECEIPTS BROUGHT FORWARD	(1,919)	50	(1,869)	(2,019)	50	(1,969)	(2,019)	50	(1,969)	(2,019)	50	(1,969)	(2,019)	50	(1,969)	(2,577)
CAPITAL RECEIPTS CARRIED FORWARD	2,019	(50)	1,969	2,019	(50)	1,969	2,019	(50)	1,969	2,019	(50)	1,969	2,019	(50)	1,969	1,969
TOTAL NET COMPOSITE BORROWING REQUIREMEN	10,936	53	10,989	10,606	542	11,148	10,427	(325)	10,102	8,386	(348)	8,038	9,383	(40)	9,343	368,399

PERTH AND KINROSS COUNCIL
HRA CAPITAL INVESTMENT PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2019/20 to 2023/24

	Approved Budget 17-Apr-19 2018/19 £'000	Actuals to 31-Mar-19 2018/19 £'000	Proposed Carry Forward to 2019/20 £'000	Approved Budget 17-Apr-19 2019/20 £'000	Proposed Carry Forward from 2018/19 £'000	Proposed Budget Adjustment Report 1 2019/20 £'000	Revised Budget Report 1 2019/20 £'000	Actual to 31-Jul-19 2019/20 £'000	Projected Outturn Report 1 2019/20 £'000	Approved Budget 17-Apr-19 2020/21 £'000	Proposed Budget Adjustment Report 1 2020/21 £'000	Revised Budget Report 1 2020/21 £'000	Approved Budget 17-Apr-19 2021/22 £'000	Proposed Budget Adjustment Report 1 2021/22 £'000	Revised Budget Report 1 2021/22 £'000	Approved Budget 17-Apr-19 2022/23 £'000	Proposed Budget Adjustment Report 1 2022/23 £'000	Revised Budget Report 1 2022/23 £'000	Approved Budget 17-Apr-19 2023/24 £'000	Proposed Budget Adjustment Report 1 2023/24 £'000	Revised Budget Report 1 2023/24 £'000	Revised Budget Report 1 TOTAL £'000
Council House New Build Programme																						
Invergowrie, Main street - 5 Units	57	26	31	740	31	(740)	31	0	31	0		0	0		0	0	0	0	0		31	
Council Tax (Second Income)	0	0	0	(100)	0	100	0	0	0	0		0	0		0	0	0	0	0		0	
Scottish Government Subsidy	0	0	0	(295)	0	295	0	0	0	0		0	0		0	0	0	0	0		0	
	57	26	31	345	31	(345)	31	0	31	0	0	0	0	0	0	0	0	0	0	0	31	
Birch Avenue, Scone - 20 Units	1,080	1,080	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
Council Tax (Second Income)	0	0	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
Scottish Government Subsidy	0	0	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
	1,080	1,080	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Linn Road, Stanley (Phase 2) - 10 Units	434	450	(16)	949	(16)		933	333	933	0		0	0		0	0	0	0	0		933	
Council Tax (Second Income)	0	0	0	(200)	0		(200)	0	(200)	0		0	0		0	0	0	0	0		(200)	
Scottish Government Subsidy	(434)	(430)	(4)	(212)	(4)		(216)	(216)	(216)	0		0	0		0	0	0	0	0		(216)	
	0	20	(20)	537	(20)	0	517	117	517	0	0	0	0	0	0	0	0	0	0	0	517	
208, Crieff Road, Perth	2,707	2,736	(29)	0	(29)	29	0	0	0	0		0	0		0	0	0	0	0		0	
Council Tax (Second Income)	(480)	(480)	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
Scottish Government Subsidy	(1,092)	(1,092)	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
	1,135	1,164	(29)	0	(29)	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
New Build - Glebe, Scone - 65 Units	158	197	(39)	0	(39)	179	140	101	140	0		0	0		0	0	0	0	0		140	
Council Tax (Second Income)	0	0	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
Scottish Government Subsidy	0	0	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
	158	197	(39)	0	(39)	179	140	101	140	0	0	0	0	0	0	0	0	0	0	0	140	
New Build - Blackthorn Place, Blairgowrie	2,900	2,882	18	0	18	(10)	8	5	8	0		0	0		0	0	0	0	0		8	
Council Tax (Second Income)	(480)	(480)	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
Scottish Government Subsidy	(812)	(764)	(48)	0	(48)	48	0	0	0	0		0	0		0	0	0	0	0		0	
	1,608	1,638	(30)	0	(30)	38	8	5	8	0	0	0	0	0	0	0	0	0	0	0	8	
Milne Street, Perth	96	96	0	1,235	0		1,235	(54)	1,235	0		0	0		0	0	0	0	0		1,235	
Council Tax (Second Income)	0	0	0	(456)	0		(456)	0	(456)	0		0	0		0	0	0	0	0		(456)	
Scottish Government Subsidy	0	0	0	(160)	0		(160)	0	(160)	0		0	0		0	0	0	0	0		(160)	
	96	96	0	619	0	0	619	(54)	619	0	0	0	0	0	0	0	0	0	0	0	619	
Newburgh Road, Abernethy	0	0	0	0	0	1	1	1	1	0		0	0		0	0	0	0	0		1	
Council Tax (Second Income)	0	0	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
Scottish Government Subsidy	0	0	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
	0	0	0	0	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	1	
Ardler Road, Meigle	0	0	0	0	0	2	2	0	2	0		0	0		0	0	0	0	0		2	
Council Tax (Second Income)	0	0	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
Scottish Government Subsidy	0	0	0	0	0		0	0	0	0		0	0		0	0	0	0	0		0	
	0	0	0	0	0	2	2	0	2	0	0	0	0	0	0	0	0	0	0	0	2	
Future Developments	0	3	(3)	3,400	(3)	96	3,493	0	3,493	3,158		3,158	3,241		3,241	3,367		3,367	18,496		18,496	
Council Tax (Second Income)	0	0	0	0	0		0	0	0	0		0	0		0	0		0	0		0	
Scottish Government Subsidy	0	0	0	0	0		0	0	0	0		0	0		0	0		0	0		0	
	0	3	(3)	3,400	(3)	96	3,493	0	3,493	3,158	0	3,158	3,241	0	3,241	3,367	0	3,367	18,496	0	18,496	
Total Council House New Build	4,134	4,224	(90)	4,901	(90)	0	4,811	170	4,811	3,158	0	3,158	3,241	0	3,241	3,367	0	3,367	18,496	0	18,496	
Increase in Council House Stock																						
Council House Buy-Backs	3,318	3,303	15	2,070	15		2,085	1,400	2,085	2,000		2,000	0		0	0		0	0		4,085	
Scottish Government Subsidy	(910)	(910)	0	0	0		0	0	0	0		0	0		0	0		0	0		0	
	2,408	2,393	15	2,070	15	0	2,085	1,400	2,085	2,000	0	2,000	0	0	0	0	0	0	0	0	4,085	
Lock-ups and Garage Sites	149	150	(1)	20	(1)		19	0	19	0		0	0		0	0		0	0		19	

	Approved Budget 17-Apr-19 2018/19 £'000	Actuals to 31-Mar-19 2018/19 £'000	Proposed Carry Forward to 2019/20 £'000	Approved Budget 17-Apr-19 2019/20 £'000	Proposed Carry Forward from 2018/19 £'000	Proposed Budget Adjustment Report 1 2019/20 £'000	Revised Budget Report 1 2019/20 £'000	Actual to 31-Jul-19 2019/20 £'000	Projected Outturn Report 1 2019/20 £'000	Approved Budget 17-Apr-19 2020/21 £'000	Proposed Budget Adjustment Report 1 2020/21 £'000	Revised Budget Report 1 2020/21 £'000	Approved Budget 17-Apr-19 2021/22 £'000	Proposed Budget Adjustment Report 1 2021/22 £'000	Revised Budget Report 1 2021/22 £'000	Approved Budget 17-Apr-19 2022/23 £'000	Proposed Budget Adjustment Report 1 2022/23 £'000	Revised Budget Report 1 2022/23 £'000	Approved Budget 17-Apr-19 2023/24 £'000	Proposed Budget Adjustment Report 1 2023/24 £'000	Revised Budget Report 1 2023/24 £'000	Revised Budget Report 1 TOTAL £'000
Standard Delivery Plan																						
Central Heating and Rewiring Works - less Third Party Contribution	1,695 0	1,941 0	(246) 0	500 0	(246) 0	4,140 (1,140)	4,394 (1,140)	858 0	4,394 (1,140)	1,300 0	(500)	800 0	1,000 0	(750)	250 0	750 0	(750)	0 0	500 0	(500)	0 0	5,444 (1,140)
Rewiring/Infrastructure	0	0	0	0	0		0	0	0	0		0	0		0	1,000		1,000	1,000		1,000	2,000
Triple Glazing	1,670	1,784	(114)	0	(114)	1,068	954	430	954	400	(400)	0	200	(200)	0	0		0	0		0	954
Controlled Door Entry - less Third Party Contribution	344 (100)	349 (79)	(5) (21)	10 0	(5) (21)	27	32 (21)	0 0	32 (21)	10 0		10 0	10 0		10 0	10 0		10 0	0 0		0 0	62 (21)
Kitchen Moderisation Programme	290	478	(188)	25	(188)	273	110	0	110	74		74	667	(273)	394	1,083		1,083	1,510		1,510	3,171
Bathroom Moderisation Programme	1,278	1,422	(144)	627	(144)		483	104	483	65		65	25		25	0		0	1,350		1,350	1,923
External Fabric - less Third Party Contribution	2,462 (14)	2,371 (9)	91 (5)	950 0	91 (5)	350	1,391 (5)	286 0	1,391 (5)	1,200 0		1,200 0	1,270 0		1,270 0	2,250 0	(403)	1,847 0	1,250 0	(350)	900 0	6,608 (5)
Energy Efficiency - less Third Party Contribution	963 (7)	842 (32)	121 25	1,046 0	121 25	(445) (27)	722 (2)	423 (2)	722 (2)	700 0		700 0	200 0	(120)	80 0	0 0		0 0	0 0		0 0	1,502 (2)
Multi Storey Flats	326	90	236	2,296	236		2,532	139	2,532	100		100	50		50	0		0	0		0	2,682
Environmental Improvements	630	556	74	100	74	90	264	132	264	145		145	200	(90)	110	176		176	50		50	745
Fire Precaution Measures	185	196	(11)	249	(11)		238	0	238	50		50	50		50	400		400	500		500	1,238
Sound Insulation	0	0	0	0	0		0	0	0	0		0	0		0	250		250	100		100	350
Structural	0	0	0	0	0		0	0	0	0		0	0		0	750		750	250		250	1,000
Total Standard Delivery Plan	9,722	9,909	(187)	5,803	(187)	4,336	9,952	2,370	9,952	4,044	(900)	3,144	3,672	(1,433)	2,239	6,669	(1,153)	5,516	6,510	(850)	5,660	26,511
Other Investment in Council House Stock																						
Muirton Shops Development	1	1	0	0	0		0	0	0	0		0	0		0	0		0	0		0	0
Total Major Adaptations to Council House Stock	200	162	38	414	38	(130)	322	29	322	80		80	0		0	0		0	0		0	402
Balmoral Road, Rattray, Refurbishment (3 Units)	150	0	150	125	150	(169)	106	0	106	0	169	169	0		0	0		0	0		0	275
Rannoch Road Conversion, Perth, 5 Units	80	17	63	120	63	293	476	0	476	0		0	0		0	0		0	0		0	476
149-151 Dunkeld Road, Perth	155	135	20	40	20	50	110	0	110	0		0	0		0	0		0	0		0	110
St.Catherine's Square Redevelopment	0	0	0	0	0		0	0	0	0		0	0		0	0		0	3,000		3,000	3,000
Shops & Offices	28	8	20	50	20		70	0	70	70		70	50		50	70		70	50		50	310
Greyfriars and Satellites	40	30	10	0	10		10	0	10	0		0	50		50	0		0	0		0	60
Sheltered Housing	155	123	32	25	32		57	3	57	0		0	25		25	0		0	0		0	82
Sheltered Housing - Housing Add'l Support	242	242	0	0	0		0	0	0	0		0	0		0	0		0	0		0	0
General Capital Works	70	78	(8)	70	(8)	(24)	38	0	38	100	(50)	50	10		10	115	(75)	40	100	(64)	36	174
Upgrade and Replacements to Lifts Programme	0	0	0	147	0		147	0	147	0		0	0		0	0		0	0		0	147
ICT Expenditure	54	58	(4)	178	(4)		174	0	174	50		50	50		50	50		50	50		50	374
Mortgage to Rent - Less Scottish Government Grant	50 0	0 0	50 0	50 0	50 0		100 0	0 0	100 0	50 0		50 0	50 0		50 0	50 0		50 0	50 0		50 0	300 0
Total Other Investment in Council House Stock	1,225	854	371	1,219	371	20	1,610	32	1,610	350	119	469	235	0	235	285	(75)	210	3,250	(64)	3,186	5,710
Total Net Expenditure	17,638	17,530	108	14,013	108	4,356	18,477	3,972	18,477	9,552	(781)	8,771	7,148	(1,433)	5,715	10,321	(1,228)	9,093	28,256	(914)	27,342	69,398
CAPITAL RECEIPTS (Muirton)	(600)	(532)	(68)	(200)	(68)		(268)	(48)	(268)	(100)		(100)	(74)		(74)	0		0	0		0	(442)
OTHER RECEIPTS & INCOME	(1,527)	(1,527)	0	0	0		0	0	0	0		0	0		0	0		0	0		0	0
CFCR	(3,375)	(2,870)	(505)	(2,293)	(505)		(2,798)	0	(2,798)	(2,787)		(2,787)	(3,010)		(3,010)	(3,467)		(3,467)	(3,517)		(3,517)	(15,579)
TOTAL BORROWING REQUIREMENT	12,136	12,601	(465)	11,520	(465)	4,356	15,411	3,924	15,411	6,665	(781)	5,884	4,064	(1,433)	2,631	6,854	(1,228)	5,626	24,739	(914)	23,825	53,377

Service	Total No of projects	Number on track	Number slipping	Number accelerating	Total %age spend	General Fund	HRA
ECS	23	20	3	0	Projected Outturn as percentage of 2019/20 Budget approved 20 February 2019/HRA Approved Budget at January 2019	92%	132%
CDS	8	6	2	0	Net Expenditure at 31 July 2019 as percentage of Revised 2019/20 Budget	20%	21%
HE - HRA	39	35	1	3			
HE	93	92	1	0			
HSC	4	4	0	0			
TOTAL	167	157	7	3			

Service	Project Name	Target Date for Completion	Project Delivery on Target	Budget Adjustment	Comments	Corrective Actions
Accelerated Projects				Reflected in narrative in Main report paragraph:		
HE - HRA	Central Heating and Rewiring Programme	March 2021	Yes	4.7 & 4.8	The opportunity has been taken to increase output of installations to allow the Council to accelerate meeting its targets set out within the Energy Efficiency Standards for Social housing (EESHS) strategy. This also allows the Council to reflect the latest investment priorities and maximise the benefits of external grant funding.	Budget to be accelerated and rephased
HE - HRA	Triple Glazing	March 2022	Yes	4.10	As part of the ongoing programme management, the latest programme of works has been revised after a review of both the capacity of the contractor and the volume of new addresses with completed surveys.	Budget to be accelerated and rephased
HE - HRA	Environmental Improvements, External Fabric and Kitchen Modernisation Programmes	Ongoing programme of works	Yes	4.12	A revised programme of works has been developed.	Budget to be accelerated and rephased
Slipping Projects						
ECS	Blairgowrie Recreation Centre	Early 2023	No	3.2.2	A revised programme of works has been developed. It must be noted the project is in the early stages of programme development.	Budget to be rephased
ECS	Ratray Primary School - 1140hrs Expansion	April 2021	No	3.2.3	On conclusion of the exercise to investigate the redesign options appraisal, a revised programme of works has been developed .	Budget to be rephased
ECS	North Perth Primary School	August 2022	Yes	3.2.6	The spend profile has been updated to reflect the latest programme. It must be noted that although the spend profile has slipped expenditure from 2019/20, the overall project remains on target to meet the completion date of August 2022.	Budget to be rephased
HE	Technology and Innovation Incubator Units	TBC	No	3.3.9	An Outline Business Case is being developed in line with the requirements of the Tay Cities Deal Heads of Terms. The OBC will be reviewed by the Tay Cities Deal Management group with a decision expected in late 2019. The spend profile has been updated accordingly.	Budget to be rephased
CADS	Cultural Projects - City Hall Redevelopment	June 2021	No	3.4.2	The ongoing design process has taken longer than originally anticipated with the need for a value engineering exercise impacting on the overall timeline and pushing back the on-site start date. A new programme of works and spend profile has been received from the contractor.	Budget to be rephased
CADS	SWIFT Replacement Programme	TBC	No	3.4.5	The project procurement process is ongoing with the anticipated contract award date later than originally anticipated. This is mainly attributable to the process of developing the specification being extended.	Budget to be rephased
HE - HRA	Major Adaptations - Balmoral Road, Ratray Redevelopment	TBC	No	4.13	The consultation exercise for the transfer of the Balmoral Road site was concluded in December 2018, however there have been delays in agreeing the transfer value between the General Fund and HRA. There is currently no indication when this will reach a conclusion.	Budget to be rephased

PERTH & KINROSS COUNCIL

Strategic Policy & Resources Committee – 11 September 2019

REVENUE BUDGET 2019/20 – MONITORING REPORT NUMBER 1

Report by Head of Finance
(Report No. 19/246)

PURPOSE OF REPORT

This report provides an update on progress with the 2019/20 General Fund Revenue Budget based upon the June 2019 ledger, updated for any subsequent known material movements, and the projected financial position of the Housing Revenue Account.

The total net projected over spend on the 2019/20 General Fund Management Budget is £3,380,000 (see Appendix 1).

1. BACKGROUND / MAIN ISSUES

- 1.1. This is the first report updating the Committee on progress with the 2019/20 Revenue Budget. Appendix 1 to this report summarises the current projected year end (outturn) position for each Service based upon the June 2019 ledger, updated for any subsequent known material movements.
- 1.2. The budget total reflected in Column 1 of Appendix 1 to this report is that approved by the Council in setting the 2019/20 Final Revenue Budget on 20 February 2019 (Report No. 19/46 refers). In addition, adjustments approved by the Strategic Policy & Resources Committee on 17 April 2019 (Report No. 19/110 refers) are reflected in Appendix 1 (Column 2).
- 1.3. The Council's Financial Regulations allow Executive Directors to vire budgets up to £100,000 within their Service. Any virements between Services or more than £100,000 are either included in the body of the revenue monitoring report or in the appendices for approval.
- 1.4. This report details the latest projected outturns and proposed adjustments to the 2019/20 General Fund and Housing Revenue Account budgets.

2. PROPOSALS

2.1 Service Budgets

- 2.1.1 Details of variances against Service budgets are shown in Appendix 2 to this report with the most significant variances summarised below. The total net projected over spend on Service budgets, as set out in Appendix 1 to this report, is £615,000 which represents 0.21% of total net Service expenditure.

(In the corresponding report in September 2018, the projected under spend was £988,000 which represented 0.37% of total net Service expenditure).

2.1.2 The utilisation of Service under spends is considered throughout the financial year and may also be considered as part of the Revenue Budget strategy for future years.

2.1.3 **Education & Children's Services:** The projected outturn (excluding the Devolved School Management (DSM) and Pupil Equity Fund (PEF) budgets) is currently anticipated to be in line with budget.

2.1.4 Within this position are several projected over and under spends as follows -

- Staff costs (net projected under spend of £294,000) due to slippage more than budgeted levels.
- Supplies & Services (projected over spend of £50,000) due to additional kinship care legal costs and costs associated with General Data Protection Regulation requirements.
- Home to School Transport (projected over spend of £198,000) due to high levels of demand, particularly from service users with additional support needs.
- Third Party Payments (projected over spend of £52,000) due to additional costs in relation to Children, Young People & Families and Throughcare & Aftercare partially offset by savings on continuing care and service level agreements.
- Residential Schools / Foster Care & Kinship Care (net projected under spend of £117,000) due primarily, to changes in activity and the number of foster carers.
- Income (projected under recovery of £111,000) due primarily to the level of recharge to grants and paid school meals.

2.1.5 There is a projected under spend of £670,000 on Devolved School Management budgets (DSM) due, mainly, to staff slippage, educational materials and additional income. This includes the planned carry forwards that individual schools identify on an annual basis. It is anticipated that, in line with the approved DSM scheme, the eventual over and under spends will be carried forward into 2020/21.

2.1.6 The projected carry forward of £670,000 represents 0.67% of the overall DSM budget.

2.1.7 At this stage of the academic year, expenditure from the Pupil Equity Fund is projected to be £556,000 less than the allocation from the Scottish Government of £1,667,400. In line with the terms of this funding, it is anticipated that this under spend will be carried forward to 2020/21 to meet future commitments.

2.1.8 **Housing & Environment:** The projected outturn is currently anticipated to be £602,000 more than budget.

2.1.9 This projected net over spend is made up as follows –

- Service Wide Budgets (projected over spend of £880,000) due to challenges in the identification of procurement savings and delivery of staff slippage as well as slippage in the delivery of savings in relation to the Corporate Property Asset Management review.
- Planning & Development (net projected over spend of £125,000) due to additional consultancy costs on the Local Development Plan and the non-achievement of sponsorship income.
- Roads & Transport (projected under spend of £300,000) due to a projected underspend on the Flooding budget arising predominantly from staff turnover.
- Housing (net projected under spend of £38,000) due, primarily, to a reduction in the charge from the Housing Revenue Account partially offset by loan charges.
- Planning & Commissioning (net projected under spend of £65,000) due to staff slippage and the accelerated delivery of approved 2020/21 savings.

2.1.10 **Corporate and Democratic Services:** The projected outturn is currently anticipated to be £13,000 more than budget.

2.1.11 This projected over spend is made up as follows –

- Staff slippage targets not achieved at this time (projected over spend of £69,000).
- Third Party Payments (projected over spend of £100,000) due to increased demand for welfare payments and crisis grants.
- Income (projected over recovery of income of £110,000) primarily due to continued high levels of performance in relation to the administration of housing benefit payments,
- Other net under spends across all Divisions (projected net under spend of £46,000).

2.2 Issues Arising from Financial Year 2018/19

2.2.1 In completing the 2018/19 Unaudited Annual Accounts several issues have been identified which require adjustments to be made to the 2019/20 Management Budget.

Devolved School Management (DSM)

2.2.2 In setting the 2019/20 Final Revenue Budget on 20 February 2019 (Report No. 19/46 refers) the Council approved a Devolved School Management (DSM) carry forward of £758,000. However, the final under spend (which included agreed planned carry forwards) on the DSM scheme was £1,067,000, an increase of £309,000 mainly due to additional slippage and a rephasing of expenditure in line with the academic year.

- 2.2.3 **ACTION:** The Committee is requested to allocate the additional under spend of £309,000 to Education & Children's Services to reflect the additional Devolved School Management scheme balances brought forward from 2018/19. This adjustment is reflected in Appendix 1 (Column 3) to this report and has no overall impact on the level of uncommitted Reserves.

Revenue Grants

- 2.2.4 Accounting arrangements under International Accounting Standards require that, subject to certain conditions, revenue grants which were received by the Council in 2018/19 but not utilised by 31 March 2019 should be accounted for in Reserves at the end of the financial year. During 2018/19 £1,421,000 of revenue grants met this criteria. These revenue grants included the Pupil Equity Fund, 1 + 2 Languages, Tayside Regional Improvement Collaborative, Early Learning & Childcare Expansion, Perth Smart Energy Network (PSEN), Air Quality Projects and Syrian Refugee Resettlement Grant.
- 2.2.5 Approval is now sought to adjust the budgets of Education & Children's Services (£792,000), Housing & Environment (£497,000), Corporate & Democratic Services (£58,000) and Health & Social Care (£74,000) for the additional grant funding of £1,421,000.
- 2.2.6 **ACTION:** The Committee is asked to approve the adjustments totalling £1,421,000 to the above Service budgets, funded from Reserves, to reflect revenue grants received in 2018/19 in respect of expenditure which will not be incurred until 2019/20. These additional adjustments are reflected in Appendix 1 (Column 3) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

Infrastructure Works

- 2.2.7 Due to a rephasing of works on the North Muirton Flood Protection Scheme (£193,000) and Perth Bridges (£223,000), from 2018/19 to 2019/20, approval is sought to transfer £416,000 from Reserves to Housing & Environment to complete the works.
- 2.2.8 **ACTION:** The Committee is asked to approve the transfer of £416,000 from Reserves to Housing & Environment for the infrastructure works set out at 2.2.7 above. This adjustment is reflected in Appendix 1 (Column 3) to this report.

Revenue Budget Flexibility

- 2.2.9 The 2020/21 Provisional Revenue Budget includes the application of £49,000 of Revenue Budget Flexibility within Education & Children's Services to support the Review of Facilities Management. Due to the accelerated delivery of the Review, approval is sought to bring forward the funding to 2019/20.
- 2.2.10 **ACTION:** The Committee is asked to approve the transfer of £49,000 from Reserves to Education & Children's Services to reflect the acceleration of the

Review of Facilities Management. This adjustment is reflected in Appendix 1 (Column 3) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

Corporate Property Asset Management Review

2.2.11 The 2018/19 Unaudited Annual Accounts include £300,000 within earmarked Reserves towards the Corporate Property Asset Management review. Furthermore Housing & Environment delivered an additional saving of £132,000 from the Perth Office Project. Approval is now sought to apply these resources to the Corporate Property Asset Management Review in 2019/20.

2.2.12 **ACTION:** The Committee is asked to approve the transfer of £432,000 from Reserves to Housing & Environment towards the Corporate Property Asset Management Review in 2019/20. This adjustment is reflected in Appendix 1

2.3 Movements in Funding

2.3.1 Since the 2019/20 Final Revenue Budget was updated by the Strategic Policy & Resources Committee on 17 April 2019 (Report No. 19/110 refers), notification has been received of additional resources in the current financial year as set out below and in Appendix 3.

Scottish Government: Revenue Support Grant (£5,861,761)

- Teachers Pay Award: £3,776,000 (Education & Children's Services – ECS)
- Teachers Employer Pension Contributions: £1,629,000 (ECS)
- Teachers Induction Scheme: £185,761 (ECS)
- Free Sanitary Products: £54,000 (ECS)
- Statutory Appropriate Adult Service: £14,000 (ECS)
- Rapid Rehousing Transition Plans: £203,000 (Housing & Environment)

2.3.2 The Scottish Government has advised that the increase in Revenue Support Grant of £5,861,791 will be made through a redetermination of the Council's Revenue Support Grant. It is, therefore necessary to adjust both the budget for Education & Children's Services and Revenue Support Grant.

2.3.3 **ACTION:** The Committee is asked to approve the adjustments set out at 2.3.1 above. These adjustments are reflected in Appendix 1 (Column 4) to this report.

Scottish Government Ring Fenced Grant (£46,880)

2.3.4 The Scottish Government has advised that the final amount allocated for Pupil Equity Funding will be £46,880 greater than previously advised. It is therefore necessary to adjust both the budget for Education & Children's Services and Ring-Fenced Grant.

- 2.3.5 **ACTION:** The Committee is asked to approve the adjustments set out at 2.3.4 above. This adjustment is reflected in Appendix 1 (Column 4) to this report.

Other Funding: (£2,041,386)

- 2.3.6 Other funding amounting to £2,041,386 will be paid outside the Revenue Support Grant mechanism as Other Grant income and is, therefore, cost neutral in terms of the budget summary. Details of this other funding are set out in Appendix 3.
- 2.3.7 **ACTION:** The Committee is asked to note the receipt of £2,041,386 of additional resources, with this funding being reflected within Education & Children's Services; Housing & Environment and Corporate & Democratic Services as additional grant income. The current projected outturn assumes that all these additional resources will be fully expended in 2019/20.

2.4 Virements

Contribution to/from Capital Fund

- 2.4.1 In line with the strategy for managing the Council's Capital Programme over the medium term (as reported to Council on 20 February 2019 (Report No. 19/47 refers)) it is recommended that the eventual over or under spend on Capital Financing Costs and Interest on Revenue Balances be transferred from or to the Capital Fund.
- 2.4.2 The latest monitoring indicates an increase in the projected outturn for capital financing costs (loan charges) of £160,000 which reflects projected treasury management activity that will see the Council take advantage of the current favourable interest rates.
- 2.4.3 **ACTION:** The Committee is requested to approve the virement of £160,000 to the Capital Financing Costs (Loan Charges) Budget with a corresponding reduction in the projected Contribution to the Capital Fund. These adjustments have been reflected in Appendix 1 (Column 5) to this report.

Service Virements

- 2.4.4 To ensure that the 2019/20 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements between budgets are required.
- Housing & Environment to Health & Social Care (£41,000) for the Communities First project.
 - Corporate & Democratic Services (£471,000) and Housing & Environment (£29,000) to Health & Social Care for the Charging and Assessment Team.

- Corporate & Democratic Services to Housing & Environment (£25,000) for the provision of administrative support.
- Renewal & Repair Fund to Corporate & Democratic Services (£20,000) to fund developments on the Integrated Human Resources & Payroll system.

2.4.5 **ACTION:** The Committee is asked to approve the adjustments to Service Revenue Budgets listed in 2.4.4 above. These adjustments are reflected in Appendix 1 (Column 5) to this report.

2.5 Movements in Reserves

Transformation Programme (including Workforce Management and Organisational Change)

2.5.1 Approval is sought to adjust the budgets for several approved transformation projects as set out in Appendix 4 to reflect changes in the phasing of expenditure.

2.5.2 **ACTION:** The Committee is asked to transfer £25,000 to Reserves from the Services listed in Appendix 4 to reflect revised expenditure profiles in relation to Transformation. These adjustments are reflected in Appendix 1 (Column 6) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

Provision of Affordable Housing - Council Tax 2nd Home and Long-Term Empty Property Discount

2.5.3 The Strategic Policy & Resources Committee of 17 April 2019 approved the utilisation of £200,000 in 2019/20 from the earmarked Reserve for Affordable Housing (resources accrued from reductions in Council Tax discounts) to take forward the Empty Homes Initiative project that brings unused domestic properties back into use (Report No. 19/110 refers).

2.5.4 Due to the continued success of this initiative and of the work of the Private Sector Access Team, there has been an increase in demand from landlords to bring further empty properties back into use. Consequently, approval is sought for a further contribution of £93,000 in 2019/20 from the earmarked Reserve for Affordable Housing.

2.5.5 **ACTION:** The Committee is asked to transfer £93,000 from the earmarked Reserve for Affordable Housing Reserves to Housing & Environment to take forward the Empty Homes Initiative. This adjustment is reflected in Appendix 1 (Column 6) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

Future Commitments

- 2.5.6 The 2019/20 Housing & Environment Revenue Budget includes funding which will be required in both 2019/20 and 2020/21 in relation to events (£40,000) and rural communities (£80,000). Approval is sought to transfer this funding to an earmarked Reserve to be applied in 2020/21.
- 2.5.7 **ACTION:** The Committee is asked to transfer £120,000 from Housing & Environment to Reserves to fund expenditure on events and rural communities in 2020/21. These adjustments are reflected in Appendix 1 (Column 6) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

3. CORPORATE BUDGETS

Council Tax Income

- 3.1 The monitoring of Council Tax as at 30 June 2019 indicates that the projected level of income is in line with Revenue Budget assumptions as reflected in Appendix 1.
- 3.2 These projections are indicative at this stage and are subject to further review.

Health & Social Care - Perth & Kinross Integration Joint Board

- 3.3 The projected outturn for Health & Social Care is split between that which is delegated to Perth & Kinross Integration Joint Board and that which remains with the Council. Full details of the projected outturn for Health & Social Care are set out in Appendix 5.
- 3.4 Despite uplifts in funding and a significant savings programme, demand for health and social care services continues to grow – both in terms of the number of service users and the complexity of care packages required. This increased demand is across almost all services including care home placements, care at home and mental health & learning disability community packages is factored into the projected outturn below and detailed in Appendix 5.
- 3.5 Perth & Kinross Integration Joint Board (P&KIJB) met on 22 March 2019 to consider the Core Health and Social Care Budget 2019/20, 2020/21 and 2021/22. At that time the P&KIJB noted a £2,842,000 gap in Core Health and Social Care Services. On 26 June 2019 the P&K IJB noted a gap of £752,000 in relation to GP Prescribing and on 27 September 2019 will be asked to note a gap of £543,000 in relation to In-Patient Mental Health Services. This will result in an approved budget that is currently out of balance by £4,137,000.
- 3.6 The meeting of the IJB of 27 September 2019 will consider a financial update as at 31 July 2019 from the Boards Chief Financial Officer which will set out a projected overspend of £4,860,000. This is higher than the approved budget gap with demand growth across several areas higher than planned. The

update by the Chief Financial Officer includes comprehensive commentary on the reasons for the projected overspend and these are set out in detail at Appendix 5.

- 3.7 The approved Integration Scheme sets out a clear process by which projected over spends should be addressed. On that basis, intensive work has been taken forward by the Executive Management Team of the Health and Social Care Partnership to identify all possible options to support the delivery of a balanced budget. The draft Financial Recovery Plan will require to be acceptable to both partners. The resulting Financial Recovery Plan will be considered by the IJB at its meeting on 27 September 2019.
- 3.8 Under the terms of the existing approved Integration Scheme, Perth & Kinross Council is liable for £2,781,000 of the total projected over spend (£4,860,000) and this is reflected in Appendix 1 less a small projected under spend on non-devolved adult care functions (£34,000).
- 3.9 Discussions on future risk sharing arrangements are ongoing between the Council and NHS Tayside. Any proposed changes to the risk sharing arrangement and the projected outturn will be reported to future meetings of the Strategic Policy & Resources Committee.

Contributions to Tayside Valuation Joint Board

- 3.10 The Treasurer of the Tayside Valuation Joint Board is currently projecting that expenditure is in line with budget.

Unfunded Pension Costs

- 3.10 The latest projected outturn, based on current recharges from the Tayside Pension Fund, indicates an under spend of £37,000 which is reflected in Appendix 1.

Apprenticeship Levy

- 3.11 The latest projected outturn, based on current levels of remittance to HM Revenue & Customs, indicates an over spend of £55,000 which is reflected in Appendix 1. This is, primarily, a consequence of the recent pay awards which were more than budgeted levels.

4. HOUSING REVENUE ACCOUNT (HRA)

- 4.1 The Executive Director (Housing & Environment) is currently projecting a break-even position on the Housing Revenue Account. Within this projection there are several variances which are set out below.
- Repairs & Improvements (projected over spend of £572,000) due, primarily to an increase in the number of void properties the Service is managing. The increase in voids is due to the continued proactive approach to ensuring the best use of stock to meet housing need

including the impact of the success of Home First, the increased supply of properties due to new builds and the buyback scheme.

- Letham and North (projected under spend of £10,000) due, in the main, to additional staff slippage.
- Perth City and Specialist (projected under spend of £4,000) due to additional staff slippage and reduced disturbance payments partially offset by property and supplies and services costs.
- Housing Management (projected over spend of £29,000) due to additional staff costs.
- Administration (projected over spend of £63,000) due to increased loan charges and reduced income from recharges.
- Income (projected over recovery of income of £354,000) due, primarily, to a reduction in the bad debt provision and additional rental income.

4.2 The net projected over spends described above result in a reduction in the projected contribution to Capital Financed from Current Revenue (CFCR) (£296,000) available for the HRA Capital Programme.

4.3 Full details of the movement against the HRA Revenue Budget are set out in Appendix 6.

5. MEDIUM TERM FINANCIAL PLAN

5.1 The Council is due to consider the update of the Medium-Term Financial Plan at its meeting on 25 September 2019. However, due to the significant uncertainty at both a national and an international level and the potential impact on public funding, it is proposed to delay consideration of the Medium-Term Financial Plan to 18 December 2019.

5.2 **ACTION:** The Committee is asked to approve the proposal to delay consideration of the Medium-Term Financial Plan by Council to 18 December 2019.

6. CONCLUSION AND RECOMMENDATIONS

6.1. The total net projected over spend on the 2019/20 General Fund, as set out in Appendix 1 to this report, is £3,380,000.

6.2. Additionally, the projected under spend on Devolved School Management Budgets currently stands at £670,000 and £556,000 from the Pupil Equity Fund.

6.3. Of the projected over spend for the Council £2,747,000 relates to Health & Social Care.

6.4. The Executive Director (Housing & Environment) is currently projecting a break-even position on the Housing Revenue Account in 2019/20.

6.5. The Committee is requested to:

- Note the contents of the report;
- Approve the adjustments to the 2019/20 Management Revenue Budget detailed in Appendices 1 to 4 and Section 2 & 3 above;
- Approve 2019/20 Service virements summarised in Appendices 2 and 6;
- Note the Health & Social Care projected outturn summarised in Paragraphs 3.3 to 3.8 and Appendix 5;
- Note the Housing Revenue Account projected outturn summarised in Section 4 above and Appendix 6.
- Approve the proposal to delay consideration of the Medium-Term Financial Plan by Council to 18 December 2019 – see Paragraph 5.2.

Author(s)

Name	Designation	Contact Details
Scott Walker	Chief Accountant	chxfinance@pkc.gov.uk

Approved

Name	Designation	Date
Stewart Mackenzie	Head of Finance	30 August 2019
Jim Valentine	Depute Chief Executive and Chief Operating Officer	2 September 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

1.1. Corporate Plan

1.1.1. The Council's Corporate Plan 2018 – 2022 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.1.2 This report relates to all these objectives.

2. Resource Implications

2.1. Financial

2.1.1. There are no direct financial implications arising from this report other than those reported within the body of the main report.

2.2. Workforce

2.2.1. There are no direct workforce implications arising from this report other than those reported within the body of the main report.

2.3. Asset Management (land, property, IT)

- 2.3.1. There are no direct asset management implications arising from this report other than those reported within the body of the main report.

3. **Assessments**

3.1. Equality Impact Assessment

- 3.1.1. Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.1.2. The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

3.2 Strategic Environmental Assessment

- 3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.2.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

3.3 Sustainability

- 3.3.1 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.3.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. **Consultation**

4.1 Internal

- 4.1.1 The Executive Officer Team have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

Appendix 1 –	General Fund 2019/20 Revenue Budget - Summary
Appendix 2 –	General Fund 2019/20 Projected Outturn – Service Analysis
Appendix 3 –	Other 2019/20 Funding
Appendix 4 –	Corporate Transformation Funding 2019/20
Appendix 5 –	Health & Social Care 2019/20 Projected Outturn
Appendix 6 –	Housing Revenue Account 2019/20 Projected Outturn

PERTH & KINROSS COUNCIL GENERAL FUND
2019/20 REVENUE BUDGET - SUMMARY

APPENDIX 1

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	2019/20 Council Approved Budget Feb-19	Previously Approved Adjustments (Net)	2018/19 Final Accounts Adjusts	Movements in Funding	Virements	Movements in Reserves	2019/20 Revised Mgt Budget	Projected Outturn	Variance to Revised Mgt Budget	Variance to Revised Mgt Budget
<i>Reference: Section in Report</i>		1.2	2.2	2.3	2.4	2.5		2.1		
SERVICE	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Education & Children's Services	179,962	841	1,150	5,706		142	187,801	187,801	0	0.00%
Housing & Environment	68,449	(1,311)	1,345	203	(45)	(142)	68,499	69,101	602	0.88%
Corporate & Democratic Services	31,666	1,268	58		(476)	9	32,525	32,538	13	0.04%
Sub - Total: Service Budgets	280,077	798	2,553	5,909	(521)	9	288,825	289,440	615	0.21%
Corporate Budgets										
Health & Social Care	51,804	2,949	74		541	(61)	55,307	58,054	2,747	4.97%
Contribution to Valuation Joint Board	1,171	77					1,248	1,248	0	0.00%
Capital Financing Costs	12,725				160		12,885	12,885	0	0.00%
Interest on Revenue Balances	(200)						(200)	(200)	0	0.00%
Net Contribution to/(from) Capital Fund	1,626				(160)		1,466	1,466	0	0.00%
Contribution to/(from) Insurance Fund	200						200	200	0	0.00%
Contribution from Renewal and Repair Fund	0				(20)		(20)	(20)	0	0.00%
Trading Operations Surplus	(350)						(350)	(350)	0	0.00%
Support Service External Income	(1,888)						(1,888)	(1,888)	0	0.00%
Un-Funded Pension Costs	1,595						1,595	1,558	(37)	(2.32%)
Apprenticeship Levy	680						680	735	55	8.09%
Council Tax Reduction Scheme	6,200						6,200	6,200	0	0.00%
Discretionary Relief	150						150	150	0	0.00%
Net Expenditure (General Fund)	353,790	3,824	2,627	5,909	0	(52)	366,098	369,478	3,380	0.92%
Financed By:										
Revenue Support Grant	(186,275)	(1,545)		(5,862)			(193,682)	(193,682)	0	0.00%
Ring Fenced Grant	(10,531)			(47)			(10,578)	(10,578)	0	0.00%
Non Domestic Rate Income	(56,590)						(56,590)	(56,590)	0	0.00%
Council Tax Income	(89,468)						(89,468)	(89,468)	0	0.00%
Capital Grant	(1,600)	(109)					(1,709)	(1,709)	0	0.00%
Total Financing	(344,464)	(1,654)	0	(5,909)	0	0	(352,027)	(352,027)	0	0.00%
Financed from/(returned to) Reserves including use of Budget Flexibility (£3.232m)	9,326	2,170	2,627	0	0	(52)	14,071	17,451	3,380	

PERTH & KINROSS COUNCIL - GENERAL FUND 2019/20 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 June 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Education & Children's Services			
Total	0		
		(370)	Devolved School Management (DSM)
			Staff Costs Teachers salaries are projected to under spend by £1,889,000 due to staff turnover. Single Status staff are projected to under spend by £537,000 also due to staff turnover. This is offset by a slippage target for 2019/20 of £2,056,000. These projections will be updated once head teachers confirm their spending plans for the 2019/20 academic year.
		(150)	Supplies & Services Projected under spend on educational materials which will be carried forward into the 2020/21 academic school year.
		(150)	Income Projected additional income which offsets expenditure on staff costs included above for secondments and Scottish Qualifications Agency work.
		670	The projected DSM carry forward for 2019/20 is £670,000 which is a reduction of £396,000 on the balance brought forward from 2018/19. This level of carry forward represents approximately 0.67% of the overall DSM budget.
		(556)	Pupil Equity Fund The majority of schools within Perth and Kinross Council have been allocated a share of £1,667,400 of Pupil Equity Funding from the Scottish Government as a ring fenced grant as well as £639,000 that has been carried forward from financial year 2018/19. The funding covers the school academic year (i.e. 1 July 2019 to 30 June 2020) and at this stage in the academic year it is projected that £556,000 will be carried forward to 2020/21.
		556	Projected carry forward of Pupil Equity Funding.
		(294)	Other Education & Children's Services Sectors: Staff Costs This projected under spend is made up of movements across all sectors and cost centres and is after recognising a slippage target of £1,212,000. This also allows for £131,000 of mobile working transformation savings that have not yet been identified.
		50	Supplies and Services Projected over spend due to additional expenditure on legal fees in relation to kinship care (£35,000) and mobile phones for social work staff due to General Data Protection Regulation requirements (£15,000).
		198	Home to School Transport Projected over spend due to additional demand on Additional Support Need e.g. young people transferring to external placements.
		52	Third Party Payments There is a projected over spend due to increased self directed support costs within Children, Young People & Families (£28,000) and Throughcare & Aftercare (£80,000) which is partially offset by projected under spends on Continuing Care (£45,000) and service level agreements (£11,000).
		162	Residential Schools/Foster Care and Kinship Care: The budget for young people with Additional Support Needs (ASN) who are educated outwith the Council's mainstream school provision is projected to over spend in the current financial year based on the number of known placements at this time.
		(407)	The budget for young people with complex behavioural issues which includes a number of pupils placed within residential schools is projected to under spend based on current activity levels.
		128	Based on the latest demand information, there is a projected over spend on foster care (£101,000) and kinship care (£27,000).
		111	Income Projected shortfall in income from recharges to grants (£165,000) and reduced paid school meals uptake (£30,000) partially offset by Unaccompanied Asylum Seeking Children grant income (£84,000).

PERTH & KINROSS COUNCIL - GENERAL FUND 2019/20 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 June 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<u>Housing & Environment</u>			
Total	602		
		340	<u>Service-Wide Budgets</u> Projected shortfall in achievement of residual Corporate procurement savings target. £1.085m savings have already been generated from targeted reductions in price across a range of supplies, services and commodities. Short term funding has been secured through the revenue budget process to identify and target potential areas for further savings but progress has been delayed due to staff turnover. Alternative arrangements for resourcing this piece of work are being pursued as a matter of priority.
		500	Projected non- achievement of Service staff slippage target of £1.2m.
		40	Projected shortfall in achievement of current year Corporate Property Asset Management Review transformation project savings target relating to the rationalisation of the property estate. Approximately £955,000 of the £1.295m savings target in 19/20 has already been achieved with work continuing on options for generating the balance of savings.
			<u>Planning & Development</u>
		50	Projected consultancy and legal costs relating to the examination stage of the Local Development Plan.
		75	Projected non-achievement of target for generating income from and sponsorship of Council-run events.
			<u>Roads & Transport</u>
		(300)	Projected underspend on Flooding revenue budget.
			<u>Car Parking</u>
		(300)	Projected additional income from on and off street parking.
		300	Contribution to Car Park Reserve.
			<u>Housing</u>
		(35)	Projected under spend on staff costs due to reduced recharges from the HRA to the Housing General Fund (£64,000), staff slippage (£12,000) plus over-recovery of income across a range of activities (£9,000). These under spends are partly offset by a projected over spend within non-staff budgets (£34,000) and on loan charges for RIO House (£14,000).
			<u>Business & Resources</u>
		(3)	Accelerated delivery of approved 2020/21 savings (£7,000) plus projected under spend on staff costs (£26,000) offset by an under-recovery of income as a result of reduced recharges to the HRA due to staff slippage (£30,000).
			<u>Planning & Commissioning</u>
		(65)	Accelerated delivery of approved 2020/21 savings (£15,000), staff slippage (£47,000) plus small over recovery of income (£3,000).

PERTH & KINROSS COUNCIL - GENERAL FUND 2019/20 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 June 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<u>Corporate & Democratic Services</u>			
Total	13		
			<u>Core Costs</u>
		57	Projected over spend due to slippage on the delivery of approved savings.
			<u>Legal Services</u>
		94	Non achievement of staff slippage at this time.
		37	Projected net over spend on other costs across the Division.
			<u>Finance</u>
		15	Projected net over spend primarily due to non achievement of staff slippage at this time.
			<u>Human Resources</u>
		(57)	Staff slippage in excess of target.
			<u>Strategic Commissioning & Organisational Development</u>
		(45)	Staff slippage in excess of target.
			<u>Cultural and Community Services</u>
		6	Various net projected over spends across staff costs, supplies and services, third party payments and transport costs.
			<u>Revenues & Benefits and Customer Service Centre</u>
		100	Increased demand for payments from Welfare Fund / Crisis Grants
		(100)	Net projected under spends across the function
		(94)	Increased performance in relation to Housing Benefit Overpayments
TOTAL	615		

APPENDIX 3

Other 2019/20 Funding

Education & Children's Services	
Scottish Government – Criminal Justice Service (top-up)	£286,000
Creative Scotland – Youth Music Initiative Programme	£245,208
Scottish Government – Developing the Young Workforce	£170,000
Scottish Government – Caledonian Project	£157,040
Scottish Government – No-One Left Behind	£114,387
Life Changes Trust – Perth & Kinross Champions Board	£74,034
Visit Scotland – Solheim Cup Project Officer	£18,430
NHS Tayside – Health Promotion	£10,000
Education Scotland – Food for Thought	£6,683
Youth Link Scotland – Cashback for Communities	£4,250
Education Scotland – Creative Curriculum Fund	£3,000
Children in Scotland – ELC Inclusion Fund	£2,162
Housing & Environment	
Scottish Government – EV Charging Infrastructure Programme	£250,000
Paths for All – Smarter Choices, Smarter Places	£247,000
Scottish Enterprise – Can Do Innovation Challenge Fund	£150,000
Scottish Government – Local Air Quality Management	£78,616
Scottish Government – No-One Left Behind	£71,005
Scottish Government – Air Quality Action Plan Support	£63,100
Scottish Government – Chargeplace Scotland Network	£45,547
Corporate & Democratic Services	
Sport Scotland – Community Sports Hubs	£35,890
Sport Scotland – Active Schools	£9,034
TOTAL	£2,041,386

Corporate Transformation Projects

Education & Children's Services	
Evidence Based Improvement Methodology	£55,000
Angel Share Projects	£29,000
Supporting Professional Development	£23,000
Protecting People / Resourcing Getting it Right in P&K	£20,000
Review of Inclusion Services	£15,000
Housing & Environment	
Review of Council Assets for Commerical Sponsorship	£24,000
Active Learning Programme	£6,000
Fleet Optimisation and Utilisation Review	£(5,000)
Income Generation	£(30,000)
Enabling Collaboration	£(110,000)
Corporate & Democratic Services	
Intent Based Leadership	£25,000
Organisational Development	£13,000
Fairness Commission	£5,000
Digital Skills	£(34,000)
Health & Social Care Partnership	
Angel Share Projects	£4,000
Review of Community Care Packages	£(65,000)
TOTAL	£(25,000)

HEALTH AND SOCIAL CARE - 2019/20 PROJECTED OUTTURN
(Based on Expenditure to 31 July 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Perth & Kinross Health & Social Care Partnership			
SOCIAL CARE			
Older People			
Total	958		
		380	Care at Home Demand External Care at Home services including Direct Payments are projecting an over spend (£103,000) . The majority of the remaining projected overspend (£220,000) is primarily in relation to the use of Step Up and Interim beds, for which there is no recurring budget identified.
		(90)	Care at Home Underspend There are projected under spends in the internal teams due to delays in recruitment and staff turnover.
		(18)	JELS Store/Occupational Therapy/Telecare There are projected over spends on staff costs (£98,000) mainly due to all posts being filled and therefore not meeting the slippage target. There is a projected overspend on property costs (£13,000) due to the Community Alarm move to the fire station and pressure due to telephone line charges (£6,000). These are offset by projected under spends on occupational therapy equipment purchases and maintenance (£107,000) and additional income (£28,000).
		740	External Residential & Nursing Home Placements Older People permanent placements are projecting an over spend based on client numbers (£380,000). In addition an over spend on crisis placements is projected, for which there is no budget (£360,000). There are currently 14 clients in active crisis placements.
		93	Local Authority Residential Homes Staff slippage targets are not being met due to both homes being close to fully staffed (£122,000). A further over spend is projected in Parkdale due to additional staff hours required for client increased needs (£42,000) and travel costs (£4,000). Across the 2 homes there is additional income due to the financial profile of individual residents and occupancy levels (£75,000) which reduces the projected over spend.
		(45)	Services to Carers Under spend on other grants due to a reduction in prior year commitments.
		(95)	Carers Act Funding There is an in year under spend on the investment monies for New Carers Services due to the part year implementation of various projects.
		34	Other There are projected over spends within external transport due to a reduction in volunteer drivers resulting in increased expenditure on taxi/private hire (£28,000). Based on spend to date, there is a projected over spend on short breaks within the South Locality (£6,000).
		(41)	Slippage in Investment Monies Slippage from the delay in recruitment of Technology Enabled Care / Digital post (£13,000) and Enhanced Community Services (£28,000).
Adult Support & Wellbeing			
Total	437		
		161	Learning Disability Demand Projected over spend on external transport due to additional demand (£97,000). A transport working group has been set up to review efficiency of use. In addition there is an increase in the number of service users.
		7	Mental Health Demand
		(47)	Learning Disability & Mental Health Underspends Projected under spend from day services staff costs due to vacancies and additional client contributions.

HEALTH AND SOCIAL CARE - 2019/20 PROJECTED OUTTURN
(Based on Expenditure to 31 July 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
		316	Other / Unmet Savings The transformation savings from Fairer/Better Futures for People with Learning Disabilities / Autism have not yet been delivered and is not yet deemed to be on track to deliver, therefore the projection reflects an unmet saving (£350,000). There are further over spends in relation to an additional service user accessing further education (£29,000), property costs at Highland House (£33,000) and an agreed uplift rate for a provider (£7,000). These are partially offset by projected under spends within Supported Living due to vacancies, contracts being reviewed and also additional income from Health being agreed (£103,000).
Localities and Early Intervention & Prevention			
Total	167	167	Early Intervention & Prevention Projected over spend within Locality Teams primarily due to teams being fully staffed and slippage targets therefore not being met.
Management and Commissioned Services			
Total	1,219	(289)	Management There is a projected under spend due to a projected over-recovery of Contributions Policy income (£319,000) which is partially offset by a projected over spend on management staff costs due to unmet slippage target (£18,000) and additional staff costs (£12,000).
		(44)	Commissioned Services The under spend reflects the latest projected position in relation to grant payments.
		(648)	Free Personal Care Under 65 Funding Significant slippage against under 65 funding is forecast at this time.
		2,200	Savings Recurring over spends due to not meeting approved savings targets - IT Efficiencies/Productivity (£197,000). Balance of approved as well as gap within financial plan (£2,003,000 - original amount £2,367,000).
TOTAL SOCIAL CARE	2,781		
CORE HEALTH			
Older People			
Total	389	183	Medicine for the Elderly Tay Ward is projecting an over spend (£252,000) due to beds being open between 16/18 and funding allows for 12/14. Significant supplementary staffing costs (mix of bank and agency staff) are being incurred to staff beds at this level. This forecast assumes this level of activity until March 2020. This position is being partially offset by a forecast underspend in senior medical staffing due to a part consultant vacancy (£69,000).
		256	Psychiatry of Old Age The 3 inpatient wards (Garry/Tummel/Leven) are forecasting an over spend (£421,000) due to significant use of supplementary staffing resulting from vacancies within wards, but also an increase in patient acuity and dependency levels requiring a sustained increase in staffing support. This overspend is being partially offset by staff slippage (£165,000) within Community Mental Health Teams, driven by vacancies and delays in recruitment.
		372	Community Hospitals £160,000 of this projected over spend relates to post holders previously within Aberfeldy that have not yet been redeployed. Work is ongoing through management and HR with employees to identify suitable posts. The remaining projected overspend (£212,000) is driven by all hospitals incurring pressure from incremental drift and supplementary staffing due to sickness and vacancies.
		(22)	Community Nursing
		106	Allied Health Professionals An undelivered saving from the integration of occupational therapy from previous years remains within this service budget.

HEALTH AND SOCIAL CARE - 2019/20 PROJECTED OUTTURN
(Based on Expenditure to 31 July 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
		(189)	Other Projected under spend within Intermediate Care (£155,000) due to vacancies within the Frailty Team and across locality teams. Anticoagulation underspend (£34,000) due to reduced recharge and some vacant
		(317)	Investment Monies Slippage Slippage from investment in Enhanced Community Support (£175,000), digital Technology Enabled Care (£13,000), staff costs due to delays in recruitment (£46,000) and implementation of Rehabilitation Beds (£83,000).
Adult Support & Wellbeing			
Total	435	25	Community Mental Health
		410	Complex Care Through budget setting, an additional £475,000 was approved for complex care. Packages have continued to increase in number and as at end July, this budget over spend is projected (£410,000). This projection is expected to increase due to packages continuing to be approved.
Management, Admin & Other Services			
Total	(87)	32	Management Financial Plan approved deficit of £475,000 being partially offset by surplus budget through financial plan (£443,000).
		(9)	Admin & Clerical
		(110)	Other Services Medical Training projected under spend (£105,000) together with small underspends within Primary Care and Voluntary Grants.
TOTAL CORE HEALTH	737		
TOTAL HEALTH & SOCIAL CARE PARTNERSHIP	3,518		
OTHER HEALTH SERVICES			
		707	Prescribing
		188	General Medical Services / Family Health Services
		(131)	Other Hosted Services
		578	In Patient Mental Health Services
TOTAL OTHER HEALTH SERVICES	1,342		
TOTAL PERTH & KINROSS INTEGRATED JOINT BOARD	4,860		
RISK SHARE UNDER CURRENT ARRANGEMENT			
	2,079		NHS Tayside
	2,781		Perth & Kinross Council

HEALTH AND SOCIAL CARE - 2019/20 PROJECTED OUTTURN
(Based on Expenditure to 31 July 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
OTHER ADULT SOCIAL CARE			
		16	Mental Health Officers Projected over spend on staff costs due to slippage targets not being met
		2	Forensic Team Miscellaneous projected over spends
		(8)	Business Systems Miscellaneous projected under spends
		(44)	Policy, Contracts and Commissioning Slippage in excess of budgeted levels
TOTAL OTHER ADULT SOCIAL CARE	(34)		

PERTH & KINROSS COUNCIL - HOUSING REVENUE ACCOUNT 2019/20 PROJECTED OUTTURN
(Based on Expenditure to 30 June 2019)

£'000	Summary of Service Variances
572	<p>Repairs & Improvements</p> <p>Due to a proactive approach to ensuring the best use of stock to meet housing need, voids continue to increase. This is an impact of the success of Home First, the increased supply of properties due to new builds and the buyback scheme. Productivity continues to improve with the internal trades teams carrying out approximately 90% of non-specialist repairs. This has resulted in a projected over spend on stock purchases (£380,000) and on external voids (£114,000) based on the committed spend to date. In addition over spends are projected with disturbance payments (£40,000), a shortfall in income for outsourced kitchen and bathroom renewals (£126,000), staff costs as a result of not meeting slippage targets, additional Electricians approved last financial year and standby and overtime within trades (£54,000). These projected over spends are partially offset by a projected under spend within Garages and Lock-ups (£60,000) and increased income for recoverable charges in external voids (£82,000).</p>
(10)	<p>Letham, North & South</p> <p>There is a projected under spend on staff costs due to additional staff slippage (£8,000), a projected over-recovery of income (£3,000) and an under spend on transport costs (£1,000) the Garden Maintenance contract (£3,000). These projected under spends are partially offset by other miscellaneous over spends (£2,000).</p>
(4)	<p>Perth City and Specialist</p> <p>Additional staff slippage (£16,000), reduced disturbance payments (£10,000) and additional income (£7,000) partially offset by additional property costs relating to a dispersed alarm maintenance contracts within sheltered housing complexes (£17,000) and supplies and services (£12,000).</p>
29	<p>Housing Management</p> <p>There is a projected over spend on staff costs across this area of activity.</p>
63	<p>Administration</p> <p>Projected over spend on loan charges (£22,000) and reduction in income from recharges to the General Fund (£41,000).</p>
(354)	<p>Income</p> <p>Projected increase in income across the Housing Revenue Account (£125,000), a reduction in the level of bad debt provision required (£250,000) partially offset by reduced interest on revenue balances (£21,000).</p>
(296)	<p>Capital Financed from Current Revenue</p> <p>As a result of the projected net over spends highlighted above, this is the reduction in the amount available to invest in the HRA capital programme from the Revenue Budget.</p>
0	

PERTH & KINROSS COUNCIL

Strategic Policy & Resources Committee – 11 September 2019

ANNUAL EFFICIENCY STATEMENT 2018/19

Report by Head of Finance
(Report No. 19/247)

PURPOSE OF REPORT

This report presents Perth & Kinross Council's Annual Efficiency Statement for 2018/19. The statement was submitted to the Convention of Scottish Local Authorities (COSLA) for consolidation into the national return to the Scottish Government. The report summarises the efficiency gains made by the Council during 2018/19 and describes how, in the context of a challenging financial climate, the Council may make further efficiency gains in future financial years.

1. INTRODUCTION

- 1.1 The Efficient Government initiative was originally launched in November 2004 and is a key part of the programme of reform and modernisation of the public sector in Scotland.
- 1.2 For financial year 2018/19, the Scottish Government expects every public body to deliver efficiency savings of at least 3% and to report publicly on the actions undertaken and the results achieved.
- 1.3 All efficiency measures counted against these targets are intended to be 'cash-releasing' in that they are intended to generate cash savings or allow for a greater volume of service delivery with no increase in cost. Local authorities are permitted to retain cash-releasing efficiency savings for re-investment in frontline service delivery.
- 1.4 Perth & Kinross Council continues to be committed to making the best use of public resources and the identification of efficiency savings forms a key element of the Council's financial management strategy. This is evidenced through the Council's approach to preparing the Revenue Budget where Council Services are asked to contain their own expenditure pressures through the identification of efficiency savings in the first instance. The delivery of approved efficiency savings, thereafter, becomes an integral part of the management of each Council Service's Revenue Budget and is monitored, as part of the Council's overall revenue monitoring process, by the Strategic Policy and Resources Committee.
- 1.5 In common with all other Scottish Local Authorities, Perth & Kinross Council has agreed to prepare and publish an Annual Efficiency Statement. The format and content of the statement (Appendix 1 to this report) is based upon

guidance received from the Convention of Scottish Local Authorities (COSLA) which places the emphasis on how local authorities have “used efficiencies to protect quality and level of services and maintained outputs and outcomes in the face of budget cuts”. It is understood that COSLA are reviewing the formant of the efficiency statement for future years.

- 1.6 In line with the approved timetable the Council’s Annual Efficiency Statement was submitted to COSLA for consolidation into the national return for the Scottish Government.

2. BACKGROUND

- 2.1 The Council has a successful record in identifying and delivering efficiencies. In the previous twelve financial years in which local authorities have formally reported upon efficiency savings (2006/07 – 2017/18), Perth & Kinross Council has consistently exceeded the national target which has allowed efficiency savings to be re-invested in supporting service delivery.
- 2.2 The identification and delivery of efficiency savings is undertaken within the context of a robust policy framework and resource management strategy. The Councils five strategic objectives are set out in the [Corporate Plan 2018-2022](#) which was approved by Council on 7 March 2018 (Report No. 18/68 refers) and the [Community Plan \(Local Outcomes Improvement Plan\) 2017-27](#) approved by Council on 4 October 2017 (Report No. 17/322 refers).
- 2.3 The delivery of the Community Plan is supported internally through the Council’s Corporate Plan and individual Service Business Management and Improvement Plans.
- 2.4 The Council’s Updated Medium-Term Financial Plan 2019-2024 was approved by Council on 3 October 2018 (Report No. 18/326 refers). The Council also has approved Revenue Budgets in place for 2019/20 (final) and 2020/21 & 2021/22 (provisional) which were considered by Council on 20 February 2019 (Report No. 19/46 refers).
- 2.5 In addition, Asset Management Plans for individual key asset categories such as Roads Infrastructure (Report No. 15/254 refers), Fleet & Mechanical Equipment (Report No. 15/255 refers) and Greenspace (Report No. 17/392 refers) further support the Council’s approach to resource planning.
- 2.6 The Council continues to strengthen its internal arrangements for identifying and delivering efficiency savings in anticipation of significant further reductions in public sector funding and increased demand for Council services. A key element of this approach has been the further development of the strategy for reshaping our workforce in a positive and proactive way in the future, through the development of a range of workforce management measures. These measures include revised arrangements for vacancy management; managing short-term resourcing requirements and enhancing capacity and improving performance.

- 2.7 The [Workforce Plan for Perth & Kinross Council 2018-2021](#) was approved by the Council on 7 March 2018 (Report No. 18/69 refers). This plan identifies key workforce planning challenges facing the Council over the next three years, with reference to particular occupational groups. It also provides an overview of the wider influences at a regional and national level. Priorities and measurable outcomes have been developed under several themes which reinforce the Council's commitment to its people and underpin its approach to workforce planning in respect of continued public service reform, the Council's transformation agenda and modernisation of working practices. The Council's workforce management measures are also kept under review by the Executive Officer Team through regular monitoring of workforce governance.

3. EFFICIENCY GAINS IN 2018/19

- 3.1 Between Corporate and Service Revenue Budgets, the Council has delivered cash releasing efficiency savings totalling £9.113m in 2018/19 which are summarised in the table below. This represents approximately 2.6% of the Council's Net Revenue Budget for 2018/19 approved by the Strategic Policy and Resources Committee on 17 April 2019 (Report No. 19/110 refers). This is below the national target of 3% and is an indication of the growing challenge of identifying further efficiency savings.

	Cash Releasing Savings £'000
Service Revenue Budgets	6,138
Corporate Revenue Budgets	2,975
TOTAL	9,113

- 3.2 Appendix 1 to the report sets out the submission to COSLA in the prescribed format.

4. KEY AREAS OF EFFICIENCY GAIN IN 2018/19

- 4.1 The Council has continued to make more effective use of its assets including reduced energy and water costs following several corporate initiatives to reduce consumption and the continued rationalisation of the number of properties it occupies.
- 4.2 As a member of the Tayside Procurement Consortium and Scotland Excel, the Council continues to realise efficiency savings through collaborative purchasing arrangements with other public sector bodies based upon nationally negotiated contracts.
- 4.3 Council Services also realised further procurement savings from several initiatives including reviews of commissioned services (including care packages) and service level agreements across the Council, reviewing contract specifications and renegotiating contracts.

- 4.4 In financial year 2018/19, and consistent with previous years, efficiency savings in relation to the management of expenditure on staff costs contributed towards the level of efficiencies reported.
- 4.5 Many of these savings were realised through the pro-active and stringent management of staffing vacancies across the Council by both Service Management Teams and the Executive Officer Team. This was further supported by the corporate workforce management measures that are in place to support Services. All Services exceeded their budgeted staff turnover or “slippage” targets for non-teaching posts.
- 4.6 Efficiency savings from workforce planning were also generated in 2018/19 through further service transformation, modernisation, re-design and reviews across all Council Services.
- 4.7 However, the continuing reduction in the size of the workforce over a number of years is leading to reduced capacity across the Council.
- 4.8 The Council is constantly aiming to identify more efficient working practices and increased use of technology has contributed to savings in this category.
- 4.9 Significant recurring savings are also generated by the continued proactive management of the Council’s treasury function. This sees the Council take advantage of borrowing opportunities as an integral part of its strategy for long term borrowing.

5. KEY AREAS TARGETED FOR 2019/20 AND FUTURE YEARS

- 5.1 The latest update of the Council’s Medium-Term Financial Plan was approved on 3 October 2018 (Report No. 18/326 refers). The report sets the local context for what is widely anticipated to be a continuing period of financial challenge for the public sector. The Medium Term Financial Plan will be refined with the next update scheduled to be considered by Council in December 2019.
- 5.2 As well as a Final Revenue Budget for 2019/20, the Council also has in place Provisional Revenue Budgets for 2020/21 and 2021/22. These detailed Revenue Budgets complement the Medium-Term Financial Plan and further demonstrate the Council’s commitment to sustainable financial planning over the short to medium term and provide authority to officers to continue with the transformation of services delivery across the Council.
- 5.3 “Building Ambition: the Council’s Transformation Strategy 2015-2020”, which was approved by the Council on 1 July 2015 (Report No. 15/292 refers) included a programme of major projects which would lead the Council into the next stage of its transformation journey. The programme includes the introduction of revised service delivery models and ongoing improvement activities across the Council. The Strategic Policy and Resources Committee have received regular updates on transformational progress including financial and performance updates.

- 5.4 As new transformation projects have been developed these have been approved by the Strategic Policy and Resources Committee and added to the original Transformation Strategy 2015-2020.
- 5.5 The identification and delivery of efficiency savings in 2019/20 and beyond will continue to play a significant role in the future management of the Council's finances. However, it is becoming increasingly unlikely that the delivery of efficiency savings alone will be enough to offset the projected increased demand for Council services and reductions in Council funding.
- 5.6 The Council, therefore, recognises that it needs to continue to adapt, modernise and build on its strong track record of innovation and improvement, along with strengthening its commitment to putting people at the heart of what it does.
- 5.7 Central to this is the development of the Perth and Kinross Offer which seeks to recognise citizens and communities as co-creators as well as consumers of services. The Perth and Kinross Offer sets out to create more equal partnerships, by redefining relationships and the social contract between the Council and its citizens, partners and communities. Although still evolving, the Perth and Kinross Offer will articulate the joint ambitions for the people of Perth and Kinross, create a shared focus, and drive the collective efforts for the sustainable future of the area. Several key themes have been identified:
- Equalities and Fairness
 - Economy and Entrepreneurship
 - Education and Learning
 - Environment
 - Empowerment
- 5.8 As the Perth and Kinross Offer is developed, the Council will adapt the way it works with employees, partners and other stakeholders. Throughout its development, elected members will be engaged in shaping the offer. This will be underpinned by a review of governance and performance arrangements, using the CIPFA Mark of International Excellence Framework, including more outcomes focused performance measures.
- 5.9 The main focus will be on understanding what matters to everyone who lives, works, visits and invests in Perth and Kinross, and co-creating the conditions and opportunities for everyone to Live Life Well.

6. CONCLUSION AND RECOMMENDATIONS

- 6.1. Perth & Kinross Council has identified cash-releasing efficiency savings totalling £9.113m (both recurring and non-recurring) in 2018/19 representing 2.6% of the Council's Net Revenue Budget. Efficiency gains have been identified across all Council Services. The identification and delivery of future efficiency savings will remain a key component of the Council's financial strategy during a continuing period of financial constraint.

6.2. The Committee is requested to note the contents of the report.

Author

Name	Designation	Contact Details
Scott Walker	Chief Accountant	chxfinance@pkc.gov.uk

Approved

Name	Designation	Date
Stewart Mackenzie	Head of Finance	27 August 2019
Jim Valentine	Depute Chief Executive and Chief Operating Officer	28 August 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

1.1. Corporate Plan

1.1.1. The Council's Corporate Plan 2018 – 2023 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.1.2 This report relates to all these objectives.

2. Resource Implications

2.1. Financial

2.1.1. There are no direct financial implications arising from this report other than those reported within the body of the main report.

2.2. Workforce

2.2.1. There are no direct workforce implications arising from this report other than those reported within the body of the main report.

2.3. Asset Management (land, property, IT)

- 2.3.1. There are no direct asset management implications arising from this report other than those reported within the body of the main report.

3. **Assessments**

3.1. Equality Impact Assessment

- 3.1.1. Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.1.2. The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

3.2 Strategic Environmental Assessment

- 3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.2.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

3.3 Sustainability

- 3.3.1 Under the provisions of the Local Government in Scotland Act 2003 the Council must discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.3.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. **Consultation**

4.1 Internal

- 4.1.1 The Chief Executive, Depute Chief Executive and Executive Directors have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

Appendix 1 – Confirmation of Efficiencies Delivered in 2018/19

APPENDIX 1

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2018/19

1	Local Authority Name	Perth & Kinross Council
2	Total cash efficiency achieved for 2018/19 £'000	£9.113m (£6.138m recurring / non-recurring) (£2.975m treasury management)
3	<p>Summary of efficiency activity e.g.</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>The Council continues to progress with its efficiency agenda as part of its overall transformation strategy.</p> <p>The stringent application of approved workforce planning measures and vacancy management has contributed savings of £1.201m during financial year 2018/19.</p> <p>The Council also utilises a wide range of information to assess productivity which is reviewed annually for its effectiveness as part of our business planning process.</p> <p>Key efficiency measures in 2018/19 include:</p> <ul style="list-style-type: none"> • Utilisation of a range of workforce planning measures across all Council Services. • More efficient use of all Council buildings. • Further efficiencies through the introduction of modern ways of working and new technology. • Continued delivery of the approved transformation programme to bring about further service modernisation and redesign. • Income maximisation • Further savings through proactive treasury management. • Further moves towards the commissioning of services rather than their direct provision. • Maximise opportunities from improved procurement. <p>Work continues with Perth & Kinross Integration Joint Board on Health and Social Care Integration to maximise the benefit of joined up working across the Perth & Kinross Community Planning Partnership and across Tayside.</p>

		Significant savings have been generated through proactive management of the Council's borrowing with the Council's Consolidated Loans Fund interest rate being significantly less than the estimated Scottish average.
4	Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000 (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.	Procurement = £3.035m
		Shared Services = £0.0m
		Asset Management = £1.015m
5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	<p>The Council has performance management arrangements in place and publishes a comprehensive annual performance report which summarises both the Council's own assessment of its progress and the findings of the external scrutiny bodies charged with assessing standards of service delivery. Individual Service Annual Performance reports were considered by Committees in May 2019. It is anticipated that the Council will consider the Perth & Kinross Annual Performance Report for 2018/19 at its meeting on 25 September 2019. This will provide an overview of performance for the period 1 April 2018 to 31 March 2019.</p> <p>The Council seeks to deliver efficiency gains whilst maintaining and improving standards of service.</p> <p>All efficiency and transformation projects require a business case which sets out the key benefits and measures which will be used to assess the success of each initiative.</p>

Signed:	Karen Reid	(Chief Executive)
Signed:	Cllr Murray Lyle	(Council Leader)
Date: 23 August 2019		

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee

11 September 2019

BUSINESS LOAN FUNDING UPDATE

**Report by Depute Chief Executive, Chief Operating Officer
(Report No. 19/248)**

PURPOSE OF REPORT

This report seeks approval to implement a Business Micro Credit Fund via the Perth and Kinross Credit Union; provides an update on business loans approved via Business Loans Scotland; and seeks approval to agree to a change in the Articles of Association of Business Loans Scotland.

1. BACKGROUND

- 1.1 In February 2018, the Council approved funding of £100K in 2019/20 to establish a Business Micro Credit Fund. At the Strategic Policy and Resource Committee in November 2018, the Council agreed in principle to further explore the establishment of a micro credit loan fund for business in rural Perth and Kinross. It was agreed to bring back a report on progress to this committee.
- 1.2 In parallel with the agreement to establish a Micro Credit Loan Fund the Committee approved a Rural Micro Enterprise Fund for 2018/19 and 2019/20. The Fund is now closed, with sixty three businesses awarded an average grant of £3750.

2. PROPOSED RURAL MICRO CREDIT LOAN FUND

- 2.1 The Council is not authorised by the Financial Conduct Authority to make business loans of between €200 and €75000 therefore there have been a number of meetings with the Perth & Kinross Credit Union to investigate the establishment of a micro loan fund for rural small businesses. The best option to allow the Credit Union to implement a Micro Loan Fund on the Council's behalf is to provide the organisation with the funding to distribute in a very similar way to their existing personal loans, but to business owners for business projects.
- 2.2 Rural micro businesses (either existing or proposed start-ups) could apply for between £500 and £1500, with an interest rate of 3% being applied, and a repayment period of between 6 to 24 months dependent on the amount loaned. A Service Level Agreement outlining the details of the proposal is attached at Appendix 1. The Credit Union will be required to provide quarterly

reports detailing the numbers and scale of loans provided. A review period has been built in which will allow us to reclaim the remaining funding if the Fund fails to attract sufficient business clients.

3. BUSINESS LOANS SCOTLAND

- 3.1 Business Loans Scotland (BLS) was formed in March 2017, with 27 Scottish Local Authorities becoming Full Members of the Company and 5 Local Authorities becoming Associate Members. Perth and Kinross Council is a Full Member. Prior to that Perth and Kinross Council was a member of the East of Scotland Loan Fund (which provided loans to 9 businesses between 2011 and 2015. Under BLS we have approved 1 loan to a Perth & Kinross Business to the value of £50K; and our current balance is in the region of £250K.
- 3.2 BLS is the Fund Manager for a £7M loan fund which seeks to invest in new and growing SMEs. Businesses across Scotland can borrow from £25K-£100K, with interest rates generally fixed at 6%.
- 3.3 Each Full Member made a match funding contribution to the initial finances of the Company that was then expected to be matched with a corresponding amount of European Regional Development Fund (ERDF) grant. This funded Phase 1 of Business Loans Scotland. Phase 2 has now been established since January 2019 following the awarding of a contract from the Scottish Government. A significant difference between the two phases is that Phase 2 is now fully funded by the Scottish Growth Scheme and the European Regional Development Fund. As such, it does not require any match funding contribution from the Member Authorities.
- 3.4 As the match funding, contributed by the Member Authorities under Phase 1, is not required to be used for Phase 2, there are a number of Member Authorities seeking to withdraw their Phase 1 match funding from BLS. The Articles of Association for BLS, as they are currently written, prevent the Company returning funds to a Member Local Authority due to the “asset lock” provisions written into them.
- 3.5 In order to change the Articles of Association to allow a Member Local Authority to withdraw funds from BLS and return those funds to its Local Authority to be used for economic development purposes, BLS has issued a Special Resolution to the Members. This report is seeking our approval as a member of Business Loans Scotland to approve this special resolution. Details are attached at Appendix 2.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1 This report seeks to establish a new Micro Credit Fund for local businesses administered on our behalf by the Perth and Kinross Credit Union. In addition, it also seeks approval to amend the Articles of Association of Business Loans Scotland of which we are a member.

4.2 It is recommended that the Committee:-

- i. Approves the Perth and Kinross Rural Micro Credit Fund as set out in paragraphs 2.1 and 2.2 above, and within Appendix 1.
- ii. Agrees to the draft resolution of Business Loans Scotland as set out within Appendix 4.

Author

Name	Designation	Contact Details
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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	15 August 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	
Community Plan / Single Outcome Agreement /Perth City Plan	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	No
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan

- 1.1 The activities contribute to the Community Plan's strategic objectives of 'Promoting a prosperous, inclusive and sustainable economy', and the outcomes of 'a thriving, expanding economy' and 'employment opportunities for all'.

Corporate Plan

- 1.2 Perth and Kinross Council Corporate Plan sets out five strategic objectives:
- (i) Giving every child the best start in life;
 - (ii) Developing educated, responsible and informed citizens;
 - (iii) Promoting a prosperous, inclusive and sustainable economy;
 - (iv) Supporting people to lead independent, healthy and active lives; and
 - (v) Creating a safe and sustainable place for future generations.
- 1.3 This report relates to Objective (iii) 'Promoting a prosperous, inclusive and sustainable economy' and the outcome of 'Thriving, expanding economy' by encouraging enterprising businesses and communities.

2. Resource Implications

Financial

- 2.1 £100K was allocated via a Budget Motion for funding for a Micro Finance project in 2019/20. This funding will be utilised to establish the Rural Micro Credit Fund as outlined in the report.

Workforce

- 2.2 No implications.

Asset Management

- 2.3 There are no asset management implications arising as a result of this report.

3. Assessments

Equality Impact Assessment

- 3.1 Not applicable.

Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions. The activities in this report will contribute towards sustainable economic development in Perth and Kinross.

Legal and Governance

- 3.4 The consideration of the report is in line with the Council's Scheme of Administration and specifically the role of the Environment and Infrastructure Committee in developing measures to support and promote economic activity.

Risk

- 3.5 Risks and the controls required to mitigate any risks will be reported through the Council's risk management process

4. Consultation

Internal

- 4.1 The Heads of Legal and Governance and Finance have been consulted in the preparation of this report.

5. Communication

- 5.1 Any communications required will be undertaken by the Council. However we will also utilise the communication channels of a number of our partners including the Perthshire Chamber of Commerce, the Federation of Small Businesses, the Business Gateway, Perth College UHI, and Growbiz to highlight the new Micro Credit Fund to potential applicants.

2. BACKGROUND PAPERS

There were no background papers utilised in the preparation of this report.

3. APPENDICES

Appendix 1 – Service Level Agreement with the Perth & Kinross Credit Union

Appendix 2 – Business Loans Scotland Resolution

APPENDIX 1

Proposed Rural Perth and Kinross Micro Credit Scheme – Service Level Agreement

Perth & Kinross Council have funding of £100K in 2019/20 to establish a Micro Credit Loan Fund (this was as a result of a Budget Motion in February 2018) – a Report to Strategic Policy & Resources Committee on 28 November 2018 approved in principle the creation of a Micro Credit Loan Fund. The overall aim is to:-

“To support business growth and business start-ups in Rural Perth & Kinross”.

The Rural Micro Enterprise Loan Fund has been designed to assist rural businesses and other organisations looking to undertake viable growth projects, and individuals looking to set up a business. The recipient must be able to demonstrate that any proposed project is essential to ongoing business growth, and that it will have a positive economic impact on the local area.

Eligibility – Businesses employing 10 people or fewer, including limited companies, partnerships, sole traders, social/community enterprises and co-operatives.

Level/Range of Loans on offer – Loans of between £500 and £1500.

Interest Rate – 3%.

Repayment Period – From 6 to 24 months.

Sectors – All business sectors are eligible for support with the exception of betting shops, licenced premises, money lenders, and those providing “adult services”. The Credit Union can reserve the right to exclude businesses which do not meet their core values.

Eligible costs – All valid business costs including on-going running costs, specific business projects and set up costs for new businesses.

Eligible Areas/Wards – all of Perth & Kinross excluding the 3 Perth City wards (a list of eligible postcodes will be provided by Perth & Kinross Council).

We would expect the Credit Union to direct individuals & businesses looking for further Business Development Advice and guidance to the Business Gateway and/or Growbiz.

Payment Schedule: PKC would provide 3 tranches of funding £30K in September 2019, £30K in December 2019 and a final £40K payment in March 2019.

Review period: The scheme will be reviewed after six and twelve months; and if limited numbers of businesses are accessing the funding the Council will seek the outstanding balance to be repaid.

Bad Debt provision – any bad debts would be covered by the funding provided.

Monitoring/Reporting: The Council require Quarterly reports detailing:-

- No. of loans issued
- Value of loans
- Type of businesses – existing/start-up & by broad sectors
- Location of Businesses supported by LA Ward
- What the loans are being used for

The Council in addition would require the Credit Union to survey the clients supported by the Micro Credit Fund to ascertain the benefits gained from the Loan Funding provided

APPENDIX 2

BUSINESS LOANS SCOTLAND SPECIAL RESOLUTION

THE COMPANIES ACT 2006

SPECIAL RESOLUTION

of BUSINESS LOANS SCOTLAND (“the Company”)

Company No. SCSC500710

CIRCULATION DATE: [To be entered]

Pursuant to chapter 2 of part 13 of the Companies Act 2006, the directors of the Company propose that the following Special Resolutions be passed as detailed below (the “Resolutions”).

SPECIAL RESOLUTIONS

1 Article 4.2 of the existing Articles of Association of the Company be deleted and the following be substituted therefor:

“4.2 The income and property of the Company, howsoever derived, shall be applied solely towards the promotion of the objects of the company as set forth in Article 4.1, save that the Company may distribute funds it holds to the Members in the proportions agreed among them. No such distribution shall be made to a Member unless the Board has formally approved the Member’s proposed use of funds as being in keeping with the Company’s objects. ” and

2. Article 20 of the existing Articles of Association of the Company be deleted and the following be substituted therefor:

“20 If, upon a winding up or dissolution of the Company there remains, after the satisfaction of all of its debts and liabilities, any property whatsoever, the same may be paid to or distributed among the Members in the proportions agreed among them”

Please read the notes at the end of this document before signifying the member’s agreement to the Resolution.

The undersigned Member, having an entitlement to vote on the Resolution on the Circulation Date, hereby agrees to the Resolution.

..... Date:

MEMBER

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources

11 September 2019

TRANSFORMATION PROGRAMME 2015-2020

Report by Depute Chief Executive, Chief Operating Officer (Report No. 19/249)

This report gives an update on phase four of the Transformation Programme approved by the Council on 1 July 2015 (Report 473/15) and provides an overview of progress on the current projects.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Council's Transformation programme supports the Council's approach to public service reform and aims to encourage innovation, creativity, flexibility and greater entrepreneurship to meet the significant challenges ahead.
- 1.2 A major part of the Council's transformation strategy is being delivered through a programme of transformation reviews. The current programme has 15 projects in total aimed at developing new ways of working to sustain high quality service delivery, and for some, achieving a challenging level of savings.
- 1.3 We are now into phase four of the transformation programme initiated over the past three years, this phase being agreed by Council in April 2018 (Report 18/137).
- 1.4 Highlight Reports for each project are available on ERIC and Elected Members can contact the individual Senior Responsible Owner (SRO) or Project Manager for further information on any of the projects below at any time.

2. PROGRESS TO DATE

- 2.1 Progress on each of the projects is provided by the appropriate Executive Director below:

Education and Children's Services (ECS)

2.2 Review of Catering Services

- 2.2.1 The review will examine optimum production, menu and service arrangements across Tayside and look at options for a Central Production Unit (CPU) and partnership working to ensure the most efficient and effective catering service.

2.2.2 Savings of £459k have been identified for PKC (£426K of budget savings to ECS with an additional surplus to be returned to the council of £33k). Due to initial delays in the project commencing, it is not anticipated that the CPU will be operational any earlier than August 2020. This project is being reported as at risk due to the differing views of the project. Risks are being managed through project governance procedures.

2.2.3 An update Report will be presented to Council on 25/09/19.

2.3 Securing the Future of the School Estate

2.3.1 The project is reviewing the school estate to make the most effective and efficient use of school buildings, and staff across the school estate.

2.3.2 This project is progressing as planned although there are some issues in relation to the uncertainty of outcomes from Statutory Consultations and feasibility studies.

2.3.3 On 16 July 2019 the Council was advised that Scottish Ministers are calling in the proposal to close Abernyte Primary School and are referring it to the School Review Closure Panel.

2.4 Review of Inclusion Services

2.4.1 The review will redesign the delivery model which may result in some efficiencies but any savings or changes to service provision must be undertaken within legal duties held by the council.

2.4.2 The project is progressing however is marked as having some issues due to the delay in planning the phasing of the implementation of the Review. Necessary operational staffing changes will come into effect from the beginning of the 2019/20 school session. Widespread consultation with all stakeholders will help inform the development and implementation of the review.

2.4.3 There are no savings attached to this transformation project. The ongoing implementation of the review of Inclusion Services is designed to bring about cultural change, service redesign and a shift in resources to improve the effectiveness of inclusive education for children and young people with Additional Support Needs (ASN). The Inclusion Team is managing changing demand for ASN within the current budget allocation.

Housing and Environment Service (H&E)

2.5 Corporate Property Asset Management Review

2.5.1 The review of the Council's property assets will provide a property estate which is appropriately sized for requirements, well used, properly maintained, integrated with partner organisations' asset management plans, with

maximised collaborative opportunities, and ensures property is in appropriate geographical locations.

- 2.5.2 A Project Manager has been appointed and started in post May 2019. Initial development is ongoing in the delivery of phase one of the re-scoped programme agreed in the November 2018 report to SP&R Committee. Contacts have been developed and initial meetings held with Scottish Futures Trust and other key stakeholders to scope out options for localities in line with the programme.
- 2.5.3 Workshops are being arranged with community planning partners (NHS/Police Scotland/Scottish Fire & Rescue Service/Scottish Ambulance Service) to discuss shared public estate options for Blairgowrie, and discussions also ongoing with Blairgowrie & Rattray Development Trust to explore options for community asset transfer.
- 2.5.4 Further information gathering is underway regarding the remaining Perth Office Estate to provide high level data for option appraisal purposes in advance of the end of the Pullar House PFI agreement in September 2025.
- 2.5.5 Discussions continue with the Council's Community Planning team to further develop opportunities for Community Asset Transfers and progress existing applications.
- 2.5.6 Recurring savings of approximately £900,000 are already being achieved, predominantly through the former Perth Office Programme with additional savings identified from recent school estate strategy decisions and the closure of Beechgrove House. Risks remain in securing the remaining balance of the total £1.8m savings target by April 2020 as well as the phasing of achievable savings, but will largely be dependent on the pace at which options can be developed with Communities and Community Planning Partners for consideration at SP&R Committee.
- 2.5.7 A progress report for the Corporate Property Asset Management Transformation Review is to be presented to the Modernising Governance Member/Officer Working Group in October with option appraisals to be presented to SP&R Committee on a project/locality basis.

2.6 Council Vehicle Fleet Utilisation and Optimisation Review

- 2.6.1 This review looks towards the better utilisation of the council's small vehicle fleet through the introduction of telematics and effective ongoing analysis of associated data. In addition, the project proposes to undertake a review of the grey fleet (ie private vehicles used for Council business) with the aim of reducing the extent to which delivery of Council Services rely on this, with resultant significant cost saving (through less payment of travelling expenses).
- 2.6.2 The project is now back on target, with the new Project Assistant having started on 17 June 2019. Work to update the Travel Policy is ongoing with Human Resources to change the hierarchy of travel choices and de-prioritise

the use of personal vehicles for Council business, and a full review of current policy will be undertaken over the next few months.

- 2.6.3 Following a positively received demonstration to staff, the Pool Booking System will go live imminently, supported by user guides and internal communications. This will make choices easier for staff to use pool cars over their own vehicles for Council business.
- 2.6.4 Further work to analyse data across all Council Services is underway to inform the future work plan within the project. Understanding how and where our vehicles are used, and where they are kept, will ensure maximum access to lower cost, and more sustainable, forms of transport, for all staff.
- 2.6.5 The uptake by staff of Electric Vehicle Familiarisation sessions has been very positive - with all sessions fully booked - and further sessions will be arranged to meet staff demand. This will give staff confidence to use electric pool vehicles.

2.7 Low Carbon Project

- 2.7.1 The Project seeks to prepare the Council for emerging duties in relation to Climate Change Act 2009 and our duties around low carbon emission.
- 2.7.2 Initial outreach activities have started with a meeting being held with representatives of the Perth and Kinross Climate Change Cafés on 11 July. This has identified potential avenues for joint approaches and partnership working around community and public engagement with the climate change and low carbon agenda and these are currently being followed up and developed. Over the coming months it is planned to engage with further groups with activities in climate change and low carbon transitions aiming to develop the foundations of an ongoing engagement network.
- 2.7.3 It is acknowledged that so far this engagement has involved groups already active in the climate change agenda and the greater challenge will be reaching out to communities, groups and members of the public who have not previously engaged in issues around climate change and low carbon transitions. In addition to the local network we will look to engage and co-ordinate local activities with National climate change initiatives to lever against these national resources, focussing and refining them where required to reflect local contexts and issues.
- 2.7.4 Internal briefings have continued with presentations of policy updates and PKC strategy to the convener and vice-convener of the Environment and Infrastructure Committee on 1 July and to the Corporate Management Group on 9 July. An event for Elected Members is planned for 3 September. Future PKC staff events will be planned, such as learning lunches and development of on-line resources to ensure as wide a dissemination of climate change activities and information as possible.

2.7.5 Risks, issues, costs, savings, and non-cashable benefits are unchanged and remain in line with the existing plan.

2.8 Review of Housing and Community Care Repairs Service

2.8.1 This project is undertaking a detailed review and analysis of key areas of housing repairs to identify improvements to efficiency and productivity which both improves the service delivery model and achieves savings of £500,000.

2.8.2 This project is on target and, having implemented improvements and delivered efficiencies, work is now underway to review and measure what has been achieved and the impact of the changes.

2.8.3 Savings in the first 3 years of the project total £300k, some of the key milestones in delivering this are;

- 1 - Developing a mobile working solution for the repairs service
- 2 - Introducing locality working for teams
- 3 - Launching the reporting of repairs online
- 4 - Use of Scotland Excel procurement framework for materials
- 5 - Developing a stores solution
- 6 - Reviewing fleet use and efficiency

2.8.4 Further specific work is underway to develop a dashboard for trades' productivity. A demonstration of the revised dashboard will be shared with the project team in August. An inspection of the Store was conducted and this showed good stock levels and management of stock following the work undertaken as part of this project. Further work will be undertaken to develop an online store process.

2.8.5 Review of fleet usage has shown that fuel usage and mileage has reduced over the last 2 years, although overall fleet costs have increased. A planned review of fleet will be brought forward with a view to addressing this.

2.8.6 The review of the project outcomes and objectives achieved has identified further actions to support next steps within the service. These will be discussed and actions prioritised at a future project board.

2.9 Commercialisation of Assets and Income Generation

2.9.1 This project will review and collate evidence of local, national and international markets; business sponsors, event organisers and advertisers' needs and requirements; and community funding models and external funding sources. This will inform the development of a Council Strategy to drive forward our work to generate income for the Council and partners from potential commercialisation of business sponsorship linked to advertising, community funding, and external funding.

2.9.2 Specialist consultancy services are currently being sought to review and collate evidence of local, national and international markets; business

sponsors, event organisers and advertisers' needs and requirements; and community funding models and external funding sources. This will inform the development of the Council's strategy.

- 2.9.3 A contract procurement strategy has been prepared to allow issue of tender by September and appointment of consultant by December 2019.
- 2.9.4 Key procurement dates, criteria, tasks, risks and milestones have been identified to include within the specification, to achieve desired outcomes in respect of developing frameworks to secure business sponsorship, and generate income to achieve potential savings in the delivery of projects and activities.

Corporate and Democratic Services

2.10 Modernising Performance Reporting Review

- 2.10.1 The review will identify technology to transform the presentation of performance management information, allowing more efficient, effective and instant access to Council performance data, for all users of the information.

- 2.10.2 Project progressing at pace supported by good commitment from stakeholders. A Performance Framework identifying reporting expectations has been agreed with the Corporate Management Group. Existing software options that exist within the Council have been explored and are not considered compatible with project needs.

2.11 Smart Perth and Kinross: Perth and Kinross Open Data

- 2.11.1 The project will review the publication of Council data, in collaboration with other Scottish cities, for better co-ordination, and to develop a locality based community information system, to help identify and tackle inequalities, engage and empower communities and assist with neighbourhood planning.

- 2.11.2 A pipeline of future data sets is being established, and key data challenges are identified. Collaborative work with data specialists from the Scottish Government is ongoing to ensure alignment of data standards across the 8th City partners.

- 2.11.3 This project remains on target and has now enabled the release of the roads defect repairs and maintenance data for financial year 2018-19 as 3 star open data.

2.12 Procurement Reform Review

- 2.12.1 The project will achieve further savings from procurement activities through closer management of suppliers, maximizing use of collaborative procurement consortia, development of professional procurement skills for staff, improved monitoring and reporting systems, and managing demand through re-specifying products and services.

2.12.2 The conclusion of all of the objectives set out under this transformation project is dependent on improvements in contract and supplier management capability. Significant analysis of our options has taken place. The most favourable option being considered is to work more collaboratively with the digital transformation team. There is no available funding to move dedicated resource into the IT team to take this forward at pace. Potential to achieve these objectives through the Tayside programme of work will now be considered.

2.12.3 The Community Benefits wish list is now live and has had 5 requests in July, the number of people visiting the Community Benefits external webpage has doubled in the last month. A member of the team attended the Local Action Partnerships Chairs and Leads meeting to discuss the community benefits wish list and agreed that they will engage with community groups in their areas. Communications have been issued on Social Media to promote the wish list.

2.12.4 Following agreement from the Strategic Investment and Improvement Board (SIIB) in July that the delivery of remaining outcomes from the project should be concluded through the Council's digital strategy it is proposed that reporting separately on this project is concluded. At the end of September the funding for the project will have been used in full. One final highlight report will be submitted at the end of September.

2.13 Council Assets for Commercial Sponsorship

2.13.1 This project will utilise the Council's existing assets to generate income by offering sponsorship and advertising opportunities. The revenue generated from this project can offset the costs of providing valuable public services.

2.13.2 A prospectus of potential advertising sponsorship sites has been developed online - <https://www.pkc.gov.uk/sponsorship>, and has been publicised. The Council's Commercial Waste Team is promoting these opportunities when engaging with businesses on their waste management requirements.

2.13.3 Although the sponsorship of Council owned roundabouts has been very successful, plans to extend this to larger roundabouts at Broxden and Inveralmond have slipped, as Transport Scotland (TS) are currently undertaking an assessment of roundabout sponsorship sites on the whole trunk road network to review accident history and inform policy in this area. This has impacted on the opportunity for the Council to go to market with the roundabout opportunities identified and agreed previously through a Memorandum of Understanding with TS. This decision has had a significant effect on the potential income target of £50k for the financial year 2019/20.

2.13.4 A tendering exercise for advertising on the sides of Council vehicles has been undertaken, and contract details are being finalised with the successful tenderer.

- 2.13.5 Other commercial opportunities have been explored but have not been commercially viable or acceptable to current Council policies.
- 2.13.6 New opportunities such as advertising at play parks and on threshold signs will potentially only generate a small income which still leaves a deficit in the £50k income target for 2019/20.
- 2.13.7 Following discussion at the Strategic Investment and Improvement Board in July it was agreed to close this project, and mainstream the activities, by handing over existing sponsorship arrangements to the Commercial Waste Services Team.

2.14 Digital Platform

- 2.14.1 The Corporate Digital Platform Project will deliver Hybrid mail, a digital mailroom and back-scanning facility and Electronic Document Management System (EDMS) with process redesign that will reduce bureaucracy and build an integrated paperless framework.
- 2.14.2 The Digital Mailroom portion of the programme comprising of Hybrid Mail, Incoming Mail and Back Scanning has been fully delivered and is in benefits realisation. This has already exceeded the target of 30% reduction in mail a year earlier than forecasted. The overall programme has an efficiency target of £288k and has delivered efficiencies of £282k as of March 2019. The team were also finalists for the Public Sector paperless awards run by the UK Cabinet Office.
- 2.14.3 The EDMS project is at risk because it is recognised that this cannot be completed on time given changes which were unforeseen.
- 2.14.4 The EDMS solution has been developed and is in the process of being rolled out. There has been a change in the organisation's Microsoft licencing position which means the developed solution based on SharePoint 2016 cannot be rolled out as it's not compatible with Office 365 /SharePoint online.
- 2.14.5 Schools were excluded from EDMS plans as the thinking at the time was they would go on to use the GLOW platform for their document management needs, but this is not suitable for storage of personal data so unsuitable for school administration.
- 2.14.6 The project team have worked with IT and external parties to develop a prototype for EDMS on SharePoint online (Office 365). This was handed over to PKC for user acceptance testing and has been taken into full development.
- 2.14.7 The combination of adding schools to the project workload and requirement to migrate to Office 365 / SharePoint Online means the project cannot be completed on time.

2.15 Online Services and Myaccount Review

- 2.15.1 The review will enable the development of a whole organisation transformational approach to online services, and 'channel shift' (from face to face and telephone services, to online) which delivers savings, maximizes digital inclusion and improves customer satisfaction by giving access to Council services online anytime, anywhere, and from any device.
- 2.15.2 The programme is progressing well. To date we have 44 services online with 32k people signed up for a MyAccount - which represents approximately 40% of households.
- 2.15.3 There is an ongoing programme of engagement with Services: A Digital Transformation workshop with H&E managers took place in June. Information is currently being assimilated by H&E Senior Management Team (SMT) to identify Service priority areas. These priorities will then be merged in to the overall programme.
- 2.15.4 In line with this, refreshed governance is being put in place to prioritise, track and monitor work across the programme.
- 2.15.5 Work with other Services is also making good progress – within ECS, School Lets and Music Tuition forms having recently gone live on MyPKC - and within Corporate and Democratic Services (CADS) a refreshed Establishment Approval Process (EAP) process is close to release, and discovery work is in progress for both complaints handling and member's enquiries.

2.16 Mobile Working Review

- 2.16.1 This review will implement a corporate mobile solution which automates key tasks, processes and work flow to improve productivity, efficiency and quality, reducing the requirement for staff to navigate numerous systems and supporting the workforce to be more mobile, and work more efficiently and effectively.
- 2.16.2 The programme is progressing well. To date we have deployed mobile working solutions to 200 operational staff and have plans to extend this to a further 100 staff over the next 3 months.
- 2.16.3 Engagement with Services is ongoing: A Digital Transformation workshop with H&E managers took place in June. Information is currently being assimilated by H&E SMT to identify Service priority areas. These priorities will then be merged in to the overall programme. In line with this, refreshed governance is being put in place to prioritise, track and monitor work across the programme.
- 2.16.4 Work with the Health and Social Care Partnership is making good progress and we are currently working together to shape a programme of work. An early success has been creating efficiency through digitisation of HART (Home Assessment and Recovery Team) staffs' timesheets.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report updates the Strategic Policy and Resources Committee on the Council's five-year transformation programme. It summarises the progress across 15 projects, which are managed by individual project boards and the Strategic Investment and Improvement Board.
- 3.2 The Strategic Policy and Resources Committee is asked to:
- (a) Note the progress related to the Transformation Programme.

Author

Name	Designation	Contact Details
Caroline Mackie	Service Manager	01738 475000

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	14 August 2019

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You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	No
Communication	
Communications Plan	No

1. Strategic Implications

Community Plan/Single Outcome Agreement

- 1.1 This report supports the delivery of the Strategic Objectives within the Community Plan 2013-23 and the Corporate Plan 2018-2022.

2. Resource Implications

Financial

- 2.1 Any changes to projections for funding and savings for each project are detailed in the Revenue Budget Monitoring Report to Strategic Policy and Resources Committee.

Workforce

- 2.2 There are no workforce implications arising from this report.

Asset Management (land, property, IT)

- 2.3 There are no direct asset management implications arising from this report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as not relevant for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The proposals within this report have been considered under the terms of the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- in the way best calculated to delivery of the Act's emissions reduction targets;
 - in the way best calculated to deliver any statutory adaptation programmes; and
 - in a way that it considers most sustainable.
- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Legal and Governance

- 3.7 Not applicable.

Risk

- 3.8 There are no additional risks which arise from this report.
- 3.9 Project risks are managed within the context of each project.

4. Consultation

Internal

- 4.1 Senior Management teams were consulted in the preparation of this report.

External

- 4.2 Not applicable.

5. Communication

- 5.1 Communications with staff will be undertaken as part of the individual reviews/projects.

2. BACKGROUND PAPERS

The background papers referred to within the report are:

- Report to Council on 1 July 2015 (Report No 473/15)
- Report to Council, Building Ambition: The Council's Transformation Strategy 2015-2020 and the Organisational Development Framework (report 15/292)
- Report to Council on 22 February 2017 (Report No: 17/82)
- Report to Strategic Policy and Resources Committee, 27 November 2017, (Report No: 17/393)
- Report to Council on 22 February 2018 (Report No 18/47)
- Report to Council on 13 June 2018 (Report No 18/198)
- Report to Council on 12 September 2018 (Report No 18/288)
- Highlight Reports of each project are available on the ERIC Transformation Strategy page
- Hard copies of The Transformation Strategy are available from transformationenq@pkc.gov.uk

Programme	Project Title	Brief Description	Approved Savings (£000's)	Approved (via current budget)	Projected Savings (£000's)	Approved Funding (£000's)	Projected Spend (£000's)	Previous	Current	Milestones	Risks	Issues	Costs	Savings	Non-Cashable Benefits
Corporate and Democratic Projects															
Building Ambition	Corporate - Smart Perth and Kinross: Perth and Kinross Open Data	Reviewing the publication of Council data, in collaboration with other Scottish cities, for better co-ordination, and to develop a locality based community information system, to help identify and tackle inequalities, engage and empower communities and assist with neighbourhood planning.	0	0	0	316	96	On Target	On Target	Some Issues	On Target	On Target	On Target	None	On Target
			Overview of Status					<p>A pipeline of future data sets is being established, and key data challenges are identified. Collaborative work with data specialists from the Scottish Government is ongoing to ensure alignment of data standards across the 8th City partners.</p> <p>This project remains on target and has now enabled the release of the roads defect repairs and maintenance data for financial year 2018-19 as 3 star open data.</p>							
Building Ambition	Corporate - Procurement Reform Review	Achieving further savings from procurement activities through closer management of suppliers, maximizing use of collaborative procurement consortia, development of professional procurement skills for staff, improved monitoring and reporting systems, and managing demand through re-specifying products and services.	2,500	1,945	2,500	770	770	Some Issues	Some Issues	Some Issues	On Target	Some Issues	On Target	Some Issues	On Target
			Overview of Status					<p>The conclusion of all of the objectives set out under this transformation project is dependent on improvements in contract and supplier management capability. Significant analysis of our options has taken place. The most favourable option being considered is to work more collaboratively with the digital transformation team. There is no available funding to move dedicated resource into the IT team to take this forward at pace. Potential to achieve these objectives through the Tayside programme of work will now be considered.</p> <p>The Community Benefits wish list is now live and has had 5 requests in July, the number of people visiting the Community Benefits external webpage has doubled in the last month. A member of the team attended the Local Action Partnerships Chairs and Leads meeting to discuss the community benefits wish list and agreed that they will engage with community groups in their areas. Communications have been issued on Social Media to promote the wish list.</p> <p>Following agreement from SIIB in July that the delivery of remaining outcomes from the project should be concluded through the Council's digital strategy it is proposed that reporting separately on this project is concluded. At the end of September the funding for the project will have been used in full. One final highlight report will be submitted at the end of September.</p>							
Building Ambition	Corporate - Modernising Performance Reporting Review	Using technology better to transform the presentation of performance management information, allowing more efficient, effective and instant access to Council performance data, for all users of the information.	34	34	34	80	80	On Target	On Target	On Target	On Target	On Target	On Target	Completed	On Target
			Overview of Status					Project progressing at pace supported by good commitment from stakeholders. A Performance Framework identifying reporting expectations has been agreed with CMG. Existing software options that exist within the Council have been explored and are not considered compatible with project needs.							

Programme	Project Title	Brief Description	Approved Savings (£000's)	Approved (via current budget)	Projected Savings (£000's)	Approved Funding (£000's)	Projected Spend (£000's)	Previous	Current	Milestones	Risks	Issues	Costs	Savings	Non-Cashable Benefits
Building Ambition	Corporate - Council Assets for Commercial Sponsorship	Using the Council's existing assets to generate income by offering sponsorship and advertising opportunities. The revenue generated from this project can offset the costs of providing valuable public services.	150	150	77	52	52	At Risk	At Risk	On Target	At Risk	At Risk	On Target	Remedial Action Required	On Target
			Overview of Status					<p>A prospectus of potential advertising sponsorship sites has been developed online - https://www.pkc.gov.uk/sponsorship, and has been publicised. The Council’s Commercial Waste Team is promoting these opportunities when engaging with businesses on their waste management requirements.</p> <p>Although the sponsorship of Council owned roundabouts has been very successful, plans to extend this to larger roundabouts at Broxden and Inveralmond have slipped, as Transport Scotland (TS) are currently undertaking an assessment of roundabout sponsorship sites on the whole trunk road network to review accident history and inform policy in this area. This has impacted on the opportunity for the Council to go to market with the roundabout opportunities identified and agreed previously through a Memorandum of Understanding with TS. This decision has had a significant effect on the potential income target of £50k for the financial year 2019/20.</p> <p>A tendering exercise for advertising on the sides of Council vehicles has been undertaken, and contract details are being finalised with the successful tenderer.</p> <p>Other commercial opportunities have been explored but have not been commercially viable or acceptable to current Council policies. New opportunities such as advertising at play parks and on threshold signs will potentially only generate a small income which still leaves a deficit in the £50k income target for 2019/20.</p> <p>Following discussion at the Strategic Investment and Improvement Board in July it was agreed to close this project, and mainstream the activities, by handing over existing sponsorship arrangements to the Commercial Waste Services Team.</p> <p>Transport Scotland (TS) are currently undertaking an assessment of roundabout sponsorship sites on the whole trunk road network to review accident history and inform policy in this area. This has impacted on the opportunity for P+K to go to market with the 3 roundabout opportunities identified and agreed through the Memorandum of Understanding with TS. This decision has had a significant effect on the potential income target of £50k for the financial year 2019/20.</p> <p>Other commercial activities have been explored but have not been commercially viable or acceptable to current PKC policies. New opportunities such as advertising at play parks and on threshold signs will potentially only generate a small income which still leaves a deficit in the £50k income target for 2019/20.</p> <p>Following discussion at the Strategic Investment and Improvement Board in July it was agreed to close this project, and mainstream the activities, by handing over existing sponsorship arrangements to the Commercial Waste Services Team.</p>							
Building Ambition	Corporate Digital Platform	The Corporate Digital Platform Project will deliver Hybrid mail, a digital mailroom and back-scanning facility and EDMS with process redesign that will reduce bureaucracy and build an integrated paperless framework.	288	0	288	911	911	Some Issues	Some Issues	Some Issues	Remedial Action Required	Some Issues	On Target	On Target	On Target
			Overview of Status					<p>The Digital Mailroom portion of the programme comprising of Hybrid Mail, Incoming Mail and Back Scanning has been fully delivered and in benefits realisation. This has already exceeded the target of 30% reduction in mail a year earlier than forecasted. The overall programme has an efficiency target of £288k and has delivered efficiencies of £282k as of March 2019. The team were also finalists for the Public Sector paperless awards run by the UK Cabinet office.</p> <p>The EDMS project at risk because it is recognised that this cannot be completed on time given changes which were unforeseen. The EDMS solution has been developed and is in the process of being rolled. There has been a change in the organisation’s Microsoft licensing position which means the developed solution based on SharePoint 2016 cannot be rolled out as it’s not compatible with Office 365 /SharePoint online.</p> <p>Schools were excluded from EDMS plans as the thinking at the time was they would go on to use the GLOW platform for their document management needs, but this is not suitable for storage of personal data so unsuitable for school administration. The project team have worked with IT and external parties to develop a prototype for EDMS on SharePoint online (Office 365). This was handed over to PKC for user acceptance testing has been taken into full development.</p> <p>The combination of adding schools to the project workload and requirement to migrate to Office 365 / SharePoint Online means the project cannot be completed on time.</p>							

Programme	Project Title	Brief Description	Approved Savings (£000's)	Approved (via current budget)	Projected Savings (£000's)	Approved Funding (£000's)	Projected Spend (£000's)	Previous	Current	Milestones	Risks	Issues	Costs	Savings	Non-Cashable Benefits
Building Ambition	Corporate - Online Services and myAccount Review	Developing a whole organisation transformational approach to online services, and 'channel shift' (from face to face and telephone services, to online) which delivers savings, maximizes digital inclusion and improves customer satisfaction by giving access to Council services online anytime, anywhere, and from any device.	413	413	413	1,314	1,264	On Target	On Target	On Target	Some Issues	On Target	On Target	On Target	On Target
			Overview of Status					The programme is progressing well. To date we have 44 services online with 32k people signed up for a MyAccount - which represents approximately 40% of households. Re engagement with Services: A Digital Transformation workshop with H&E managers took place in June. Information is currently being assimilated by H&E SMT to identify Service priority areas. These priorities will then be merged in to the overall programme. In line with this, refreshed governance is being put in place to prioritise, track and monitor work across the programme. Work with other Services is also making good progress – within ECS, School Lets and Music Tuition forms having recently gone live on MyPKC - and within CADS a refreshed EAP process is close to release, and discovery work is in progress for both complaints handling and member’s enquiries.							
Building Ambition	Corporate - Mobile Working Review	Implementing a corporate mobile solution which automates key tasks, processes and work flow to improve productivity, efficiency and quality, reducing the requirement for staff to navigate numerous systems and supporting the workforce to be more mobile, and work more efficiently and effectively.	810	813	813	1,284	1,284	Some Issues	Some Issues	On Target	Some Issues	Some Issues	On Target	Some Issues	On Target
			Overview of Status					To date we have deployed mobile working solutions to 200 operational staff and have plans to extend this to a further 100 staff over the next 3 months. Re engagement with Services: A Digital Transformation workshop with H&E managers took place in June. Information is currently being assimilated by H&E SMT to identify Service priority areas. These priorities will then be merged in to the overall programme. In line with this, refreshed governance is being put in place to prioritise, track and monitor work across the programme. Work with the Health and Social Care Partnership is making good progress and we are currently working together to shape a programme of work. An early success has been creating efficiency through digitisation of HART (Home Assessment and Recovery Team) staffs’ timesheets.							
Education and Children's Services															
Building Ambition	ECS - Review of Catering Services	Examining optimum production, menu and service arrangements across Tayside and looking at options for a Central Production Unit (CPU) and partnership working to ensure the most efficient and effective catering service.	200	426	459	0	0	At Risk	At Risk	At Risk	At Risk	At Risk	At Risk	At Risk	At Risk
			Overview of Status					Savings of £459k have been identified for PKC (£426K of budget savings to ECS with an additional surplus to be returned to the council of £33k). Due to initial delays in the project commencing, it is not anticipated that the CPU will be operational any earlier than August 2020. This project is being reported as at risk due to the differing views of the project. Risks are being managed through project governance procedures. An update Report will be presented to Council on 25/09/19.							

Programme	Project Title	Brief Description	Approved Savings (£000's)	Approved (via current budget)	Projected Savings (£000's)	Approved Funding (£000's)	Projected Spend (£000's)	Previous	Current	Milestones	Risks	Issues	Costs	Savings	Non-Cashable Benefits
Building Ambition	ECS - Securing the Future of the School Estate	Reviewing the school estate to make the most effective and efficient use of school buildings, and staff across the school estate.	200	550	550	50	50	Some Issues	Some Issues	On Target	Some Issues	Some Issues	On Target	On Target	Some Issues
			Overview of Status					The project is progressing as planned although there are some issues in relation to the uncertainty of outcomes from Statutory Consultations and feasibility studies. On 16th July 2019 the Council was advised that Scottish Ministers are calling in the proposal to close Abernyste Primary School and are referring it to School Review Closure Panel.							
Building Ambition	ECS - Review of Inclusion Services	Redesigning the delivery model which may result in some efficiencies but any savings or changes to service provision must be undertaken within legal duties held by the council. There are no savings attached to this transformation project. The ongoing implementation of the review of Inclusion Services is designed to bring about cultural change, service redesign and a shift in resources to improve the effectiveness of inclusive education for children and young people with ASN.	0	0	0	50	50	Some Issues	Some Issues	On Target	On Target	Some Issues	On Target	On Target	On Target
			Overview of Status					The project is progressing however is marked as some issues due to the delay in planning the phasing of the implementation of the Review. Necessary operational staffing changes will come into effect from the beginning of the 2019/20 school session. Widespread consultation with all stakeholders will help inform the development and implementation of the review. There are no savings attached to this transformation project. The ongoing implementation of the review of Inclusion Services is designed to bring about cultural change, service redesign and a shift in resources to improve the effectiveness of inclusive education for children and young people with ASN. The Inclusion Team is managing changing demand for ASN within the current budget allocation.							
Housing and Community Care															
Building Ambition	HCC - Review of HCC Repairs Service	Undertaking a detailed review and analysis of key areas of housing repairs to identify improvements to efficiency and productivity which both improves the service delivery model and achieves savings of £500k	500	500	500	0	0	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target
			Overview of Status					This project is on target and, having implemented improvements and delivered efficiencies, work is now underway to review and measure what has been achieved and the impact of the changes. Savings in the first 3 years of the project total £300k, some of the key milestones in delivering this are; 1 - Developing a mobile working solution for the repairs service 2 - Introducing locality working for teams 3 - Launching the reporting of repairs online 4 - Use of Scotland Excel procurement framework for materials 5 - Developing a stores solution 6 - Reviewing fleet use and efficiency Further specific work is underway to develop a dashboard for trades' productivity. A demo of the revised dashboard will be shared with the project team in August. An inspection of the Store was conducted and this showed good stock levels and management of stock following the work undertaken as part of this project. Further work will be undertaken to develop an online store process. Review of fleet usage has shown that fuel usage and mileage has reduced over the last 2 years, although overall fleet costs have increased. A planned review of fleet will be brought forward with a view to addressing this. The review of the project outcomes and objectives achieved has identified further actions to support next steps within the service. These will be discussed and actions prioritised at a future project board.							

Programme	Project Title	Brief Description	Approved Savings (£000's)	Approved (via current budget)	Projected Savings (£000's)	Approved Funding (£000's)	Projected Spend (£000's)	Previous	Current	Milestones	Risks	Issues	Costs	Savings	Non-Cashable Benefits
The Environment Service															
Building Ambition	TES - Corporate Property Asset Management Review	Reviewing the Council's property assets to; provide a property estate which is appropriately sized for requirements, well used, properly maintained, integrated with partner organisations' asset management plans, maximising collaborative opportunities, and is in appropriate geographical locations.	1,795	1,795	1,795	0	0	Some Issues	Some Issues	On Target	Some Issues	On Target	Some Issues	Some Issues	On Target
								<p>Overview of Status</p> <p>A Project Manager has been appointed and started in post May 2019. Initial development is ongoing in the delivery of phase one of the re-scoped programme agreed in the November 2018 report to SP&R Committee. Contacts have been developed and initial meetings held with Scottish Futures Trust and other key stakeholders to scope out options for localities in line with the programme. Workshops are being arranged with community planning partners (NHS/Police Scotland/Scottish Fire & Rescue Service/Scottish Ambulance Service) to discuss shared public estate options for Blairgowrie, and discussions also ongoing with Blairgowrie & Rattray Development Trust to explore options for community asset transfer. Further information gathering is underway regarding the remaining Perth Office Estate to provide high level data for option appraisal purposes in advance of the end of the Pullar House PFI agreement in September 2025.</p> <p>Discussions continue with the Council's Community Planning team to further develop opportunities for Community Asset Transfers and progress existing applications.</p> <p>Recurring savings of approximately £900,000 are already being achieved, predominantly through the former Perth Office Programme with additional savings identified from recent school estate strategy decisions and the closure of Beechgrove House. Risks remain in securing the remaining balance of the total £1.8m savings target by April 2020 as well as the phasing of achievable savings, but will largely be dependent on the pace at which options can be developed with Communities and Community Planning Partners for consideration at SP&R Committee.</p> <p>A progress report for the Corporate Property Asset Management Transformation Review is to be presented to the Modernising Governance MOG in October with option appraisals to be presented to SP&R Committee on a project/locality basis.</p>							
Building Ambition	TES - Council Vehicle Fleet Utilisation and Optimisation Review	The Council Vehicle Fleet Utilisation and Optimisation Review looks towards the better utilisation of the council's small vehicle fleet through the introduction of telematics and effective ongoing analysis of associated data. In addition the project proposes to undertake a review of the grey fleet (ie private vehicles used for council business) with the aim of reducing the extent to which delivery of Council Services rely on this.	150	150	150	150	186	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target
								<p>Overview of Status</p> <p>This review looks towards the better utilisation of the council's small vehicle fleet through the introduction of telematics and effective ongoing analysis of associated data. In addition, the project proposes to undertake a review of the grey fleet (ie private vehicles used for Council business) with the aim of reducing the extent to which delivery of Council Services rely on this, with resultant significant cost saving (through less payment of travelling expenses).</p> <p>The project is now back on target, with the new Project Assistant having started on 17th June 2019. Work to update the Travel Policy is ongoing with Human Resources to change the hierarchy of travel choices and de-prioritise the use of personal vehicles for Council business, and a full review of current policy will be undertaken over the next few months.</p> <p>Following a positively received demonstration to staff, the Pool Booking System will go live imminently, supported by user guides and internal communications. This will make choices easier for staff to use pool cars over their own vehicles for Council business.</p> <p>Further work to analyse data across all Council Services is underway to inform the future work plan within the project. Understanding how and where our vehicles are used, and where they are kept, will ensure maximum access to lower cost, and more sustainable, forms of transport, for all staff.</p> <p>The uptake by staff of Electric Vehicle Familiarisation sessions has been very positive - with all sessions fully booked - and further sessions will be arranged to meet staff demand. This will give staff confidence to use electric pool vehicles.</p>							

Programme	Project Title	Brief Description	Approved Savings (£000's)	Approved (via current budget)	Projected Savings (£000's)	Approved Funding (£000's)	Projected Spend (£000's)	Previous	Current	Milestones	Risks	Issues	Costs	Savings	Non-Cashable Benefits
Building Ambition	TES - Commercialisation of Assets and Income Generation	This requires review and collation of evidence of local, national and international markets; business sponsors, event organisers and advertisers’ needs and requirements; and community funding models and external funding sources. This will inform the development of a PKC Strategy to drive forward our work to generate income for the Council and partners from potential commercialisation of assets, business sponsorship, advertising and community and external funding.	0	0	0	60	60	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target
			Overview of Status					Specialist consultancy services are currently being sought to review and collate evidence of local, national and international markets; business sponsors, event organisers and advertisers’ needs and requirements; and community funding models and external funding sources. This will inform the development of the Council’s strategy. A contract procurement strategy has been prepared to allow issue of tender by September and appointment of consultant by December 2019. Key procurement dates, criteria, tasks, risks and milestones have been identified to include within the specification, to achieve desired outcomes in respect of developing frameworks to secure business sponsorship and generate income to achieve potential savings in the delivery of projects and activities.							
Building Ambition	TES- Low Carbon Project	The Project seeks to prepare the Council for emerging duties in relation to Climate Change Act 2009 and our duties around low carbon emission.	0	0	0	156	156	On Target	On Target	On Target	On Target	On Target	On Target	None	On Target
			Overview of Status					Initial outreach activities have started with a meeting being held with representatives of the Perth and Kinross Climate Change Cafés on the 11th July. This has identified potential avenues for joint approaches and partnership working around community and public engagement with the climate change and low carbon agenda and these are currently being followed up and developed. Over the coming months it is planned to engage with further groups with activities in climate change and low carbon transitions aiming to develop the foundations of an ongoing engagement network. It is acknowledged that so far this engagement has involved groups already active in the climate change agenda and the greater challenge will be reaching out to communities, groups and members of the public who have not previously engaged in issues around climate change and low carbon transitions.In addition to the local network we will look to engage and co-ordinate local activities with National climate change initiatives to lever against these national resources, focussing and refining them where required to reflect local contexts and issues. Internal briefings have continued with presentations of policy updates and PKC strategy to the convener and co-convener of the Environment and Infrastructure Committee on the 1st July and to the Corporate Management Group on the 9th of July. An event for Elected Members is planned for the 3rd September. Future PKC staff events will be planned, such as learning lunches and development of on-line resources to ensure as wide a dissemination of climate change activities and information as possible. Risks, Issues, Costs, Savings, and Non-cashable Benefits are unchanged and remain in line with the existing plan.							
Totals			7,040	6,775	7,578	5,193	4,959								

PERTH & KINROSS COUNCIL

Strategic Policy & Resources Committee

11 September 2019

SAVINGS ARISING FROM EARLY RETIREMENT DECISIONS TAKEN IN 2018/19

**Report by Head of Finance
(Report No. 19/250)**

PURPOSE OF REPORT

This report provides information on the costs and savings arising from early retirement and redundancy decisions taken in financial year 2018/19.

1. BACKGROUND

- 1.1 The Council's Scheme of Administration authorises the Chief Executive, in consultation with the Head of Finance and Corporate Human Resources Manager, to approve applications for early retirement (with the exception of Chief Officers) where a saving will be generated.
- 1.2 This report advises the Committee of the costs and savings arising from decisions taken in 2018/19 under delegated authority to approve employee early retirements.
- 1.3 The Retirement Scheme and associated scrutiny and governance arrangements were approved by SP&R Committee on 4 February 2009. The Scheme is kept under review to ensure it is legally compliant, fit for purpose and delivers best value for the Council. Most recently, the Scheme has been reviewed to remove the discretionary award of compensatory added years to be effective from 1 April 2020. The Retirement Scheme, along with the Framework for Managing Workforce Change (approved by SP&R Committee in December 2010 and updated in June 2016 Report No 16/271), are important tools in the Council's workforce planning arrangements.

2. PROPOSALS

- 2.1 The Committee is asked to note the overall net savings arising from early retirement decisions taken in 2018/19 which are summarised in Appendix 1. The report also incorporates early retirements arising from the savings approved by the Council in setting the 2019/20 Final Revenue Budget and 2020/21 & 2021/22 Provisional Revenue Budgets (Report No. 19/46 refers).
- 2.2 The overall net savings set out in Appendix 1 include Council officers who are members of the Local Government Pension Scheme and teachers whose

pension arrangements are administered by the Scottish Public Pensions Agency.

3. CONCLUSION AND RECOMMENDATION

- 3.1 On the approach recommended by Audit Scotland where each request is subject to an individual business case, the Council will achieve gross savings of £3,206,706 over a five year period as set out in Appendix 1). In order to deliver these recurring savings, the Council has or will incur one-off costs of £574,363 in relation to members of the Local Government Pension Scheme and the Teacher's Pension scheme giving a net recurring saving of £676,909 by 2022/23.
- 3.2 An analysis of the approved early and flexible retirement applications over the medium term identified no equalities issues and is proportionate to the age/gender profile of the workforce.
- 3.3 The Committee is asked to note the contents of this report.

Author

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Craig Robertson	Central Accounting Manager	chxfinance@pkc.gov.uk
Scott Walker	Chief Accountant	12 August 2019

Approved

Name	Designation	Date
Stewart MacKenzie	Head of Finance	12 August 2019
Jim Valentine	Depute Chief Executive and Chief Operating Officer	15 August 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	None
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Corporate Plan

- 1.1 The Council's Corporate Plan 2018 – 2023 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

- 2.1 This report provides retrospective information on decisions taken in the previous financial year (2018/19) and as such, there are no direct financial implications arising from the report.

Workforce

- 2.2 There are no direct workforce implications arising from this report other than those retrospectively reported in Appendix 1.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA).
- 3.3. The most relevant equalities characteristics in relation to retirement are age and sex. The actual number of applications with approved/rejected breakdown demonstrates the figures are proportionate to the age/gender profile for the workforce.
- 3.4 The application of added years for early retirements due to efficiency/redundancy has been applied in accordance with the retirement scheme provisions.
- 3.5 In summary, based on an analysis of the data, there are no equalities issues.

Strategic Environmental Assessment

- 3.6 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.7 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.8 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.9 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

2. BACKGROUND PAPERS

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above report.

Background papers:– Report 03/457
 Bye Now Pay Later Part 2
 Report 09/70
 Retirement Scheme

3. APPENDICES

Appendix 1 – Net savings/costs arising from early retirement decisions taken in 2018/19.

NET SAVINGS / COSTS ARISING FROM EARLY RETIREMENT DECISIONS TAKEN IN 2018/19

	One-off costs	Revenue cost / (saving)					2023/24	Total revenue	Net revenue	No of
		2018/19	2019/20	2020/21	2021/22	2022/23		cost/(saving)	cost/(saving)	
Various Services of the Council										
Retirals	£257,331	£(63,534)	£(142,036)	£(205,000)	£(229,028)	£(233,139)	£(137,836)	£(1,010,573)	£(753,242)	77
Redundancy Only	£317,032	£(285,501)	£(434,047)	£(437,318)	£(440,638)	£(443,770)	£(154,859)	£(2,196,133)	£(1,879,101)	20
TOTAL COST/(SAVING) FOR RETIRALS	£574,363	£(349,035)	£(576,083)	£(642,318)	£(669,666)	£(676,909)	£(292,695)	£(3,206,706)	£(2,632,343)	97

The information provided is based on decisions taken in financial year 2018/19 as detailed on the five year cost projection forms following assessment of individual business cases by the appropriate forum. Those forms include information on a five year period from the date of retirement and may include a part year saving in both 2018/19 and 2023/24.

