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Council Building  
2 High Street  
Perth  
PH1 5PH

Friday, 24 November 2017

A Meeting of the **Strategic Policy and Resources Committee** will be held in the **Council Chamber, 2 High Street, Perth, PH1 5PH** on **Wednesday, 29 November 2017 at 10:00.**

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

**BERNADETTE MALONE**  
Chief Executive

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

**Members:**

Councillor Ian Campbell (Convener)  
Councillor Peter Barrett (Vice-Convener)  
Councillor Murray Lyle (Vice-Convener)  
Councillor Alasdair Bailey  
Councillor Bob Band  
Councillor Stewart Donaldson  
Councillor Dave Doogan  
Councillor Grant Laing  
Councillor Roz McCall  
Councillor Sheila McCole  
Provost Dennis Melloy  
Councillor Andrew Parrott  
Councillor Callum Purves  
Councillor Caroline Shiers  
Councillor Lewis Simpson  
Councillor Colin Stewart



**Strategic Policy and Resources Committee**

**Wednesday, 29 November 2017**

**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**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES**
  - (i) MINUTE OF MEETING OF THE STRATEGIC POLICY AND RESOURCES COMMITTEE OF 13 SEPTEMBER 2017 FOR APPROVAL AND SIGNATURE 5 - 10**
  - (ii) MINUTE OF MEETING OF THE PROPERTY SUB-COMMITTEE OF 1 MARCH 2017 FOR NOTING 11 - 12**
  - (iii) MINUTE OF MEETING OF THE CORPORATE HEALTH, SAFETY AND WELLBEING CONSULTATIVE COMMITTEE OF 13 MARCH 2017 FOR NOTING 13 - 16**
  - (iv) MINUTE OF MEETING OF THE EMPLOYEES JOINT CONSULTATIVE COMMITTEE OF 16 FEBRUARY 2017 FOR NOTING 17 - 20**
- 4 REVENUE BUDGET 2017/18 - MONITORING REPORT NUMBER 2 21 - 44**

Report by Head of Finance (copy herewith 17/388)
- 5 COMPOSITE CAPITAL BUDGET 2017/23 & HOUSING INVESTMENT PROGRAMME 2017/22 - MONITORING REPORT NUMBER 2 45 - 74**

Report by Head of Finance (copy herewith 17/389)
- 6 COMMERCIAL PROPERTY INVESTMENT PROGRAMME - PROGRESS UPDATE AND REVISED PROGRAMME 75 - 88**

Report by Depute Chief Executive, Chief Operating Officer (copy herewith 17/390)

- |           |                                                                                                                                                                                                                                                                                             |                  |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>7</b>  | <b>HARBOUR BUSINESS PLAN PROGRESS UPDATE</b><br>Report by Depute Chief Executive, Chief Operating Officer (copy herewith 17/391)                                                                                                                                                            | <b>89 - 104</b>  |
| <b>8</b>  | <b>COMMUNITY GREENSPACE ASSET MANAGEMENT PLAN</b><br>Report by Director (Environment) (copy herewith 17/392)                                                                                                                                                                                | <b>105 - 146</b> |
| <b>9</b>  | <b>TRANSFORMATION PROGRAMME 2015-2020 AND COUNCIL ONLINE SERVICES &amp; MOBILE WORKING DIGITAL UPDATE</b><br>Report by Depute Chief Executive, Chief Operating Officer (copy herewith 17/393)                                                                                               | <b>147 - 188</b> |
| <b>10</b> | <b>DIGITAL INFRASTRUCTURE ACROSS PERTH AND KINROSS PROGRESS REPORT</b><br>Report by Depute Chief Executive, Chief Operating Officer (copy herewith 17/394)                                                                                                                                  | <b>189 - 208</b> |
| <b>11</b> | <b>AUDIT SCOTLAND - EQUAL PAY IN SCOTTISH COUNCILS</b><br>Report by Depute Chief Executive, Chief Operating Officer (copy herewith 17/395)                                                                                                                                                  | <b>209 - 216</b> |
| <b>12</b> | <b>STRATEGIC POLICY AND RESOURCES EXECUTIVE SUB-COMMITTEE</b><br>The Strategic Policy and Resources Committee is asked to agree that Councillor M Lyle replace Councillor C Shiers on the Strategic Policy and Resources Executive Sub-Committee.                                           |                  |
| <b>13</b> | <b>STRATEGIC POLICY AND RESOURCES EXECUTIVE DIRECTOR APPOINTMENT SUB-COMMITTEE</b><br>The Strategic Policy and Resources Committee is asked to agree that Councillor M Lyle replace Councillor C Shiers on the Strategic Policy and Resources Executive Director Appointment Sub-Committee. |                  |
| <b>14</b> | <b>CHARITABLE AND PUBLIC TRUSTS ADMINISTERED BY PERTH AND KINROSS COUNCIL</b><br>The Strategic Policy and Resources Committee is asked to note that Councillor M Lyle would be a Trustee as Vice-Convener of the Strategic Policy and Resources Committee.                                  |                  |

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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 13 September 2017 at 10.00am.

Present: Councillors I Campbell, H Anderson (substituting for S McCole), A Bailey, B Band, S Donaldson, D Doogan, G Laing, M Lyle, R McCall, X McDade (substituting for C Shiers), Provost D Melloy, Councillors A Parrott, C Purves, L Simpson, C Stewart and W Wilson (substituting for P Barrett).

In Attendance: B Malone, Chief Executive, J Fyffe, Senior Deputy Chief Executive, J Valentine, Deputy Chief Executive & Chief Operating Officer, K Donaldson, C Irons, C Jolly, S MacKenzie, K McNamara, S Richards, L Simpson, G Taylor and S Walker (all Corporate and Democratic Services); S Devlin, Education and Children's Services; B Renton, T Flanagan and J McCrone (all Environment Service); L Cameron, Housing and Community Safety and J Smith, Health and Social Care Integrated Joint Board.

Apologies for Absence: Councillors P Barrett, S McCole and C Shiers.

Councillor I Campbell, Convener, Presiding.

### 482. WELCOME AND APOLOGIES

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

### 483. DECLARATIONS OF INTEREST

Councillor W Wilson declared a non-financial interest in Art. 490 and Councillor A Parrott declared an interest in Art 493 in terms of the Councillors' Code of Conduct.

### 484. MINUTE OF PREVIOUS MEETINGS

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

The minute of meeting of the Strategic Policy and Resources Committee of 21 June 2017 (Arts. 354-364) was submitted, approved as a correct record and authorised for signature.

#### (ii) Appeals Sub-Committee

The minute of meeting of the Strategic Policy and Resources Committee Appeals Sub-Committee of 23 March 2017 was submitted and noted. (*Appendix I*)

PERTH AND KINROSS COUNCIL  
STRATEGIC POLICY AND RESOURCES COMMITTEE  
13 SEPTEMBER 2017

**(iii) Appeals Sub-Committee**

The minute of meeting of the Strategic Policy and Resources Committee Appeals Sub-Committee of 16 June 2017 was submitted and noted. (*Appendix II*)

**485. REVENUE BUDGET 2017/18 – MONITORING REPORT NUMBER 1**

There was submitted a report by the Head of Finance (17/279), providing an update (1) on progress with the 2017/18 General Fund Revenue Budget based upon the June 2017 ledger, updated for any subsequent known material movements; and (2) on the projected financial position of the Housing Revenue Account.

**Resolved:**

- (i) The contents of Report 17/279 be noted.
- (ii) The adjustments to the 2017/18 Management Revenue Budget, as detailed in Appendix 1 to and Section 2 of Report 17/279, be approved.
- (iii) Service virements, as summarised in Appendices 2 and 4 to Report 17/279, be approved.

COUNCILLOR ANDERSON ENTERED THE MEETING DURING THE FOLLOWING ITEM.

**486. COMPOSITE CAPITAL BUDGET 2017/18-2022/23 AND HOUSING INVESTMENT PROGRAMME 2017/18-2021/22 – MONITORING REPORT NUMBER 1**

There was submitted a report by the Head of Finance (17/280) (1) providing a summary position to date for the Composite Capital Programme for 2017/18 to 2022/23 and the Housing Investment Programme 2017/18 to 2021/22 and (2) seeking approval for adjustments to the Programmes.

**Resolved:**

- (i) The contents of Report 17/280 be noted.
- (ii) The proposed budget and adjustments to the six year Composite Capital Programme Budget 2017/18 to 2022/23 as set out in Sections 2 and 3 to Report 17/280 and summarised at Appendices I and II, be approved.
- (iii) The proposed budget and monitoring adjustments to the Housing Investment Programme Budget 2017/18 to 2021/22 as set out in Section 4 and summarised at Appendix III to Report 17/280, be approved.
- (iv) The proposed budget and notes to the revised outturn for the Renewal and Repair Fund as detailed in Section 5 of and summarised at Appendix IV to Report 17/280, be approved.

**487. ASSISTANCE TO BUSINESS OCCUPATION OF KEY VACANT PROPERTY IN PERTH AND KINROSS THROUGH NON-DOMESTIC RATES RELIEF**

There was submitted a report by the Depute Chief Executive & Chief Operating Officer (17/281) seeking approval for targeted non-domestic rates relief assistance to further support business expansion, or new business investment, in certain vacant property in Perth and Kinross, on the basis of business need and economic benefits.

**Resolved:**

- (i) Non-domestic rates relief support be provided for up to one year during financial year 2017/18 for growth of existing business and attracting new business in key vacant properties in a poor condition, according to the priorities and criteria for assistance outlined in Report 17/281.
- (ii) Authority be delegated to the Depute Chief Executive & Chief Operating Officer to assess and agree requests for assistance for rates relief on the basis of the priorities and criteria for assistance contained in Report 17/281.
- (iii) The support be reviewed after one year within the context of national relief frameworks and local needs.
- (iv) The proposed funding of £100,000 to be met from the 2017/18 Environment Service Revenue Budget and earmarked within the Council's Reserves to be drawn down as required.
- (v) A report be submitted to this Committee on progress made within the year.

**488. ANNUAL EFFICIENCY STATEMENT 2016/17**

There was submitted and noted a report by the Head of Finance (17/282) summarising the efficiency gains made by Perth and Kinross Council during 2016/17 and describing how, in the context of a challenging financial climate, the Council may make further efficiency gains in future financial years.

**489. SAVINGS ARISING FROM EARLY RETIREMENT DECISIONS TAKEN IN 2016/17**

There was submitted and noted a report by the Head of Finance (17/283) providing information on the costs and savings arising from early retiral decisions taken in financial year 2016/17.

COUNCILLOR WILSON LEFT THE MEETING AT THIS POINT.

**490. FOLLOWING THE PUBLIC POUND ANNUAL REPORT 2016/17**

COUNCILLOR McDADE DECLARED A NON-FINANCIAL INTEREST IN ARTICLE 490

There was submitted a report by the Depute Chief Executive and Chief Operating Officer (17/284) (1) providing information on the Council's spending for the financial year 2016/17 under the principles of the Code of Guidance on Funding External Bodies and Following the Public Pound and (2) advising on the enhanced governance arrangements which align the Council's Local Code of Guidance on Following the Public Pound with the Procurement Strategy.

**Resolved:**

- (i) The arrangement under Following the Public Pound recorded for the financial year 2016/17 as set out in Appendix 1 to Report 17/284, be noted.
- (ii) The revised Contract Rules, the revised Following the Public Pound Code and proposed Practitioner's Toolkit presented in Appendices 2 and 3 to report 17/284, be approved.

COUNCILLOR WILSON RETURNED TO THE MEETING AT THIS POINT.

**491. TRANSFORMATION PROGRAMME 2015-2020 PROGRESS UPDATE**

There was submitted a report by the Depute Chief Executive and Chief Operating Officer (17/285) providing an update on the progress to date and the achievements of the Council's Building Ambition Transformation Programme, which was approved by the Council on 1 July 2015.

**Resolved:**

The progress in relation to the Transformation Programme as detailed in Appendix 1 to Report 17/285 be noted.

**492. PERTH AND KINROSS EQUALITY OUTCOMES AND MAINSTREAMING REPORT**

There was submitted a report by the Senior Depute Chief Executive (17/286) to update members and seek formal approval for the published draft Equality Outcomes, draft Mainstreaming Report and updated Corporate Equalities Policy.

**Resolved:**

- (i) Progress towards the four Equality Outcomes, which existed up to 31 March 2017, be noted.
- (ii) The proposed amendments to each of the four Equality Outcomes as detailed in Appendix 1 to Report 17/286, be approved.
- (iii) The Equality Mainstreaming Report, attached as Appendix 2 to Report 17/286, be approved.
- (iv) The updated Corporate Equalities Policy, attached as Appendix 3 to Report 17/286, be approved.



**493. ARMED FORCES COVENANT**

There was submitted a report by the Corporate Human Resources Manager (17/287) seeking approval for the Council to sign the Armed Forces Covenant.

**Resolved:**

- (i) The signing of the Armed Forces Covenant for Perth and Kinross Council be authorised, in recognition of the efforts to support defence personnel; provide a supportive environment for reservists and continue being a strong advocate of the Armed Forces.
- (ii) An annual report be submitted to this Committee on progress of the support provided to the Armed Forces.

**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**

**494. SCHEDULE OF PROPERTY MATTERS APPROVED UNDER DELEGATED POWERS**

There was submitted and noted a report by the Director (Environment) (17/288) to advise on property transactions undertaken by the Estates and Commercial Investment Team and approved under delegated powers in the period July 2016 to August 2017.

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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 Wednesday 1 March 2017 at 10.00am.

Present: Councillors A Grant, D Cuthbert, I Miller, M Roberts and W Wilson.

In Attendance: L Campbell and S Merone (both The Environment Service); P Mair, G Taylor and C Irons (all Corporate and Democratic Services).

Councillor A Grant, Presiding.

### 1. WELCOME AND APOLOGIES/SUBSTITUTES

The Convener welcomed all those present to the meeting. There were no apologies/substitutes.

### 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 26 October 2016 was submitted and approved as a correct record.

**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. DISPOSAL OF PLOT 4, BROXDEN BUSINESS PARK, PERTH

There was submitted a report by the Director (Environment) (17/93) seeking approval to dispose of Plot 4 (0.585Ha/1.446 Acres), Broxden Business Park, Perth initially by way of a long ground lease with title being transferred following completion of the development to the highest bidder, or their nominees.

**Motion (Councillors I Miller and A Grant): (i) A ground lease of Plot 4, Broxden Business Park be granted to the highest bidder, or their nominees, and title be transferred following completion of the development on the terms set out in the offer received from them and otherwise on terms and conditions to the satisfaction of the Director (Environment) and the Head of Legal and Governance Services, be approved.**

**(ii) If, in the event the Council fail to conclude missives for the sale to the highest bidder or their nominees, the matter be referred back to the Property Sub-Committee for consideration.**

Amendment (Councillors D Cuthbert and W Wilson): Neither offer received be accepted and the site be remarketed.

In accordance with Standing Order 44, a roll call was taken.

Two members voted for the Amendment as follows:  
Councillors D Cuthbert and W Wilson.

Three members voted for the Motion as follows:  
Councillors A Grant, I Miller and M Roberts.

Amendment – 2 votes

Motion – 3 votes

**Resolved:**

In accordance with the Motion.

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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 Chambers, Council Building, 2 High Street, Perth on Monday 13 March 2017 at 10.00am.

**Present:**

**Representing Perth and Kinross Council**  
Councillor P Barrett  
Councillor A Parrott (substituting for A Younger)  
G Boland, Senior Business and Resource Manager (on behalf of Director (Education and Children's Services))  
P Steel, Human Resources Manager – Operations (on behalf of the Corporate Human Resources Manager)  
A Taylor, Head of Finance and Support Services (on behalf of the Acting Executive Director (Housing and Community Safety))

**Trade Union Safety Representatives and Elected  
Representatives of Employee Safety Committees**

M Blacklaws, SSTA  
L McLaren, UNITE (T&G)  
S Peddie, EIS  
A Thomas, UNITE (AMICUS)  
T Todd, UCATT

**In attendance:** J Handling, Health, Safety and Wellbeing Manager,  
L McGeorge, Property Compliance Team Leader and S Nicoll, Business Support Manager, all the Environment Service and C Irons, Committee Officer, Corporate and Democratic Services.

**Apologies:** Councillors B Ellis, H Stewart and A Younger; S Topen-Cooper, C Flynn and S MacKenzie.

L McLaren in the Chair.

**1. DECLARATIONS OF INTEREST**

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

**2. MINUTES**

The minute of meeting of the Corporate Health, Safety and Wellbeing Consultative Committee of 12 December 2016 was submitted and approved as a correct record.

### **3. MATTERS ARISING**

- (i) Fire Safety Key Performance Indicators – Quarterly Report (Item 5)  
With regard to Beechgrove House, it was noted that there was ongoing discussion regarding the decanting of the residents in order for works to progress.

### **4. HEALTH AND SAFETY KEY PERFORMANCE INDICATORS – QUARTERLY REPORT**

There was submitted and noted a report by the Head of Performance and Resources, the Environment Service (G/17/34) providing the Committee with the Health and Safety Key Performance Indicators for quarter 3 of 2016/17, 1 October to 31 December 2016.

J Handling advised that there were 4 RIDDOR incidents reported which was an increase of 2 from the same quarter last year.

The total number of employee incidents was 185 which was an increase from the previous year.(171) The number of violence and aggression incidents was 156 within the quarter: 151 employees and 5 non-employees. Slips, trips and falls were the second most common cause of incidents and it was noted there were no work-related stress incidents in the quarter.

The total number of non-employee incidents was 15, a decrease from the previous year.(23) In this category the main cause of incidents was violence and aggression, followed by incidents by sharp objects.

### **5. FIRE SAFETY KEY PERFORMANCE INDICATORS – QUARTERLY REPORT**

There was submitted a report by the Head of Performance and Resources, the Environment Service (G/17/35) on the monitoring of fire safety performance across Perth and Kinross Council in quarter 3 of 2016/17.

J Handling advised 3 premises had their Fire Risk Assessments reviewed; 57 premises had outstanding actions from previous quarters' fire risk assessments; there had been 3 audits carried out by the Scottish Fire and Rescue Service and 6 premises had outstanding actions from previous audits. J Handling also advised there had been no reported incidents of fire or near misses during the quarter.

It was noted that there had been a Fire Risk Assessment Review of the Council Building at 2 High Street and no actions were identified.

In response to a question from Councillor P Barrett, L McGeorge advised of 4 actions identified at Portmoak Primary School, 3 were recorded as complete but it was likely the 4<sup>th</sup> action had been completed since the report was prepared.

L McLaren asked about the situation at Blairgowrie High School as although the action plan had been issued in September 2014, it stated there was an outstanding action and design work was progressing.

L McGeorge advised that asbestos removal had to be undertaken prior to the fire safety compliance works being carried out. As asbestos removal had to be undertaken when the school was empty and with sufficient time to do the works, this would be done during the summer holidays.

J Handling assured members there were no outstanding actions which posed a significant risk.

### **Resolved**

- (i) Three Council premises had their Fire Risk assessment reviewed during quarter 3 of 2016/17.
- (ii) Fifty-seven Council premises had outstanding actions from the previous quarter's fire risk assessment reviews, however, no outstanding actions presented an immediate risk in terms of fire safety to either occupants or visitors to Council premises.
- (iii) The Scottish Fire and Rescue Service carried out three audits of Council premises during this quarter.
- (iv) Six Council premises had outstanding actions from the Scottish Fire and Rescue audits carried out in previous quarters and these would be addressed during 2016/17.
- (v) There were no reported incidents of fire at Council owned or operated premises during the quarter.

## **6. ANY OTHER COMPETENT BUSINESS**

- (i) **Health and Safety Delivery Model Update**  
J Handling advised that following approval of the Health and Safety policy and new Delivery Model by the Strategic Policy and Resources Committee in 2013, topic specific Management Arrangements and Guidance documents had been prepared. These provided managers with a breakdown of their responsibilities and guidance on how they can achieve and maintain compliance. Each service had undergone a risk profiling exercise with identified risks listed in a Performance Monitoring Record. These records were issued and were now being used by managers to evidence and monitor their compliance.

The delivery model was now in the last phase of implementation. Following a sample of interim reviews on high risk services, the Health, Safety and Wellbeing Team would start a programme of reviews in April 2017.

Review reports showing areas of good practice and areas of non-compliance will be submitted to the Service Health and Safety Committees. The Service Committees will ensure that outstanding actions were addressed and best practice shared across the Council. A summary report will be included with the key performance indicators report to the next and subsequent Consultative Committee meetings.

**7. DATE OF NEXT MEETING AND EXTENSION OF APPOINTMENT OF CONVENER**

It was noted that the next meeting would be held on Monday 11 September 2017 at 10.00am in the Council Building, 2 High Street, Perth.

The appointment of Convener be extended to the next meeting on 11 September when the appointment of Convener and Vice-Convener will be determined. This would allow the appointment of elected members at the Strategic Policy and Resources Committee on 21 June 2017 following the Local Government elections on 4 May 2017.

The Convener noted it was the last meeting prior to the Local Elections and thanked Councillor Bob Ellis in his tenure as Vice-Convener.

The Convener also thanked the other Councillors for their contribution and that he would be pleased to see some of the current Council members back to have some continuity at the Consultative Committee.

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**PERTH AND KINROSS COUNCIL  
STRATEGIC POLICY AND RESOURCES COMMITTEE  
EMPLOYEES JOINT CONSULTATIVE COMMITTEE**

Minute of meeting of the Employees Joint Consultative Committee, held in the Council Chambers, 2 High Street, Perth on Thursday 16 February 2017 at 10.00am.

**Present:                   Representing Perth and Kinross Council:**

Councillors A Grant, and M Roberts; G Boland (on behalf of the Senior Deputy Chief Executive, ECS); and S MacKenzie (on behalf of the Deputy Chief Executive, Environment).

**Present:                   Representing Trade Unions:**

F Fraser, S Hope, G Mackie, and T Maric (UNISON);  
S Robertson, A Thomas and L McLaren (Unite the Union);  
G Ramsay and T Todd (Unite the Union (formerly UCATT)).

**In Attendance:**      K Donaldson (Corporate Human Resources Manager); K Ridley and J Somerville (all Corporate and Democratic Services); and C Jolly (The Environment Service).

**Apologies:**           Councillors I Miller and A Munro; and A Taylor (on behalf of the Deputy Chief Executive, HCC).

G Mackie, Convener, in the Chair

**1.       DECLARATIONS OF INTEREST**

There were no declarations of interest in terms of the Councillors' Code of Conduct.

**2.       MINUTE OF PREVIOUS MEETING**

The minute of meeting of the Employees Joint Consultative Committee of 24 November 2016 was submitted and approved.

**3.       MATTERS ARISING**

**(i)       Voluntary Severance Scheme (VSS) (Item 3(iv) refers)**

The Corporate Human Resources Manager updated the Consultative Committee on the latest position in terms of the Council's VSS prior to final outcomes to be reported to the special Council meeting in February 2017. She reported that 39 employee applications had been approved, 32 applications remained pending, 27 had been declined (largely on the grounds of affordability); and 3 employees had withdrawn their applications from the process.

In response to a question from G Ramsay regarding unsuccessful applicants, the Corporate Human Resources Manager confirmed that information outlining alternative options was made available to employees.

**(ii) Flexible Working (Item 6 (ii) refers)**

In response to a question, the Corporate Human Resources Manager confirmed that the trial to test changes to fixed elements remained at the pilot stage and that the full evaluation would not take place until the end of March 2017.

**(iii) Budget Meeting (Item 6) (iv) refers)**

The Corporate Human Resources Manager referred to reference at the last meeting to full-time trade union officials being invited to meet with the Chief Executive as part of the budget process. She confirmed that this meeting had taken place on 2 February 2017. She also advised that relevant papers were now due to be considered by Council and were due to be issued that day. JCC members would be sent a link to those papers as soon as this was available.

**4. TRANSFORMATION PROGRAMME**

C Jolly, Team Leader, provided a general update on the Council's current Transformation Programme to the Consultative Committee. He referred to delivering changes in a climate of rising demand and revenue budget constraint.

C Jolly noted that major part of the Council's Transformation Strategy was being delivered through a programme of transformation reviews and that the programme currently comprised of 33 reviews, which were developing new ways of working, supported by efficient processes and systems, and new technologies that sustain high quality service delivery. He added that a framework for Phase 4 of the programme was currently under development and that this would in due course assist in targets being met.

In response to a question, C Jolly reported that the Tay Cities deal was not a direct part of the Council's Transformation programme but was a bid to secure a City Deal led by a strategic partnership of the Leaders and Chief Executives of the four local authorities that deliver services across the Tay Cities region.

T Maric raised an issue regarding communication with employees and the need to keep staff informed of potential changes to ways of working and the Corporate Human Resources Manager advised that the Tay Cities initiative was at a formative stage and suggested that an appropriate representative be invited to a future meeting of the Consultative Committee to provide an overview and update.

**Resolved: -**

The JCC noted the position.

## **5. HEALTH AND WELLBEING**

The Corporate Human Resources Manager updated the Consultative Committee on sickness levels, reasons, and trends for the period 1 April – 30 September 2016.

She reported a slight increase from the previous period to 4.4 days lost per full-time employee in the JCC staff group. The Corporate Human Resources Manager added that mental health, musculoskeletal and stomach/kidney remained as main three reasons for medium to long term sickness absence and that this was no different from any other employers in the public or private sectors.

The Corporate Human Resources Manager reported that at the last meeting of the Consultative Committee, S Hope, Unison and H Meldrum, GMB had noted interest in being involved in joint work with Human Resources on mental health and that this would now be progressed.

In terms of the development of a policy framework, the Corporate Human Resources Manager reported that there had also been Trade Union involvement with this work from the early stages and that the hope was for a completion date after the summer of 2017.

### **Resolved: -**

The JCC noted the update.

## **6. ANY OTHER COMPETENT BUSINESS**

### **(i) Disclosure Scotland Audit**

The Corporate Human Resources Manager reported that following an audit Perth and Kinross Council had been the first local authority to have been found 'fully compliant' and that checks on employment were being applied as they should.

### **(ii) Employee Induction Packs**

S Hope reported that there had now been a general discussion amongst Trade Union representatives and that information to be included in Induction Packs would be forwarded to Human Resources later that week.

### **(iii) Employee Records**

The Corporate Human Resources Manager reported that beginning in April 2017, Corporate and Democratic Services would pilot a scheme designed to allow managers access to electronic personnel files. She added that this was in-line with the self-service approach.

**(iv) Job Family**

The Corporate Human Resources Manager referred to previous Trade Union involvement from Grant Mackie and Colin Coupar in initial discussion relevant to the 'Job Family' initiative and reported that continued Trade Union involvement would be most welcome and that JCC members would also shortly be invited to a meeting to provide an understanding of the concept and the give some background. Grant Mackie suggested that the Job Family was a very good idea and encouraged members to become involved.

**(v) Scottish Apprenticeship Week 2017**

The Corporate Human Resources Manager reported that the 2017 Scottish Apprenticeship Week would take place from 4-10 March and that this would provide the opportunity for the Council to showcase its work with apprentices, with the opportunity for managers, parents and the employees to celebrate. She added that there would be a feature in the Courier, a stand at Pullar House and a visit from Murdo Fraser MSP.

**(vi) Employees JCC Constitution**

The Corporate Human Resources Manager noted that the recent merger of UCATT and Unite the Union meant that the overall membership of the JCC now required to be examined. She added that this would also give an opportunity to review the constitution more generally. The Corporate Human Resources Manager therefore gave notice, as required in terms of the current Constitution, of a proposed variation or modification to the Constitution. She added that the review of the Constitution would be facilitated by Corporate and Democratic Services and J Somerville confirmed that, on behalf of the joint secretaries, she would liaise with members by email regarding any proposed changes to the JCC constitution.

**7. VALDICTORY**

On behalf of the Council and the Employees JCC, Karen Donaldson paid tribute to the long and dedicated service of Grant Mackie, UNISON. She recounted Mr Mackie's very significant and dedicated support for the JCC as a long serving Convener and to his skills in developing positive working relationships and in the promotion of fairness and justice in the workplace. Members joined Karen in wishing Grant well in his forthcoming retirement.

**8. DATE OF NEXT MEETING**

Thursday 28 September 2017.

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## PERTH AND KINROSS COUNCIL

## Strategic Policy and Resources Committee

29 November 2017

## REVENUE BUDGET 2017/18 – MONITORING REPORT NUMBER 2

## Report by the Head of Finance

**PURPOSE OF REPORT**

This report provides an update on progress with the 2017/18 General Fund Revenue Budget based upon the August 2017 ledger, updated for any subsequent known material movements, and the projected financial position of the Housing Revenue Account.

The total net projected under spend on the 2017/18 General Fund Management Budget is £1,785,000 (see Appendix 1).

**1. BACKGROUND / MAIN ISSUES**

- 1.1 This is the second report updating the Committee on progress with the 2017/18 Revenue Budget. Appendix 1 to this report summarises the current projected year end (outturn) position for each Service based upon the August 2017 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 Final Revenue Budget for 2017/18 on 22 February 2017 (Report No. 17/47 refers). In addition, adjustments that were approved by the Council on 28 June 2017 (Report No. 17/236 refers) and the Strategic Policy and Resources Committees on 19 April and 13 September 2017 (Report Nos. 17/152 and 17/279 refer) are reflected in Appendix 1 (Column 2).
- 1.3 The Council's Financial Regulations allow Service Directors to vire budgets up to £100,000 within their Service. Any virements between Services or in excess of £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 2017/18 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 under spend on Service budgets, as set out in Appendix 1 to this report, is £1,785,000 which represents 0.67% of total net Service expenditure.

2.1.2 The utilisation of these 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 £660,000 less than budget – a favourable movement of £516,000 from the position last reported to Committee.

2.1.4 This projected additional net under spend is made up as follows -

- Staff Costs (increase in projected under spend of £611,000) due to slippage on the appointment of area support teaching staff and early childhood practitioners. In addition, the mainstreaming of Evidence to Success funding means that Revenue Budget Flexibility funding carried forward from 2016/17 is no longer required.
- Property Costs (increase in projected under spend of £10,000) due to further under spends on non-domestic rates following the 2017 revaluation.
- Supplies and Services (increase in projected under spend of £194,000) due to a further projected under spend on early learning and childcare provision and the mainstreaming of Evidence to Success funding referred to above.
- Transport Costs (reduction in projected under spend of £13,000) based on the latest levels of activity.
- Home to School Transport (projected over spend of £216,000) due to increased costs as a result of changing demand and above inflation contract increases due to market forces.
- Third Party Payments (reduction in projected under spend of £30,000) due, in the main, to revised projections on the cost of providing continuing care.
- Services for young people with additional support needs and foster / kinship care (increase in projected under spends of £57,000 and £11,000 respectively) based on the latest demand projections.
- Loan Charges (increase in projected over spend of £2,000) based on the latest projections for land disposals.
- Income (reduction in level of projected income of £106,000) due, in the main, to reductions in the number of paid for school meals.

2.1.5 There is a projected under spend of £709,000 on Devolved School Management budgets (DSM) due, mainly, to staff slippage and additional income. It is anticipated that, in line with the approved DSM scheme, the eventual over and under spends will be carried forward into 2018/19.

2.1.6 The projected carry forward of £709,000 represents 0.84% 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 £30,000 less than the allocation from the Scottish Government of £1,608,000. In line with the terms of this funding, this under spend will be carried forward to 2018/19 to meet staffing commitments. Further updates will be provided to the Committee as expenditure plans are progressed with individual head teachers.

2.1.8 **Housing & Community Safety:** The projected outturn is currently anticipated to be £588,000 less than budget – a favourable movement of £328,000 from the position last reported to Committee.

2.1.9 This projected additional net under spend is made up as follows -

- Housing (including temporary accommodation) (increase in projected over spend of £17,000) due to updated occupancy levels for Greyfriars, St Catherine's and dispersed tenancies.
- Revenues and Benefits (increase in projected under spend of £296,000) due primarily to the accelerated delivery of approved savings and additional staff slippage.
- Strategic Planning and Commissioning (increase in projected under spend of £17,000) due to reduced service level agreement / contract expenditure.
- Mental Health (increase in projected over spend of £9,000) following an update of staff costs.
- Learning and Development (reduction in projected under spend of £10,000) following an update of staff cost projections.
- Community Safety (increase in projected under spend of £51,000) due to additional staff slippage.

2.1.10 **The Environment Service:** The projected outturn is currently anticipated to be £235,000 less than budget – a favourable movement of £285,000 from the position last reported to Committee.

2.1.11 This projected net additional under spend is made up as follows –

- Staff Costs (projected under spend of £200,000) due to additional slippage and the accelerated delivery of savings from the voluntary severance scheme.
- Planning & Development (projected over spend of £40,000) due to additional expenditure in relation to the River Tay boat trip pilot project.
- Roads & Transport (projected under spend of £50,000) due to the receipt of additional income in relation to statutory road closures and site notices.
- Public Transport (projected under spend of £100,000) due to projected savings in tendered services primarily as a result of the commercialisation of two services that were previously subsidised.
- Operations, Waste Strategy & Fleet Management (projected under spend of £275,000) due to additional income (sale of recyclates and trade waste) and projected savings on waste disposal contract payments.

- Property (reduction in projected income of £300,000) following a review of professional fees chargeable to the capital programme.

**2.1.12 Corporate and Democratic Services:** The projected outturn is currently anticipated to be £302,000 less than budget – a favourable movement of £171,000 from the position last reported to Committee.

**2.1.13** This projected net additional under spend is made up as follows –

- Staff Costs (increase in projected under spend of £97,000) due to the continued proactive approach to vacancy management.
- Income (increase in projection of £32,000) due to updated estimates.
- Modern Apprentice Programme (increase in projected under spend of £34,000) based on the current level of placements. In line with previous practice, it is proposed that the final under spend on the Modern Apprentice programme be carried forward towards future commitments.
- Other net under spends (increase in projected under spend of £53,000) on various budgets across the Service.
- Local Government By-Election 23 November 2017 (projected cost of £45,000).

## **2.2 Movements in Funding**

**2.2.1** Since Revenue Monitoring Report No. 1 was approved by the Committee in September (Report No. 17/279 refers), notification has been received of additional resources in the current financial year from a number of sources as set out in paragraphs 2.2.2 and Appendix 3.

Other Funding: (£205,492)

**2.2.2** Other funding amounting to £205,492 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 funding are set out in Appendix 3.

**2.2.3 ACTION:** The Committee is asked to note the receipt of £205,492 of additional resources, with this funding being reflected within Education & Children's Services; Housing & Community Safety; Corporate & Democratic Services and Culture & Leisure Services as additional grant income. The current projected outturn assumes that all of these additional resources will be fully expended in 2017/18.

## **2.3 Virements**

Contribution to/from Capital Fund

**2.3.1** In line with the strategy for managing the Council's Capital Programme over the medium term (as reported to Council on 22 June 2016 – Report No. 16/277 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.



2.3.2 The latest monitoring indicates a reduction in the projected outturn for capital financing costs (loan charges) of £34,000 and an increase in the level of projected income from Interest on Revenue Balances of £6,000. These projections factor in the financial implications of treasury management activity in the year to date.

2.3.3 **ACTION:** The Committee is requested to approve the virement of £34,000 from the Capital Financing Costs (Loan Charges) Budget and £6,000 from Interest on Revenue Balances with an increase of £40,000 in the projected Contribution to the Capital Fund. These adjustments have been reflected in Appendix 1 (Column 4) to this report.

## 2.4 Movements in Reserves

### Corporate Transformation Programme

2.4.1 Approval is sought to adjust the budgets for a number of transformation projects due to changes in the phasing of expenditure as follows –

- Home First – reduction of £43,000 (Housing & Community Safety (H&CS))
- Communities First – increase of £75,000 (H&CS); reduction of £218,000 (Health & Social Care (H&SC))
- Review of Residential Care – reduction of £50,000 (H&SC)
- Review of Day Care – reduction of £97,000 (H&SC)
- Collaborative Working – increase of £67,000 (Corporate & Democratic Services C&DS)

2.4.2 **ACTION:** The Committee is asked to approve the adjustments listed above in relation to the Corporate Transformation Programme. These adjustments are reflected in Appendix 1 (Column 5) to the report.

### Discretionary Non-Domestic Rates Relief Scheme

2.4.3 The Strategic Policy and Resources Committee of 13 September 2017 approved a discretionary non-domestic rates relief scheme targeted at key vacant property across Perth and Kinross (Report No. 17/281 refers).

2.4.4 The Committee approved the transfer of £100,000 from the Environment Service which would be earmarked in Reserves to be drawn down as required.

2.4.5 **ACTION:** The Committee is asked to approve the transfer of £100,000 from the Environment Service to Reserves which will be earmarked to fund the discretionary non-domestic rates relief scheme. This adjustment is reflected in Appendix 1 (Column 5 to the report).

### Further Transformation and Organisational Development

- 2.4.6 The Reserves Strategy approved by Council on 22 February 2017 (Report No. 17/48 refers) included £2,000,000 towards further transformation and organisational change in an earmarked Reserve. The Strategic Policy and Resources Committee of 13 September 2017 approved the first allocation of funding of £252,217 from this earmarked Reserve (Report No. 17/279 refers).
- 2.4.7 Since that approval was granted, a further project has been endorsed by the Executive Officer Team in relation to Intent Based Leadership at a cost of £49,000. Subject to approval, this funding will support a practical, organisation-wide approach to leadership and cultural development, at scale and accessible to everyone in the Council over time. The approach will support the ongoing development of an authorising environment, and new ways of working with communities.
- 2.4.8 **ACTION:** The Committee is asked to approve the transfer of £49,000 from the earmarked Reserve for further transformation and organisational change to Corporate & Democratic Services to support the project described at 2.4.7 above. This adjustment is reflected in Appendix 1 (Column 5) to the report.

## **3. CORPORATE BUDGETS**

### Perth & Kinross Integration Joint Board

- 3.1 The meeting of Perth and Kinross Integration Joint Board of 3 November 2017 considered a report entitled “2017/18 Financial Position and Forward Look” from the Board’s Chief Finance Officer (Report No. G/17/173 refers).
- 3.2 This update included the detail supporting a projected under spend on social care activity of £2,564,000. For the Council’s financial management purposes the current projected under spend has been removed from the Health & Social Care Budget for 2017/18 by adjusting the Council’s Management Budget. The financial position for the Integration Joint Board will be kept under review and it is proposed that the final controllable under spend on the Council’s contribution to health & social care be earmarked in the Council’s Reserves to support future social care activity.
- 3.3 **ACTION:** The Committee is asked to approve that the final controllable under spend on the Council’s contribution towards Health & Social Care in 2017/18 be earmarked towards future social care activity.
- Contributions to Tayside Valuation Joint Board

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

## Tayside Contracts Joint Committee

- 3.5 The Tayside Contracts Joint Committee has approved that the percentage share of surpluses which will be allocated to Perth & Kinross Council for 2017/18 will amount to 33%. (32.9% in 2016/17) This is based on the previous year's (2016/17) turnover.

### **4. HOUSING REVENUE ACCOUNT (HRA)**

- 4.1 The Interim Director of Housing & Community Safety is currently projecting a break even position on the Housing Revenue Account. Within this projection there are a number of variances which are set out below.
- Improvements and South (reduction in projected under spend of £22,000) due to additional staff costs.
  - Letham and North (increase in projected over spend of £20,000) due to additional staff costs.
  - Perth City and Specialist (increase in projected under spend of £29,000) due to increased staff slippage.
  - Housing Management (reduction in projected under spend of £2,000) due to updated staff cost projections.
  - Administration (reduction in projected under spend of £6,000) due to updated loan charges projections.
  - Income (increase in projected shortfall of £126,000) due, in the main, to reduced income from housing rents as a result of additional "right to buy" sales in excess of budgeted levels and delays in the completion of houses at Birch Avenue.
- 4.2 The net projected over spends described above result in a reduction in the projected contribution to Capital Financed from Current Revenue (CFCR) (£34,000) available for the HRA Capital Programme.
- 4.3 Full details of the movement against the HRA Revenue Budget are set out in Appendix 4.

### **5. CONCLUSION AND RECOMMENDATIONS**

- 5.1 The total net projected under spend on the General Fund net expenditure, as set out in Appendix 1 to this report, is £1,785,000.
- 5.2 Additionally the projected planned under spend on Devolved School Management Budgets currently stands at £709,000 and £30,000 from the Pupil Equity Fund.
- 5.3 The Interim Director of Housing & Community Safety is currently projecting a break even position on the Housing Revenue Account.

5.4 The Committee is requested to:

- Note the contents of the report;
- Approve the adjustments to the 2017/18 Management Revenue Budget detailed in Appendix 1 and Section 2 and 3 above;
- Approve 2017/18 Service virements summarised in Appendices 2 and 4;

**Author(s)**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
Scott Walker	Chief Accountant	<a href="mailto:chxfinance@pkc.gov.uk">chxfinance@pkc.gov.uk</a>

**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Stewart Mackenzie	Head of Finance	14 November 2017
Jim Valentine	Depute Chief Executive and Chief Operating Officer	14 November 2017

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### 1.1 Corporate Plan

1.1.1 The Council's Corporate Plan 2013 – 2018 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 of 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.

## 2.1 Workforce

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

## 2.2 Asset Management (land, property, IT)

- 2.2.1 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 Chief Executive, Depute Chief Executives and 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 – General Fund 2017/18 Revenue Budget - Summary

Appendix 2 – General Fund 2017/18 Projected Outturn – Service Analysis

Appendix 3 – Other 2017/18 Funding

Appendix 4 – Housing Revenue Account 2017/18 Projected Outturn





**PERTH & KINROSS COUNCIL GENERAL FUND  
2017/18 REVENUE BUDGET - SUMMARY**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2017/18 Council Approved Budget Feb-17	Previously Approved Adjustments (Net)	Movements in Funding	Virements	Movements in Reserves	2017/18 Revised Mgt Budget	Projected Outturn	Variance to Revised Mgt Budget	Variance to Revised Mgt Budget
<i>Reference: Section in Report</i>		1.2	2.3	2.4	2.5		2.1		
<b>SERVICE</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
<b>Education &amp; Children's Services</b>	157,553	2,710				160,263	159,603	(660)	(0.41%)
<b>Housing &amp; Community Safety</b>	15,793	747			32	16,572	15,984	(588)	(3.55%)
<b>The Environment Service</b>	58,793	721			(100)	59,414	59,179	(235)	(0.40%)
<b>Corporate &amp; Democratic Services</b>	16,924	1,092			116	18,132	17,830	(302)	(1.67%)
<b>Culture &amp; Leisure Services</b>	9,814	605				10,419	10,419	0	0.00%
<b>Sub - Total: Service Budgets</b>	<b>258,877</b>	<b>5,875</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>264,800</b>	<b>263,015</b>	<b>(1,785)</b>	<b>(0.67%)</b>
<b>Corporate Budgets</b>									
Contribution to Health & Social Care	49,409	1,249			(2,929)	47,729	47,729	0	0.00%
Contribution to Valuation Joint Board	1,145					1,145	1,145	0	0.00%
Capital Financing Costs	16,348	(224)		(34)		16,090	16,090	0	0.00%
Interest on Revenue Balances	(200)	69		(6)		(137)	(137)	0	0.00%
Net Contribution to/(from) Capital Fund	1,626	155		40		1,821	1,821	0	0.00%
Contribution to/(from) Insurance Fund	200					200	200	0	0.00%
Contribution to/(from) Renewal and Repair Fund	(258)					(258)	(258)	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	1,508					1,508	1,508	0	0.00%
Apprenticeship Levy	680					680	680	0	0.00%
Council Tax Reduction Scheme	6,499					6,499	6,499	0	0.00%
Discretionary Relief	150					150	150	0	0.00%
<b>Net Expenditure (General Fund)</b>	<b>333,746</b>	<b>7,124</b>	<b>0</b>	<b>0</b>	<b>(2,881)</b>	<b>337,989</b>	<b>336,204</b>	<b>(1,785)</b>	<b>(0.53%)</b>
<b>Financed By:</b>									
Revenue Support Grant	(187,802)	(742)				(188,544)	(188,544)	0	0.00%
Ring Fenced Grant	(3,350)	(621)				(3,971)	(3,971)	0	0.00%
Non Domestic Rate Income	(50,864)					(50,864)	(50,864)	0	0.00%
Council Tax Income	(82,240)					(82,240)	(82,240)	0	0.00%
Capital Grant	(1,500)	(205)				(1,705)	(1,705)	0	0.00%
<b>Total Financing</b>	<b>(325,756)</b>	<b>(1,568)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(327,324)</b>	<b>(327,324)</b>	<b>0</b>	<b>0.00%</b>
<b>Financed from/(returned to) Reserves including use of Budget Flexibility b/fwd</b>	<b>7,990</b>	<b>5,556</b>	<b>0</b>	<b>0</b>	<b>(2,881)</b>	<b>10,665</b>	<b>8,880</b>	<b>(1,785)</b>	



**PERTH AND KINROSS COUNCIL - GENERAL FUND 2017/18 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 31 August 2017)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b><u>Education &amp; Children's Services (ECS)</u></b>			
Total	(660)		
			<b><u>Devolved School Management (DSM)</u></b>
		(549)	<b>Staff Costs</b> Teachers salaries are projected to under spend by £1,910,000 due to staff turnover. Single Status staff are projected to under spend by £336,000 also due to staff turnover. This is offset by a slippage target for 2017/2018 of £1,697,000.
		(160)	<b>Income</b> Projected additional income of £160,000 offsets additional expenditure on staff costs included above for secondments and SQA work.
		709	The projected DSM carry forward for 2017/18 is £709,000 which is a reduction of £393,000 on the balance brought forward from 2016/17. This level of carry forward represents approximately 0.84% of the overall DSM budget.
			<b><u>Pupil Equity Fund</u></b>
		(30)	The majority of schools within Perth and Kinross Council have been allocated a share of £1,608,000 of Pupil Equity Funding from the Scottish Government as a ring fenced grant. The funding covers the school academic year (i.e. to 30 June 2018) and at this early stage in the academic year it is projected that £30,000 will be carried forward to 2018/19 for staffing commitments.
		30	Projected carry forward of Pupil Equity Funding.
			<b><u>Other Education &amp; Children's Services Sectors:</u></b>
		(1,310)	<b>Staff Costs</b> This projected under spend is made up of movements across all sectors and cost centres and is after recognising a slippage target of £746,000.
		(40)	<b>Property Costs</b> Projected under spend in relation to Non-Domestic Rates for 2017/18 based on the latest valuations.
		(250)	<b>Supplies and Services</b> Projected under spend in Early Learning and Childcare provision (£150,000) and Evidence to Success (£100,000) funding which has now been mainstreamed.
		(45)	<b>Transport Costs</b> Projected under spend on car allowances and travel.
		216	<b>Home to School Transport</b> Projected over spend due to changing demand patterns within Additional Support Need provision e.g. young people transferring to external placements and reduced supply in the local market leading to above inflation contract increases.
		(401)	<b>Third Party Payments</b> There is a projected under spend due to Partner Providers (£281,000) less places than budgeted for and in Continuing Care (£183,000) due to delays in young people choosing this option for care at this time. These are partially offset by projected over spends within Children Young People and Families, Supporting Young People (£47,000), Direct Payments and Personal Home Care (£8,000) and Unaccompanied Asylum Seeking Children (£8,000).
			<b><u>Residential Schools/Foster Care and Kinship Care:</u></b>
		89	The budget for young people with Additional Support Needs (ASN) who are educated out with 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.
		460	The budget for young people with complex behavioural issues which includes a number of pupils placed within secure schools is projected to over spend based on current activity levels.
		50	Support in the Community is projected to over spend based on the existing number of placements.
		(236)	The foster care / kinship care budget is projected to under spend based on current levels of activity.

**PERTH AND KINROSS COUNCIL - GENERAL FUND 2017/18 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 31 August 2017)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
		21	<b>Loan Charges</b> Projected over spend on prudential borrowing loan charges due to revised projections for land disposals.
		86	<b>Income</b> Projected additional income from Out of School Kids Clubs (£32,000); recharging other authorities for Fostercarer Placements (£18,000) and Secondment to Education Scotland (£11,000). This additional income is offset by reduced income from Wellbank House rents (£4,000); reduced income from breakfast clubs (£59,000) and reduced school meal uptake (£84,000).
		300	<b>Transfer to Earmarked Reserves</b> The Council approved a review and remodelling of residential care (children and young people) on 16 August 2017 (Report No. 17/262 refers). Subject to the delivery of this overall projected underspend this amount will be earmarked to support the delivery of the project.
		400	The Strategic Policy and Resources Committee has previously approved the creation of an earmarked Reserve towards the set up costs of the new secondary school at Bertha Park (Report No. 15/395 refers). Subject to the delivery of this overall projected under spend this amount will be transferred to the earmarked Reserve for Bertha Park.

**PERTH AND KINROSS COUNCIL - GENERAL FUND 2017/18 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 31 August 2017)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b><u>Housing and Community Safety</u></b>			
Total	(588)		
		128	<p><b><u>Housing (including Homeless Temporary Accommodation)</u></b></p> <p>There are projected over spends at Greyfriars, St Catherine's and Dispersed Tenancies (£179,000) due to the under recovery of income as a consequence of reduced occupancy levels. There is also a projected over spend on RIO due to loan charges and property costs pending the sale of the building (£22,000). In addition, the transition to the new model for the Care &amp; Repair Scheme is currently projecting an over spend (£41,000) due to interim staffing arrangements and there is also now a projected over spend on Private Sector Housing Grant payments (£60,000). These projected over spends are partially offset by projected under spends on staff costs (£102,000) due to vacancies, bed &amp; breakfast (£19,000) due to reduced usage, supplies &amp; services (£45,000) as the Service completes the transformation to the Homefirst model and a small over-recovery of income (£8,000) at Double Dykes.</p>
		(486)	<p><b><u>Finance and Support Services</u></b></p> <p>The projected under spend relates to improved Sherriff Officers activity (£50,000), a projected under spend on Housing Benefit Subsidy due to a reduction in the loss on rent allowances (£16,000), additional staff slippage (£152,000) principally due to the interim management arrangements across the Service and the implementation of new staffing structures in some teams and a projected under spend on supplies &amp; services (£45,000) across all teams. There is also the accelerated delivery of approved 2018/19 savings (£223,000).</p>
		(155)	<p><b><u>Strategic Planning &amp; Commissioning, Customer &amp; Community Engagement</u></b></p> <p>There is a projected under spend due to the accelerated delivery of approved 2018/19 savings (£78,000), non recurring income (£30,000) and a projected under spend on SLA/contract spend (£91,000). These are partially offset by small overspends across all teams (£44,000).</p>
		16	<p><b><u>Mental Health Officers (Community Mental Health Teams)</u></b></p> <p>There is a projected over spend across all teams due to staff slippage targets not being met as all posts are currently filled.</p>
		(64)	<p><b><u>Community Safety</u></b></p> <p>Projected under spend in relation to staff slippage.</p>
		(27)	<p><b><u>Learning &amp; Development</u></b></p> <p>Projected under spend in relation to staff slippage.</p>

**PERTH AND KINROSS COUNCIL - GENERAL FUND 2017/18 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 31 August 2017)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b><u>The Environment Service</u></b>			
Total	(235)		
		(200)	<b><u>Service-Wide Staffing Budgets</u></b> Projected staff slippage in excess of target across the Service predominantly derived from accelerated voluntary severance savings
		50	<b><u>Planning &amp; Development</u></b> Projected shortfall in income at Perth Harbour
		40	Operating expenditure associated with River Tay boat trip pilot programme
		(50)	<b><u>Roads &amp; Transport</u></b> Projected additional income from statutory road closures and site notices
		(100)	<b><u>Public Transport</u></b> Projected saving in tendered services predominantly due to the commercialisation of two previously subsidised services
		134	<b><u>Car Parking</u></b> Investment in infrastructure at Mill Street
		(134)	Contribution from Car Park Reserves.
		(75)	<b><u>Operations, Waste Strategy &amp; Fleet Management</u></b> Projected additional income from sale of recyclates and trade waste permits
		(200)	Projected saving on waste disposal contract payments due to improved recycling rates and lower than anticipated gate fee for retendered residual waste contract
		100	<b><u>Property</u></b> Projected increase in energy costs due to higher than anticipated price increase in electricity (c£300,000) and costs of Electric Vehicle Charging points (c£60,000) offset by lower than anticipated price increase in gas and oil (c£130,000), savings on Carbon Reduction Commitment payments due to reduced energy consumption (c£100,000) and additional Renewable Heat Incentive income (c£30,000).
		(100)	Projected saving on water costs.
		300	Projected shortfall in fees arising from non-fee earning work

**PERTH AND KINROSS COUNCIL - GENERAL FUND 2017/18 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 31 August 2017)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b><u>Corporate and Democratic Services</u></b>			
Total	(302)		<p><b><u>Core Costs</u></b></p> <p>(6) Projected net under spend on staff costs due to slippage.</p> <p><b><u>Legal Services</u></b></p> <p>(44) Projected under spend on staff costs due to vacancies.</p> <p>65 Projected over spend on other costs across the Division, primarily publications and photocopying.</p> <p>(28) Projected additional income due to the cyclical nature of a number of the income streams.</p> <p><b><u>Finance</u></b></p> <p>(10) Projected net under spend primarily due to staff slippage in excess of budgeted levels.</p> <p><b><u>Human Resources</u></b></p> <p>(34) Projected under spend on Modern Apprentice programme based on latest placements</p> <p>(25) Various net projected under spends across staff costs, supplies and services, third party payments and transport costs</p> <p><b><u>IT</u></b></p> <p>(66) Projected under spend on staff costs due to vacancies.</p> <p>(60) Projected over recovery of income</p> <p><b><u>Strategic Commissioning &amp; Organisational Development</u></b></p> <p>(124) Projected net under spend primarily due to staff slippage in excess of budgeted levels.</p> <p>(15) Projected net under spend on third party payments and supplies and services</p> <p>45 <b><u>Projected costs of Local Government By Election</u></b></p>
<b>TOTAL</b>	<b>(1,785)</b>		





## Other 2017/18 Funding

<b>Education &amp; Children's Services</b>	
Education Scotland – Creative Learning Network	£8,682
NHS Tayside – Core Toothbrushing Programme	£4,590
Cycling Scotland – Play on Pedals	£3,000
Save the Children – Families Connect: St John's Academy	£1,500
<b>Housing &amp; Community Safety</b>	
Scottish Government – Discretionary Housing Payment: Bedroom Tax Mitigation	£19,308
DWP – Real Time Information: Implementation Costs	£1,370
<b>Corporate &amp; Democratic Services</b>	
Scottish Government – Community Choices Fund 17/18 to support participatory budgeting	£100,000
<b>Culture &amp; Leisure Services</b>	
Bord Na Gaidhlig – Gaelic Immersion Course for Teachers	£28,160
Bord Na Gaidhlig – Gaelic in the Community	£16,920
Bord Na Gaidhlig – Gaelic in the Workplace	£14,000
Bord Na Gaidhlig – Promoting Gaelic	£5,000
Bord Na Gaidhlig – Early Years	£2,962
<b>TOTAL</b>	<b>£205,492</b>



**PERTH AND KINROSS COUNCIL - HOUSING REVENUE ACCOUNT 2017/18 PROJECTED OUTTURN**  
**(Based on Expenditure to 31 August 2017)**

£'000	Summary of Service Variances
(1)	<b>Improvements and South</b> Various projected net under spends on staff costs across a number of teams
54	<b>Letham and North</b> Projected over spend in relation to increased Sheriff Officer fees, agency fees, staff costs and overtime costs in Internal Trades teams to cover long term sickness. These projected over spends are partially offset by a projected under spend on property costs.
(48)	<b>Perth City and Specialist</b> Increased income from Common Housing Register recharges, staff slippage and various projected under spends on staff costs. These are partially offset by a projected over spend on property costs and supplies & services in City Team.
(68)	<b>Housing Management</b> Projected under spend on staff costs due to interim management arrangements and other staff costs and a small projected under spend on property costs budgets.
(74)	<b>Administration</b> Projected under spend due to lower than anticipated loan charges and on property costs in relation to reduced property insurance recharges
171	<b>Income</b> Projected under recovery of income from Interest on Revenue Balances and rent from houses, garages and lock ups.
(34)	<b>Capital Financed from Current Revenue</b> 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.
0	



## PERTH AND KINROSS COUNCIL

## Strategic Policy and Resources Committee

29 November 2017

**COMPOSITE CAPITAL BUDGET 2017/23 & HOUSING INVESTMENT  
PROGRAMME 2017/22 – MONITORING REPORT NUMBER 2**

Report by the Head of Finance

**PURPOSE OF REPORT**

This report provides a summary position to date for the Composite Capital Programme for 2017/18 to 2022/23 and the Housing Investment Programme 2017/18 to 2021/22, and seeks approval for adjustments to the programmes.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 At its meeting on 13 September 2017, this Committee approved a revised Gross Composite Capital Budget for 2017/18 to 2022/23 totalling £492,011,000 (report 17/280 refers). The Committee also approved a revised Housing Investment Programme for the 5 years 2017/18 to 2021/22, with the estimated net expenditure over this period totalling £80,308,000.
- 1.2 This report advises of expenditure to 31 October 2017 and the latest estimate of the projected outturn for each of the years to 2022/23 for the Composite Programme and to 2021/22 for the Housing Investment Programme.
- 1.3 The Capital Programme Exceptions Report (Appendix V) provides summary information on the latest position for individual projects reported within Sections 3 and 4 of this report.

**2. COMPOSITE CAPITAL PROGRAMME – CAPITAL RESOURCES**

- 2.1 The current estimated total gross capital resources available over the six years 2017/18 to 2022/23 amount to £491,440,000. Movements from the revised Composite Capital Budget approved on 13 September 2017 are summarised in the table below, and the constituent elements for each year are summarised at Appendix I.

<b>Total Composite Gross Capital Resources</b>			
	<b>Approved 13 September 2017</b>	<b>Current Estimate</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>2017/18</b>	101,246	101,297	51
<b>2018/19</b>	68,468	69,171	703
<b>2019/20</b>	62,088	61,988	(100)
<b>2020/21</b>	88,491	88,391	(100)
<b>2021/22</b>	103,524	102,991	(533)
<b>2022/23</b>	68,194	67,602	(592)
<b>Total</b>	<b>492,011</b>	<b>491,440</b>	<b>(571)</b>

- 2.2 There have been no movements in the **General Capital Grant** or **Ring-Fenced Capital Grants** since the last report.
- 2.3 Anticipated **General Fund Property Disposal** receipts in 2017/18 have reduced by £213,000, which reflects one disposal now expected to conclude in 2018/19, and offset by another disposal being brought forward to 2017/18 from 2019/20. These movements have resulted in the rephasing of disposal receipts over these years, however, the total amount remains unchanged, and is reflected at Appendix I. There are no movements in receipts on the **Commercial Property Investment Programme**, which is subject to a separate report to this Committee (Section 3.4.6 below).
- 2.4 There is an overall reduction of £519,000 in **Third Party Contributions** in 2017/18 relating to Perth Theatre (£538,000, Section 3.3.2) and the Unadopted Roads & Footways programme (£17,000, Section 3.4.2), offset by £20,000 on the TES Capital Programme Management System (Section 3.4.4) and £16,000 on Smart City – Waste Programme (Section 3.4.7). **Revenue Contributions** have increased by £110,000 in 2017/18 relating to the Play Area Improvement Strategy (£90,000, Section 3.4.3) and the TES Capital Programme Monitoring System (£20,000, Section 3.4.4). All movements in Third Party and Revenue Contributions have been included in Appendices I and II.
- 2.5 The projected **Borrowing Requirement** in 2017/18, which is effectively the balancing item for resources, is £68,511,000, which is £699,000 higher than the previous Borrowing Requirement approved by this Committee on 13 September 2017. The total Borrowing Requirement in the subsequent years 2018/19 to 2022/23 has decreased by £861,000 to £275,386,000, resulting in an overall decrease of £162,000 across the whole six year programme. This relates to reduced Prudential Borrowing within The Environment Service (Section 3.4.7), offset by reduced Third Party Contributions for Perth Theatre (Section 3.3.2).

- 2.6 The difference in the Gross Resources at Section 2.1 above and the Borrowing Requirement can be summarised as follows:

Reduction in Borrowing Requirement (Section 2.5)	(£162,000)
Reduction in Third Party Contributions (Section 2.4)	(£519,000)
Increase in Revenue Contributions (Section 2.4)	£110,000
<b>Reduction in Gross Capital Resources (Section 2.1)</b>	<b>(£571,000)</b>

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

	2017/18	2018/19	2019/20	Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Reduction in Third Party Contributions for Perth Theatre (Section 3.3.2)	538	0	0	0	538
(Reduction) in Borrowing on The Environment Services Prudential Borrowing Programme (Section 3.4.7)	(100)	(100)	(100)	(400)	(700)
Movements arising from re-phasing of other expenditure and receipts (Appendix II)	261	304	260	(825)	0
<b>Increase/(Decrease) in Borrowing Requirement</b>	<b>699</b>	<b>204</b>	<b>160</b>	<b>(1,225)</b>	<b>(162)</b>

### 3. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

- 3.1 Total expenditure (net of grants and contributions) in the current year to 31 October 2017 on the Composite Capital Programme amounts to £49,063,000, which is detailed at Appendix II and can be summarised as follows:

	Net Expenditure to 31 Oct 2017
	£'000
Education and Children's Services	15,501
The Environment Service	32,509
Health and Social Care	155
Housing and Community Safety	210
Corporate & Democratic Services	688
<b>Total</b>	<b>49,063</b>

- 3.2 In addition, General Capital Grant received to 31 October 2017 amounts to £10,777,000 and capital receipts amount to £780,000. Therefore, the borrowing requirement to 31 October 2017, after allowing for the movement in receipts brought forward and carried forward of £234,000, totals £37,272,000. A comprehensive monitoring exercise has been carried out, which is detailed at Appendix II. The most significant features are discussed below.

### 3.3 **Education and Children's Services**

- 3.3.1 The Executive Director (Education & Children's Services) has reviewed the current programme from the position approved by this Committee on 13 September 2017 (report 17/280 refers).
- 3.3.2 Following the decision of this Committee in April 2014 to underwrite £1,500,000 of additional borrowing in the event Horsecross Arts did not meet this funding target, estimated Third Party Contributions of £1,000,000 were included in the budget at the meeting of this Committee on 8 February 2017 (report 17/60 refers). The borrowing requirement was, therefore, reduced by this amount at that time. Horsecross Arts have now estimated that the total contributions received will amount to £462,000, resulting in a shortfall of £538,000. It is, therefore, proposed to reduce the Third Party Contributions by £538,000, which increases the borrowing requirement accordingly.
- 3.3.3 The only other proposed movement is in respect to the Perth Academy Refurbishments budget which was transferred from Property Services to Education & Children's Services in the last report. Consequently, it is proposed to bring forward £825,000 of the budget to 2017/18 from 2021/22 (£433,000) and 2022/23 (£392,000) to meet the cost of Fire Audit work and asbestos removal which is being undertaken in the current year.

3.2.1 The above proposed adjustments have been reflected in Appendices I and II

### 3.4 **The Environment Service**

- 3.4.1 The Director (Environment) has reviewed the current programme and proposes various budget adjustments, the most significant of which are described below.
- 3.4.2 There are a reduced number of schemes which are being progressed under the Unadopted Roads & Footways programme. Consequently, the levels of expenditure and Third Party Contributions have reduced by £17,000. In addition, the works anticipated for the current year has reduced by £65,000 and it is proposed to carry this amount forward to 2018/19.
- 3.4.3 Within the 2017/18 Community Greenspace works programmes, a Revenue Contribution of £90,000 has been included in the Play Area Improvement Strategy, which reflects capital expenditure which is funded within the Revenue Budget. The schemes to be funded from this budget are anticipated to be undertaken in 2018/19. There are also other smaller proposed adjustments in the programme, including re-profiling £115,000 of the Small Parks works from 2017/18 to 2018/19 due to ongoing consultations with the local communities.



- 3.4.4 Within the IT Upgrade Programme, it is proposed to purchase a Programme Management system at an estimated cost of £60,000 which would be developed over 2017/18 and 2018/19. The system would be used by all Services and so would ensure consistency of the development, recording and monitoring of Capital projects across the whole Council. It is also proposed, therefore, that the cost be funded from each Service, with £20,000 funded by a Revenue Contribution from Education & Children's Services in 2017/18, and a contribution from the Housing Revenue Account of £10,000 in each of the years 2017/18 and 2018/19 (shown as a Third Party Contribution).
- 3.4.5 Within Property Services, it is proposed to re-profile works budgeted in 2017/18 to 2018/19 at Pitlochry High School whilst the full programme of works is developed. There is also an adjustment of £7,000 from 2018/19 to 2017/18 in respect of DDA Adaptations & Alteration Works.
- 3.4.6 A review of the Commercial Property Investment Programme is the subject of a separate report to be considered at this meeting. The outcome of this review will be incorporated into the Capital Budget once the report has been considered.
- 3.4.7 Within the Prudential Borrowing programme, the cost of lanterns on the Street Lighting LED & Column Replacement programme has reduced significantly. The estimated cost of the planned programme of work has reduced by £100,000 in each of the next five years, and £200,000 in 2022/23 (which includes works scheduled for 2023/24). Consequently the Prudential Borrowing Requirement for the overall programme has reduced by £700,000. In addition, an additional grant of £16,000 has been awarded for the Smart City – Waste Programme in 2018/19, which requires to be matched by a £24,000 contribution from the Council (60%). It is, therefore, proposed that this is met from the Recycling Containers budget. It is also proposed to reprofile £170,000 from 2017/18 to 2018/19 for works in the Energy Conservation programme. As these works require to be undertaken during school holidays, they have now been programmed for the Easter holidays in April 2018.
- 3.4.8 All the above proposed adjustments have been reflected in Appendices I and II.
- 3.5 Housing and Community Safety & Health & Social Care
- 3.5.1 The Director (Housing & Community Safety (HCS)) has reviewed the current programme.

3.5.2 Following completion of the full design brief for the Letham Community Wellbeing Hub project, it is estimated that the project cost will be £187,000 higher than the budget allocation. As the project is still at an early stage, it is proposed that the budget is increased by £250,000 in 2018/19 to include an allowance for additional contingencies. It is further proposed that the funding is re-allocated from the Refurbish & Extend Lewis Place Day Care Centre project. The balance of the budget for Lewis Place is currently being reviewed in relation to works requiring to be undertaken at the New Rannoch Road Centre to accommodate the additional services relocating to the centre from Lewis Place.

### 3.6 Corporate & Democratic Services

3.6.1 The Corporate IT Manager has reviewed the current programme. The only proposed movement is in relation to the Online Services & MyAccount project within the Prudential Borrowing programme, with £40,000 to be rephased from the current year to 2018/19. This reflects the costs of licences which will now be used within the Mobile Working Review, with the corresponding re-profiling of the budget.

3.6.2 The above proposed adjustments have been reflected in Appendices I and II.

## 4. **HOUSING INVESTMENT PROGRAMME**

4.1 Net expenditure for 2017/18 to 31 October 2017 amounts to £12,877,000 and receipts amount to £539,000, giving a borrowing requirement of £12,338,000 for the year to date. The current estimated net expenditure over the six years 2017/18 to 2021/22 amounts to £80,235,000. The Director (Housing & Community Safety) proposes to make several adjustments to the programme approved on 13 September 2017, and these have been included within Appendix III. The most significant adjustments are described below.

4.2 It is proposed to transfer a total of £1,630,000 from the New Build Future Development budget in 2017/18 to various individual schemes. This includes:

- £594,000 for demolition and groundworks at the 208 Crieff Road development in 2017/18, with a further £807,000 in 2018/19 for construction. In addition there is £1,206,000 from the Scottish Government and £480,000 proposed to be applied from Council tax Second Home income, giving a total budget of £2,493,000 in 2018/19.
- £150,000 for Birch Avenue, Scone in 2018/19 to fund additional site development costs arising from soil contamination. As a result of the contamination, it is also proposed to re-profile £300,000 from 2017/18 to 2018/19.
- £44,000 for additional site investigation and professional fees at Main Street, Invergowrie,
- £68,000 for additional street lighting, timber fencing, retaining wall and fees at Nimmo Avenue.
- £34,000 for additional utility works at Cairns Crescent.

- Funding has also been secured from the Contaminated Land Fund for Glenearn Road New Build Development resulting in a proposed movement of £58,000 from Glenearn Road to New Build Future Developments in 2017/18 which partially offsets the above movements. It also offset by a further £9,000 as a result of a saving at Jeanfield Road.
- 4.3 As a result of the continuing progress in purchasing ex Council House stock to support the delivery of affordable housing under the Council's Buy Back scheme, it is proposed to accelerate £1,105,000 into 2017/18 from 2020/21 (£366,000) and 2021/22 (£739,000). Further, following a specification review and revaluation of site requirements, it is proposed to reduce the Garage and Lock Ups budget in 2017/18 by £73,000.
- 4.4 As a result of negotiations with private owners under the Tenancy Management Agreement, additional blocks out with the main contract have been identified for Controlled Door Entry facilities. It is, therefore, proposed that £130,000 is accelerated from the 2018/19 General Capital Works budget to the 2017/18 Controlled Door Entry programme to undertake the identified improvements. In addition, a further £115,000 has been agreed from the private owners towards the overall works.
- 4.5 Following estate-based surveys and walkabouts, a number of high priority additional works to retaining walls have been identified within the Environmental Improvements budget. Therefore, it is proposed that £600,000 is accelerated to 2017/18 from future years, with £200,000 from each of the years 2018/19, 2019/20 and 2021/22.
- 4.6 It is also proposed to transfer £395,000 from the Energy Efficiency programme to the Central Heating programme in 2017/18, as the works from both programmes are combined into one project. In addition, it is proposed to increase the Bathroom Modernisation project by £250,000 in 2017/18 to meet the additional costs of Social Work Adaptations, by transferring £50,000 from the Kitchen Upgrade programme and £50,000 from Mortgage-to-Rent in 2017/18 and £150,000 from the General Capital Works in 2021/22.
- 4.7 Capital Receipts have been revised in line with current estimates. The Right to Buy programme ended on 31 July 2016, with only applications received by that date being able to be considered. However, there remain some applications still being processed in the current year. It is therefore proposed to increase the estimated Receipts by £102,000 in line with actual sales anticipated to conclude.
- 4.8 The Scottish Procurement Alliance (SPA) is a not-for-profit central local authority purchasing body and has been used by the Council to procure housing construction, refurbishment and maintenance works. Under the agreement, a share of SPA's operating surplus is returned to the participating authorities. Consequently, £197,000 has been received by the Council in the current year in respect of capital works which were undertaken in 2013/14. As

this relates to several schemes, it cannot readily be attributed to individual projects, and it is therefore allocated as Other Receipts in 2017/18.

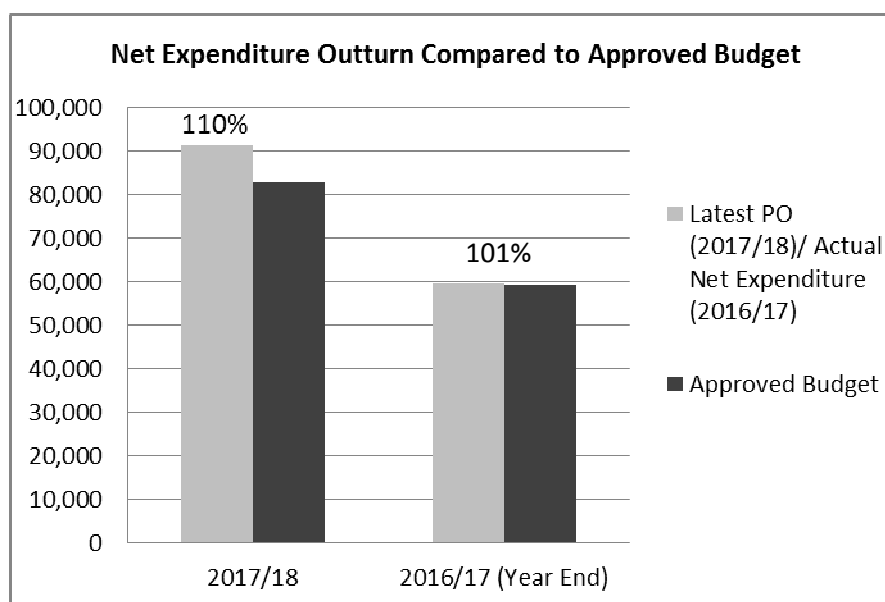
- 4.9 As a result of the proposed adjustments above, the total Housing Investment Programme borrowing requirement over the five year period to 31 March 2022 has reduced by £372,000 which relates to the reduction in the budget for Lock Up and Garages (£73,000) described in paragraph 4.3, and the increase in Capital Receipts described in paragraph 4.7 (£102,000) and paragraph 4.8 (£197,000).

## 5. RENEWAL & REPAIR FUND

- 5.1 Detailed at Appendix IV is the 2017/18 approved budget and the projected outturn for the Renewal & Repair Fund. There have been no movements in the projections since the last report, with the anticipated balance at the end of the year remaining as nil.

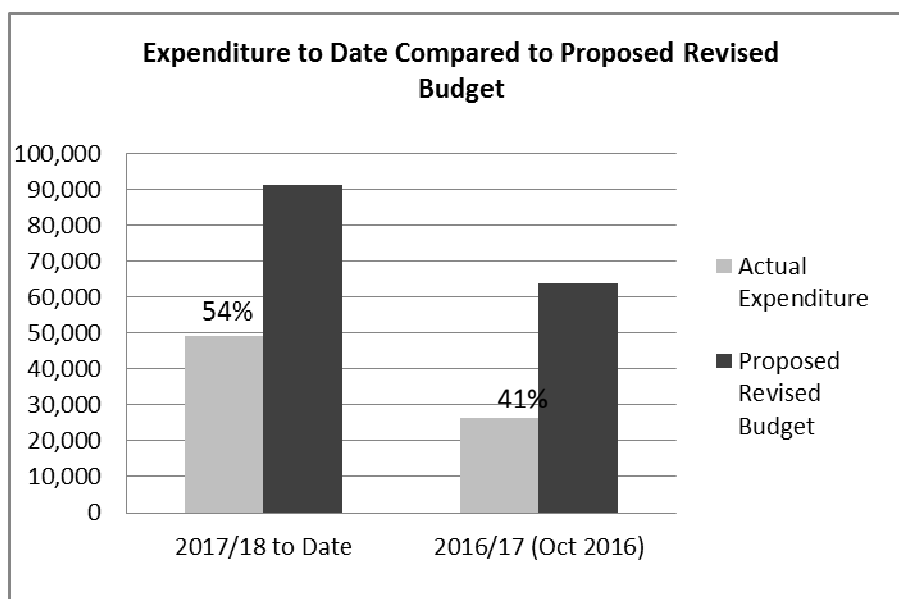
## 6. BUDGET OVERVIEW

- 6.1 The Composite Capital Budget approved by this Committee on 13 September 2017 has been reviewed and updated to reflect the latest monitoring position.
- 6.2 The latest projected 2017/18 net expenditure outturn for the Composite Capital Programme represents 110% of the 2017/18 budget approved on 19 April 2017:

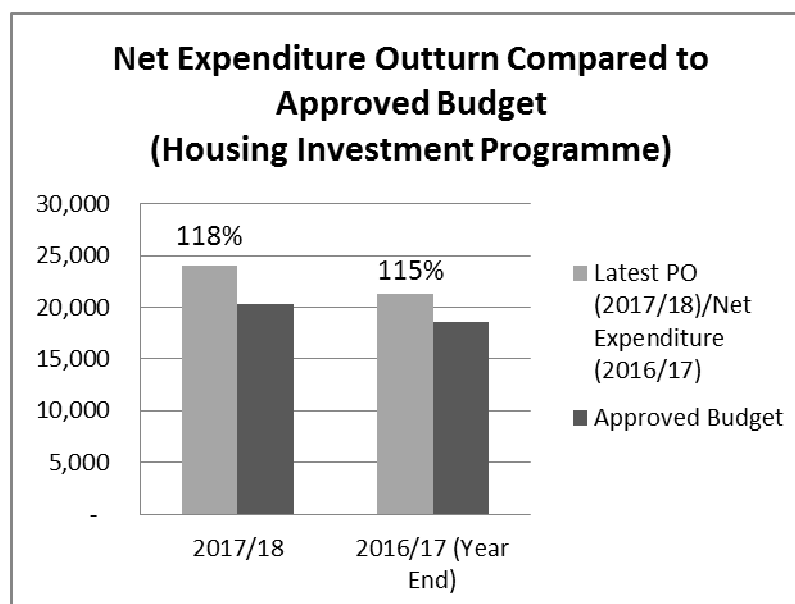


- 6.3 This difference is primarily a result of the budget adjustments detailed in the last report approved on 13 September 2017. Overall, the adjustments in 2017/18 proposed in this report amount to an increase in the net budget of £486,000.

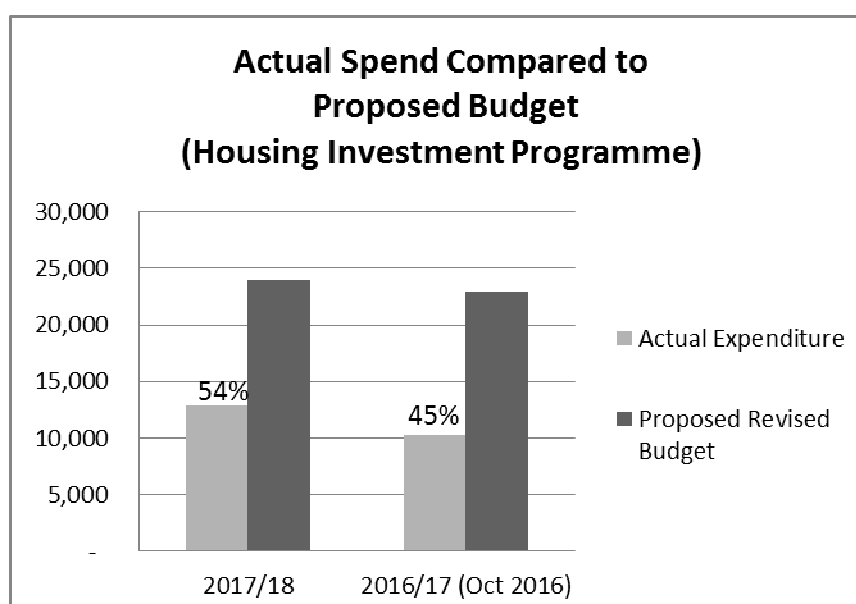
- 6.4 Actual net expenditure to 31 October 2017 on the programme represents 54% of the proposed revised 2017/18 budget:



- 6.5 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.
- 6.6 The latest projected gross expenditure outturn for the Housing Investment Programme represents 118% of the 2017/18 budget approved by this Committee on 19 April 2017:



- 6.7 Actual net expenditure at 31 October 2017 on the Housing Investment Programme represents 54% of the proposed revised 2017/18 budget:



- 6.8 This report identifies revised projected expenditure and proposed budget movements on a number of Capital projects and Programmes. As detailed in Section 2.5, the proposed borrowing requirement on the 6-year Composite Programme has decreased by £162,000, whilst proposed movements on the Housing Investment Programme detailed at Section 4.9 show a reduction in the borrowing requirement of £372,000 over the 5-year budget.

## 7. RECOMMENDATIONS

- 7.1 It is recommended that the Committee:

- (i) Note the contents of this report.
- (ii) Approve the proposed budget adjustments to the six year Composite Capital Budget 2017/18 to 2022/23 set out in Sections 2 and 3 of this report and summarised at Appendices I and II.
- (iii) Approve the proposed budget and monitoring adjustments to the Housing Investment Programme Budget 2017/18 to 2021/22 set out in Section 4 of this report and summarised at Appendix III.

### Author(s)

Name	Designation	Contact Details
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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Stewart MacKenzie	Head of Finance	16 November 2017
Jim Valentine	Depute Chief Executive and Chief Operating Officer	

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### 1.1 Corporate Plan

1.1.1 The Council's Corporate Plan 2013 – 2018 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 of 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 Chief Executive and all Directors have been consulted in the preparation of this report.

## **5. BACKGROUND PAPERS**

- 5.1 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.

## **6. APPENDICES**

Appendix I – Composite Capital Programme - Estimated Capital Resources  
2017/18 to 2022/23

Appendix II – Composite Capital Programme - Summary of Capital Resources  
and Expenditure 2017/18 to 2022/23

Appendix III – Housing Investment Programme – Summary of Capital  
Resources and Expenditure 2017/18 to 2021/22

Appendix IV – Renewal & Repair Fund Budget 2017/18

Appendix V – Capital Programme Exceptions Report 2017/18

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
*Estimated Capital Resources 2017/18 to 2022/23*

**APPENDIX I**

	Capital Resources 2017/18 (£'000) Revised Budget	Capital Resources 2018/19 (£'000) Revised Budget	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 TOTAL (£'000) Revised Budget
<b>Capital Grants</b>							
Cycling, Walking & Safer Streets (CWSS)	205	221	221	200	200	200	1,247
Early Learning & Childcare	887	0	0	0	0	0	887
General Capital Grant	16,211	14,655	11,625	23,886	22,936	12,852	102,165
<b>Total Capital Grants</b>	<b>17,303</b>	<b>14,876</b>	<b>11,846</b>	<b>24,086</b>	<b>23,136</b>	<b>13,052</b>	<b>104,299</b>
<b>General Capital Receipts</b>							
General Fund - Capital Receipts	1,277	669	0	207	250	500	2,903
General Fund - Housing Receipts	5	3	3	3	3	0	17
General Fund - Ring Fenced Receipts	317	296	268	256	221	354	1,712
<b>Total General Capital Receipts</b>	<b>1,599</b>	<b>968</b>	<b>271</b>	<b>466</b>	<b>474</b>	<b>854</b>	<b>4,632</b>
<b>Commercial Property Receipts</b>							
Capital Receipts brought-forward	1,326	908	594	83	167	484	1,326
Commercial Property Capital Receipts	1,685	1,724	510	84	317	308	4,628
Capital Receipts carried-forward	(908)	(594)	(83)	(167)	(484)	(792)	(792)
<b>Total Commercial Property Receipts Applied</b>	<b>2,103</b>	<b>2,038</b>	<b>1,021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,162</b>
<b>Contributions</b>							
Third Party Contributions	7,752	3,439	5,000	3,500	0	0	19,691
Developer Contributions	3,146	1,810	1,810	1,810	2,010	2,020	12,606
Revenue Budget Contributions	883	90	180	0	0	0	1,153
<b>Total Contributions</b>	<b>11,781</b>	<b>5,339</b>	<b>6,990</b>	<b>5,310</b>	<b>2,010</b>	<b>2,020</b>	<b>33,450</b>
<b>Capital Borrowing Requirement</b>	<b>68,511</b>	<b>45,950</b>	<b>41,860</b>	<b>58,529</b>	<b>77,371</b>	<b>51,676</b>	<b>343,897</b>
<b>TOTAL CAPITAL RESOURCES/ GROSS BUDGET EXPENDITURE</b>	<b>101,297</b>	<b>69,171</b>	<b>61,988</b>	<b>88,391</b>	<b>102,991</b>	<b>67,602</b>	<b>491,440</b>

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
*Estimated Capital Resources 2017/18 to 2022/23*

**Movements in Resources from Approved Budget - 13th September 2017**

	<b>Report Section</b>	<b>Revised Budget 2017/18 £'000</b>	<b>Revised Budget 2018/19 £'000</b>	<b>Revised Budget 2019/20 £'000</b>	<b>Revised Budget 2020/21 £'000</b>	<b>Revised Budget 2021/22 £'000</b>	<b>Revised Budget 2022/23 £'000</b>	<b>Revised Budget TOTAL £'000</b>
Increase/(Decrease) in Capital Receipts - General Fund	2.3	(213)	473	(260)	0	0	0	0
Increase/(Decrease) in Third Party Contributions	2.4	(545)	26	0	0	0	0	(519)
Increase/(Decrease) in Revenue Contributions	2.4	110	0	0	0	0	0	110
Increase/(Decrease) in Borrowing Requirement	2.5 to 2.6	699	204	160	(100)	(533)	(592)	(162)
<b>Total Increase/(Decrease) in Resources</b>		<b>51</b>	<b>703</b>	<b>(100)</b>	<b>(100)</b>	<b>(533)</b>	<b>(592)</b>	<b>(571)</b>
Approved Resources per SP&R - 13 September 2017 (report 17/280)		101,246	68,468	62,088	88,491	103,524	68,194	492,011
<b>Revised Resources</b>		<b>101,297</b>	<b>69,171</b>	<b>61,988</b>	<b>88,391</b>	<b>102,991</b>	<b>67,602</b>	<b>491,440</b>

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
**SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2022/23**

**APPENDIX II**

	Revised Budget  Report 1 2017/18 (£'000)	Proposed Budget Adjustment Report 2 2017/18 (£'000)	Revised Budget  Report 2 2017/18 (£'000)	Actuals to 31-Oct-17  2017/18 (£'000)	Projected Outturn  2017/18 (£'000)	Revised Budget  Report 1 2018/19 (£'000)	Proposed Budget Adjustment Report 2 2018/19 (£'000)	Revised Budget  Report 2 2018/19 (£'000)	Revised Budget  Report 1 2019/20 (£'000)	Proposed Budget Adjustment Report 2 2019/20 (£'000)	Revised Budget  Report 2 2019/20 (£'000)
EDUCATION AND CHILDREN'S SERVICES	19,883	1,363	21,246	15,501	21,246	14,926	0	14,926	21,964	0	21,964
THE ENVIRONMENT SERVICES	67,311	(837)	66,474	32,509	66,474	41,785	637	42,422	32,014	(100)	31,914
HEALTH AND SOCIAL CARE	578	1	579	155	579	1,163	(250)	913	250	0	250
HOUSING AND COMMUNITY SAFETY	564	(1)	563	210	563	2,772	250	3,022	130	0	130
CORPORATE AND DEMOCRATIC SERVICES	2,431	(40)	2,391	688	2,391	3,802	40	3,842	2,061	0	2,061
<b>TOTAL NET EXPENDITURE</b>	<b>90,767</b>	<b>486</b>	<b>91,253</b>	<b>49,063</b>	<b>91,253</b>	<b>64,448</b>	<b>677</b>	<b>65,125</b>	<b>56,419</b>	<b>(100)</b>	<b>56,319</b>
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)											
GENERAL CAPITAL GRANT	(16,211)	0	(16,211)	(10,777)	(16,211)	(14,655)	0	(14,655)	(11,625)	0	(11,625)
DEVELOPER CONTRIBUTIONS	(3,146)	0	(3,146)	0	(3,146)	(1,810)	0	(1,810)	(1,810)	0	(1,810)
CAPITAL RECEIPTS	(3,180)	213	(2,967)	(780)	(2,967)	(1,923)	(473)	(2,396)	(773)	260	(513)
<b>ANNUAL BORROWING REQUIREMENT</b>	<b>68,230</b>	<b>699</b>	<b>68,929</b>	<b>37,506</b>	<b>68,929</b>	<b>46,060</b>	<b>204</b>	<b>46,264</b>	<b>42,211</b>	<b>160</b>	<b>42,371</b>
CAPITAL RECEIPTS BROUGHT FORWARD	(1,326)	0	(1,326)	(1,326)	(1,326)	(908)	0	(908)	(594)	0	(594)
CAPITAL RECEIPTS CARRIED FORWARD	908	0	908	1,092	908	594	0	594	83	0	83
<b>TOTAL NET BORROWING REQUIREMENT</b>	<b>67,812</b>	<b>699</b>	<b>68,511</b>	<b>37,272</b>	<b>68,511</b>	<b>45,746</b>	<b>204</b>	<b>45,950</b>	<b>41,700</b>	<b>160</b>	<b>41,860</b>

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
**SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2022/23**

	Revised Budget  Report 1 2020/21 (£'000)	Proposed Budget Adjustment Report 2 2020/21 (£'000)	Revised Budget  Report 2 2020/21 (£'000)	Revised Budget  Report 1 2021/22 (£'000)	Proposed Budget Adjustment Report 2 2021/22 (£'000)	Revised Budget  Report 2 2021/22 (£'000)	Revised Budget  Report 1 2022/23 (£'000)	Proposed Budget Adjustment Report 2 2022/23 (£'000)	Revised Budget  Report 2 2022/23 (£'000)	Revised Budget  Report 2 TOTAL (£'000)
EDUCATION AND CHILDREN'S SERVICES	29,570	0	29,570	35,496	(433)	35,063	18,678	(392)	18,286	141,055
THE ENVIRONMENT SERVICES	52,600	(100)	52,500	64,906	(100)	64,806	45,849	(200)	45,649	303,765
HEALTH AND SOCIAL CARE	250	0	250	250	0	250	250	0	250	2,492
HOUSING AND COMMUNITY SAFETY	130	0	130	195	0	195	70	0	70	4,110
CORPORATE AND DEMOCRATIC SERVICES	1,985	0	1,985	2,256	0	2,256	2,793	0	2,793	15,328
<b>TOTAL NET EXPENDITURE</b>	<b>84,535</b>	<b>(100)</b>	<b>84,435</b>	<b>103,103</b>	<b>(533)</b>	<b>102,570</b>	<b>67,640</b>	<b>(592)</b>	<b>67,048</b>	<b>466,750</b>
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)										
GENERAL CAPITAL GRANT	(23,886)	0	(23,886)	(22,936)	0	(22,936)	(12,852)	0	(12,852)	(102,165)
DEVELOPER CONTRIBUTIONS	(1,810)	0	(1,810)	(2,010)	0	(2,010)	(2,020)	0	(2,020)	(12,606)
CAPITAL RECEIPTS	(294)	0	(294)	(570)	0	(570)	(808)	0	(808)	(7,548)
<b>ANNUAL BORROWING REQUIREMENT</b>	<b>58,545</b>	<b>(100)</b>	<b>58,445</b>	<b>77,587</b>	<b>(533)</b>	<b>77,054</b>	<b>51,960</b>	<b>(592)</b>	<b>51,368</b>	<b>344,431</b>
CAPITAL RECEIPTS BROUGHT FORWARD	(83)	0	(83)	(167)	0	(167)	(484)	0	(484)	(1,326)
CAPITAL RECEIPTS CARRIED FORWARD	167	0	167	484	0	484	792	0	792	792
<b>TOTAL NET BORROWING REQUIREMENT</b>	<b>58,629</b>	<b>(100)</b>	<b>58,529</b>	<b>77,904</b>	<b>(533)</b>	<b>77,371</b>	<b>52,268</b>	<b>(592)</b>	<b>51,676</b>	<b>343,897</b>

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PERTH AND KINROSS COUNCIL  
COMPOSITE CAPITAL PROGRAMME  
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2022/23

	Revised Budget  Report 1 2017/18 (£'000)	Proposed Budget Adjustment Report 2 2017/18 (£'000)	Revised Budget Report 2 2017/18 (£'000)	Actuals to 31-Oct-17 2017/18 (£'000)	Projected Outturn 2017/18 (£'000)	Revised Budget  Future Years (£'000)	Proposed Budget Adjustment Report 2 Future Years (£'000)	Revised Budget Report 2 Future Years (£'000)	Revised Budget Report 2 TOTAL (£'000)
<b>THE ENVIRONMENT SERVICE</b>									
<u>Traffic &amp; Road Safety</u>									
Road Safety Initiatives (20mph Zones etc..)	87	0	87	20	87	250	0	250	337
Road Safety Initiatives	721	0	721	141	721	720	0	720	1,441
Vehicle Activation Signs	180	0	180	73	180	0	0	0	180
Cycling Walking & Safer Streets (CWSS)	221	0	221	27	221	1,042	0	1,042	1,263
Scottish Government Grant - CWSS	(205)	0	(205)	0	(205)	(1,042)	0	(1,042)	(1,247)
Third Party Contribution	(16)	0	(16)	0	(16)	0	0	0	(16)
Car Parking - Additional Capital Grant	250	0	250	0	250	0	0	0	250
<b>Sub-Total</b>	<b>1,238</b>	<b>0</b>	<b>1,238</b>	<b>261</b>	<b>1,238</b>	<b>970</b>	<b>0</b>	<b>970</b>	<b>2,208</b>
<u>Asset Management - Roads &amp; Lighting</u>									
Structural Maintenance	10,324	0	10,324	4,515	10,324	32,552	0	32,552	42,876
Third Party Contribution	(1,501)	0	(1,501)	(22)	(1,501)	0	0	0	(1,501)
Street Lighting Renewals - Upgrading/Unlit Areas	154	0	154	106	154	472	0	472	626
Traffic Signal Renewals - Upgrading	87	0	87	2	87	325	0	325	412
Unadopted Roads & Footways (Match Funding)	134	(82)	52	16	52	0	65	65	117
Third Party Contributions	(33)	17	(16)	(7)	(16)	0	0	0	(16)
Footways	484	0	484	216	484	2,175	0	2,175	2,659
Road Safety Barriers	76	0	76	0	76	100	0	100	176
Third Party Contribution	(26)	0	(26)	0	(26)	0	0	0	(26)
<b>Sub-Total</b>	<b>9,699</b>	<b>(65)</b>	<b>9,634</b>	<b>4,826</b>	<b>9,634</b>	<b>35,624</b>	<b>65</b>	<b>35,689</b>	<b>45,323</b>
<u>Asset Management - Bridges</u>									
Port Na Craig Footbridge - Assess & Strengthening	18	0	18	0	18	0	0	0	18
Revenue Contribution	(5)	0	(5)	0	(5)	0	0	0	(5)
Bridge Refurbishment Programme	0	0	0	0	0	1,587	0	1,587	1,587
Short Span Bridge Replacement Programme	0	0	0	0	0	53	0	53	53
West of Fearman Culvert	329	0	329	13	329	0	0	0	329
Vehicular Bridge Parapets Programme - Assess & Upgrade	75	0	75	0	75	100	0	100	175
<b>Sub-Total</b>	<b>417</b>	<b>0</b>	<b>417</b>	<b>13</b>	<b>417</b>	<b>1,740</b>	<b>0</b>	<b>1,740</b>	<b>2,157</b>
<u>Improvement Schemes</u>									
New Rural Footways	53	0	53	24	53	0	0	0	53
A9/A85 Road Junction Improvements	21,599	0	21,599	14,840	21,599	8,163	0	8,163	29,762
Third Party Contribution	(129)	0	(129)	(129)	(129)	0	0	0	(129)
Road Improvements due to A9 Dualing	0	0	0	0	0	750	0	750	750
Perth Transport Futures	1,042	0	1,042	217	1,042	76,948	0	76,948	77,990
A977 Upgrades	94	0	94	2	94	500	0	500	594
<b>Sub-Total</b>	<b>22,659</b>	<b>0</b>	<b>22,659</b>	<b>14,954</b>	<b>22,659</b>	<b>86,361</b>	<b>0</b>	<b>86,361</b>	<b>109,020</b>



**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
**SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2022/23**

	Revised Budget  Report 1 2017/18 (£'000)	Proposed Budget Adjustment Report 2 2017/18 (£'000)	Revised Budget  Report 2 2017/18 (£'000)	Actuals to 31-Oct-17  2017/18 (£'000)	Projected Outturn  2017/18 (£'000)	Revised Budget  Future Years (£'000)	Proposed Budget Adjustment Report 2 Future Years (£'000)	Revised Budget  Report 2 Future Years (£'000)	Revised Budget  Report 2 TOTAL (£'000)
<u>Rural Flood Mitigation Schemes</u>									
Almondbank Flood Prevention Scheme	14,724	0	14,724	7,261	14,724	0	0	0	14,724
Third Party Contribution	(104)	0	(104)	(105)	(104)	0	0	0	(104)
Comrie Flood Prevention Scheme	475	0	475	6	475	24,130	0	24,130	24,605
Millnathort Flood Prevention Scheme	85	0	85	0	85	1,694	0	1,694	1,779
South Kinross Flood Prevention	145	0	145	0	145	3,017	0	3,017	3,162
Scone Flood Prevention	0	0	0	0	0	645	0	645	645
<b>Sub-Total</b>	<b>15,325</b>	<b>0</b>	<b>15,325</b>	<b>7,162</b>	<b>15,325</b>	<b>29,486</b>	<b>0</b>	<b>29,486</b>	<b>44,811</b>
<u>Planning Conservation</u>									
Conservation of Built Heritage	73	0	73	16	73	615	0	615	688
Third Party Contribution	0	0	0	0	0	(100)	0	(100)	(100)
<b>Sub-Total</b>	<b>73</b>	<b>0</b>	<b>73</b>	<b>16</b>	<b>73</b>	<b>515</b>	<b>0</b>	<b>515</b>	<b>588</b>
<u>City Centre Projects</u>									
Perth City Centre Project	82	0	82	0	82	2,100	0	2,100	2,182
Revenue Contribution	0	0	0	0	0	(270)	0	(270)	(270)
Mill Street Environmental Improvements	1,222	0	1,222	336	1,222	0	0	0	1,222
Revenue Contribution (Car Parking)	(134)	0	(134)	0	(134)	0	0	0	(134)
Third Party Contribution	(10)	0	(10)	(10)	(10)	0	0	0	(10)
<u>Perth &amp; Kinross Place-making:</u>									
- St Paul's Church	425	0	425	186	425	2,048	0	2,048	2,473
- Perth City Hall/Vennels	50	0	50	0	50	500	0	500	550
- Auchterarder	0	0	0	0	0	300	0	300	300
- Perth City Centre Golden Route (Rail Station)	100	0	100	0	100	500	0	500	600
- Green Network Routes	100	0	100	0	100	400	0	400	500
- Tay Street, Perth	0	0	0	0	0	1,870	0	1,870	1,870
- Mill St, Perth (Phase 3) - Shared Space at Bus Station	0	0	0	0	0	600	0	600	600
- South Street, Perth - Transport Hub	0	0	0	0	0	1,100	0	1,100	1,100
Perth & Kinross Lighting Action Plan	513	0	513	0	513	4,487	0	4,487	5,000
<b>Sub-Total</b>	<b>2,348</b>	<b>0</b>	<b>2,348</b>	<b>512</b>	<b>2,348</b>	<b>13,635</b>	<b>0</b>	<b>13,635</b>	<b>15,983</b>
<u>Other Planning Projects</u>									
Creative Exchange (former St. John's Primary School)	418	0	418	232	418	3,839	0	3,839	4,257
Third Party Contribution	(335)	0	(335)	(24)	(335)	(1,474)	0	(1,474)	(1,809)
	<b>83</b>	<b>0</b>	<b>83</b>	<b>208</b>	<b>83</b>	<b>2,365</b>	<b>0</b>	<b>2,365</b>	<b>2,448</b>
<u>Community Greenspace</u>									
Play Areas - Improvements Implementation Strategy	527	(12)	515	1	515	18	90	108	623
Third Party Contribution	(76)	0	(76)	0	(76)	0	0	0	(76)
Revenue Contributions	0	(90)	(90)	0	(90)	0	0	0	(90)
Friends of Park Development - MacRosty Park, Crieff	30	0	30	0	30	0	0	0	30
Community Greenspace Sites	0	0	0	0	0	2,351	0	2,351	2,351
Small Parks	120	(115)	5	5	5	0	115	115	120
Community Greenspace Bridges	40	10	50	0	50	0	0	0	50
Core Path Implementation	51	0	51	4	51	0	0	0	51
Pitlochry Recreation Park	115	2	117	100	117	0	0	0	117
Third Party Contributions	(42)	0	(42)	(41)	(42)	0	0	0	(42)
Alyth Environmental Improvements	31	0	31	2	31	410	0	410	441
Third Party Contributions	0	0	0	0	0	(33)	0	(33)	(33)
Parks Development - Riverside Masterplan	8	0	8	6	8	0	0	0	8
Cemetery Extensions	55	0	55	0	55	445	0	445	500
<b>Sub-Total</b>	<b>859</b>	<b>(205)</b>	<b>654</b>	<b>77</b>	<b>654</b>	<b>3,191</b>	<b>205</b>	<b>3,396</b>	<b>4,050</b>

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
**SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2022/23**

	Revised Budget  Report 1 2017/18 (£'000)	Proposed Budget Adjustment Report 2 2017/18 (£'000)	Revised Budget Report 2 2017/18 (£'000)	Actuals to 31-Oct-17 2017/18 (£'000)	Projected Outturn 2017/18 (£'000)	Revised Budget  Future Years (£'000)	Proposed Budget Adjustment Report 2 Future Years (£'000)	Revised Budget Report 2 Future Years (£'000)	Revised Budget Report 2 TOTAL (£'000)
<u>Waste Strategy</u>									
Ladywell Landfill & Blairgowrie Transfer Station (Regulatory Works)	0	0	0	0	0	117	0	117	117
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>117</b>	<b>0</b>	<b>117</b>	<b>117</b>
<u>Support Services</u>									
<u>PC Replacement &amp; IT Upgrades</u>									
Hardware	101	0	101	72	101	478	0	478	579
Licenses	116	0	116	155	116	571	(20)	551	667
Corporate Programme Management System	0	30	30	0	30	0	30	30	60
Third Party Contribution (HRA)	0	(10)	(10)	0	(10)	0	(10)	(10)	(20)
Revenue Contribution (ECS)	0	(20)	(20)	0	(20)	0	0	0	(20)
<b>Sub-Total</b>	<b>217</b>	<b>0</b>	<b>217</b>	<b>227</b>	<b>217</b>	<b>1,049</b>	<b>0</b>	<b>1,049</b>	<b>1,266</b>
<u>Property Services</u>									
DDA Adaptation & Alteration Works Programme	324	7	331	272	331	1,150	(7)	1,143	1,474
Crematorium	500	0	500	0	500	0	0	0	500
Property Compliance Works Programme	845	0	845	299	845	3,530	0	3,530	4,375
Capital Improvement Projects Programme	549	0	549	89	549	9,562	0	9,562	10,111
Life Expired Building Replacement Programme	134	0	134	62	134	0	0	0	134
Fire Audit Works - Robert Douglas Memorial school	30	0	30	8	30	366	0	366	396
Pitlochry High School - Upgrade Programme	304	(304)	0	0	0	2,510	304	2,814	2,814
<u>City Centre Developments - Cultural Attractions:</u>									
- City Hall	385	0	385	17	385	19,535	0	19,535	19,920
- Perth Museum & Art Gallery (PMAG)	297	0	297	21	297	6,200	0	6,200	6,497
- Collections Store	290	0	290	0	290	3,200	0	3,200	3,490
Third Party Contributions*	0	0	0	0	0	(10,000)	0	(10,000)	(10,000)
Salix Expenditure Programme	50	0	50	0	50	0	0	0	50
Revenue Contribution (CEEf)	(25)	0	(25)	0	(25)	0	0	0	(25)
Third Party Contributions (Salix)	(25)	0	(25)	0	(25)	0	0	0	(25)
<b>Sub Total</b>	<b>3,658</b>	<b>(297)</b>	<b>3,361</b>	<b>768</b>	<b>3,361</b>	<b>36,053</b>	<b>297</b>	<b>36,350</b>	<b>39,711</b>
* The Third Party income is shown above to show the overall budget position of the project, however, under the approved governance of the project, securing the external funding remains the responsibility of the Senior Depute Chief Executive, ECS.									
<u>Commercial Property Investment Programme</u>									
Fonab Business Park, Pitlochry - Site Servicing & Provision of Units	0	0	0	0	0	626	0	626	626
North Muirton Industrial Estate - Site Servicing & Provision of Units	2,077	0	2,077	919	2,077	1,341	0	1,341	3,418
Western Edge, Kinross - Site Servicing	26	0	26	2	26	0	0	0	26
Crieff - Employment Land/Advance Unit Provision	0	0	0	0	0	792	0	792	792
Additional Infrastructure Investment - Broxden	0	0	0	0	0	50	0	50	50
Creative Industries Land/Advance Units	0	0	0	0	0	250	0	250	250
<b>Sub-Total</b>	<b>2,103</b>	<b>0</b>	<b>2,103</b>	<b>921</b>	<b>2,103</b>	<b>3,059</b>	<b>0</b>	<b>3,059</b>	<b>5,162</b>
<u>Prudential Borrowing Projects</u>									
Wheeled Bin Replacement Programme - Domestic Bins	150	0	150	118	150	510	0	510	660
Wheeled Bin Replacement Programme - Commercial Bins	6	0	6	0	6	57	0	57	63
Wheeled Bin Replacement Programme - 140L Bins	167	0	167	140	167	0	0	0	167
Recycling Containers, Oil Banks & Battery Banks Replacement Pro	61	0	61	14	61	330	(24)	306	367
Capital Receipts - Disposals	(1)	0	(1)	(1)	(1)	0	0	0	(1)
Litter Bins	40	0	40	20	40	100	0	100	140
Smart Cities - Smart Waste	150	0	150	0	150	55	40	95	245
Third Party Contribution (EDRF)	(60)	0	(60)	0	(60)	(23)	(16)	(39)	(99)
Vehicle Replacement Programme	3,459	0	3,459	753	3,459	13,875	0	13,875	17,334
Capital Receipts - Vehicle Disposals	(316)	0	(316)	(67)	(316)	(1,395)	0	(1,395)	(1,711)
Energy Conservation & Carbon Reduction Programme	464	(170)	294	0	294	590	170	760	1,054
Corporate Asset Management - SNAPPI	144	0	144	0	144	0	0	0	144

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
**SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2022/23**

	Revised Budget  Report 1 2017/18 (£'000)	Proposed Budget Adjustment Report 2 2017/18 (£'000)	Revised Budget  Report 2 2017/18 (£'000)	Actuals to 31-Oct-17  2017/18 (£'000)	Projected Outturn  2017/18 (£'000)	Revised Budget  Future Years (£'000)	Proposed Budget Adjustment Report 2 Future Years (£'000)	Revised Budget  Report 2 Future Years (£'000)	Revised Budget  Report 2 TOTAL (£'000)
POP - IT HUB, Carpenter House Essential & Improvements Works	18	0	18	0	18	0	0	0	18
Crematorium - Memorial Garden Enhancement	10	0	10	0	10	47	0	47	57
Crematorium - Abatement Works	2,342	0	2,342	1,061	2,342	0	0	0	2,342
Street Lighting Renewal - LED & Column Replacement	1,113	(100)	1,013	461	1,013	6,759	(600)	6,159	7,172
Smart Cities - Intelligent Street Lighting	198	0	198	63	198	167	0	167	365
Third Party Contribution (EDRF)	(64)	0	(64)	(15)	(64)	(83)	0	(83)	(147)
Third Party Contribution (CIF)	(30)	0	(30)	0	(30)	0	0	0	(30)
Perth Harbour - Dredging	781	0	781	6	781	0	0	0	781
Land Purchase & Development	0	0	0	0	0	1,000	0	1,000	1,000
Technology & Innovation Incubator Units	0	0	0	0	0	1,000	0	1,000	1,000
<b>Sub Total</b>	<b>8,632</b>	<b>(270)</b>	<b>8,362</b>	<b>2,564</b>	<b>8,362</b>	<b>22,989</b>	<b>(430)</b>	<b>22,559</b>	<b>30,921</b>
<b>TOTAL: THE ENVIRONMENT SERVICE</b>	<b>67,311</b>	<b>(837)</b>	<b>66,474</b>	<b>32,509</b>	<b>66,474</b>	<b>237,154</b>	<b>137</b>	<b>237,291</b>	<b>303,765</b>
<b>Health &amp; Social Care</b>									
Occupational Therapy Equipment	262	0	262	132	262	1,250	0	1,250	1,512
Housing with Care - Communal Facilities	18	0	18	0	18	345	0	345	363
Refurbish & Extend Lewis Place Day Care Centre for Older People	0	0	0	0	0	368	(250)	118	118
JELS - Facility Service Enhancement	2	1	3	10	3	0	0	0	3
Developing Supported Tenancies	229	0	229	0	229	0	0	0	229
Dalweem RHE - Refurbish Communal Areas	26	0	26	13	26	0	0	0	26
Beechgrove - Refurbish Communal Areas	41	0	41	0	41	200	0	200	241
<b>TOTAL: HEALTH &amp; SOCIAL CARE</b>	<b>578</b>	<b>1</b>	<b>579</b>	<b>155</b>	<b>579</b>	<b>2,163</b>	<b>(250)</b>	<b>1,913</b>	<b>2,492</b>
<b>Housing &amp; Community Safety</b>									
Letham Wellbeing Hub	200	0	200	65	200	2,642	250	2,892	3,092
Gypsy Travellers Site Improvement Works	134	0	134	64	134	0	0	0	134
Relocation of Area Office to Former Rannoch Road Day Centre	30	(1)	29	28	29	0	0	0	29
Software Licence Charges	95	0	95	52	95	460	0	460	555
Council Contact Centre	105	0	105	1	105	195	0	195	300
<b>TOTAL: HOUSING &amp; COMMUNITY SAFETY</b>	<b>564</b>	<b>(1)</b>	<b>563</b>	<b>210</b>	<b>563</b>	<b>3,297</b>	<b>250</b>	<b>3,547</b>	<b>4,110</b>
<b>CORPORATE AND DEMOCRATIC SERVICES</b>									
ICT Infrastructure & Replacement and Upgrade Programme	1,691	0	1,691	542	1,691	11,377	0	11,377	13,068
<b>Sub-Total</b>	<b>1,691</b>	<b>0</b>	<b>1,691</b>	<b>542</b>	<b>1,691</b>	<b>11,377</b>	<b>0</b>	<b>11,377</b>	<b>13,068</b>
<u>Prudential Borrowing Projects</u>									
Online Services& MyAccount	340	(40)	300	10	300	807	40	847	1,147
Mobile Working Review	400	0	400	136	400	713	0	713	1,113
<b>Sub-Total: Prudential Borrowing</b>	<b>740</b>	<b>(40)</b>	<b>700</b>	<b>146</b>	<b>700</b>	<b>1,520</b>	<b>40</b>	<b>1,560</b>	<b>2,260</b>
<b>TOTAL: CORPORATE AND DEMOCRATIC SERVICES</b>	<b>2,431</b>	<b>(40)</b>	<b>2,391</b>	<b>688</b>	<b>2,391</b>	<b>12,897</b>	<b>40</b>	<b>12,937</b>	<b>15,328</b>

PERTH AND KINROSS COUNCIL  
COMPOSITE CAPITAL PROGRAMME  
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2022/23

	Revised Budget  Report 1 2017/18 (£'000)	Proposed Budget Adjustment Report 2 2017/18 (£'000)	Revised Budget  Report 2 2017/18 (£'000)	Actuals to 31-Oct-17  2017/18 (£'000)	Projected Outturn  2017/18 (£'000)	Revised Budget  Future Years (£'000)	Proposed Budget Adjustment Report 2 Future Years (£'000)	Revised Budget  Report 2 Future Years (£'000)	Revised Budget  Report 2 TOTAL (£'000)
<b>TOTAL COMPOSITE NET EXPENDITURE</b>	<b>90,767</b>	<b>486</b>	<b>91,253</b>	<b>49,063</b>	<b>91,253</b>	<b>376,145</b>	<b>(648)</b>	<b>375,497</b>	<b>466,750</b>
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)									
<b>CAPITAL RECEIPTS</b>									
General Capital Grant - Scottish Government	(16,211)	0	(16,211)	(10,777)	(16,211)	(85,954)	0	(85,954)	(102,165)
Developer Contributions	(3,146)	0	(3,146)	0	(3,146)	(9,460)	0	(9,460)	(12,606)
General Fund - Capital Receipts/Disposal	(1,490)	213	(1,277)	(93)	(1,277)	(1,413)	(213)	(1,626)	(2,903)
Commercial Property - Capital Receipts/Disposal	(1,685)	0	(1,685)	(687)	(1,685)	(2,943)	0	(2,943)	(4,628)
General Fund Housing Receipts	(5)	0	(5)	0	(5)	(12)	0	(12)	(17)
<b>Total: Capital Receipts</b>	<b>(22,537)</b>	<b>213</b>	<b>(22,324)</b>	<b>(11,557)</b>	<b>(22,324)</b>	<b>(99,782)</b>	<b>(213)</b>	<b>(99,995)</b>	<b>(122,319)</b>
<b>Annual Composite Borrowing Requirement</b>	<b>68,230</b>	<b>699</b>	<b>68,929</b>	<b>37,506</b>	<b>68,929</b>	<b>276,363</b>	<b>(861)</b>	<b>275,502</b>	<b>344,431</b>
<b>CAPITAL RECEIPTS BROUGHT FORWARD</b>	<b>(1,326)</b>	<b>0</b>	<b>(1,326)</b>	<b>(1,326)</b>	<b>(1,326)</b>	<b>(3,178)</b>	<b>150</b>	<b>(3,028)</b>	<b>(1,326)</b>
<b>CAPITAL RECEIPTS CARRIED FORWARD</b>	<b>908</b>	<b>0</b>	<b>908</b>	<b>1,092</b>	<b>908</b>	<b>3,062</b>	<b>(150)</b>	<b>2,912</b>	<b>792</b>
<b>TOTAL NET COMPOSITE BORROWING REQUIREMENT</b>	<b>67,812</b>	<b>699</b>	<b>68,511</b>	<b>37,272</b>	<b>68,511</b>	<b>276,247</b>	<b>(861)</b>	<b>275,386</b>	<b>343,897</b>

PERTH AND KINROSS COUNCIL  
HOUSING INVESTMENT PROGRAMME

SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2021/22

APPENDIX III

**Council House New Build Programme**

**Invergowrie, Main Street - 5 Units**

Council Tax (Second Income)  
Scottish Government Subsidy

**Alyth, Springbank Road (Phase 2) - 11 Units**

Council Tax (Second Income)  
Scottish Government Subsidy

**Balbeggie - 16 Units**

Council Tax (Second Income)  
Scottish Government Subsidy

**Jeanfield Road, Perth (Phase 1)**

Council Tax (Second Income)  
Scottish Government Subsidy

**Old Mill Road, Blairgowrie - 7 Units**

Council Tax (Second Income)  
Scottish Government Subsidy

**Glenearn Road - 8 Units**

Council Tax (Second Income)  
Scottish Government Subsidy  
Third Party Contributions

**Birch Avenue, Scone - 20 Units**

Council Tax (Second Income)  
Scottish Government Subsidy

**Nimmo Avenue, Perth - 16 Units**

Council Tax (Second Income)  
Scottish Government Subsidy

**Cairns Crescent, Perth - 8 Units**

Council Tax (Second Income)  
Scottish Government Subsidy

**208, Crieff Road, Perth**

Council Tax (Second Income)  
Scottish Government Subsidy

**New Build - Lynn Road, Stanley - 10 Units**

Council Tax (Second Income)  
Scottish Government Subsidy

**Future Developments**

Council Tax (Second Income)  
Scottish Government Subsidy

**Total Council House New Build**

	Revised Budget  Report 1 2017/18 (£'000)	Proposed Budget Adjustment Report 2 2017/18 £'000	Revised Budget  Report 2 2017/18 £'000	Actual to 31-Oct-17 2017/18 £'000	Projected Outturn  Report 2 2017/18 £'000	Revised Budget  Report 1 2018/19 £'000	Proposed Budget Adjustment Report 2 2018/19 £'000	Revised Budget  Report 2 2018/19 £'000	Revised Budget  Report 1 2019/20 £'000	Proposed Budget Adjustment Report 2 2019/20 £'000	Revised Budget  Report 2 2019/20 £'000	Revised Budget  Report 1 2020/21 £'000	Proposed Budget Adjustment Report 2 2020/21 £'000	Revised Budget  Report 2 2020/21 £'000	Revised Budget  Report 1 2021/22 £'000	Proposed Budget Adjustment Report 2 2021/22 £'000	Revised Budget  Report 2 2021/22 £'000	Revised Budget  Report 2 TOTAL £'000
Invergowrie, Main Street - 5 Units	0	44	44	44	44	0		0	0		0	0		0	0		0	44
Council Tax (Second Income)	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	44	44	44	44	0	0	0	0	0	0	0	0	0	0	0	0	44
Alyth, Springbank Road (Phase 2) - 11 Units	24		24	0	24	0		0	0		0	0		0	0		0	24
Council Tax (Second Income)	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
	24	0	24	0	24	0	0	0	0	0	0	0	0	0	0	0	0	24
Balbeggie - 16 Units	14		14	3	14	0		0	0		0	0		0	0		0	14
Council Tax (Second Income)	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
	14	0	14	3	14	0	0	0	0	0	0	0	0	0	0	0	0	14
Jeanfield Road, Perth (Phase 1)	0	(9)	(9)	(9)	(9)	0		0	0		0	0		0	0		0	(9)
Council Tax (Second Income)	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	(9)	(9)	(9)	(9)	0	0	0	0	0	0	0	0	0	0	0	0	(9)
Old Mill Road, Blairgowrie - 7 Units	7		7	0	7	0		0	0		0	0		0	0		0	7
Council Tax (Second Income)	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
	7	0	7	0	7	0	0	0	0	0	0	0	0	0	0	0	0	7
Glenearn Road - 8 Units	722		722	609	722	0		0	0		0	0		0	0		0	722
Council Tax (Second Income)	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
Third Party Contributions	0	(58)	(58)	0	(58)	0		0	0		0	0		0	0		0	(58)
	722	(58)	664	609	664	0	0	0	0	0	0	0	0	0	0	0	0	664
Birch Avenue, Scone - 20 Units	2,156	(300)	1,856	202	1,856	0	450	450	0		0	0		0	0		0	2,306
Council Tax (Second Income)	(400)		(400)	0	(400)	0		0	0		0	0		0	0		0	(400)
Scottish Government Subsidy	(1,010)		(1,010)	0	(1,010)	0		0	0		0	0		0	0		0	(1,010)
	746	(300)	446	202	446	0	450	450	0	0	0	0	0	0	0	0	0	896
Nimmo Avenue, Perth - 16 Units	689	68	757	725	757	0		0	0		0	0		0	0		0	757
Council Tax (Second Income)	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
	689	68	757	725	757	0	0	0	0	0	0	0	0	0	0	0	0	757
Cairns Crescent, Perth - 8 Units	86	34	120	102	120	0		0	0		0	0		0	0		0	120
Council Tax (Second Income)	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
	86	34	120	102	120	0	0	0	0	0	0	0	0	0	0	0	0	120
208, Crieff Road, Perth	85	594	679	93	679	0	2,493	2,493	0		0	0		0	0		0	3,172
Council Tax (Second Income)	0		0	0	0	0	(480)	(480)	0		0	0		0	0		0	(480)
Scottish Government Subsidy	0		0	0	0	0	(1,206)	(1,206)	0		0	0		0	0		0	(1,206)
	85	594	679	93	679	0	807	807	0	0	0	0	0	0	0	0	0	1,486
New Build - Lynn Road, Stanley - 10 Units	1,376		1,376	888	1,376	0		0	0		0	0		0	0		0	1,376
Council Tax (Second Income)	(200)		(200)	0	(200)	0		0	0		0	0		0	0		0	(200)
Scottish Government Subsidy	(570)		(570)	0	(570)	0		0	0		0	0		0	0		0	(570)
	606	0	606	888	606	0	0	0	0	0	0	0	0	0	0	0	0	606
Future Developments	3,834	(1,630)	2,204	0	2,204	2,996		2,996	3,076		3,076	3,158		3,158	18,241		18,241	29,675
Council Tax (Second Income)	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
	3,834	(1,630)	2,204	0	2,204	2,996	0	2,996	3,076	0	3,076	3,158	0	3,158	18,241	0	18,241	29,675
Total Council House New Build	6,813	(1,257)	5,556	2,657	5,556	2,996	1,257	4,253	3,076	0	3,076	3,158	0	3,158	18,241	0	18,241	34,284

	Revised Budget  Report 1 2017/18 (£'000)	Proposed Budget Adjustment Report 2 2017/18 £'000	Revised Budget  Report 2 2017/18 £'000	Actual to 31-Oct-17 2017/18 £'000	Projected Outturn  Report 2 2017/18 £'000	Revised Budget  Report 1 2018/19 £'000	Proposed Budget Adjustment Report 2 2018/19 £'000	Revised Budget  Report 2 2018/19 £'000	Revised Budget  Report 1 2019/20 £'000	Proposed Budget Adjustment Report 2 2019/20 £'000	Revised Budget  Report 2 2019/20 £'000	Revised Budget  Report 1 2020/21 £'000	Proposed Budget Adjustment Report 2 2020/21 £'000	Revised Budget  Report 2 2020/21 £'000	Revised Budget  Report 1 2021/22 £'000	Proposed Budget Adjustment Report 2 2021/22 £'000	Revised Budget  Report 2 2021/22 £'000	Revised Budget  Report 2 TOTAL £'000
<b><u>Increase in Council House Stock</u></b>																		
Council House Buy-Backs	1,605	1,105	2,710	2,844	2,710	867		867	867		867	867	(366)	501	867	(739)	128	5,073
Scottish Government Subsidy	(840)		(840)	0	(840)	0		0	0		0	0		0	0		0	(840)
	<b>765</b>	<b>1,105</b>	<b>1,870</b>	<b>2,844</b>	<b>1,870</b>	<b>867</b>	<b>0</b>	<b>867</b>	<b>867</b>	<b>0</b>	<b>867</b>	<b>867</b>	<b>(366)</b>	<b>501</b>	<b>867</b>	<b>(739)</b>	<b>128</b>	<b>4,233</b>
<b>Lock-ups and Garage Sites</b>	<b>1,959</b>	<b>(73)</b>	<b>1,886</b>	942	<b>1,886</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>1,886</b>
<b><u>Standard Delivery Plan</u></b>																		
Central Heating and Rewiring Works	3,066	395	3,461	1,837	3,461	1,000		1,000	500		500	1,300		1,300	1,000		1,000	7,261
Triple Glazing	1,564		1,564	1,356	1,564	400		400	0		0	400		400	200		200	2,564
Controlled Door Entry - less Third Party Contribution	484 0	317 (187)	801 (187)	441 (170)	801 (187)	10 0		10 0	10 0		10 0	10 0		10 0	10 0		10 0	841 (187)
Kitchen Moderisation Programme	1,146	(50)	1,096	403	1,096	25		25	25		25	521		521	2,000		2,000	3,667
Bathroom Moderisation Programme	890	250	1,140	641	1,140	15		15	15		15	65		65	25		25	1,260
External Fabric	1,704		1,704	730	1,704	1,400		1,400	1,800		1,800	1,800		1,800	1,500		1,500	8,204
Energy Efficiency	1,891	(395)	1,496	176	1,496	1,834		1,834	1,346		1,346	1,000		1,000	200		200	5,876
Multi Storey Flats	660		660	106	660	2,105		2,105	0		0	100		100	50		50	2,915
Environmental Improvements	294	600	894	547	894	200	(200)	0	400	(200)	200	400		400	500	(200)	300	1,794
Fire Precaution Measures	321		321	1	321	50		50	249		249	50		50	50		50	720
<b>Total Standard Delivery Plan</b>	<b>12,020</b>	<b>930</b>	<b>12,950</b>	<b>6,068</b>	<b>12,950</b>	<b>7,039</b>	<b>(200)</b>	<b>6,839</b>	<b>4,345</b>	<b>(200)</b>	<b>4,145</b>	<b>5,646</b>	<b>0</b>	<b>5,646</b>	<b>5,535</b>	<b>(200)</b>	<b>5,335</b>	<b>34,915</b>
<b><u>Other Investment in Council House Stock</u></b>																		
Total Major Adaptations to Council House Stock	340		340	31	340	250		250	250		250	250		250	250		250	1,340
Shops & Offices	75		75	1	75	70		70	50		50	70		70	50		50	315
Greyfriars and satellites	101		101	27	101	0		0	0		0	0		0	50		50	151
Sheltered Housing	102		102	25	102	100		100	25		25	0		0	25		25	252
Sheltered Housing - Housing Add'l Support	762		762	252	762	0		0	0		0	0		0	0		0	762
Recharge General Capital Works	19		19	18	19	160	(130)	30	160		160	160		160	160	(150)	10	379
Upgrade and Replacements to Lifts Programme	0		0	0	0	0		0	147		147	0		0	0		0	147
ICT Expenditure	174		174	12	174	50		50	50		50	50		50	50		50	374
Mortgage to Rent	247	(50)	197	0	197	250		250	250		250	250		250	250		250	1,197
<b>Total Other Investment in Council House Stock</b>	<b>1,820</b>	<b>(50)</b>	<b>1,770</b>	<b>366</b>	<b>1,770</b>	<b>880</b>	<b>(130)</b>	<b>750</b>	<b>932</b>	<b>0</b>	<b>932</b>	<b>780</b>	<b>0</b>	<b>780</b>	<b>835</b>	<b>(150)</b>	<b>685</b>	<b>4,917</b>
<b>Total Net Expenditure</b>	<b>23,377</b>	<b>655</b>	<b>24,032</b>	<b>12,877</b>	<b>24,032</b>	<b>11,782</b>	<b>927</b>	<b>12,709</b>	<b>9,220</b>	<b>(200)</b>	<b>9,020</b>	<b>10,451</b>	<b>(366)</b>	<b>10,085</b>	<b>25,478</b>	<b>(1,089)</b>	<b>24,389</b>	<b>80,235</b>
CAPITAL RECEIPTS	(240)	(102)	(342)	(342)	(342)	0		0	0		0	0		0	0		0	(342)
OTHER RECEIPTS		(197)	(197)	(197)	(197)	0		0	0		0	0		0	0		0	(197)
CFCR	(2,970)		(2,970)	0	(2,970)	(2,827)		(2,827)	(3,150)		(3,150)	(3,624)		(3,624)	(3,983)		(3,983)	(16,554)
<b>TOTAL BORROWING REQUIREMENT</b>	<b>20,167</b>	<b>356</b>	<b>20,523</b>	<b>12,338</b>	<b>20,523</b>	<b>8,955</b>	<b>927</b>	<b>9,882</b>	<b>6,070</b>	<b>(200)</b>	<b>5,870</b>	<b>6,827</b>	<b>(366)</b>	<b>6,461</b>	<b>21,495</b>	<b>(1,089)</b>	<b>20,406</b>	<b>63,142</b>

## RENEWAL &amp; REPAIR FUND PROPOSED BUDGET 2017/18

	Approved Budget 2017/18 £'000		Projected Outturn 2017/18 £'000	
Opening Balance as at 1 April 2017		283		283
<u>Less Expenditure</u>				
Integrated Human Resources and Payroll System	20		20	
Contribution to Revenue Budget	258		263	
		(278)		(283)
<u>Add Income</u>				
Interest credited to the Fund	0		0	
Contribution from Revenue Budget	0		0	
		0		0
<b>Projected Closing Balance as at 31 March 2018</b>		<b>5</b>		<b>0</b>





Service	Total No of projects	Number on track	Number slipping	Number accelerating	Total %age spend	General Fund	HRA
ECS	27	26	0	1	Projected Outturn as percentage of 2017/18 Budget approved 19 April 2017	110%	118%
CDS	3	3	0	0	Net Expenditure at 30 September 2017 as percentage of Revised 2017/18 Budget	54%	54%
HCC	44	40	1	3			
TES	88	84	4	0			
<b>TOTAL</b>	<b>162</b>	<b>153</b>	<b>5</b>	<b>4</b>			

Service	Project Name	Target Date for Completion	Project Delivery on Target	Budget Adjustment	Comments	Corrective Actions
<b>Accelerated Projects</b>				Reflected in narrative in Main report paragraph:		
ECS	Perth Academy Refurbishment	Ongoing programme of works to March 2023	Yes	3.3.3	Along with the 2017/18 planned programme of works for toilet refurbishment and asbestos removal work the project manager has accelerated work to integrate fire compliance works into the short term works programme. Also further asbestos was discovered during the planned removal works and this will require to be added to the programme and removed at a later date.	Budget to be accelerated and rephased
HCC - HRA	Council Buy Back Scheme	March 2021	Yes	4.3	24 properties have so far been purchased during 2017/18 against an initial target of 24. Due to the excellent progress made and having a further 8 properties with offers accepted by the vendors, an acceleration of future years budget is required.	Budget to be accelerated and rephased
HCC - HRA	Controlled Door Entry	September 2017	Yes	4.4	The programme of works for Controlled Door Entry is substantially complete - due to a protracted Tenancy Management Scheme process for a small number of blocks concluding after the contract period it has been necessary to progress these works out with the main contract.	Budget to be accelerated and rephased
HCC - HRA	Environmental Improvements	Recurring programme of works	Yes	4.5	Following Estate based surveys and walkabouts, a number of high priority additional works to retaining walls have been identified within the Environmental Improvements budget.	Budget to be accelerated and rephased
<b>Slipping Projects</b>						
TES	Unadopted Roads & Footways Programme	Recurring programme of works	Yes	3.4.2	All current notes of interest for schemes have been exhausted with a reduced level of works now planned in 2017/18.	Budget to be rephased
TES	Small Parks Programme	Recurring programme of works	Yes	3.4.3	In order to ensure political and community support for the works via consultation of the management plans it has been decided to slip these works from 2017/18 into 2018/19.	Budget to be rephased
TES	Pitlochry High School	Ongoing programme of works	No	3.4.5	As part of the overall strategy for both Pitlochry High School and Pitlochry Primary School replacement it is necessary to separate the dual plant room, which as a result will require some remodelling of the existing High School to meet this requirement. Feasibility and technical surveys have been carried out with a final programme of works to be confirmed.	Budget to be rephased
TES	Energy Conservation Programme	Recurring programme of works	No	3.4.7	Due to the requirement to carry out these works out with term time it has been necessary to reschedule the remaining 2017/18 programme to the 2018 Easter holidays (April 2018).	Budget to be rephased
HCC - HRA	New Build Future Development Programme	Recurring programme of works	No	4.2	Construction issues within the current live build projects, the ongoing difficulties with identifying suitable sites and the protracted process of bringing identified sites to a point of construction is hampering the progress of the ongoing New Build programme.	Budget to be rephased



## PERTH AND KINROSS COUNCIL

## Strategic Policy and Resources Committee

29 November 2017

**COMMERCIAL PROPERTY INVESTMENT PROGRAMME -  
PROGRESS UPDATE AND REVISED PROGRAMME****Report by Depute Chief Executive, Chief Operating Officer****PURPOSE OF REPORT**

The purpose of this report is to update the Committee on the Commercial Property Investment Programme (CPIP) and seek agreement to the revised programme and proposed review of the approach to ensure effective delivery of corporate property development and investment activities.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 Utilising funding allocated in the 2013/14 and 2014/15 budgets, the Commercial Property Investment Programme (CPIP) was initiated as part of a proactive and commercially focused approach to the Council's property and land assets, supporting business growth and providing construction jobs in the local supply chain. The agreed self-financing programme, which runs until 2025, achieves this objective by maintaining a balanced investment, development and property disposals programme. The programme has been successful and since 2011/12, the programme has delivered 9 hectares of employment and business land, realised capital receipts to the Council of circa £1m with a further £2.19 m projected in 2017/18. The programme has enabled £2.6m of construction investment in 2016/17 and 2017/18 with a further £3.32m over the next years of the programme. The currently anticipated future construction investment of up to £10m will create 72 jobs and a further 420 jobs when all anticipated business floor space is developed.
- 1.2 The CPIP supports economic growth, working with the property market with particular emphasis on key sectors and addressing market failure where it continues to persist underpinning the City Plan for Perth and the Community Plan/Single Outcome Agreement and the objective of encouraging new investment and business growth in the Perth and Kinross area. The development programme is prepared in line with the Local Development Plan (LDP), through engagement with the development industry and regular property market analysis. 'In terms of business land development in support of economic development on average site acquisition and servicing costs exceed sale receipts and so there is not a direct positive financial return on the investment. The strategy adopted is to support a longer term economic impact by facilitating company growth. Land sale receipts at Kinross West and Perth Food and Drink Park are upwards of £100k per acre based on net developable areas sold after all the roads infrastructure, drainage and site servicing costs have been borne by the Council.'

- 1.3 Strategic oversight and governance of the delivery programme is provided by a programme Board with progress and significant proposed changes reported annually to this Committee. The programme is delivered by the Estates & Commercial Investment Team within Economic Development where there are dedicated resources and skills in experienced Estates and Commercial Development Surveyors to successfully drive the programme.

## **2. PROPOSALS**

### **Revised Programme Proposal**

- 2.1 The Committee is asked to consider the revised programme as detailed in Appendix 1.
- 2.2 The revised programme will deliver enabling property infrastructure to support economic growth and wider social benefits at a cost of £5.41m with projected receipts back to the programme over the period of £5.901m. These anticipated receipts together with existing resources of £1.3m will realise a projected positive net balance of £1.816m in 2024/25 for future property development opportunities.
- 2.3 Working closely with businesses and private sector partners, a number of new projects have been identified and are under development. The revised programme includes proposals to sell existing well let small business units in established markets and develop new business premises to retain until good levels of occupation are achieved. The Programme will continue to be self-financing by including new disposals and re-profiling projects in line with market demand.
- 2.4 Further details on progress and proposed changes to individual projects in the programme are provided below and Appendix 1 provides the related financial details:

### **Perth Food & Drink Park**

- 2.5 Following completion of the junction improvements from Dunkeld Road, the site servicing for the park is complete. Two of the serviced development plots have been sold to McLaughlan Transport Perth Ltd for expansion of the company's core business in refrigerated logistics serving the food and drink industry. A Planning Advance Notice (PAN) is being progressed for the strategic land of 10 acres to make it more attractive to investors. 12 acres (50% of the available 24 acres for the site) will now be marketed as general use to meet existing demand. This will still leave 12 acres for Food and Drink use which is still substantial compared to other Food and Drink Parks across the UK.
- 2.6 The small business units are due for completion imminently with three of the units under offer to occupiers with a fourth expression of interest. The continued Invest in Perth investment promotion campaign will seek to secure occupiers for the remaining units and development plots.

- 2.7 At present the proposal is to retain and manage the business units and provide support to the tenants. The core objective of the business space created is to support a start-up pipeline of food and drink companies some of whom could in due course expand and grow further on the park.
- 2.8 The Eco-Innovation hub building originally proposed on the park was an initiative linked to the River Tay Heat Pump to house the technology infrastructure required for the wider district heating project. The Heat pump project has been reviewed following scrutiny of the business case and it is now anticipated that the proposed innovation hub is likely to be developed as part of a 'Future Factory' initiative in partnership with Zero Waste Scotland, the Construction Skills Innovation Centre and Scottish Enterprise. The project which is in the early stages of development is to deliver future industrial and manufacturing space to meet high environmental standards and Scottish Government energy efficiency targets serving the food and drink and energy sectors. Under the revised programme £1.4m capital expenditure has been allocated for this project.

### **Kinross West**

- 2.9 On completion of the access road and site servicing at Kinross West, this development delivered 5 fully serviced plots of which one has been sold for owner occupier business premises and it is now developed. Missives have been concluded on the other two plots for future development by the perspective purchasers. Currently there are two remaining plots which could accommodate up to a further 1.65ha of business space with a good level of current interest.

### **Aberuthven, Maidenplain Place**

- 2.10 There was one remaining Council owned plot at the Business Park which had potential to accommodate small business units. However, through marketing a purchaser came forward and the plot was sold to a local business, allowing construction of a new showroom for Perthshire Caravans.

### **Crieff, Crioich Business Park**

- 2.11 At Crioich in Crieff the existing building comprises 2 blocks of 4 small units built in 2000 and fully let. The immediately adjacent site could accommodate a parade of new small industrial units. However recent discussions with Planning and property developers confirmed a good level of private sector activity in providing business space in Crieff. Accordingly the proposal is now to market the property for sale which could be attractive to a local property developer or business seeking an investment opportunity and/or a site for owner occupier development.

## **Pitlochry, Fonab Business Park**

- 2.12 The Council owned serviced development land at Fonab Business Park adjacent to the A9 will be significantly impacted upon by the dualling works in accordance with the current Transport Scotland proposals. It may only be possible to build one small business unit (or none depending on the final layout and feasibility) on this particular site and alternatives may have to be sought to serve this area. The funding previously ear-marked for this small build (£660k) has been re-distributed within the programme together with other identified resources (from Crioch, Aberuthven, Aberfeldy and Blairgowrie) to support the development of a new strategic rural business premises programme which will aim to identify and deliver development projects working with landowners and businesses across Rural Perth and Kinross.

## **New Rural Business Premises Programme**

- 2.13 The revised programme proposes to invest £1.4m capital expenditure 2018/19 onwards in rural business space intervention to seek to ensure there is a sufficient supply of suitable business premises in rural Perth and Kinross. The proposed approach is to proactively work with developers and landowners, including engagement with rural Estates to identify where challenges and opportunities exist to support development of the business property supply.
- 2.14 The Council interventions using CPIP has to focus on market failure and interventions will be developed on a case by case basis with details on identified projects and business cases to be considered by the programme Board as projects are identified and progressed in partnership with private sector businesses and landowners.
- 2.15 In order to use capital funding from the CPIP programme the Council must take an interest in the property which could be in a number of forms including acquisition, lease or joint venture agreement. Depending on the appropriate mechanism used the landowners/companies may seek to buy out/pay back the Council interest. Within the current revised programme the capital expenditure of £1.4m invested in property via joint ventures could realise some revenue income in terms of rental received and/or potential pay back. The proposed development approach making use of the available capital funds of £1.4m is viewed as a long term commitment to support company growth of which circa £1m will be tied up over the long term.

## **Business Expansion Sites Sales Receipts**

- 2.16 Working closely with businesses has identified a number of opportunities to support company growth by the sale of sites for business expansion as highlighted in Appendix 1. The approach has been to support business growth and expansion with mutually beneficial land disposals as appropriate and particularly in support of high growth companies. Future disposals in the programme include, Spectraglass and Strathmore Motors in Perth with others

under consideration. The capital receipts are allocated to CPIP to fund the future development programme.

### **Increasing Employment Land Investment Opportunities**

#### **Increasing Overall Employment Land Supply**

- 2.17 The first stage to increase employment land investment opportunities is to increase the overall supply. The current LDP was adopted in February 2014 and there are several improvement initiatives ongoing in preparation for the next LDP in anticipation of the outcomes and recommendations of the current National Planning Review and to ensure the new LDP facilitates the future growth and spatial development needs of the area. The role of the LDP in the allocation of effective employment sites is a key consideration particularly where allocated sites are not being brought forward as swiftly as originally expected due to infrastructure requirements or viability. A strategic corporate group comprising Economic Development, Planning, Property Services, Finance and Legal has recently been established with the remit to review the overall supply and demand of business land and premises and optimise opportunities.

#### **Working with the Private Sector to Increase Immediately Available Employment Land**

- 2.18 The second stage to increase employment land investment opportunities is to work more closely with the private sector. Property development can be constrained for various reasons including technical and economic viability constraints, access to capital finance along with a general reluctance of housebuilders in particular to invest in employment land servicing without a guaranteed short-term return on investment.
- 2.19 It may be appropriate to use the CPIP to intervene to help bring forward some of these privately owned key allocated employment sites. Options for state aid compliant public sector intervention in privately owned land are limited. It would therefore be necessary for the Council to acquire land and develop it itself, or enter into a development partnership, such a joint venture. This could however, require additional funding being identified to fund the programme potentially through borrowing.
- 2.20 On 26 April 2016 (Report No. 16/182 refers), the Committee endorsed the approach to seek and develop innovative funding and joint venture arrangements for individual project delivery as appropriate. However, there is a need to identify and develop specific mechanisms to progress that approach. The above proposed rural premises programme would be an opportunity to inform and support this process.

## **Releasing Council's Operational Property and Land Assets or Acquiring New Sites**

- 2.21 The third stage to increase employment land investment opportunities is to release Council's property and land assets from the operational portfolio to the commercial portfolio or acquire new assets. The land and property included in the programme portfolio are identified from surplus assets or acquisitions specifically to provide economic development in consultation with Planning and Development and Corporate Finance linking directly to the Council's Property Investment Strategy which is considered every year by the Council as part of the overall Council's Investment Strategy.
- 2.22 The recent progressive journey towards a corporate landlord approach and significant rationalisation of the Council's property portfolio means that there are limited immediately identifiable opportunities. A Corporate Property Asset Management Review has been agreed as part of the Council's Transformation Programme to develop a portfolio strategy to ensure future investment areas are prioritised, providing fit for purpose accommodation. Linking to that review, there is an opportunity to refresh the programme and take a wider more Corporate strategic view of how Council land and property assets are used and the mechanisms and approaches which could identify and develop future property led economic development opportunities to create best value. This could potentially include assets within the city centre to support enhanced retail & leisure offerings to meet emerging customer needs and projected resident growth demands.
- 2.23 To progress the three different stages and under the strategic direction of the Depute Chief Executive (Chief Operating Officer), it is proposed that the strategic corporate group mentioned above (paragraph 2.16) develop proposals identifying mechanisms and approaches which could be used to:
- increase overall employment land supply,
  - work with the private sector to increase immediately available employment land,
  - release Council land and property assets to develop future property led economic development opportunities.
- 2.24 It would be the intention to include these proposals for consideration in the Council's Property Investment Strategy, which is considered every year by the Council as part of the overall Council's Investment Strategy.

## **3. CONCLUSION AND RECOMMENDATIONS**

- 3.1 The CPIP programme of activity in serviced employment land and property development continues to support business growth and attract inward investment and contribute to Corporate and Community Plan key indicator targets but the overall Corporate property development approach would benefit from review.



- 3.2 A multifaceted approach is best to continue the delivery of the programme including innovative funding arrangements. The CPIP remains on target with variances (slippage, acceleration, reduction or increase) reported to the programme Board and to this Committee for approval in line with the established capital monitoring process.
- 3.3 As Council land and property ownership is running out the development of a good supply of serviced land and premises which complements the Invest in Perth strategy targeting high-value inward investment and cluster approach of supporting existing high value engineering companies requires a review of the overall corporate approach.
- 3.4 It is therefore recommended that the Strategic Policy and Resources Committee agree to:
- (i) The delivery of the revised programme as detailed in this report (see Appendix 1) and
  - (ii) remit to the Depute Chief Executive (Chief Operating Officer) to develop proposals identifying mechanisms and approaches which could be used to:
    - increase overall employment land supply,
    - work with the private sector to increase immediately available employment land,
    - release Council land and property assets to develop future property led economic development opportunities

and to include such proposals in the Council's Property Investment Strategy which is considered every year by the Council as part of the overall Council's Investment Strategy.

#### Author(s)

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#### Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	16 November 2017

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1 The Community Plan/Single Outcome Agreement 2013 – 2023 lays out five outcomes 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
  - (v) Creating a safe and sustainable place for future generations
- 1.2 This report relates to objective (iii) by maximising and enhancing socio economic and economic development opportunities to the benefit of businesses and local communities, encouraging new business creation and growth of existing businesses and opportunities and maximising community benefit through the provision of land and premises and employment opportunities.

- 1.3 The CPIP is a key element of the Economic Development activity outlined in the current Local Outcome Improvement Plan and contributes directly to the Key Performance Indicator (KPI) to maintain a minimum supply of 20ha of immediately available employment land for business growth.

## **2. Resource Implications**

### Financial

- 2.1 Capital – The revised programme as detailed in Appendix 1 will deliver enabling property infrastructure to support economic growth and wider social benefits at a cost of £5.41m with projected receipts back to the programme over the period of £5.901m. These anticipated receipts together with existing resources of £1.3m will realise a projected positive net balance of £10.816m in 2024/25 for future property development opportunities.
- 2.2 Revenue – The CPIP is currently substantially a Capital funded programme with revenue implications ie; loss of rental income from disposals, borrowing costs, staff and professional fees absorbed by the programme or managed within TES budgets. Going forward the proposed review of service delivery in this area of property development and investment will highlight potential future revenue implications which will be fully evaluated for further consideration through the revenue budget process.

### Workforce

- 2.3 There are no immediate workforce impacts as there are currently Development Surveyors and Estates Surveyors supporting delivery of the Programme.

### Asset Management (land, property, IT)

- 2.4 The Asset Management issues arising from the proposed land and property disposal are detailed in the 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. Pre-screening has identified that the PPS will have no or minimal environmental effects, it 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. 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. The proposals within the CPIP programme will enhance socio economic and economic development opportunities to the benefit of businesses and local communities.

### Legal and Governance

- 3.7 The Head of Legal and Governance Services and the Head of Finance has been consulted on these proposals and there are no legal implications other than those set out above in terms of the land disposals.

### Risk

- 3.8 There are two key risks associated with the proposed programme.
  - (i) Risks associated with the Design and Procurement of site servicing infrastructure and buildings. This risk will be managed by The Environment Service Senior Management Team. A Development Surveyor is dedicated as Project Manager on projects within the CPIP. The Programme Board take an active role in managing the programme.
  - (ii) Risks associated with lack of demand for land and business space. This risk will be mitigated through marketing of land and business space by the Estates and Commercial Investment teams, external agents and opportunities emerging from the Scottish Cities Alliance marketing activities together with proactive management of enquiries from specific sectors through the Enterprise Team.

#### **4. Consultation**

##### Internal

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

#### **5. Communication**

- 5.1 The sites will be promoted as a development opportunity to investors and developers through Invest in Perth and opportunities explored to highlight key stages in the development of the sites and business growth projects secured through local and national media.

#### **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**

- 3.1 Appendix 1 – Commercial Property Investment Programme.



Budget & projected cashflow for new 10 year programme 2015-25

APPENDIX 1

		Actual					Projection									
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Receipts/ Reserves Brought Forward ( )		(2,680)	(2,905)	(2,132)	(1,832)	(1,832)	(1,788)	(1,325)	(1,424)	(2,630)	(2,702)	(1,592)	(1,481)	(1,603)	(1,408)	
Additional Funding Allocated in February 2013 Budget		0	0	(944)	(2,149)	(451)	0	0	0	0	0	0	0	0	0	
Total Available Funding Brought Forward ( )		(2,680)	(2,905)	(3,076)	(3,981)	(2,283)	(1,788)	(1,325)	(1,424)	(2,630)	(2,702)	(1,592)	(1,481)	(1,603)	(1,408)	
Projects	Description															CHANGE
PERTH CITY																
Creative Industries business Incubator	Building								250							
Charles Street				60												
Perth, Broxden Business Park	Site servicing	20	2						50							
Perth Food & Drink Business Park (PFDBP) - North Muirton																
Site Servicing including Dunkeld Rd junction, environmental improvements, utilities & consultancy	Site servicing	55	66	1,221	1,535	279	132	94								
Food Units excluding external consultants	SMUs					8	148	1,901								
Energy & Eco Hub Innovation building - solar	building					95				400	1,000					
Strategic Land (SW)	purchase					307		50	25							
RURAL																
Crieff - Crioch Small Business Units REVIEWED	Site servicing & SMUs			4	0				0	0						
Kinross West	Site servicing			78	540	88	156	25								
Kinross Western Edge - Relief Road	Site servicing	267	1,105	2	1	1	2									
Kinross Western Edge - Contribution from Environment Services	Site servicing	(267)	(233)													
Pitlochry, Fonab Business Park - no further development	receipt A9 upgrade		18	1	2					0						
NEW Rural Business Units programme									150	150	275	275	275	275		
CPI Development & Implementation				81	71	43	42	20	45	45	45	20	20	20		
Total Expenditure on projects in Year		75	958	1,447	2,149	821	480	2,090	520	595	1,320	295	295	295	0	
Funds Brought-Forward ( ) and expenditure		(2,605)	(1,947)	(1,629)	(1,832)	(1,462)	(1,308)	765	(904)	(2,035)	(1,382)	(1,297)	(1,186)	(1,308)	(1,408)	
Receipts - Disposals Receipts & Grant Funding																
BUSINESS EXPANSION / DEVELOPMENT SITES																
PERTH																
NEW Business expansion sale by Strathmore Motors	Sale							(55)								
NEW Spectraglass - Inveralmond Industrial Estate	Sale							(177)								
Acorn Business Units (Arran Road Perth)	Sale					2		(1,510)								
Auld Bond Road, Site @ Inveralmond South REVIEWED	Sale															
Broxden Business Park																
Plot 3 (Food Use)	Plot 3 (1.673 acres)					164	2		(773)							
Plot 4	Plot 4 (1.446 acres)							(261)								
Plot 5 & 6a	Plot 5 (2.642 acres)					(344)										
Plot 7	Plot 7 (0.598 acres)								(54)							
Charles Street (Kinnoull Junior Club)		(51)	(4)													
Perth Food & Drink Business Park - Development Plots (N Muirton)																
Site 1	1.00 acre								(90)							
Site 2	1.26 acres								(110)							
Site 3	1.02 acres									(100)						
Site 4	1.09 acres									(100)						
Site 5 (Small Business Units retained) REVIEWED	2.03 acres															
Site 6	1.12 acres										(84)					
Site 7	1.42 acres											(117)				
Site 8	3 acres											(200)				
Site 9	1.29 acres									(110)						
Site 10	1.64 acres								(90)							
Site 11	0.83 acres									(77)						
Strategic Land (SW)	10.12 acres													(308)		
RURAL																
Aberuthven - Perthshire Caravans - Maidenplain Place	Sale	5				(99)										
Blairgowrie - Welton Rd Industrial Estate	Sale	(258)														
Blairgowrie - Units 4-5 Ericht Business Centre - Mountain Rescue	Sale	4	(127)													
Blairgowrie - Units 1,2,3 Ericht - Graham Pest Control	Sale			(176)												
Burrelton - Yard at Whitelea - Lyall Agricultural	Sale		(54)													
Kinross West - Development Plots																
Site 1	0.91 acres								(109)							
Site 2	0.66 acres					(49)	(21)									
Site 3	1.28 acres						2	(186)								
Site 4	1.08 acres								(100)							
Site 5	2.98 acres									(240)						
Pitlochry, Fonab Business Park - compensation receipt	Receipt									(250)						
Rural industrial sites & buildings JV/repayments NEW	Receipt										(100)	(100)	(100)	(100)		
Crioch Business Units & adjacent development plot REVIEWED	Sale								(400)							
Blairgowrie - Plot 6 Skirmie Park	Sale			(27)												
Total Receipts from sales in Year		(300)	(185)	(203)	0	(326)	(17)	(2,189)	(1,726)	(667)	(210)	(184)	(417)	(100)	(408)	
Total Available Funding Carried Forward ( ) or Deficit		(2,905)	(2,132)	(1,832)	(1,832)	(1,788)	(1,325)	(1,424)	(2,630)	(2,702)	(1,592)	(1,481)	(1,603)	(1,408)	(1,816)	

Notes

1. The above receipts are net of all allowable sale related costs including internal and external fees, advertising and title issue costs.

2. The gross receipts have taken account of reduced market conditions and monies available after developer





**PERTH AND KINROSS COUNCIL****Strategic Policy and Resources Committee****29 November 2017****HARBOUR BUSINESS PLAN  
PROGRESS UPDATE****Report by Depute Chief Executive, Chief Operating Officer****PURPOSE OF REPORT**

The purpose of this report is to update the Committee on the delivery of the Perth Harbour Business Plan in light of significant changes to ship movements and asks the Committee to consider the next steps.

**1. BACKGROUND / MAIN ISSUES**

1.1 As background information, a decision timeline is provided below:

- 12 February 2014 (SP&R 14/52): the Council agreed to market the Council's operational and land interests at Perth Harbour in order to gauge private sector interest in acquiring these. This helped inform the Council in reaching a decision as to how best to maximise the Harbour's contribution to the economic development of Perth & Kinross.
- 25 February 2015 (Council 15/100): the Council agreed that the market has been tested and found to present no financially attractive or strategically prudent proposition to the Council or wider economy. It was agreed that the marketing process be concluded at this stage and the Director (Environment) be instructed to develop proposals for an enterprise transformation programme for the Perth Harbour business within the Council's ownership. It was considered that transformation of the business within Council's ownership represented the best approach to safeguard this strategic asset for the future and achieve best long term value for the Council.
- 18 May 2016 (Council 16/222): the Council agreed the Perth Harbour Business plan and contents, agree to undertake a dredge of the River Tay to a depth of 5 Metres and that the Business Case be included within the Capital Budget.
- 22 June 2016 (Council 16/277): the Council agreed to allocate £870,000 towards dredging costs to be financed by prudential borrowing.
- 22 February 2017 (Council 17/84): the Council noted the progress made in the delivery of Perth Harbour Business Plan including projected financial position at 31 March 2017.

1.2 At their meeting on 3 August 2017, the Harbour Board considered the reduction of income generated over the past months which triggered a discussion on the viability of the business plan. The projected shortfall in income was reported to this Committee on 13 September 2017 (refer 17/279).

- 1.3 During that discussion, it was highlighted that the business plan had been based on high growth coastal shipping market conditions, which have now become much more uncertain due to Brexit and a changing trade environment.
- 1.4 Statistics published by the Department of Transport (UK major and minor ports, all freight traffic, by port and direction, annually: 1965 – 2016 - Updated 1 September 2017) indicate that freight traffic has considerably reduced over the period 2005-2016: 17% for major ports and 22% for minor ports. In Scotland, there were reductions of 14% for major ports and 24% for minor ports. The major port of Dundee has experienced a 56% reduction over the period and minor ports like Berwick, Wick, Scrabster, Scalloway, and Kyle of Lochalsh all experience reductions on already small traffic volumes. Shipping companies are facing challenging, volatile competitive conditions and are looking closely at cost reduction. Although dues have been discounted, Perth Harbour costs are higher than competitors.
- 1.5 One consequence of the reduction in overall ship movements is increased consolidation into larger size cargo transported by larger ships into major ports and, therefore, a reduction in the small/medium size ship traffic that Perth Harbour can attract as a minor port. In addition, the larger ship class is taller than small ship class and Perth Harbour is constrained by the height of Dundee Railway Bridge.
- 1.6 Specialist publications provide evidence that ports such as Inverness or Montrose, which are resisting decline, are doing so because they have access to windfarm trade or oil and gas contracts. Ports similar to Perth Harbour, such as Whitstable (Kent), have already decided to review their harbour functions focusing on non-cargo handling activities and have been successful in enhancing and developing their assets with wider social and economic benefits.
- 1.7 In light of the above information, the Board requested an update on the delivery of the business plan, which was considered by the Board on 23 October 2017. This report sets out the recommendations of the Board, following on from that meeting.

## **2. PROPOSALS**

### **Current Business Plan (as approved on 18 May 2016)**

- 2.1 The business plan presented the major issues and suggested a course of action to turn around the business at Perth Harbour to a self-sufficient business.

### Financial Projections

- 2.2 The business case to support investment was positive and showed that with investment of £954,000 (including other operational investment in addition to dredging costs), the harbour could return to a break even position in 2020/21.
- 2.3 Based on the improved accessibility – 5 metres on Spring tides, projected profit and loss accounts would see the harbour at breakeven in 2020/21. The business case for a dredge at this level shows a significant increase in revenue based on a stakeholder forecast of 300% increase in annual turnover after 5 years, this was supported by a consultant's demand analysis.
- 2.4 The business case was based on sales projections provided by harbour users and stakeholders. It was further supported by a market demand analysis carried out on behalf of the Council by industry experts. The strongest projections show revenues rising to £355k in 2020/21. The income projections are based on growing existing cargoes (timber, aqua-feed, road salt), bringing back cargoes that have previously passed through Perth (cereals, cement and aggregates) and developing new cargoes (wood chip for bio-mass, refuse derived fuel).

### Accessibility and storage

- 2.5 Analysis of the present accessibility to Perth Harbour indicated that only 26% of tides were accessible for a typical vessel over a sample 27 week period, supporting the argument that additional dredging to increase channel depth and widen the “window” for shipping movements would open up additional business opportunities .
- 2.6 It was considered that a dredge to 5.0m (+0.8m) would have a significant impact on the usability and competitiveness of Perth Harbour. However, there were also a number of risk factors to consider: borrowing costs, actual strength of the market, inability or difficulty to obtain consents to dredge including gas & oil pipelines and the need to dredge in Port of Dundee waters.
- 2.7 Harbour users indicated that the lack of storage space at Perth Harbour was critical and provision of laydown storage or parking on the site of the former Harbour End Store (now demolished) would support the business case.

### Governance, Management and Staffing

- 2.8 A new governance and management structure was required together with the establishment of a Board. As well as high level governance, new operational and commercial management arrangements were required.

## Sales and Marketing Strategy

- 2.9 A proposed sales and marketing strategy was presented. This has been designed with stakeholders and customers built around partnership working with a strong emphasis on relationship building. This element of the plan was vital but would have limited impact without the other recommendations being implemented. Likewise the communication of Perth Harbour being open for business and a pro-active mind-set would be required to gain value from any other investments.

## **Business Plan update**

- 2.10 This section provides an update on each delivery area of the Business Plan.

## Financial projections

- 2.11 An updated projected financial position to 31 March 2018 based on projected traffic is provided in appendix 1. An estimated net loss of £216,850 (£238,000 in 2016/17) is projected.

## *Moderate growth scenario (scenario A)*

- 2.12 A revised financial projection for future years after dredging is also provided based on a projected traffic increase described as moderate growth (scenario A). It is important to note that this scenario is based on an optimistic growth trend (+400% in traffic over 5 years to 2021/22) against the current overall cargo coastal shipping market growth reduction trend.
- 2.13 The following assumptions have been made:

## Expenditure

- All costs to increase by 2% per year
- Costs include £50,000 rental costs for a warehouse
- No replacement of depute Harbour Master between Nov.17 - March 18: £20,000 savings
- Additional overtime due to shift patterns
- Additional marketing costs of £7,500 in 17/18 and thereafter
- Loan Charges - The dredging which should start in 2018/19, and estimated to be completed in 2018/19, is charged to the Harbour as Prudential Borrowing. These charges are over a 10 year period, with the final year charge being in 2028/29. These charges vary between approx £90K to £100 k per annum over the 10 year period (£12,500 in the first year).
- Capital Charges – the harbour capital charges relate to the Harbour wall (borrowing over 30 years, with 16-18 years left), dredging in 2004/05 (borrowing over 30 years, with 18 years left), the Harbour boat (borrowing over 20 years, with 11 years left). The annual depreciation charge on the harbour is currently about £55K per annum.
- No inflation has been built in.

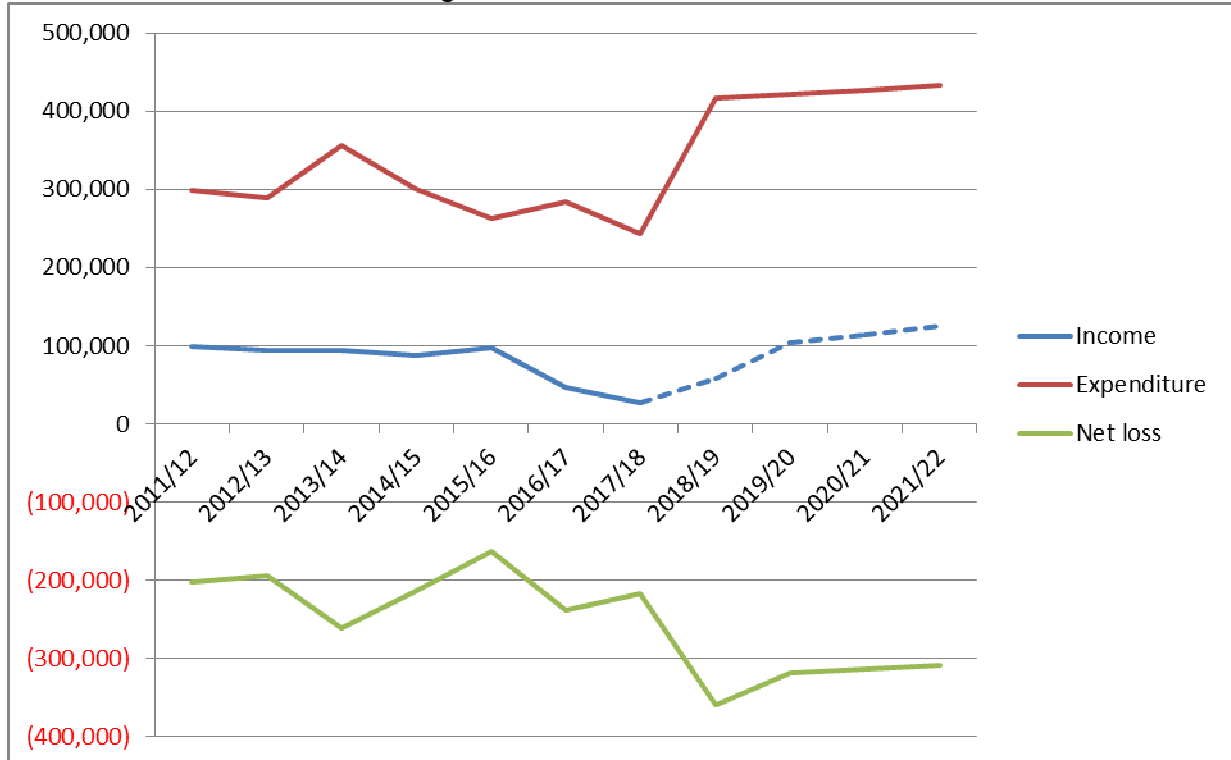
### Anticipated Income

- Year 1 (2017/18): current forecast - 20 ships - av.gt 1600 - Shore dues discounted for baryte and aggregate
- Year 2: 38 ships including 30% fish meal traffic back and new traffic at discounted price
- Year 3: 71 ships including new aggregate traffic (CTLR), 50% fish meal traffic, additional baryte traffic and increased traffic
- Year 4 and subsequent years based on 10% increase in income from traffic
- No increase in tariff
- Minimal income from other sources

2.14 It should be noted that in light of national reduction in small ship movements, these estimates look to be highly unlikely.

2.15 Based on the above projections, the harbour would not return to a break even position before 2034/35. It is important to note that current Prudential Borrowing principles will not allow an extension to the repayment period over the asset depreciation period. This means that repayments have to be contained within a 10 year period which is considered as the depreciation period for the dredging. The following table shows level of expenditure, income and net loss under scenario A:

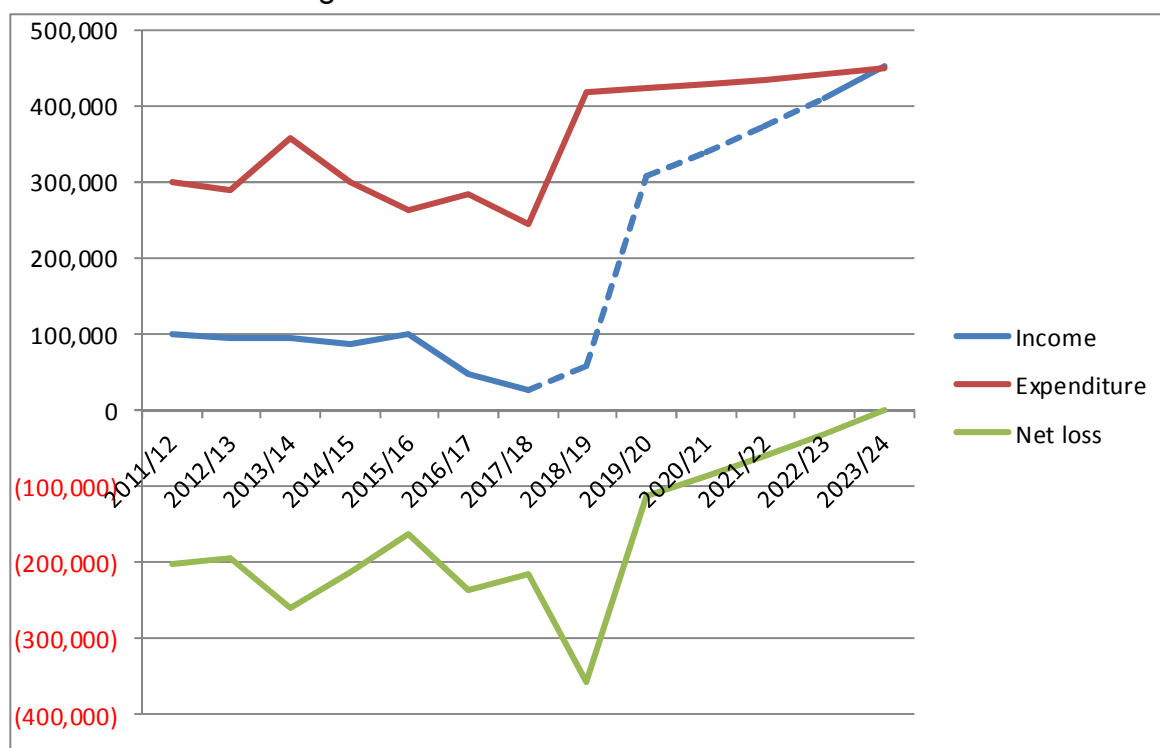
Scenario A – Moderate growth



*High growth scenario (scenario B)*

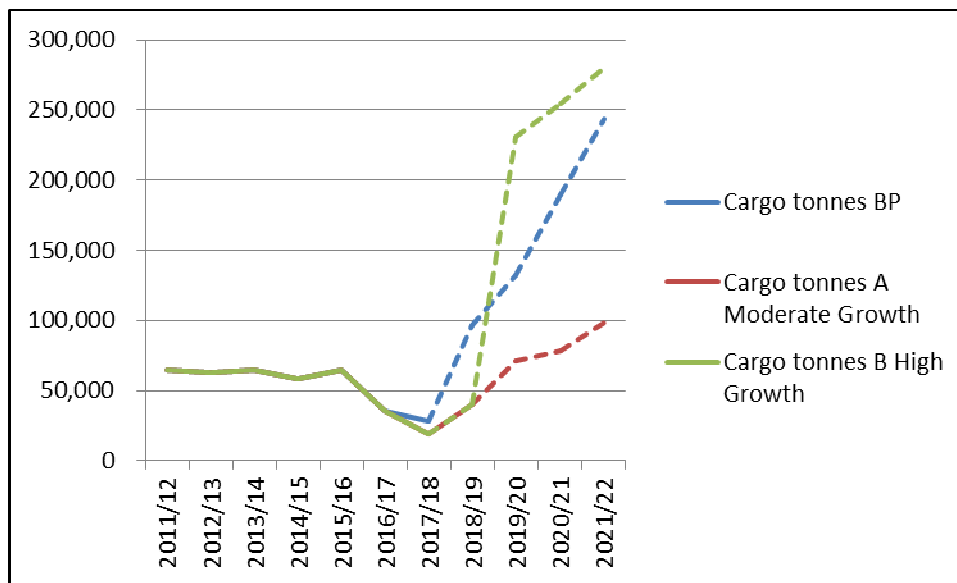
- 2.16 A revised financial projection for future years after dredging is also provided based on projected traffic increase described as high growth (scenario B). It is important to note that this scenario aims to match as closely as possible the approved business plan with a return to a break even position in 2023/24.
- 2.17 The harbour would have to attract in addition to the above projections (scenario A), 160,000 additional tonnes of cargo equivalent to an additional 100 ships (average 1600t) or 1,300% traffic increase and income of £204,000 with revenues rising to £372,400 in 2021/22. This would be in line with approved business plan projections, but will be unachievable due to the current market conditions and the current Harbour traffic. This raises serious concerns about the viability of the approved business case. The level of traffic needed would be the level of traffic generated by Inverkeithing or Stornoway minor ports and 52% of Dundee port traffic.

Scenario B – High Growth



- 2.18 Cargo volumes have declined considerably over the last 10 – 15 years. The number of vessels calling annually has declined from 300 to around 20. What once was a diversified cargo base has diminished from 280,000t to only 33,000t, now reliant on timber and baryte. The following graph provides actual and projected information on cargo (export/import in tonnes) for each scenario and in the approved business plan:

## Cargo volume



## Accessibility and storage

- 2.19 The current project plan projects that the dredging will take place in the Spring 2018 and be completed before the Summer 2018.
- 2.20 The Marine Scotland License application has been being submitted. By January 2018, the Marine Scotland License should be issued with clarity on possible conditions which could be imposed such as environmental surveys or possible stakeholders' objections.
- 2.21 The dredging contract tender is ready to be issued. However, early consultations have highlighted some conditions could significantly increase costs and/or choice of contractor. Based on our Project Management Consultant's advice, it is recommended to wait for the license to be issued before publishing the tender. The tender assessment process would be completed thereafter and provide clarity on dredging costs which are currently only estimated. At that stage, the financial projections would have to be updated.
- 2.22 Works to re-instate the former Harbour End Store site have been assessed and current quotes to create a laydown/storage area are much higher than estimated. However, an expenditure of £50,000 to rent a nearby warehouse has been included in the financial projections to address the issue of lack of storage identified in the business plan.

### Governance, Management and Staffing

- 2.23 A new governance and management structure has been established. Pilotage capacity has been increased sustaining the pool of pilots. However, two key staff recently recruited have now resigned to pursue other career opportunities. Although transitional arrangements have been put in place to sustain operational activities and pilotage is secured, recruitment has previously been a challenge and would be a challenge once again. The level of wages offered by the Council are not competitive with the private sector, in addition, working patterns have proved to be difficult to manage within the current Council's policies.
- 2.24 To meet the requirements of the Port Safety Maritime Code, it is proposed to appoint an Interim Harbourmaster. The Investment Manager will take direct responsibility for commercial development and for the dredging project with the support of the Project Management consultant.

### Sales and Marketing Strategy

- 2.25 A strong emphasis has been put on relationship building through the Harbour Users Group and an 'open for business' and pro-active mind-set has been developed over the past year including a new website, event attendance and professional networking. This was led by the Harbourmaster, who has a significant industry experience with the support of the Invest in Perth team.
- 2.26 However, to date this has not led to increased cargo coastal shipping traffic. Other ports similar to Perth Harbour have been successful in retaining, enhancing and developing their assets beyond cargo coastal shipping with wider social and economic benefits. In addition to cargo coastal shipping, other commercial opportunities have been explored such as using the Harbour as a base for specific fleets or passenger traffic. Some interests have been noted. If such opportunities were taken forward, it could offer an alternative business model which may require to review the current harbour operations and may not need a dredging of 5m. It might be beneficial to test the market to develop this alternative business model.

## **3. CONCLUSION AND RECOMMENDATIONS**

- 3.1 The Harbour Business Plan was approved in May 2016. Since then, a number of assumptions have changed which require us to review its viability. The coastal shipping market which was supposed to provide the income to pay back the investment is reducing across the UK and the period of repayments of prudential borrowing would have to extend significantly beyond an acceptable depreciation period. Indeed, the current model may never pay back.



3.2 In light of these changes to the approved Business Plan, it is recommended that the Strategic Policy and Resources Committee:

- (i) Instruct the Depute Chief Executive (Chief Operating Officer) to explore other commercial opportunities outwith cargo coastal shipping
- (ii) Instruct the Depute Chief Executive( Chief Operating Officer) to report to this Committee or the Council later in the financial year.
- (iii) Note the transitional Harbour operational arrangements until March 2018 including the appointment of an Interim Harbourmaster
- (iv) Note that the Marine Scotland license application has been submitted in October 2017
- (v) Postpone the dredging contract tender publication until the Marine Scotland License is issued (January 2018)
- (vi) Continue engagement with stakeholders to mitigate risk in terms of costs and timescale.

#### Author(s)

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#### Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	16 November 2017

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All Council Services can offer a telephone translation facility.

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1 The Community Plan/Single Outcome Agreement 2013 – 2023 lays out five outcomes 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
  - (v) Creating a safe and sustainable place for future generations
- 1.2 This report relates to objective (iii) by maximising and enhancing economic development opportunities to the benefit of businesses and local communities, encouraging new business creation and growth of existing businesses through Harbour operations.

## 2. Resource Implications

### Financial

- 2.1 Capital – an allocation of £874,000 has been agreed as part of the capital programme as prudential borrowing. However, the report stresses that the coastal shipping market which was supposed to provide the income to pay back the investment is reducing across the UK and the period of re-payments of the prudential borrowing would have to extend significantly beyond an acceptable depreciation period of 10 years or could possibly not be repaid at all.
- 2.2 Revenue – The harbour has a revenue loss of £237,973 in 2016/17 and a projected loss of £216,850 in 2017/18.

### Workforce

- 2.3 There are no immediate workforce impacts. However, two posts are currently vacant with interim transitional arrangements in place.

### Asset Management (land, property, IT)

- 2.4 Asset Management issues arising from the operations of the Harbour are detailed in the 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. Pre-screening has identified that the PPS will have no or minimal environmental effects, it 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. 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. The proposals will enhance socio economic and economic development opportunities to the benefit of businesses and local communities.

### Legal and Governance

- 3.7 The Head of Legal and Governance Services and the Head of Finance has been consulted on these proposals and there are no legal implications.

### Risk

- 3.8 There are two key risks associated with the proposed programme.
- (i) Risks associated with the Dredging contracts and possible conditions attached to the Marine Scotland license issued. This risk will be managed by The Environment Service Senior Management Team. External advisers have been recruited to engage early with key stakeholders. The Harbour Board takes an active role in managing the programme. The dredging contract has been postponed to understand better the risks associated with BP and Shell Pipelines.
  - (ii) Risks associated with coastal cargo shipping reduction and the income reduction with possible non-repayment of prudential borrowing. This risk will be mitigated through robust financial assessment and exploration of other commercial opportunities.

## **4. Consultation**

### Internal

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

## **5. Communication**

- 5.1 The recommendations from the report will be communicated to stakeholders and the press through the Board and the media team.

## **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 1 – Financial Projections



BUDGET SCENARIO A  
THE ENVIRONMENT SERVICE  
PLANNING & DEVELOPMENT: INVESTMENT  
PERFORMANCE MONITORING BASED ON INCOME & EXPENDITURE TO:

Perth Harbour 13000073000	Subjective Code	2016/17 Actuals	Approved Estimate 2017/2018	Projection to 31/03/18	Year 2 18/19	Year 3 19/20	Year 4 20/21	Year 5 21/22	Year 18 34/35	Year 19 35/36	Year 20 36/37	Year 21 37/38
<b>Staff Costs</b>												
Gross Pay - Overtime Single Status	000190	0	1,000	4,000	4,080	4,162	4,245	4,330				
Gross Pay - Agency	000200	7,067	0	0	0	0	0	0				
Stand By	001805	4,611	5,000	5,000	5,100	5,202	5,306	5,412				
Gross Pay - Professional	004100	42,853	67,737	65,175	66,479	67,808	69,165	70,548				
Gross Pay - Technical	005100	43,038	26,541	26,693	27,227	27,772	28,327	28,894				
Overtime - Technical	005190	58	0	0	0	0	0	0				
Supn - Professional	034100	7,036	11,515	11,813	12,049	12,290	12,536	12,786				
Supn - Technical	035100	7,839	4,512	4,638	4,730	4,825	4,922	5,020				
NI - Agency	040200	364	0	0	0	0	0	0				
NI - Professional	044100	4,470	7,109	7,204	7,348	7,495	7,645	7,798				
NI - Technical	045100	4,689	2,543	2,639	2,691	2,745	2,800	2,856				
Course Expenses	081080	9,648	2,850	9,574	9,765	9,960	10,160	10,363				
Other Staff Expenses	093040	0	0	0	0	0	0	0				
<b>TOTAL STAFF COSTS</b>		<b>131,674</b>	<b>128,807</b>	<b>116,735</b>	<b>139,470</b>	<b>142,259</b>	<b>145,105</b>	<b>148,007</b>				
<b>Property</b>												
Rates	121000	10,454	11,000	11,000	11,220	11,444	11,673	11,907				
Rent	131000	8,200	8,000	8,000	58,160	59,323	60,510	61,720				
SeRCOP Reactive Rev Maint Rech	140101	1,073	0	0	0	0	0	0				
SeRCOP Cyclical Rev Maint Rech	140103	175	0	0	0	0	0	0				
SeRCOP DDA/Comp Rev Maint Rech	140104	1,550	0	0	0	0	0	0				
Electricity	160300	303	2,200	2,200	2,244	2,289	2,335	2,381				
Gas	161100	952	1,400	1,400	1,428	1,457	1,486	1,515				
CRC	168000	50	0	0	0	0	0	0				
Cleaning	170201	1,473	1,500	1,500	1,530	1,561	1,592	1,624				
Refuse Disposal	171010	497	0	0	0	0	0	0				
Cleaning Windows	172002	256	500	500	510	520	531	541				
Water Recharge	180002	4,308	0	0	0	0	0	0				
Other Property Costs	190000	986	5,500	5,500	5,610	5,722	5,837	5,953				
Buoys Becaon Lights	193000	3,243	3,000	3,000	3,060	3,121	3,184	3,247				
<b>TOTAL PROPERTY COSTS</b>		<b>33,522</b>	<b>33,100</b>	<b>33,100</b>	<b>83,762</b>	<b>85,437</b>	<b>87,146</b>	<b>88,889</b>				
<b>Supplies &amp; Services</b>												
Equipment - Purchase	201001	364	300	300	306	312	318	325				
Equipment - Rental	201002	400	0	0	0	0	0	0				
Equipment Maintenance	201027	2,451	15,000	5,000	5,100	5,202	5,306	5,412				
External Consultants	201306	32,571	0	6,883	7,021	7,161	7,305	7,451				
Drinking Water	210012	88	0	100	102	104	106	108				
Catering	220000	655	0	30	31	31	32	32				
Laundry	230201	0	100	0	0	0	0	0				
Protective Clothing	230401	1,012	500	500	510	520	531	541				
Printing Forms etc	240003	209	500	500	510	520	531	541				
Stationery	240106	62	500	250	255	260	265	271				
Postages	260009	101	100	100	102	104	106	108				
IT System Licensing & Support	260115	300	0	150	153	156	159	162				
Mobiles/radio - Rental/Calls	260122	225	500	250	255	260	265	271				

THE ENVIRONMENT SERVICE  
PLANNING & DEVELOPMENT: INVESTMENT  
PERFORMANCE MONITORING BASED ON INCOME & EXPENDITURE TO:

Perth Harbour 13000073000	Subjective Code	2016/17 Actuals	Approved Estimate 2017/2018	Projection to 31/03/18	Year 2 18/19	Year 3 19/20	Year 4 20/21	Year 5 21/22	Year 18 34/35	Year 19 35/36	Year 20 36/37	Year 21 37/38
Licences/Subscriptions	260331	2,529	3,000	3,407	3,475	3,545	3,616	3,688				
Advertising/Publicity	272002	47	3,000	10,500	10,710	10,924	11,143	11,366				
TV Licence	272018	146	150	150	153	156	159	162				
Misc Supplies & Services	272030	150	0	0	0	0	0	0				
Risk Management Premiums - Employers	290001	8,458	8,500	8,500	8,670	8,843	9,020	9,201				
TOTAL SUPPLIES & SERVICES		49,767	32,150	36,620	37,353	38,100	38,862	39,639				
Transport												
Oil	313000	336	0	100	102	104	106	108				
Transport - Public	349000	371	0	980	1,000	1,020	1,040	1,061				
Subsistence - Single Status	350100	287	0	2,401	2,449	2,498	2,548	2,599				
Car Allowances - Single Status	370100	0	1,000	0	0	0	0	0				
Car Allowances/Mileage - Professional	374100	0	0	158	162	165	168	171				
TOTAL TRANSPORT		994	1,000	3,640	3,713	3,787	3,863	3,940				
Transfer Payments												
TOTAL TRANSFER PAYMENTS		0	0	0								
Third Party Payments												
DLO Awarded Work	580101	4,200	0	0	0	0	0	0				
Outside Contractors	580202	3,411	0	0	0	0	0	0				
Other Third Party Payments	589023	0	0	(1)	(1)	(1)	(1)	(1)				
Pest Extermination	597500	232	0	250	255	260	265	271				
TOTAL THIRD PARTY PAYMENTS		7,843	0	250	254	260	265	270				
Support Services												
Recharge - Directorate & Admin	600311	5,000	5,000	5,000	5,100	5,202	5,306	5,412				
TOTAL SUPPORT SERVICES		5,000	5,000	5,000	5,100	5,202	5,306	5,412				
Capital Financing Costs												
Capital Charges	729000	55,729	55,729	55,729	55,729	55,729	55,729	55,729				
Loan Charges	733001	0	12,500	12,500	91,000	91,000	91,000	91,000				
TOTAL CAPITAL FINANCING COSTS		55,729	68,229	68,229	146,729	146,729	146,729	146,729				
TOTAL EXPENDITURE		284,528	268,286	243,574	416,381	421,774	427,275	432,886	447,368	456,315	465,441	474,750
Income												
Dues - Harbour	837201	(11,707)	(17,000)	(8,160)	(17,952)	(33,184)	(36,502)	(40,153)				
Dues - Tay Buoy	837202	(11,707)	(17,000)	(8,160)	(17,952)	(33,184)	(36,502)	(40,153)				
Dues - Shore	837203	(17,477)	(47,803)	(8,404)	(19,529)	(34,948)	(38,443)	(42,287)				
Charge Hose & Water	837300	(125)	0									
Quay Storage	837400	(600)	0									
Income-Miscellaneous	889000	(4,940)	(5,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)				
TOTAL INCOME		(46,555)	(86,803)	(26,724)	(57,433)	(103,316)	(113,448)	(124,592)	(430,127)	(473,139)	(520,453)	(572,499)
NET EXPENDITURE		237,973	181,483	216,850	358,948	318,458	313,827	308,294	17,241	(16,824)	(55,012)	(97,748)

Without additional income, profitability will retrain in year 18 (34/35)



## PERTH AND KINROSS COUNCIL

## Strategic Policy and Resources Committee

29 November 2017

## COMMUNITY GREENSPACE ASSET MANAGEMENT PLAN

## Report by Director (Environment)

**PURPOSE OF REPORT**

This Greenspace Asset Management Plan has been produced to detail the Council's strategy for managing the maintenance and replacement programme for our greenspace assets and to inform future capital investment.

**1. BACKGROUND**

- 1.1 Greenspace within Perth & Kinross is managed and maintained in accordance with the Scottish Government's Planning Advice Note 65 (PAN 65) recommendations and our statutory obligations. The Greenspace Asset Management Plan details the extent of the Greenspace asset, how it is prioritised and how it will be managed.
- 1.2 Greenspace is used by many, if not all, residents of Perth & Kinross as well as businesses and visitors. It provides many benefits and makes an important contribution to service delivery and the strategic aim of the Council.
- 1.3 The Greenspace asset is valued at £9,476,385 (at 31 March 2017) with an estimated replacement cost of £169,738,446. It should be noted that working documents within the Plan have been provided as examples and are subject to change throughout the year. Where figures are quoted they have been taken as at 31 March 2017 or from the most up to date data.
- 1.4 This is the first Greenspace Asset Management Plan for Perth & Kinross and producing it has highlighted that further development is required to ensure that the right strategies are in place for our greenspace asset. It is anticipated that as strategies develop asset management will be used to target spending and inform the budget setting process in order that best value is obtained from the greenspace asset.

**2. PROPOSALS**

- 2.1 The Corporate Asset Management Team, in conjunction with Greenspace colleagues, have reviewed the works programmes and the strategies for determining these. As a result of this review the team have produced a list of strategies which require further development to support the plan.

- 2.2 A status report will be provided to The Environment, Enterprise and Infrastructure Committee on an annual basis from November 2018 to ensure the plan remains on track and reflects the most up to date information available.

### 3. CONCLUSION AND RECOMMENDATIONS

- 3.1 The first Greenspace Asset Management Plan for Perth & Kinross Council outlines the extent of the greenspace asset, how it is prioritised and how it will be managed. A number of strategies will be brought forward in support of the plan.

- 3.2 It is recommended that the Committee:

- (i) approves the Greenspace Asset Management Plan (Appendix 1)
- (ii) requests the Director (Environment) to bring back a status report to Environment, Enterprise and Infrastructure committee in November 2018
- (iii) requests that the Greenspace Asset Management Plan be reviewed every five years and reported back to Strategy Policy and Resources Committee.

#### Authors

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#### Approved

Name	Designation	Date
Barbara Renton	Director (Environment)	2 October 2017

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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

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

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1 This Plan relates to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of the following priorities:

- (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
- (v) Creating a safe and sustainable place for future generations

#### Corporate Plan

- 1.2 The Council's Corporate Plan lays out five Objectives which provide clear strategic directions, inform decisions at a corporate and service level and shape resources allocation. This report supports the delivery of the following Corporate Plan objectives:

- (i) Promoting a prosperous, inclusive and sustainable economy;
- (ii) Supporting people to lead independent, healthy and active lives; and
- (iii) Creating a safe and sustainable place for future generations.

## **2. Resource Implications**

### Financial

- 2.1 There are no direct financial or resource implications arising from this report. Financial requirements for Greenspace maintenance and replacement will be addressed through the Environment Service Budget setting and monitoring process.

### Workforce

- 2.2 No workforce implications are directly associated with this report.

### Asset Management (land, property, IT)

- 2.3 This report is the Community Greenspace Asset Management Plan.

## **3. Assessments**

### Equality Impact Assessment

- 3.1 Assessed as **not relevant** for the purposes of EqIA.

### Strategic Environmental Assessment

- 3.2 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).
- 3.3 The matters presented in this report were considered under the Environmental Assessment (Scotland) Act 2005 and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

### Sustainability

- 3.4 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.
- 3.5 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

- 3.6 No direct legal implications within this report.

### Risk

- 3.7 Risks are addressed in the Plan.

## **4. Consultation**

### Internal

- 4.1 Community Greenspace, Corporate Finance Teams and the Head of Environmental and Consumer Services, the Head of Finance, the Head of Democratic Services and the Head of Legal & Governance have all been consulted in the preparation of this report.

### External

- 4.2 No external communication took place.

## **5. Communication**

- 5.1 The principles of the Greenspace asset management plan and any associated working practices will be communicated through the normal council channels for example Eric.

## **2. BACKGROUND PAPERS**

- 2.1 There are no background papers with this report.

## **3. APPENDICES**

Appendix 1 – Asset Management Plan.

Appendix 2 – Play Area Programme.

Appendix 3 – Bridges Programme.

Appendix 4 – Strategies.



Perth & Kinross Council  
**Community Greenspace  
Asset Management Plan  
2017 - 2022**

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## 1. INTRODUCTION

This Community Greenspace Asset Management Plan sets out the investment and service being provided by the Council for the residents, business and visitors to Perth and Kinross. This service is managed by The Environment Service through Community Greenspace within current budgets, existing legislation and Council policies and strategies.

The key benefits provided by greenspace to the residents, businesses and visitors to Perth and Kinross are;

- Civic pride with the opportunity for active involvement by communities
- Events held for local people and tourists
- Health-encouraging facilities for both physical and mental health
- Attractive, well used, free outdoor facilities
- Habitats for flora and fauna

Community Greenspace presently manages a total of approximately 1614 separate greenspaces. The greenspaces are classified by their primary use, referred to as typology, for example public parks and gardens and amenity greenspace. However, there are greenspaces that have more than one typology as they provide additional functions, for example there could be sports pitches and play areas in a single public park.

Following the guidelines set out in the statutory Whole of Government Accounts, the current value of Greenspace assets on the Perth & Kinross Council asset register is £9,476,385 as at 31 March 2017. This valuation does not include land and tree costs. Using current replacement rates and Greenspace Officers knowledge, the estimated replacement cost of Greenspace assets is £169,738,446.

Greenspaces are also further categorised based on their relative importance to the community and users, termed hierarchy. These range from local greenspaces such as Larch and Birch Place in Perth, to larger areas of regional greenspaces such as MacRosty Park in Crieff. Play Areas have adopted their own hierarchy which is outlined in The Play Strategy (2006), which is currently under review.

Within these hierarchies of greenspace, assets comprise of area assets such as grass and shrub planting and individual infrastructure assets such as benches, bins and bollards. There are also linear assets such as hedges and paths.

Community Greenspace has an enviable and long track record of working with voluntary groups to effectively manage and enhance greenspace throughout Perth and Kinross. This includes direct work including planting, maintaining local greenspaces and path networks as well as helping to design and raise funds for larger greenspace projects such as the Methven play area, the Riverside Heather Garden in Perth and MacRosty Park in Crieff.

In order to assist with the effective and efficient management of assets, an asset management software system called Environmental Landscape Manager (ELM) is currently in development and the first phase was successfully implemented in 2016. Future scheduled developments are to be rolled out in 2017 and beyond. This will improve work scheduling and data management and will enable scenario planning for allocation of resources.

The provision and management of the Council's green space assets, reflects the guidance and advice outlined in the Scottish Governments' Planning Advice Note 65 (PAN 65).

It has been projected that the population of Perth & Kinross will have increased by 32% by 2035, creating even greater demands on our greenspace areas and associated infrastructure. Funding levels continue to be constrained yet customer expectations of the levels of service continue to increase.

It is anticipated that asset management will be used to inform the budget setting process, target spending and help predict the impact that funding levels may have on the on-going condition of the asset.

## **2. ASSETS**

The asset information and data in this section has been taken from currently available asset data held by Community Greenspace.

The sites that Community Greenspace currently manages are classified as typologies and hierarchies in line with The Scottish Government's Planning Advice Note 65 (PAN 65). This identifies the importance of green spaces to quality of life, stating that they provide the setting for a wide range of social interactions and pursuits that support personal and community well-being.

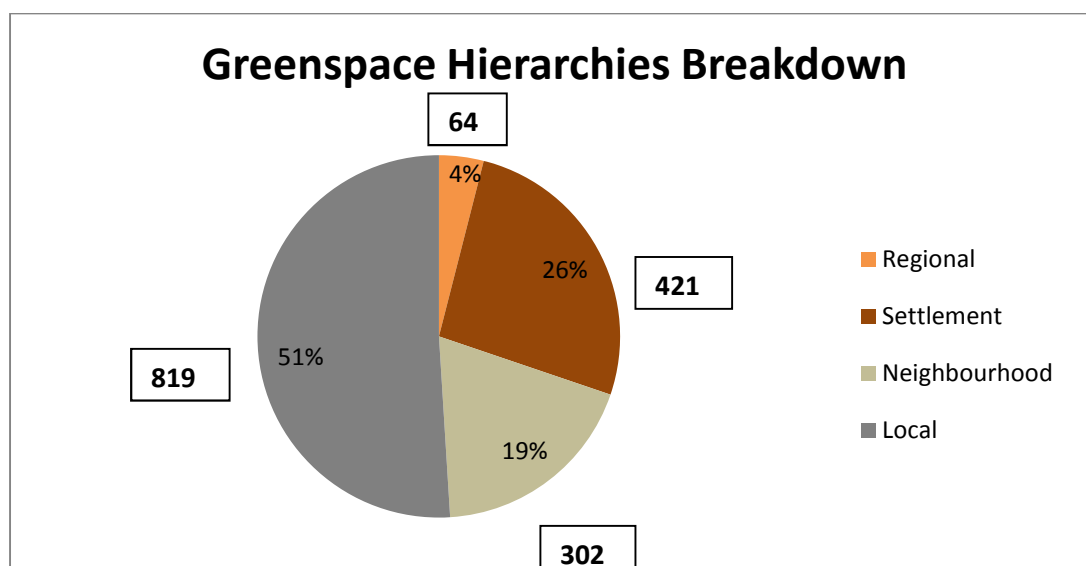
The Community Greenspace Asset Management Plan (CGAMP) records the Council's plans for the management of the Greenspace Assets. The Greenspace Asset is defined by the following hierarchy and typologies.

### **2.1 Hierarchy**

A hierarchy is a way of identifying not only the levels of population that a greenspace serves, but also the attraction it has for visitors from further away. Generally, the higher the hierarchy the more officer time and funding will be required to ensure it meets the highest standards for the typology it provides.

Play Areas are shown separately as they have their own different hierarchy as outlined in The Play Strategy (2006), which is currently under review.

The PAN 65 greenspace hierarchy definition and breakdown, is shown in the following pie chart and table;



Hierarchy		No	%	Description	Examples
Regional	R	64	4	Large sites attracting visitors from beyond the settlement. Premier Parks are a selection of Regional Greenspace developed to meet Greenflag Standard.	MacRosty Park Crieff, Kinnoull Hill & North Inch, Perth
Settlement	S	421	26	Large or high profile sites which are used or seen by people across the whole settlement.	Braidhaugh Park Crieff, Victory Park, Meigle
Neighbourhood	N	302	19	Sites which are important to a larger distinct area of a settlement	Craigie Park, Perth & Green Park, Perth
Local	L	819	51	Smaller sites important within a small area of a settlement.	Larch & Birch Perth & Romangate Play area in Dunning
<b>Total</b>		<b>1606*</b>	<b>100</b>		

\* Excluding 8 allotment and community growing spaces

## 2.2 Typologies

### Primary Typology

Under the above hierarchy groupings, there are 11 types of green space which are described in PAN 65 and Community Greenspace has classified all its green spaces by their primary typology. Primary typologies reflect the overall type of greenspace and help to give consistency at a national level. As a result, the North Inch in Perth is classified as a Public Park and Garden rather than a sports pitch or play space.

Care is, therefore, needed when analysing lists and numbers of types of greenspace based only on primary typology.

Primary Typologies		
Primary Typology	No	Example
Public parks and gardens.	95	Mill St (Alyth), Victory Park (Meigle), King George V Park (Methven).
Private gardens or grounds.	143	Mill St (Stanley), Family and Child Centre (Muirton).
Amenity greenspace.	768	The Common (Coupar Angus), Town Hall (Scone).
Playspace for children and teenagers.	56	Friarton Park, (Perth), Play area (Powmill), Williamson Hall (Abernethy).
Sports Areas.	34	Recreation Park (Pitlochry), Diamond Jubilee Park (Alyth), Lesser South Inch (Perth).
Natural/ semi natural greenspace.	62	Buckie Braes, Oakbank (Perth), Burnside (Aberfeldy), Kinnoull Hill (Perth).
Allotments & community growing spaces.*	8	North Perth Allotment, Tulloch
Civic Space.	14	Fergusson Gallery (Perth), James Square, Crieff, The Square (Aberfeldy).
Burial grounds.	139	Findo Gask Churchyard.
Other functional greenspace.	161	Lock ups (Inchtute), Gairney Bridge (Kinross).
Green corridors.	134	Scone Den (Scone), Riverside Walk (Kirkmichael), Kincardine Walk (Crieff)
<b>Total areas of Typology</b>	<b>1614</b>	

It should be noted that the council do not directly manage allotments but lease sites to community allotment associations and facilitate their development.

## Secondary Typology

Greenspaces such as North Inch, Perth have more than one typology as they provide additional functions, for example there are sports pitches and play areas in this park.

The quantity of each secondary typology managed by Community Greenspace is shown in the table below;

Secondary Typology		No
Playspace for children and teenagers.	Skateboard areas	9
	Play Areas	141
Sports areas.	Football/ rugby	88
	Golf Course	1
	Cricket Square	3
<b>Total secondary typologies</b>		<b>242</b>

The typology of each greenspace is used to help produce the maintenance schedules, management and refurbishment programmes for delivering the service.

### 2.3 Play Areas

The Council's play areas are defined by a different set of hierarchy criteria, as the play strategy pre-dates the PAN 65 recommendation. The play areas are, however, graded according to the average age and number of primary users and the play facilities provided in each play area meet the needs of these criteria.

Hierarchy	Description	No	Examples
Premier Equipped Area for Play (Premier)	The biggest play areas in busiest locations for 4-14 year olds.	9	MacRosty Park, Crieff
Neighbourhood	The largest neighbourhood play areas for 4-14 year olds out with the rural settlements.	29	Diamond Jubilee, Alyth
Rural Equipped Area for Play (Rural)	Large neighbourhood play areas for 4-14 year olds within the rural settlement.	51	Admiralty Wood, Almondbank
Local Equipped Area for Play (Local)	Small local play areas for 4-8 year olds.	52	Dryburgh Crescent, Perth
<b>Total</b>		<b>141</b>	

## 2.4 Infrastructure

The infrastructure within greenspaces consists of a variety of asset types; Area, Item, Trees and Linear. These perform a practical function by enhancing the greenspace service which is provided to the public. In addition, they perform a visual function by contributing to the positive image of Perth & Kinross.

### Area Assets

Greenspaces consist of area assets such as grass and shrub beds, planting and play space safety surfacing.

The table below shows the quantity of each area asset. The safety surfacing within play spaces are further separated in to each of the different types.

Area Assets Quantity		
Asset	Type	Ha
Grass		552.9
Hard Surface		89.3
Planting		13.9
Play Space for Children and Teenagers -children's play grounds.	Bark pit	1.19
	Bitumen/ hard surface	1.13
	Artificial turf	0.1
	Rubber tile/ crumb	1.4
	Sand	0.4
Play Space for Children and Teenagers - Skate parks hard surface.		0.54
Water	Pond	1.3
<b>Total</b>		<b>662.16</b>

### Item Assets

Item assets are assets such as benches, flag poles and play equipment. They are provided depending on the typology and hierarchy of the greenspace within which they are sited.

The number of item assets can vary over time depending on customer demand, the condition of the asset, service requests from individuals, groups and available funding.

Greenspace hold an asset register which details each item shown below:

Item Asset Quantity	
Asset	Number
Art Features	32
Bench	1268
Bollard	486
Box	259
Bridges	199
Cycle Stand	64
Dog Bin	333
Fence	510
Flag Pole	40
Floral Container	136
Gateway	609
Goal Post	253
Grille	37
Hand Rail	161
Leaflet Cairn	2
Life Saver	14
Litter Bin	1028
Marker	38
Picnic Tables	130
Play Equipment Sited on Children's Play Areas	958
Ponds	4
Rugby Posts	6
Sign	1856
Water Point	53
<b>Total</b>	<b>8476</b>

## Trees

From a survey carried out in 1998, and with the addition of trees planted since, it is estimated the Council has c32,000 individually planted specimen trees. The Tree Management Policy, approved by The Environment Committee on 26 March 2014 (Report No. 14/122 refers), details the policy for inspecting trees on council owned general parks and open spaces.

## Linear Assets

Data is held in ELM for hedges and fences. However, it should be noted that linear measurements for these are estimates and it has not been possible to update this in recent years. Hedges are estimated to be 127,700 linear metres and fences 17,400 linear metres.

## 2.5 Exclusions

Work was undertaken in October 2015 to clarify the responsibility for the inspection and maintenance of greenspace assets was clarified and agreed. As a result, key assets not currently managed by Community Greenspace and therefore not included within this plan are listed below;

- Properties located on greenspace, for example sports changing facilities, are provided and maintained by Property Services.
- Sealed and unsealed footpaths within greenspaces in urban areas are maintained by The Roads Maintenance Partnership.
- Unmetered lights and events boxes in greenspaces are inspected and maintained by The Street Lighting Partnership.
- Metered electrical supplies are maintained by Property Services.
- Other lighting in greenspaces, for example the all-weather pitch in Larghan Park in Coupar Angus, are maintained by 3<sup>rd</sup> parties such as the Coupar Angus Residents Association.
- Memorial structures are maintained by Property Services.
- Play areas and item assets located within school grounds, are installed and maintained by Education and Children's Services.
- Retaining walls and fences are maintained by the individuals or service on whose land they are located.
- Allotments and community growing spaces are managed by each allotment site association.
- The Crematorium, although managed by Community Greenspace, does not form part of this plan which is for the management of greenspace assets.

## 3. DRIVERS

This section explains and lists the principal statutory and non-statutory drivers which provide the context to the management of the Council's greenspaces.

Statutory drivers are legal duties or obligations which the Council must adhere to.

The non-statutory drivers are a range of national and local policies, strategies and information, which guide the management and provision of greenspace within the council area.

Good quality, accessible greenspaces provide a wide range of economic, environmental and social benefits, positively contributing to the local economy, to wildlife and to people's health and well-being.

### 3.1 Statutory Drivers

The principal statutory drivers which guide Community Greenspace in managing the Council's greenspaces are listed below:

- Occupiers' Liability (Scotland) Act 1960



- Disability Discrimination Act 2005
- Allotments (Scotland) Act 1892
- Burial Act 1857
- Environment Act 1995
- Land Reform (Scotland) Act 2003
- Scottish Planning Policy 11 (SPP 11)
- Local Government (Scotland) Act 2003
- Community Empowerment (Scotland) Act 2015
- Burial and Cremation (Scotland) Act 2016

### 3.2 **Non Statutory Drivers**

The principal non statutory policies, strategies and publications used to assist in the management of the Council's greenspaces are listed below.

- The Scottish Government Planning Advice Note 65 (PAN 65) Planning and Open Space
- Perth & Kinross Council Play Strategy 2006 (currently under review)
- Perth & Kinross Council Play Area Rationalisation Policy 2012
- Perth & Kinross Council Tree Management Policy 2014
- Perth & Kinross Council Core Paths Implementation Plan 2012
- Perth & Kinross Council Allotment Strategy 2011
- Perth & Kinross Council Leisure Needs Analysis 2012
- Perth & Kinross Council Outdoor Sports Policy (draft)
- Perth & Kinross Grounds Maintenance Review 2013
- Perth & Kinross Council Forest Plan 2015-2035
- Perth & Kinross Cemetery Strategy 2016
- Perth & Kinross Capital Programme 2015-2020
- National Standards of Community Engagement
- UK Biodiversity Action Plan
- Scottish Biodiversity Action Plan
- Local Biodiversity Action Plan
- Nature Conservation (Scotland) Act 2004
- Wildlife and Countryside Act 1981 (As amended)

## 4. **DEMANDS**

It has been projected that the population of Perth & Kinross will have increased by 32% by 2035, creating even greater demands on our greenspace areas and associated infrastructure. In the current economic climate it is likely that funding levels will continue to be constrained yet customer expectations of the levels of service continue to increase.

At a national level, the Heritage Lottery Fund (HLF) commissioned a study of the current state and future trends in the condition of the UK's public parks in 2014. Surveys were undertaken with local authority park managers, park friends and user groups and public opinion through Ipsos MORI.

The research shows that maintenance budgets are being reduced, capital will be less available for improvements, facilities are becoming more costly to use and some parks may simply be sold or transferred to the care of others. However, it also shows that park usage is increasing and communities are also taking on a greater role. They recognise that 'without adequate maintenance, parks become underused, neglected and vandalised. Their immense social and environmental value is quickly eroded and they become a costly liability for those who manage them'. The study identifies five key challenges for the future:

- Renewed local authority commitment;
- Establishing new partnerships;
- Getting communities more involved;
- Collecting and sharing data; and
- Developing new finance models and rethinking delivery.

HLF commissioned, and have published, a second State of the UK Public Parks report in 2016 monitoring changes in the condition, quality and resourcing of the UK's public parks. Many of the results follow trends established in the 2014 study. Perth & Kinross Council has been a participant in both surveys.

Greenspace Scotland provides a wealth of information on a wide range of park management issues. Their Health Impact Assessment of greenspace guide offers an overview of the best available international scientific evidence on the health impacts (both positive and negative) of greenspace. The focus of the review was to identify and explore the links between greenspace and physical, mental and social health and wellbeing. Key findings from the review include:

- A clear positive relationship between greenspaces and health, although the mechanisms which generate these positive effects are not always clear;
- The value of greenspaces as places for physical exercise is unquestionable and although people who use parks regularly appear to take more exercise, access to greenspace does not appear to be the key variable for explaining levels of physical exercise;
- On mental health, there is compelling evidence for the restorative effects of greenspaces;
- In terms of social health, the review shows that greenspaces are one of the few remaining spaces that are available to all. Surveys show that greenspaces are important as places of memory, and are closely associated with neighbourhood identity;

The evidence clearly demonstrates that the demand for, and benefits of, well designed, well located and well managed public greenspace is unequivocal at a national and local level.

The table below lists and assesses the effects of the possible changes in demand on the greenspace asset, during the lifetime of this plan.

The Principal Demands on Assets			
No	Demand	Possible effect on demand	Possible Implications for PKC to maintain existing Service Levels
1	Increase in Population.	A proportionate increase in the demand for services and assets; in particular burial space and children's play space.	Increase council funding, seek additional third party funding, and seek additional voluntary or partnership assistance.
		An increase in demand for parking spaces to enable more people to access greenspace.	
		Increase in demand for play and sports provision.	
		New housing estates may require new greenspace infrastructure.	
2	Increasing promotion of physical and mental wellbeing.	An increasing demand for local opportunities to take part in physical activity on greenspace, cycle-ways and paths.	
3	A continuation in the interest of people wishing to grow their own food locally.	The need for more allotment space.	
		Increased involvement by staff or volunteers to establish facilities.	
		The need for setup costs.	
4	Pressure placed on assets due to severe weather conditions.	Premature ageing of assets.	
5	Community Empowerment (Scotland) Act 2015.	Potential decrease in areas to inspect and maintain.	Re-allocation of existing resource.
		Increase in demand for allotments space. Maximum 5 year waiting list with a maximum of 15 individuals on waiting list.	Find suitable land for allotment space.

The Principal Demands on Assets			
No	Demand	Possible effect on demand	Possible Implications for PKC to maintain existing Service Levels
6	Pressures to comply with the Nature Conservation (Scotland) Act 2004 to further the conservation of biodiversity.	Potentially reduced demand in resources and funding due to reduced grass maintenance regimes.	Re-allocation of funds and resources elsewhere.
7	Historic adoption of poorly designed public open space on private housing developments.	Significant costs to rectify overgrown trees, shrubs and inaccessible areas to maintain.	Re-allocation of funds and resources elsewhere.

## 5. SERVICE STANDARDS

The Community Greenspace Asset Management Plan is based upon delivering the service standards below. The standards reflect the previously approved funding levels for greenspace asset maintenance and represent the standards that customers can expect from the Council's Greenspace Assets during the plan period. Details of how the specific greenspace assets are measured are shown below.

Measured By	Target Standard	
	Standard	Target Compliance
<b>Parks and Open Spaces</b>		
Ensure our Parks and Open Spaces are managed and maintained in accordance with the schedules and specifications. Sample of selected sites (70) inspected in accordance with Land Audit Management System (LAMS) scoring.	LAMS Score 67 or above	100%
<b>Play Areas</b>		
Carry out play area maintenance and inspection by PKC Contractor	All sites every 2 months	100%

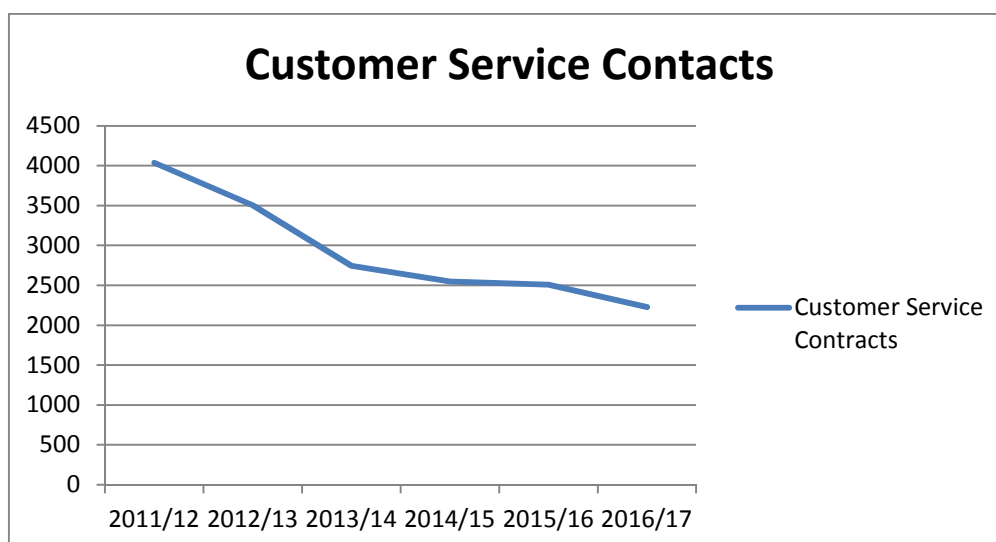
Measured By	Target Standard	
	Standard	Target Compliance
Inspected once a year by independent engineer	All sites annually	100%
Number of play areas meeting play strategy standards	80%	100%
<b>Sports Pitches</b>		
Ensure our pitches are managed and maintained in accordance with the schedules and specifications.	90%	100%
Ensure renovation works are identified and implemented on a prioritised basis.	100%	100%
<b>Bridges</b>		
Ensure all bridges are maintained in a safe condition for public use through a visual inspection.	2 years	100%
<b>Trees and Woodland</b>		
Ensure our trees on our highest risk sites are inspected and appropriate work undertaken.	Every 6 months	100%
<b>Water Safety</b>		
Ensure our watercourse sites are inspected and appropriate work undertaken.	100%	100%

Actual performance achieved will be reported to The Environment, Enterprise and Infrastructure Committee in the Annual Status Report in November 2018 and annually thereafter.

## 6. CUSTOMER SERVICE CONTACTS

Customer Service contacts in relation to the greenspace assets are recorded in the Council's customer relationship management system (CRM).

A summary of the contacts received for Greenspace by category is shown below for 2011/12 to 2016/17.



### Total Calls Received

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Total	4038	3503	2745	2550	2510	2229

The main customer contacts to the Council are predominately in regard to grounds maintenance (grass cutting, weeding, leaf clearing, hedges and grass verges) which highlights the importance of this service to the public.

A report on Grounds Maintenance – Site Assessments and Asset Management was approved by The Environment Committee of 8 June 2011 (Report No 11/308 refers) and details work to review areas of land which receive grounds maintenance service, but that are not under council ownership or are less prominent greenspaces sites. The proposals reprioritised grounds maintenance in a way which achieved budgeted savings, whilst minimising the impact on the most important areas of greenspace in our community, such as public parks of regional significance.

Extensive consultation was undertaken to both inform the public and ensure their priorities were reflected in the proposals. With the review and consultation process complete the number of calls received since 2011/12 regarding greenspace assets has fallen by 45%.

### Customer survey

A visitor survey was last undertaken in the summer of 2012 by an independent market research company in 12 of our key parks, with 1,575 interviews undertaken. It repeats a similar survey carried out in 2006.

From the 2012 survey, overall satisfaction levels with individual parks is universally encouraging with eleven of the twelve parks having over 90% of people being either very satisfied or fairly satisfied and five sites scoring 100%. Only three sites, including the South Inch, had a small percentage of people who were dissatisfied. However since the survey was undertaken, some of the parks such as MacRosty and South Inch have benefitted from major upgrades.

Results showed that the most popular activities in greenspace sites are walking (58%), dog walking (38%) and general relaxation (36%). This is evidence that the Council's greenspaces are providing an important resource for physical and mental well-being.

It is proposed to repeat this survey in 2018.

## **7. FINANCIAL SUMMARY**

### **7.1 Asset Valuation**

Following the guidelines set out in the statutory Whole of Government Accounts, the current value of Greenspace assets on the Perth & Kinross Council asset register is £9,476,385 as at 31 March 2017. This valuation does not include land and tree costs.

	<b>Value</b>
Cemetery*	£628,926
Parks & Open Spaces	£1,321,584
Miscellaneous	£24,904
Parkland Infrastructure	£7,500,971

\*Excludes headstones

Using current replacement rates and Greenspace Officers knowledge the estimated replacement cost of Greenspace assets is £169,738,446.

### **7.2 Historical Expenditure**

Historical expenditure invested in works on the Greenspace Asset is shown below. Expenditure below only relates to maintenance of assets and excludes other operating costs (e.g. Staff costs, supplies and services):

	Works	Historical Expenditure		
		14/15 £	15/16 £	16/17 £
Infrastructure	Revenue			
	Total Expenditure	1,170,361	1,169,960	812,347
	Income – Internal Recharges	(239,422)	(341,772)	(209,265)
	Net Expenditure	930,939	828,187	603,081
Communities	Revenue			
	Total Expenditure	57,755	45,825	29,683
	Income – Pitches	(24,069)	(28,774)	(40,817)
	Net Expenditure	33,686	17,051	11,134
Policy & Projects	Revenue			
	Total Expenditure	102,516	129,468	149,824
	Income – Architect Fees	(165,750)	(156,120)	(144,187)
	Net Expenditure	(63,234)	(26,652)	5,634
North Inch Golf Course	Revenue			
	Total Expenditure	123,086	134,091	108,505
	Income – Seasonal Tickets & Green Fees	(48,406)	(60,494)	(83,622)
	Net Expenditure	74,680	73,597	24,883
Grounds Maintenance Operations	Revenue			
	Total Expenditure	98,796	104,915	103,819
	Income	0	0	0
	Net Expenditure	98,796	104,915	103,819



	<b>Works</b>	<b>Historical Expenditure</b>		
		<b>14/15 £</b>	<b>15/16 £</b>	<b>16/17 £</b>
<b>Nursery</b>	<b>Revenue</b>			
	Total Expenditure	N/A	21,813	0
	Income	N/A	0	0
	Net Expenditure	N/A	21,813	0
<b>Community Environment Challenge Fund</b>	<b>Revenue</b>			
	Total Expenditure	103,859	104,129	81,036
	Income	0	0	0
	Net Expenditure	103,859	104,129	81,036
<b>3<sup>rd</sup> Party Funding</b>	<b>Revenue</b>			
	Total Expenditure	177,428	9201	21,794
	Income	(177,428)*	(9201)*	(21,794)*
	Net Expenditure	0	0	0
<b>Capital</b>	<b>Capital</b>			
	Expenditure	1,020,000	1,238,000	604,000
	3rd Party Funding	(95,000)	(37,000)	(90,000)
	Net Expenditure	925,000	1,201,000	514,000
<b>Total Net Expenditure</b>		<b>2,103,726</b>	<b>2,324,040</b>	<b>1,343,587</b>

\*Methven Play Area

### 7.3 Planned Funding

The CGAMP is based upon the Council's approved 7 year Capital Programme, together with the assumption that annual revenue expenditure on maintenance remains constant at 2017/18 levels.

The service standards targets shown in section 5 are based upon the following Council approved funding levels. However, it should be noted that

the current approved 7 year Capital Programme set out below shows that funding levels of around £900k per annum are maintained until 2020/21. Funding for 2021/22 reduces significantly to £100k for cemetery extension and provision only.

With the reduction in capital investment, a decommissioning programme may be required. As greenspace assets may not be refurbished or renewed from 2021/22 onwards, sites that have worn out or damaged/vandalised assets may have to be closed if they become unsafe for public use.

In future years, Perth & Kinross Council will be required to decide upon the level of funding for the greenspace assets, taking into account the information supplied in the complimentary Asset Status Report. Any updates to the CGAMP will then be made.

	Works	Funding in Financial Year				
		17/18 £	18/19 £	19/20 £	20/21 £	21/22 £
<b>Infrastructure</b>	<b>Revenue</b>					
	Total Expenditure	786,450	786,450	786,450	786,450	786,450
	Income	(198,000)	(198,000)	(198,000)	(198,000)	(198,000)
	Net Expenditure	588,450	588,450	588,450	588,450	588,450
<b>Communities</b>	<b>Revenue</b>					
	Total Expenditure	57,000	57,000	57,000	57,000	57,000
	Income	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
	Net Expenditure	22,000	22,000	22,000	22,000	22,000
<b>Policy &amp; Projects</b>	<b>Revenue</b>					
	Total Expenditure	179,670	179,670	179,670	179,670	179,670
	Income	(116,000)	(116,000)	(116,000)	(116,000)	(116,000)

	Net Expenditure	63,670	63,670	63,670	63,670	63,670
	<b>Works</b>	<b>Funding in Financial Year</b>				
		<b>17/18 £</b>	<b>18/19 £</b>	<b>19/20 £</b>	<b>20/21 £</b>	<b>21/22 £</b>
<b>North Inch Golf Course</b>	<b>Revenue</b>					
	Total Expenditure	112,000	112,000	112,000	112,000	112,000
	Income	84,900	84,900	84,900	84,900	84,900
	Net Expenditure	27,100	27,100	27,100	27,100	27,100
<b>Grounds Maintenance Operations</b>	<b>Revenue</b>					
	Total Expenditure	79,000	79,000	79,000	79,000	79,000
	Income	0	0	0	0	0
	Net Expenditure	79,000	79,000	79,000	79,000	79,000
<b>Community Environment Challenge Fund</b>	<b>Revenue</b>					
	Total Expenditure	100,000	100,000	100,000	100,000	100,000
	Income	0	0	0	0	0
	Net Expenditure	100,000	100,000	100,000	100,000	100,000
<b>North Muirton Play Area</b>	<b>Revenue</b>					
	Total Expenditure	150,000	0	0	0	0
	Income	0	0	0	0	0
	Net Expenditure	150,000	0	0	0	0

	Works	Funding in Financial Year				
		17/18 £	18/19 £	19/20 £	20/21 £	21/22 £
<b>Capital</b>	<b>Capital</b>					
	Expenditure	887,000	1,310,000	879,000	884,000	100,000
	3rd Party Funding	8,000	0	0	0	0
	Net Expenditure	879,000	1,310,000	879,000	884,000	100,000
<b>Total Net Expenditure</b>		<b>1,830,220</b>	<b>2,190,220</b>	<b>1,759,220</b>	<b>1,764,220</b>	<b>953,120</b>

- The Assisted Garden Maintenance and Education and Children's Services grounds maintenance costs, are included in the Infrastructures income.
- The Playground maintenance contract is included in the Council Revenue figures.
- Play park refurbishment for North Muirton is included in the Council Revenue figures obtained from funding reserves.
- The Alyth environmental improvements (2018/19) third party payment is excluded in the capital expenditure and 3rd party figures.
- Staff costs are excluded from both revenue and capital expenditure.

## 8. Asset Investment Strategies

### 8.1 Infrastructure

#### Play Areas

This strategy aims to ensure the Council's 141 play areas, are managed and maintained in order to meet the standards set out in the Council's Play Strategy (2006). The strategy is currently under review and although the standards are unlikely to change significantly, there is pressure from the public to universally introduce dog fencing. In addition, there have been requests for enhancing the range of 'all abilities' play equipment and providing outdoor gym equipment on a number of sites. These extra assets would put additional pressure on capital and revenue resources. One off additional revenue funding of £125k was allocated in June 2017 for accelerating the

refurbishment programme and installing additional all abilities equipment on selected sites.

In order to meet the current standards, a continual refurbishment programme on a 15-20 year cycle is required to ensure these assets remain safe to use and fit for purpose. This equates to 7 or 8 play areas requiring refurbishment each year.

Play areas are regularly inspected and annually reviewed in line with a scoring criteria and a decision is taken on when a play area should be programmed for refurbishment. It is generally expected that full refurbishment would occur when the equipment and surfacing reaches 15 years old. This depends on the levels of use the site experiences and the quality of the infrastructure on it. There is currently a trend for manufacturers to source components from global locations which, from our experience, had significantly shorter lifespans than older equipment. This is constantly reviewed as it may impact the life cycle of a play area and Community Greenspace are currently trialling the use of timber equipment which will be designed, fabricated and installed using 'in house' expertise and local suppliers. The new equipment has been used at Birnam and provides attractive stimulating play opportunities at a lower cost. It should also be possible to replace components in future as required at a much reduced cost.

The Third Party Contributions (TPC) figures are indicative only and are unknown until the projects become live and engagement with the communities begins.

A list of priority sites with estimated costs is shown in Appendix 2.

## **Parks & Open Spaces**

The aim of the Community Greenspace team is to ensure all parks and open spaces are maintained to the relevant standards dependant on their hierarchy, as shown in section 2.2. This prioritises work in order that investment is targeted to those parks which are deemed to be highest importance but in worst condition. The cost of the site works varies considerably depending on the type, size and location of the site.

Third Party Contributions (TPC) will vary widely depending on the nature of the work and the commitment and skillset of community groups. Greenspace are committed to focusing on attracting TPC as these are often a vital part of funding a programme of works. For example, the refurbishment of Methven Park was fully funded by a committed community group at a cost of £208,423.

## **Sports Pitches**

The proposed Policy, subject to Environment, Enterprise and Infrastructure committee approval on 8 November 2017, on Provision of Facilities for Outdoor Pitch Sports, details the plan to match the total number of grass football pitches maintained by the Council to the number of teams using them.

Any surplus pitches would be reclassified to kickabout and maintained to a lower specification for training and informal games, and would be brought into use if demand increases in future. Further reclassifications may be appropriate and would be informed by demand and payment for pitches. It is recognised that an ongoing commitment will be required from the Council to continue subsidising the cost of maintaining the retained public pitches, to ensure they are safe and fit for purpose.

## **Cemeteries**

The Future Cemeteries Provision Strategy was approved by The Environment Committee on 23 March 2016 (Report No 16/142 refers). The strategy details the future burial provision within the Perth & Kinross area primarily to address areas where there is a supply of 20 years or less new lair space. It details an approach to cemetery provision which will continue to serve both urban and rural communities and offer accessible, sustainable and appropriate resting places. The Capital funding available and works programme is being finalised and an update will be provided to The Environment, Enterprise and Infrastructure Committee in the annual status report.

## **Bridges**

The Council's Community Greenspace team (Infrastructure) carries out regular inspections on our 199 bridges to ensure that they are all maintained in a safe condition for public use.

These bridges provide key non-motorised multi user links within sites and on path networks. Bridges which are likely to require refurbishment in this period due to age, condition and usage will be added to the works programme and assessed in line with availability of funding.

Due to a number of bridges being on private land, it may be possible to seek funding from the land owners. This would be explored during the project development phase.

A list of priority sites is shown in Appendix 3.

## **Core Path Network**

The Core Path Network in Perth & Kinross extends to over 2000km. The Council is directly responsible for the management and maintenance of over 168km. To ensure that paths are well used and safe requires drainage improvements, signage and surfacing works. A rolling programme of path works is produced and prioritised based on the most well used paths, their condition and level of community involvement. Many of the 17 voluntary paths groups in Perth & Kinross are actively involved in path audits and maintenance, Greenspace will continue to support and encourage their work.

Close working with a range of community groups, external organisations and landowners has been undertaken. As such, flexibility is needed in the programme to respond to progress with community engagement, path agreements and funding applications, all of which can vary greatly from project to project.

### **Trees and Woodland**

The Forest Plan 2015-2035 approved by The Environment Committee on 21 January 2015 (Report No 15/18 refers) will enable work plans to be prioritised and the Council to apply for a new suite of grants related to Scottish Rural Development Programme. The implementation of The Forest Plan will help ensure the public's woodland asset is maintained and protected by the Council for future generations.

The Tree Management Policy, approved by The Environment Committee on 26 March 2014 (Report No. 14/122 refers), details the policy for inspecting trees on council owned general parks and open spaces. This is done on a risk basis score with trees with a higher score inspected and maintained more frequently. Additional one off revenue funding of £125k was allocated in June 2017 for enhancing the planned maintenance programme for Tree and Woodland management. This will be used to proactively manage a number of woodlands to ensure they are appropriate for their locations, contributing to the amenity and biodiversity of the area whilst not causing undue issues for neighbours.

### **North Inch Golf Course**

The North Inch Golf Course Business Plan, approved by The Environment Committee on 23 March 2016 (Report No 16/141 refers) primarily focuses on retaining and strengthening the relationship with existing golf course users through continuous consultation. This is to ensure that the golf course remains affordable, accessible and enjoyable to play, while adding further value from income generated by season tickets. It also emphasises the need to gain new customers by raising awareness of the North Inch Golf Course within the catchment area, as well as targeting the Perthshire visitor market. Over the next 6 years it sets out an action plan for both promoting and developing the course. This is with a view to improving the users' perception of the course and reducing the subsidy for the course.

### **Westbank**

The current Service Level Agreement expires with the Shaw Trust on 31 December 2017. A decision as to how the site is operated is still to be made and update will be provided to The Environment, Enterprise and Infrastructure committee in the annual status report November 2018.

## **Volunteer Groups**

The above programme depends on the Council working closely in partnership with the community and community groups such as Friends of Parks Groups, Bloom Committees and Allotment Associations. Community Greenspace regularly engage with 70 local groups to help invest in and maintain greenspace assets. These groups assist through over 25000 hours of 'in kind' contributions of labour and often raise significant sums of money through funders such as the Heritage Lottery, Big Lottery, Gannochy Trust and other local charitable trusts. Community Greenspace engage with all communities and groups as part of any key project development and actively encourage and assist them to get involved. Should external funding not be raised or raised at a reduced level, the scope of the particular project would be reduced.

Most of the projects involve working closely with community groups and raising significant sums of external funding.

There is an increasing interest in volunteer activity and fundraising associated with key greenspaces such as the Riverside Park in Perth, Recreation Ground in Pitlochry and King George V Park in Methven. This represents significant 'added value' to the Council's investment of time and money and is only possible where the Council work in partnership with the communities they serve.

The Engage, Empower and Equip project (Report No. 17/3 refers) is currently undertaking community engagement to determine with groups which sites could be adopted locally. With this approach the creation of small community gardens, allotments, orchards etc. will be considered in order to reduce the number of grounds maintenance assets and potential capacity for future site adoptions.

An initiative to incentivise community groups is the community environment challenge fund (CECF) for environment projects. This funding is available to community groups who will lead on environmental projects, who must make a significant difference to the local environment and are widely supported within the community.



## 9. RISKS TO THE PLAN

The risks that could prevent achievement of the standards specified in this plan are:

<b>Plan Assumption</b>	<b>Risk</b>	<b>Action If Risk Occurs</b>
The plan is based upon “average” weather conditions.	Severe winter weather will create higher levels of defects and deterioration than have been allowed for.	Budgets and predictions will be monitored and this plan updated if abnormally harsh weather occurs.
Available budgets have been assumed as shown in section 7.	Financial constraints require the Council to reduce the funding available for greenspace.	Target service standards will be revised to affordable levels.
Construction inflation will remain at a level similar to the last 3 years.	Construction inflation will increase the cost of works.	Target service standards will be revised to affordable levels.
Inability to raise external third party funding.	Pressures on current financial budgets.	Projects will be reviewed to ensure affordability.

## 10. REVIEW

The review process will be undertaken by the Corporate Asset Management Team in conjunction with the Community Greenspace team. An annual update will be provided to The Environment, Enterprise and Infrastructure Committee in November, with a 5 year review report to the Strategic Policy & Resources Committee.



## Replacement Play Area Programme

LOCATION	CATEGORY	PLAY EQUIPMENT REQUIRED	UPGRADE REQUIRED	DATE	Estimate Cost £	Owned
<b>2017/18</b>						
Kirkhall Park Almondbank	Rural	Yes	Major Upgrade	2017/18	60k - 65k	Lease
Ardlair Terrace Blairgowrie	Neighbourhood	Yes	Major Upgrade	2017/18	40k -45k	PKC
Mathieson Drive Perth	Neighbourhood	Yes	Major Upgrade	2017/18	70k - 75k	PKC
Sidlaw Place Coupar Angus	Rural	Yes	Major Upgrade	2017/18	25k - 30k	PKC
Friarton Park Perth	Rural	Yes	Major Upgrade	2017/18		PKC
<b>2018/19</b>						
Invergowrie Park	Rural	Yes	Major Upgrade	2020/21	80K	PKC
Westfield Common Rattray	Rural	Yes	Major Upgrade	2018/19	45k	PKC
Davies Park Kinross	Neighbourhood	Yes	Major Upgrade	2018/19	80k	PKC
Stanley Crescent Perth	Local	Yes	Major Upgrade	2018/19	60k	PKC
Broompark, Murthly	Rural	Yes	Major Upgrade	2018/19	60k	PKC
Forgandenny	Rural	Yes	Major Upgrade	2018/19	60k	Not PKC
Powmill	Rural	Yes	Major Upgrade	2018/19	60k	PKC
<b>2019/20</b>						

## Replacement Play Area Programme

LOCATION	CATEGORY	PLAY EQUIPMENT REQUIRED	UPGRADE REQUIRED	DATE	Estimate Cost £	Owned
Perth Tulloch Park	Neighbourhood	Yes	Major Upgrade	2019/20	800k	PKC
Wallace Park Glenfarg	Rural	Yes	Major Upgrade	2019/20	25k	PKC
Scotlandwell	Rural	Yes	Major Upgrade	2019/20	60k	PKC
Greenpark Kinross	Local	Yes	Major Upgrade	2019/20	60k	PKC
Tom-na-moan Pitlochry	Local	Yes	Major Upgrade	2019/20	45k	PKC
Stormont Way, Scone	Local	Yes	Major Upgrade	2019/20	60k	Not PKC
Gruff Kids Blackford	Local	Yes	Major Upgrade	2019/20	50k	PKC
<b>2020/21</b>						
Craigie Road Park Perth	Neighbourhood	Yes	Major Upgrade	2020/21	80k	PKC
Kettins	Rural	Yes	Major Upgrade	2020/21	60k	Lease
Fechney Park Perth	Local	Yes	Major Upgrade	2020/21	60k	Not PKC
Tayside Crescent, Aberfeldy	Local	Yes	Major Upgrade	2020/21	60k	PKC
Madoch Square, St Madoes	Local	Yes	Major Upgrade	2020/21	60k	Not PKC
<b>2021/22</b>						
Park Neuk Blairgowrie	Local	Yes	Major Upgrade	2021/22	60k	PKC

## Replacement Play Area Programme

LOCATION	CATEGORY	PLAY EQUIPMENT REQUIRED	UPGRADE REQUIRED	DATE	Estimate Cost £	Owned
The Grange, Errol	Local	Yes	Major Upgrade	2021/22	60k	PKC
Potterhill Flats Perth	Local	Yes			60k	PKC
Ruthven Towers Perth	Local	Yes	Major Upgrade	2019/20	60k	PKC
Seven Acres Perth	Neighbourhood	Yes	Major Upgrade	2020/21	80k	PKC
<b>Others</b>						
Coronation Park Muthill	Rural	Yes	Major upgrade		60k	Not PKC
Langsland Park Luncarty	Local	Yes	Major Upgrade		80k	Lease
Rannoch Road Perth	Neighbourhood	Yes	Relocation		200k	PKC
Pitcairngreen	Rural	Yes	Major Upgrade/Remove		45k	Not PKC
Blairingone	Rural	Yes	Major Upgrade		45k	Not PKC
Greenloaning	Neighbourhood	Yes	Major Upgrade		60k	Not PKC
Colonsay Crescent Inchtute	Local	Yes	Major Upgrade		60k	Not PKC
Kinrossie	Rural	Yes	Major Upgrade		60k	Not PKC
Kirkgate Park	Premier	Yes	Major Upgrade		200k	Lease

## Replacement Play Area Programme

LOCATION	CATEGORY	PLAY EQUIPMENT REQUIRED	UPGRADE REQUIRED	DATE	Estimate Cost £	Owned
Blackford Play Area	Rural	Yes	Applying for Funding		60k	
St Fillians	Rural	Yes	Applying for Funding		60k	Not PKC

Site	Bridge Number	Estimate	Comments
<b>2017</b>			
Upper Falls Broadwalk, Aberfeldy	51	£4,631	Reinforce Downside of boardwalk or replace
Fairfield, Perth Lade Bridge	58	£16,792	Replace/Resurface or remove
<b>2018</b>			
Scone Den Top Bridge	30	£6,438	Resurface
Polney Loch Boardwalk, Dunkeld	175	£3,480	Repair
<b>2019</b>			
Garry Tummel Walk, Pitlochry	5	£11,363	Replace or Repair Steels and resurface
Ben Vrackie Walk	12	£9,182	Replace
Cleish Church Bridge	20	£11,944	Replace or Repair Steels and Resurface
Lower Falls Bridge, Aberfeldy	47	£4,051	Replace
Staircase 7 Glen Lednock Circular Walk, Comrie	104	£2,857	Replace
Viewing Platform Glen Lednock Circular Walk, Comrie	105	£5,244	Replace
Staircase 4 Glen Lednock Circular Walk, Comrie	107	£3,915	Replace
Abernethy Circular Walk 1	171	£3,660	
<b>2020</b>			
West Side Bridge, Aberfeldy	53	£19,681	Replace
Middle Burn Over Lade, Crieff	133	£8,108	Resurface
Inchewan Burn (Lower Bridge), Birnam	150	£9,335	Resurface
Black Burn (2)	162	£3,666	Replace
<b>2021</b>			
Darnhall Bowling Club Bridge, Perth	22	£10,723	Refurbish Steel and resurface
Burn's Seat + 1, Aberfeldy	49	£3,414	
Staircase 5 Glen Lednock Circular Walk, Comrie	103	£2,920	
Staircase 3 Glen Lednock Circular Walk, Comrie	108	£3,728	
Abernethy Circular Walk 2	172	£12,365	





<b>Strategy</b>	<b>Status</b>
Play Area Strategy (2006)	Currently under review
Park & Open Spaces	Strategy to be developed
Sports Pitches	Draft Policy
Cemeteries	Strategy Approved March 2016 (Report No 16/142)
Bridges	Strategy to be developed
Core Path Network	Strategy to be developed
Trees and Woodland	Forest Plan approved January 2015 (Report No 15/18) Tree Management Policy approved March 2014 (Report No 14/122)
North Inch Golf Course	Business Plan approved March 2016 (Report No 16/141)
Volunteer Groups	Strategy to be developed



## PERTH AND KINROSS COUNCIL

## Strategic Policy and Resources Committee

29 November 2017

**TRANSFORMATION PROGRAMME 2015-2020 AND  
COUNCIL ONLINE SERVICES & MOBILE WORKING DIGITAL UPDATE****Report by the Depute Chief Executive, Chief Operating Officer****PURPOSE OF REPORT**

This report provides an update on the Council's Transformation Programme which was approved by Council on 1 July 2015. It also provides an update on progress with the Council's Online Services & MyAccount and Mobile Working Transformation reviews.

**1. BACKGROUND**Overview

- 1.1 The Council's Transformation Strategy 2015-2020 (Report No 15/292) is focused on continuing Perth and Kinross Council's proactive approach to public service reform. The Strategy provides a framework for 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 programme currently comprises 25 projects, which are developing new ways of working to sustain high quality service delivery, whilst achieving a challenging scale of savings. These reviews are reported to each meeting of the Strategic Policy and Resources Committee.
- 1.3 The Council's Digital Strategy and Digital Strategy Development Plan align with and support the Council's Transformation Strategy 2015-20 (Report No 15/292).
- 1.4 The Digital Strategy recognises the importance of ICT (Information and Communication Technology) as an enabler for organisational transformation. It articulates the Council's aim of growing a digital culture, which puts the citizen at the centre of our service design, and exploits digital technologies and information, to deliver more efficient, personalised and integrated services.
- 1.5 The Digital Strategy and related Development Plan were approved by the Strategic Policy and Resources Committee on the 30 November 2016 (Report No. 16/533 refers).

## 1.6 The Digital Strategy facilitates and supports:

- A more fundamental, whole-Council approach to transformation to deliver both savings and better services, including channel shift (moving more services online) and making our workforce more mobile.
- Improved opportunities for interaction with our stakeholders, including citizens, learners, public sector peers and partners, visitors to Perth and Kinross, businesses and the Scottish and UK Governments. Increasingly, these groups want to receive and share information electronically. Many of our citizens have internet enabled devices and want to use these to engage with the Council online, 24/7.
- Alignment with national direction, which is driving more services online, to improve citizen choice and reduce delivery costs.
- Taking more services out into the communities we serve. By making our workforce more mobile, we also reduce our office and carbon footprints, and enhance employee work/life balance.

1.7 A 'Digital' briefing for Elected Members also took place on the 15 November 2017, to enable detailed discussions on the digital developments outlined below.

## 2. PROGRESS UPDATE

### Transformation Progress

- 2.1 Progress to date on each of the projects is provided in Appendix 1. The savings accrued to date from these projects amounts to £1,800,000, which represents 126% of the targeted amount of £1,500,000.
- 2.2 In addition to the active projects which comprise the current programme, six projects have now been completed. These completed projects have secured £1.22m of savings which amounts to more than 99% of the targeted sum. The initial projected investment needed to facilitate these savings was £265,000 however the actual spend was only £245,000. This represents a 7.5% under spend.
- 2.3 The projects which are now complete have not only contributed to the financial savings total, but have improved service provision in the following ways:
- **Modern Licences, Permissions and Approvals;** streamlined application process, saving officer time and the time taken to complete applications, thereby improving outcomes for service users.
  - **Review of Facilities Management;** following the transfer of the Janitorial staff to Tayside Contracts there has been very positive feedback from both Business Managers and Head Teachers. Service development continues with improvements in arrangements for school buildings` emergency out of hours responses.
  - **Review of the Delivery of Class Contact Time;** this has allowed schools greater flexibility in delivering the full curriculum.

- **Home First;** service improvements include reducing the need to use temporary accommodation, more quickly providing suitable accommodation for vulnerable people, and reducing levels of homelessness.
- **Grounds Maintenance;** making more efficient use of grounds maintenance equipment, reducing downtime, and delivering services across seven days a week rather than five.

2.4 The following table provides an overview of the current status of the active projects within the programme.

<b>Programme</b>	<b>Council Change and Transformation Programme</b>					
Service	On-target	Some Issues	At Risk	Remedial Action	Slippage	Totals
Corporate and Democratic Services	4	5	0	0	0	9
The Environment Service	3	0	1	0	0	4
Education and Children's Services	4	2	0	1	0	7
Housing and Community Safety	1	0	0	0	0	1
Health and Social Care Partnership	3	1	0	0	0	4
<b>Overall</b>	<b>16</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>25</b>

2.5 In future the four Health and Social Care Partnership projects, listed below, will be reported separately from Council projects. These projects will also subsequently be reported to the Integration Joint Board.

- Communities First
- Review of Residential Care
- Review of Day Care Services
- Review of Community Care Packages for Adults

#### Online Services and MyAccount

2.6 Substantial work has been undertaken, including, redesigning and launching a new Council Website; creating a new Customer Services Platform; putting an Online Forms solution in place; and integrating this with the Improvement Service's MyAccount single 'sign in' solution for Scotland.

2.7 The first substantial piece of work involved a collaborative procurement with Dundee City and Angus Councils to procure a Tayside wide Customer Services Platform. Firmstep were appointed to provide this platform during November 2016.

- 2.8 The Council's new website was launched on the 31 January 2017 (see Appendix 2).
- 2.9 The website gives access to MyPKC, our customer portal for online services which went live on 20 June 2017. Customers can register for MyPKC using the national mygov.scot myaccount sign-in service, which provides a simple, secure way to access a range of both local and national public services online using just one username and password (see Appendix 3).
- 2.10 Areas of The Environment Service (TES) and Housing Repairs were identified as 'early adopters online services' to be progressed first. See Appendix 4 to view a list of services delivered to date, with "reporting a Housing Repair" - released end October 2017 being the most recent addition.
- 2.11 Engagement with Services around further priorities has been undertaken, and the next three month stage plan will focus on Education and Children's Services schools processes, such as school transport forms, TES Garden waste permits and development of the MyPKC dashboard with a focus on Council Tax.

#### Mobile Working (MobW)

- 2.12 Our Mobile Working programme is delivering improved workforce effectiveness via technology by transforming the way field-based staff work.
- 2.13 The investment made in a corporate mobile working and scheduling solution enables up to 325 staff, across all Council Services, to capture and share data electronically on the move, and to work more efficiently and effectively in the delivery of services out in our communities.
- 2.14 Housing's Private Sector Access team and the Housing Repairs Property Inspectors are the first teams to go live with mobile working. Appendix 5 highlights the above. Following on from process redesign workshops, service delivery has been streamlined, making the teams more efficient. Data quality has been improved and staff can now record and access the requisite information in real time.
- 2.15 The Housing Repairs project – providing mobile working and scheduling to the first group of Trades staff - goes live from the end of this month. This will enable Trades operatives to carry out more functions on the go, improve reporting on productivity and improve the quality of information gathered as well as significantly reducing the amount of paper used.
- 2.16 Engagement with Services around further priorities has been undertaken and the next three month stage plan includes continuation of existing work (Housing Repairs activities) and progression of a number of additional mobile working projects including TES – Regulatory Services and Commercial Waste; Community Care – Care at Home and Reablement; and within Housing – Area Teams and Planned Maintenance Inspections.

- 2.17 Within Bereavement Services, part of The Environment Service, we now have the facility to report on, and capture images, confirming the condition of headstones via a mobile working solution. This is providing a more efficient, streamlined approach for meeting a statutory requirement.

### Service Centre Developments

- 2.18 The Customer Service Centre provides a wide range of customer focussed activities to support all the Council's services. During 2017 this team have been key to the development of customer access channels by maximising the use of technology such as on-line services, secure card payment systems, self-service and payment kiosks, to ensure customers receive a flexible and accessible service.

## **3. CONCLUSION AND RECOMMENDATIONS**

- 3.1 It is recommended that Committee notes:

- 1) The achievements of the Transformation programme in respect to completed projects.
- 2) The progress to date of the live Transformation Programme, including the Digital Strategy, as detailed in the Appendices.

### **Authors**

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### **Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Jim Valentine	Depute Chief Executive, Chief Operating Officer	15 November 2017

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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

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

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement/Corporate Plan

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

### 2. Resource Implications

#### Financial

- 2.1 There are no direct financial implications arising from this report. The projections for funding and savings for each project are detailed in Appendix 1.

#### Workforce

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

#### Asset Management (land, property, IT)

- 2.4 There are no specific 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 This report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- 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. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

#### Sustainability

- 3.4 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.
- 3.5 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

- 3.6 Not applicable.

#### Risk

- 3.7 The report presents progress on all aspects of the transformation programme including movements in financial projections. There are no additional risks which arise from this report.
- 3.8 Project risks are managed within the context of each project.

## **4. Consultation**

### Internal

- 4.1 Service senior management teams (Change and Transformation Boards) have been consulted in the preparation of this report.

### External

- 4.2 No external consultation was required.

## **5. Communication**

- 5.1 A communications plan is being prepared in order to promote the positive impact projects within the Transformation Programme are making. This will encompass a range of communication tools to suit the audience needs, both internally and externally.

## **2. BACKGROUND PAPERS**

- 2.1 Reports to Strategic Policy and Resources Committee on:

- 2 December 2015, (Report Number [15/155](#))
- 10 February 2016 (Report Number [16/50](#))
- 20 April 2016 (Report Number [16/186](#))
- 15 June 2016 (Report Number [16/268](#))
- 21 September 2016 (Report Number [16/405](#))

Reports to Council on:

- 22 February 2017 (Report Number [17/82](#))

## **3. APPENDICES**

Appendix 1 - Progress Report on Transformation Reviews.

Appendix 2 – Website Re-design – Example of Council’s new webpage

Appendix 3 – Example of MyAccount webpage

Appendix 4 – Example of MyPKC webpage

Appendix 5 – Mobile Working – Example of Mobile Phone Screens – Private Sector Access Team

# Transformation 2015/20 Projects by Service

## APPENDIX 1

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
<b>Corporate Projects</b>												
<b>Business Transformation Programme</b>												
BT000403	Corporate - Council Assets for Commercial Sponsorship	Chris Jolly	01/03/16	31/03/20	Some Issues	Approved Savings	0	30	50	20	50	150
<b>Brief Description :</b>						Projected Savings	0	0	80	20	50	150
This review aims to take an innovative approach by using the Councils existing assets as a means for producing a revenue stream by offering sponsorship and advertising opportunities to commercial organisations. The revenue generated from this project can offset the costs of providing valuable public services.						Approved Funding	0	40	0	0	0	40
						Projected Spend	0	24	16	0	0	40
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
<ul style="list-style-type: none"> <li>First income from roundabout sponsorship</li> </ul>						30/04/17	<b>29/09/2017</b>					
<ul style="list-style-type: none"> <li>Report on Additional Assets</li> </ul>						16/05/17	<b>This project is marked "some issues" as there is an active risk in relation to not meeting the anticipated income for 2017/18.</b>					
<ul style="list-style-type: none"> <li>Market consultation on digital signs</li> </ul>						31/05/17						
<ul style="list-style-type: none"> <li>Marketing of additional assets - Junctions, Lamppost Banners, Car-parks</li> </ul>						31/05/17	Colleagues in planning along with our media partners and internal asset owners are engaged in consultation around how best to proceed with the range of assets identified as commercially viable.					
<ul style="list-style-type: none"> <li>Tender published for Sponsorship of Council Fleet</li> </ul>						31/10/17						
<ul style="list-style-type: none"> <li>Contract award for Sponsorship of Council Fleet</li> </ul>						30/11/17	A planning application, seeking advertisement consent, has been submitted for approval in respect to offering commercial advertising/sponsorship opportunities on lamp posts at various sites across Perth and Kinross. It is anticipated that once this process is complete, further application will be submitted in respect to others assets; bus shelters, information boards, car park ticket machines for example.					
							The success we have seen in respect to the uptake of sponsorship of roundabouts is in the process of being extended to cover other road junctions. This is a new development in this project and so a single site is being worked on in order to test the market. If successful we will seek to expand this opportunity further.					
							The tender for fleet sponsorship is being finalised with the detail of the asset being defined.					

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000406	Corporate - Tomorrow's Customer and Business Support Services Transformation	Alan Taylor	01/02/16	31/12/16	Some Issues	Approved Savings	0	267	191	534	0	992
<b>Brief Description :</b>						Projected Savings	0	267	191	534	0	992
The Administrative and Support Functions Transformation Review will analyse how we deliver these functions now and consider how we may deliver these services in the future.						Approved Funding	0	135	45	0	0	180
						Projected Spend	0	40	55	85	0	180
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
<ul style="list-style-type: none"> <li>Handover of Executive Officer Team agreed priorities from the Head of Community Planning, Strategic Commissioning and Organisational Development</li> <li>Review of the current project approach and work streams</li> <li>Development of Customer Service Centre Blueprint</li> <li>Refinement of baseline assessment of clerical and admin staff posts</li> <li>Development of digital channel for Pupil Absence Reporting</li> </ul>						<b>02/10/2017 - Approved</b>						
						A review of the current approach has been conducted by the core team with the external consultant. Initial feedback on this has been provided to the Executive Sponsor by the SRO. A meeting with the Executive Sponsor, SRO, and Head of Community Planning, Strategic Commissioning and Organisational Development took place on 2 August and agreed the way forward.						
						Progress is most active on the Customer Service Centre (CSC) Blueprint which contains the work streams to consolidate and rationalise the number of call centres, the cost of these multiple systems, and to improve the overall efficiency of the customer experience. This now includes incorporating the Housing and Community Safety Charging Team calls and enquiry handling as an early priority.						
						The implementation of the Customer Service Centre (CSC) Blueprint will commence Q4 2017/18. The first phase will be consolidation of priority telephone lines into the CSC.						
						Work to refine the baseline assessment of clerical and admin posts is taking longer than anticipated, however, a meeting with Financial Controllers on 22 September was positive and this work will be completed by 30 November 2017.						
						Work on an options appraisal to determine the best solution for Pupil Absence Reporting is being undertaken by the ECS Business Improvement Team.						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000377	Corporate - Modernising Performance Reporting Review	Louisa Dott	01/11/15	30/06/17	Some Issues	Approved Savings	0	34	0	0	0	34
<b>Brief Description :</b>						Projected Savings	0	0	0	34	0	34
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.						Approved Funding	16	16	16	16	16	80
						Projected Spend	0	10	0	0	0	10
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
<ul style="list-style-type: none"> <li>Develop product spec</li> </ul>					10/03/17	<b>29/09/2017</b>						
<ul style="list-style-type: none"> <li>Engage ICT in development of Business Intelligence</li> </ul>					30/03/17	The delay in progress against milestones has impacted on the delivery of the project against the original time frame. For this reason the project has been marked as 'some issues'.						
<ul style="list-style-type: none"> <li>Produce list of Performance Indicators and Business systems used</li> </ul>					30/03/17							
<ul style="list-style-type: none"> <li>Finalise spec</li> </ul>					23/06/17	Capacity within the project team has now been prioritised to focus on progressing this project. In addition, the project team have been bolstered by the inclusion of technical expertise from another linked transformation project. It is proposed that slipped milestones be reshaped for completion by the end of November.						
<ul style="list-style-type: none"> <li>Complete new contract stratgy document</li> </ul>					30/06/17							
<ul style="list-style-type: none"> <li>Go out to tender</li> </ul>					10/07/17							
<ul style="list-style-type: none"> <li>Map all current strategies, plans and annual performance reports across the council</li> </ul>					21/07/17							

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000359	Corporate - Review of Community Development & Engagement functions	David Stokoe	01/10/15	31/03/20	On Target	Approved Savings	0	0	0	80	0	80
<b>Brief Description :</b> This review will examine how PKC community development and engagement (CE&D) functions are currently deployed. It will examine how more resources can be unlocked for communities, and propose new delivery models which support community empowerment and achieve Best Value. Options appraisal will include examination of social enterprise delivery models.						Projected Savings	0	0	0	80	0	80
						Approved Funding	0	40	0	0	0	40
						Projected Spend	0	5	35	0	0	40
<b>Key Milestones :</b> <div> <div></div> <ul style="list-style-type: none"> <li>EOT updated on progress</li> <li>Develop Implementation Action Plan</li> <li>Staff workshop</li> <li>Workshop with CMG / EOT</li> <li>Develop an Organisational Development Plan for Stronger Communities Team</li> <li>Identify and deliver Pilot Projects</li> <li>Develop a Performance Dashboard</li> <li>Stronger Communities Communication Plan</li> </ul> </div>						<b>Progress to Date :</b> <b>28/09/2017</b> <ul style="list-style-type: none"> <li>An on-line training survey to identify the particular strengths and areas for development for the Stronger Communities Team has been completed by all staff. A training and development plan for the Stronger Communities Team is under development.</li> <li>Action Learning Sets will be delivered across all localities for Stronger Communities Staff to come together to share the "wicked issues" and engage in joint learning and development.</li> <li>ACORN funding bid to help the development of the Adult Literacies Partnership and support the Stronger Communities Team Development has been approved.</li> <li>Activate Programme which is a entry level course for staff and community volunteers in the principles of Community Development is being delivered. Further programmes are planned across all localities.</li> <li>A HNC Community Development Taster is also being delivered in Perth City with a mix of local volunteers and Housing staff as learners.</li> <li>Communities Team have reviewed the team structure to create 2 locality teams and this will be implemented in Nov 2017.</li> <li>Options to turn the The Learning Curve Base at AK Bell Library into a Stronger Communities Hub for community work are currently being developed.</li> <li>Stronger Communities Staff are completing individual staff "profiles" to improve understanding across the team of each other individual roles and responsibilities.</li> <li>The Stronger Communities Working Group will hold a workshop to explore how Health and Social Care Partnerships, Action Partnerships and the Stronger Communities Team will interact at a local level to ensure there is genuine joined up working and the correct support for communities.</li> </ul>						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000367	Corporate - Procurement Reform Review	Mary Mitchell	01/10/15	31/03/20	On Target	Approved Savings	0	500	1000	1000	0	2500
<b>Brief Description :</b> 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.						Projected Savings	0	1050	763	677	0	2490
						Approved Funding	17	255	272	226	0	770
						Projected Spend	3	197	285	142	142	770
<b>Key Milestones :</b> <ul style="list-style-type: none"><li>Mapping of Systems Requirements</li><li>Align procurement work to corporate sustainable development</li><li>Carry out needs assessment for Community Benefits requirements from contracts</li><li>Review of savings opportunity from all existing contracts</li><li>Contract Delivery Plan</li><li>Roll out of Systems enhancements plan</li><li>Community Benefit - Digital Inclusion</li><li>Develop a management approach to contracting by category of supply</li><li>Tracking of secured savings from contracts (2017/18)</li></ul>						<b>Progress to Date :</b> <b>29/09/2017-Approved</b>  There are three themes to the review, highlights of the work carried out in August 2017 under each theme are set out below:  <b>Savings:</b> Targets have been achieved for 2016/17 (target £500k, achieved £1,050,000) and the budgets for 2017/18 have been reduced by a further £763k. During 2016/17 Services provided data on future plans which was use to develop a Contract Delivery Plan. This data is now being used to identify areas for savings to be realised. Work with Corporate and Democratic Services and Education and Children Services is completed, and ongoing with The Environment Service to identify the areas of focus in the 2018/19 budgeting process. A full analysis of all the procurement activity supported with Housing and Community Safety is underway and discussion on how this can be used to deliver further savings are scheduled for October.  Systems: Progress has been made this month in shaping the analysis tools we will use in the future to inform our purchasing behaviour. It now seems likely that the development will benefit several local authorities across Scotland and this is likely to reduce the cost of delivery and maintenance.  <b>Sustainability:</b> We are continuing to enhance the approach we take to the delivery of community benefits in our contracts. In September we met with community partners to scope the potential for us to set out, together, the social value we require across the community. We have also developed a bid to access a non-recurring fund of £10,000 to support digital inclusion in our communities. Work is continuing with officers in our community facing teams to identify the most impactful use for this money.						

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Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000368	Corporate - Online Services and myAccount Review	Lynne Harris	01/10/15	31/03/19	Some Issues	Approved Savings	0	215	377	412	448	1452
<b>Brief Description :</b>  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.						Projected Savings	0	24	68	97	103	292
						Approved Funding	0	362	554	461	56	1433
						Projected Spend	0	153	390	770	0	1313
<b>Key Milestones :</b>						<b>Progress to Date :</b>  <b>Projected savings are phased beyond the reporting period: A recurring saving of £413,000 is expected to be saved by 2022/23.</b>  <b>29/09/2017 – Approved</b>  <b>Programme status is amber – this is to reflect slippage in approval for next stage plan and release of remaining Housing and The Environment Service early adopters. This will have no impact to savings.</b>  <b>The Environment Service (TES) Early Adopters processes</b> - Nine processes are now live including Recycling Centre Permits. In progress include new online services for “street naming and numbering” and "request a bin".  Housing Repairs Early Adopter process – A new online service to report a “Housing Repair” is scheduled to go live October.  Business Change, Communications and Marketing - Training and awareness sessions continue to be delivered to staff as new processes are released. A new visual identity for our online services platform <b>MyPKC</b> has been approved and a marketing campaign will be launched shortly. This is deemed as critical in raising awareness locally of the expansion of our online offerings. Targeted marketing, for those customers most affected by early adopter implementation, is being planned. Work has taken place to provide evidence in support of the efficiencies being delivered via the online programme. Our modelling tools showcase the difference in time taken to deliver the new “as-built” online service compared with the original one.  Individual communications plans for each service area/team are being prepared, to ensure the appropriate levels of information are being delivered to all stakeholders affected in the business change.  Next Stage Plan- A draft next stage plan was taken to the ICT Transformation Board for approval on 29 September 2017. This includes completion of existing work packages and high level detail of work which will be undertaken over this new phase. New work will focus on ECS schools processes, such as school transport forms, TES Garden waste permits and development of the MyPKC dashboard with a focus on Council Tax (with this area being taken forward on a collaborative basis with Angus and Dundee City Councils).						
	• myAccount Implementation	31/05/17										
	• The Environment Service (TES) early adopter online services	16/06/17										
	• Next stage planning	31/08/17										
	• TES early adopter - phase 2	31/08/17										
	• Housing Repairs early adopter - phase 1	31/08/17										
	• Design Technology Architecture Principles	31/12/17										



Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000369	Corporate - Mobile Working Review	Lynne Harris	01/10/15	31/03/19	Some Issues	Approved Savings	0	187	499	812	812	2310
<b>Brief Description :</b> 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.						Projected Savings	0	0	93	405	312	810
						Approved Funding	0	418	543	523	136	1620
						Projected Spend	0	166	450	718	0	1334
<b>Key Milestones :</b> <div> <div></div> <ul style="list-style-type: none"> <li>Housing repairs solution design</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Early adopter quick wins</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Next stage planning</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Housing repairs solution build and testing</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Housing repairs go live</li> </ul> </div>						<b>Progress to Date :</b>  <b>Projected savings are phased beyond the reporting period: A recurring saving of £812,000 is expected to be made by 2020/21.</b>  <b>29/09/2017 – Approved</b>  <b>Status amber</b> - to reflect slippage in rollout of Housing Repairs mobile solution - no impact on savings  <b>Early Adopter: Housing Repairs</b> Work is continuing on delivery of this project. System testing and project team training are nearing completion - user acceptance training will not start until they have been completed. User acceptance testing is now expected to start w/b 16 October, with Go Live – Phase 1 in November.  <b>Staff Engagement-</b> Discussion with members at the Employees Joint Consultative Committee took place 28 September to ensure support is in place to manage changes to working practices for staff as a result of the mobile working project. Training and awareness sessions are scheduled to support the staff with new ways of working.  <b>Next Stage Planning</b> –A draft next stage plan was taken to the ICT Transformation Board for approval 29 Sept 2017. The plan identifies work taking place within the programme over the next 3 months. Work includes completion of existing work (Housing Repairs activities) and progression of a number of additional mobile working projects including TES - Regulatory Services and Commercial Waste; Community Care - Care at Home and Reablement and within Housing - Area Teams and Planned Maintenance Inspections.						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000405	Corporate Digital Platform	Gordon Dawson	01/07/16	31/03/20	On Target	Approved Savings	0	0	0	0	0	0
<b>Brief Description :</b> The Corporate Digital Platform Project is about establishing control and affording appropriate electronic access to the mass of information that exists in both electronic and paper form outside the controlled business systems (social work, planning, revenues and benefits, etc.)						Projected Savings	0	0	0	0	0	0
						Approved Funding	0	231	288	430	0	950
						Projected Spend	0	0	410	540	0	950
<b>Key Milestones :</b> <ul style="list-style-type: none"> <li>Initial build and proving</li> <li>Test version evaluation</li> <li>EDMS (Electronic Document Management System) Full system build and proving</li> <li>Review EDMS for Legal Team</li> <li>Process Map Incoming and Outgoing Mail (Phase 1)</li> <li>Deployment (Phase 1)</li> <li>Develop user guide and training materials</li> <li>Purchase Scanners</li> <li>Hybrid Mail Project</li> <li>Develop detailed scope and roll out plan</li> <li>Mail Scanning Project</li> </ul>						<b>Progress to Date :</b> <b>30/09/2017 - Approved</b> IT have agreed that SharePoint 2016 provides the best strategic solution not only for this programme, but for future developments with the Council. Meetings with IT, the developers and Project team have provided a high level Project plan to allow this to solution to be implemented and meet the timescales of this programme of change. Legal Services EDMS (Electronic Document Management System) Deployment - The system has been in full use for over 3 months and there are no major issues. Once SharePoint 2016 has been developed, the system will migrate across and until then however, no further development work will be undertaken. Corporate Mailroom and Back scanning - The contract has for the scanners has been approved and delivery is expected towards the end of October 2017. Work is ongoing to develop workflows that can be implemented when SharePoint 2016 goes live. Approximately 1000 boxes of files have been identified and will be destroyed in the next month creating early savings. Plans are moving ahead to begin bringing the boxes stored externally for sorting week beginning 16th October in batches of 400. <b>Hybrid Mail</b> - Over 200 staff members have been trained and trials of the system well received as it reduces the time spent printing and packing mail from several hours to under 20 minutes. Every Service will have use of the system from 2nd October offering significant savings in postage, paper and printer costs. No new risks have been identified and the programme is proceeding within budget.						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000363	Corporate - Smart Perth and Kinross: Perth and Kinross Open Data	Paul Davison	01/10/15	31/03/20	On Target	Approved Savings	0	0	0	0	0	0
<b>Brief Description :</b>  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.						Projected Savings	0	0	0	0	0	0
						Approved Funding	0	91	75	75	75	316
						Projected Spend	0	21	65	120	110	316
<b>Key Milestones :</b> <div><div></div>• Finalised Project Initiation Document to Project Management Office (PMO)</div> <div><div></div>• Specification for Open Data Platform completed / Invitation To Tender (ITT) issued</div> <div><div></div>• Open Data Portal Beta Launch</div> <div><div></div>• Supplier chosen for Open Data Platform</div> <div><div></div>• Open Data Platform operational</div> <div><div></div>• Full launch of platform alongside partner cities</div>						<b>Progress to Date :</b>  <b>29/09/2017</b>  The supplier of the open data platform has completed the first phase of custom development, although some feature testing and minor changes are still underway. Work with the design team and IT is taking place to ensure that the site is ready for launch by the end of October, including integrating site analytics and design/branding elements into the platform, as well as finalising a communications strategy around the launch of the platform.  The process of clearing datasets from the data publication plan continues for the public launch of the platform by the end of October continues. Around 30-40 datasets will be ready for the launch date, with an aim of around 60-70 datasets being present three months after launch. In addition, the data produced by the online services project has been identified as a potential pilot for automated data uploading and revision.  A second phase of development on the platform will follow, largely focused around back-end functions to ensure compliance with UK and European data standards and ensuring consistent data quality. The supplier has given an estimated completion timescale of the end of the calendar year for this second phase, however, this may be subject to change based on an assessment of the outstanding requirements in the procurement specification by the open data team and 8th City partners.						
Approved Savings Total							0	1233	2117	2858	1310	7518
Projected Savings Total							0	1341	1195	1847	465	4848
Approved Funding Total							33	1588	1794	1731	283	5428
Projected Spend Total							3	616	1706	2376	252	4953

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
Education and Children's Services												
Business Transformation Programme												
BT000358	ECS - Review of Catering Services	Simon Farrer	01/09/15	31/03/20	Remedial Action Required	Approved Savings	0	0	0	200	0	200
<b>Brief Description :</b> Examining optimum production, menu and service arrangements and looking at options for area based kitchens and partnership working with other organisations to ensure the most efficient and effective service.						Projected Savings	0	0	0	0	200	200
						Approved Funding	0	0	0	0	0	0
						Projected Spend	0	0	0	0	0	0
<b>Key Milestones :</b> <div> <div></div> <ul style="list-style-type: none"> <li>Outline Business Case for Three Council Model (Tayside Councils)</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Decision on Tayside Wide CPU Option</li> </ul> </div>						<b>Progress to Date :</b> <b>28/09/2017 - Approved</b> <b>Being reported through Tayside Governance and Strategy Group</b> <ul style="list-style-type: none"> <li>This project is being taken forward on a Tayside wide basis.</li> <li>Tayside Governance and Strategy Group (TGSG) acting as Project Board (Jim Valentine sits on this Board for PKC)</li> <li>The savings in 2018/2019 are likely to be delayed.</li> <li>The Outline Business Case for the three council model was presented to the Tayside Governance and Strategy Group on 22/09/2017 with a final decision on the proposed option of a Tayside Wide central production unit (CPU) yet to be decided.</li> </ul>						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000360	ECS - Securing the Future of the School Estate	Carol Taylor	01/09/15	31/03/20	Some Issues	Approved Savings	0	0	0	200	0	200
Brief Description :						Projected Savings	0	0	0	84	0	84
Reviewing the school estate to make the most effective and efficient use of buildings, and staff across the estate.						Approved Funding	0	0	0	0	0	0
						Projected Spend	0	0	0	0	0	0
Key Milestones :						Progress to Date :						
	● Pre-consultation/Informal consultation completed				31/10/17	28/09/2017 - Approved  ● Programme of options appraisals approved. Phase 1 is ongoing and data gathering is taking place. ● Pre-consultation underway. Meetings have taken place with Headteachers, Conveners, Local Members, Parent Councils and Community Councils. Eight out of eleven public sessions have taken place with Methven, Forgandenny and Abernyste to be concluded in October. ● Savings at risk due to uncertainty of outcomes based on the statutory consultation process and the national agreement on Teacher numbers.						
	● Detailed options on Phase1 to Lifelong Learning Committee				31/01/18							
	● Phase 2 will commence				01/02/18							
	● Statutory consultation on Phase 1 complete with recommendations to Lifelong Learning Committee.				31/01/19							

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000361	ECS - Review of Community Campuses Contract and Charging Arrangements	Fiona Easton	01/09/15	31/03/20	On Target	Approved Savings	0	0	180	0	0	180
<b>Brief Description :</b>						Projected Savings	0	0	180	0	0	180
Reviewing Community Campus contracts and charging to identify efficiency savings and commercial opportunities.						Approved Funding	0	38	12	0	0	50
						Projected Spend	0	34	16	0	0	50
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
<ul style="list-style-type: none"> <li>Revised Campus Management and Operational arrangements in place</li> </ul>						<b>26/09/2017</b>						
<ul style="list-style-type: none"> <li>Review Campus Leader and Campus Business Manager roles and responsibilities</li> </ul>												
<ul style="list-style-type: none"> <li>Campus marketing plan established</li> </ul>												
<ul style="list-style-type: none"> <li>Progress Report to Lifelong Learning Committee</li> </ul>												
<ul style="list-style-type: none"> <li>Marketing strategy for Community Campuses to be developed</li> </ul>						<ul style="list-style-type: none"> <li>Community Campus Management Group (CCMG) Constitution finalised and CCMG's taking place.</li> <li>Campus Leader Job Evaluation completed. Campus Business Manager Job Evaluation underway.</li> <li>Marketing – Work is under way to explore opportunities to improve the marketing of the Community Campuses. Instead of a short life working group, the Convenor / Vice Convenors will be invited to each Campus's second Community Campus Management Group meeting to discuss marketing of the campus with staff and local elected members. Following this, the further exploration of marketing opportunities by the project team will commence.</li> </ul>						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000365	ECS - Strategic Commissioning Review	Caroline Mackie	01/09/15	31/03/19	On Target	Approved Savings	0	45	41	37	0	123
<b>Brief Description :</b> Developing a strategic commissioning approach to services for children, young people and families, to ensure that Council funds are more efficiently targeted to meet strategic objectives, and support 3rd sector groups to explore new ways to deliver services, diversify their funding base, and draw upon new and alternative funding streams.						Projected Savings	0	45	41	37	0	123
						Approved Funding	0	24	0	0	0	24
						Projected Spend	0	24	0	0	0	24
<b>Key Milestones :</b> <div> <div></div> <ul style="list-style-type: none"> <li>Publish commissioning strategy</li> <li>Identify 18/19 savings</li> <li>Commissioned Services Board Meeting</li> </ul> </div>						<b>Progress to Date :</b> <b>28/09/2017 - Approved</b> <ul style="list-style-type: none"> <li>Education and Children's Services Commissioning Strategy Finalised and published on the Council website.</li> <li>Phase 1,2 and 3 Service Level Agreement (SLA) Reviews have been approved by the Education and Children Services (ECS) Commissioned Services Board and are underway. All remaining SLA Reviews within the original scope will be considered at the ECS Commissioned Services Board by December 2017.</li> <li>Re-design of the contract for Intensive Family Support and Early Years Parenting Support services is progressing with a supplier consultation session planned for 12/10/2017. Following on from this session the final specification will be developed.</li> <li>The next ECS Commissioned Services Board meeting is scheduled for the end of October 2017 to consider SLA Reviews and identify the savings for 2018/19.</li> <li>A one year progress update on the work of the delivery of the Commissioning Strategy will be presented to Lifelong Learning Committee in August 2018.</li> <li>Continued engagement with the 3rd sector forum is ongoing.</li> </ul>						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000390	ECS - Review of Inclusion Services	Rodger Hill	01/01/16	31/03/18	On Target	Approved Savings	0	0	0	0	0	0
<b>Brief Description :</b> 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.						Projected Savings	0	0	0	0	0	0
						Approved Funding	0	20	15	15	0	50
						Projected Spend	0	10	40	0	0	50
<b>Key Milestones :</b> <div><div></div>• Next steps considered by Inclusion Project Board</div> <div><div></div>• Headteachers' Development Day Launch Session</div> <div><div></div>• Report to Lifelong Learning Committee</div> <div><div></div>• Communications Plan</div> <div><div></div>• Further report to Inclusion Project Board</div>						<b>Progress to Date :</b> <b>28/09/2017 - Approved</b>  The Inclusion Project Board met and agreed recommendations on 30 August 2017. A launch session was held with Head Teachers at their Development Day on 12 September 2017. Workstream nominations have been received and groups confirmed by 25 September. A further report will be prepared for the Inclusion Project Board on 5 December 2017 detailing actions taken to overtake identified priorities.						
						31/08/17						
						12/09/17						
						01/11/17						
						05/12/17						
						05/12/17						



Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000391	ECS - Review and remodelling of Residential Care Services (Children and Young People)	Hazel Robertson	01/01/16	31/03/20	On Target	Approved Savings	0	0	0	0	0	0
<b>Brief Description :</b>						Projected Savings	0	0	0	0	0	0
To avoid escalating costs of residential care for children and to better meet increasing and changing demands of children and young people who need to be looked after in residential care provision.						Approved Funding	0	41	50	0	0	91
						Projected Spend	0	4	87	0	0	91
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
<ul style="list-style-type: none"> <li>Services for Children, Young People and Families full service development day workshop</li> </ul>						<b>28/09/2017 - Approved</b>						
<ul style="list-style-type: none"> <li>Project Governance Framework Agreed</li> </ul>						<ul style="list-style-type: none"> <li>Workshops held to engage with all staff at the Services for Children, Young People and Families full service development day on 21/09/2017.</li> </ul>						
<ul style="list-style-type: none"> <li>Implementation Plan to ECS SMT</li> </ul>						<ul style="list-style-type: none"> <li>Committee Report and costed implementation plan to be presented to Education and Children Services (ECS) Senior Management Team (SMT) on 28/09/2017. This report will be presented to Lifelong Learning Committee for approval on 01/11/2017.</li> </ul>						
<ul style="list-style-type: none"> <li>Elected Members Development workshop</li> </ul>						<ul style="list-style-type: none"> <li>Elected members workshop session scheduled for 23/10/2017 for all members prior to the Lifelong Learning Committee meeting.</li> </ul>						
<ul style="list-style-type: none"> <li>Implementation Plan to Lifelong Learning Committee</li> </ul>						<ul style="list-style-type: none"> <li>Project governance framework presented to Service for Children, Young People and Families Management Team for approval 27/09/2017. The project board to deliver the project will be appointed.</li> </ul>						
						<ul style="list-style-type: none"> <li>Preparatory work is progressing on four project workstreams.</li> </ul>						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000392	ECS - Expansion of Family Based Care	Linda Richards	01/01/16	31/03/20	Some Issues	Approved Savings	0	0	0	0	0	0
<b>Brief Description :</b> To meet the increasing demand for foster carers and family-based carers for children and young people looked after by Perth and Kinross Council						Projected Savings	0	0	0	0	0	0
						Approved Funding	0	67	110	32	0	209
						Projected Spend	0	30	147	0	0	177
<b>Key Milestones :</b> <div> <div></div> <ul style="list-style-type: none"> <li>Interim project progress report to ECS SMT</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Interim project progress report to Executive Officer Team</li> </ul> </div>						<b>Progress to Date :</b> <b>28/09/2017 - Approved</b> <ul style="list-style-type: none"> <li>Gathering and monitoring of performance data ongoing.</li> <li>Current figures indicate that by the end of the first year of the project four new foster carers will have been recruited, with a further two assessments considered by the Fostering and Adoption panel for approval in November 2017.</li> <li>During the year three foster carers have deregistered and two applicants have been screened out at the assessment stage.</li> <li>The number of young people in external foster care places has decreased steadily throughout the first year of the project from 47 placements to 34.</li> <li>One year progress report to be presented to the Executive Officer Team in November 2017.</li> </ul> <p>This project is marked as "some issues" as there is a risk that the target for achieving a management fee from providing foster carers for other Local Authorities is not met within the timescales set out in the original Business Case. As a result the allocated funding may require to be re-phased in order to account for this in 2018/19. This is currently being investigated.</p>						
Approved Savings Total							0	45	221	437	0	703
Projected Savings Total							0	45	221	121	200	587
Approved Funding Total							0	190	187	47	0	424
Projected Spend Total							0	102	290	0	0	392

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
Housing and Community Care												
Business Transformation Programme												
BT000370	HCC - Communities First Review		30/11/15	31/03/19	On Target	Approved Savings	0	72	322	200	0	594
<b>Brief Description :</b> By reshaping current commissioning, creating greater co-production opportunities in communities and restructuring the management and fieldwork teams in localities, Communities first will facilitate greater use of innovative mobile technologies, build integrated working in localities, support the wider commissioning strategy for the partnership and develop alternative market place opportunities. This will support people to live as independently as they can, with greater choice and control.						Projected Savings	0	72	235	287	0	594
						Approved Funding	286	304	331	0	0	921
						Projected Spend	98	280	332	165	46	921
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
	• Consultation outcome report approved and signed off by Joint Senior Management				31/08/17	<b>21/09/17</b> <ul style="list-style-type: none"><li>Feedback on responses to formal consultation delivered to Community Support Workers along with decision to progress the proposal. HR process are now in progress for those impacted.</li><li>Work continues by the Customer &amp; Community Engagement team to develop an E-Market place to offer alternative provision of services. YourPK website nears completion for a launch and will signpost clients to appropriate community supports. Data sets established to monitor impact and traffic.</li><li>Participatory Budgeting proposals drafted after discussion at Locality Steering Groups. Proposals now passed to Community Capacity Team to raise at Action Partnerships.</li><li>Development Worker Proposal amended following feedback and will be presented to the Community Care Management Team for approval,</li></ul>						
	• Development Worker proposal approved by Community Care Management Team				30/09/17							
	• Review of third sector provision within localities completed				31/03/18							
	• Review of eligibility criteria completed				31/03/18							
	• E-Marketplace created				31/03/18							

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000371	HCC - Review of Residential Care		10/11/15	31/03/19	Some Issues	Approved Savings	0	0	0	696	0	696
<b>Brief Description :</b>						Projected Savings	0	0	0	696	0	696
Reviewing residential care provision to ensure that people are supported to live in the community for longer, and that available care home provision across the full area is fully utilised.						Approved Funding	25	100	50	0	0	175
						Projected Spend	14	47	98	16	0	175
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
	• Update to be tabled at Housing and Communities Committee for info				20/09/17	<b>21/09/17 -</b> <b>Project marked as "Some Issues" in respect to the delivery of savings as currently phased.</b> <ul style="list-style-type: none"> <li>Committee paper presented to Housing and Communities Committee for information on 20/09/17</li> <li>Paper presented to the Integration Joint Board (IJB) for decision 26/09/17.</li> <li>Paper asks for permission to consult with residents and families on options</li> <li>Communications delivered to staff with update on progress and contents of paper for IJB</li> <li>Press statements released ahead of papers being made public.</li> <li>Return to committee/IJB with a final recommendation following consultation now moved from November 2017 to January 2018</li> </ul>						
	• Sign-off of options for consultation by Integrated Joint Board (IJB)				26/09/17							
	• Based on IJB decision move to formal consultation and workforce planning				27/09/17							
	• Present recommendation based on council consultation (Transformation Board)				06/11/17							
	• Sign-off of final recommendations at Integrated Joint Board and info to Housing and Communities Committee				26/01/18							
	• Completion of the review				31/03/19							

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000381	HCC - Review of Day Care Services		10/11/15	31/03/18	On Target	Approved Savings	0	0	239	463	0	702
<b>Brief Description :</b> Reviewing and redesigning existing Day Services and Day Opportunities across community care client groups, in line with the ethos of 'supporting people at home' in a more personalised manner.						Projected Savings	0	0	239	463	0	702
						Approved Funding	0	0	0	0	0	0
						Projected Spend	0	0	0	0	0	0
<b>Key Milestones :</b> <div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none"><li>Paper submitted to Housing &amp; Communities for info</li><li>Approval to consult and engage received at Integrated Joint Board</li><li>Based on decision begin engagement, consultation and resource planning</li><li>Completion of formal consultation</li><li>Capital resource recommendations approved at IJB</li><li>Recommendations following consultation and engagement reviewed IJB</li></ul>						<b>Progress to Date :</b> <b>21/09/17 -</b> <ul style="list-style-type: none"><li>Paper presented at Housing and Communities Committee for information on 20/09/17</li><li>Paper presented to the Integrated Joint Board on 26/09/17 for decision.</li><li>Short Life Working Group set up in anticipation of approval</li><li>Communication and engagement plans refreshed.</li><li>Communications delivered to staff with update on progress and contents of paper for IJB</li><li>Press statements released ahead of papers being made public.</li><li>Regular day care modelling continues to be undertaken to ensure that current usage of services across all day care services remains up to date and is representative of all service groups</li></ul>						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000373	HCC - Review of HCC Repairs Service	Lorna Cameron	22/10/15	31/10/18	Some Issues	Approved Savings	0	100	200	200	0	500
<b>Brief Description :</b> Reviewing options for housing repairs in localities to improve services and maximize cost savings.						Projected Savings	0	100	50	150	200	500
						Approved Funding	0	0	0	0	0	0
						Projected Spend	0	0	0	0	0	0
<b>Key Milestones :</b> <ul style="list-style-type: none"> <li>Formal consultation with staff regarding changes to workforce structure - Workstream 1</li> <li>Stores implementation plan finalised and agreement re future options - Workstream 3</li> <li>End of consultation process, feedback to SMT/Transformation together with recommendations for approval - Workstream 1 Approval granted 14/9/17</li> <li>Total mobile to produce mobile solutions for trades in line with corporate transformation agenda - Workstream 4</li> <li>Development of implemetation plan - project team meetings arranged to debelop implementation plan and associated workstreams for populating the approved structure and implementing it</li> </ul>						<b>Progress to Date :</b> <b>21/09/17 - Approved</b>  <b>Workstream 1 – Workforce Planning</b> <ul style="list-style-type: none"> <li>Formal consultation concluded 7/9/2017</li> <li>Unions consulted, Heads-up meetings held with affected staff, engagement event held for full team</li> <li>No major issues or concerns raised, all queries responded to</li> <li>Further addendum to business case approved by transformation board 14/9/17</li> </ul> <b>Workstream 3 –Supply Chain and Procurement</b> <ul style="list-style-type: none"> <li>Final discussions continuing re future options for the store. Awaiting costed options appraisal for Ruthvenfield or Arran Road options.</li> </ul> <b>Workstream 4 – Scheduler</b> <ul style="list-style-type: none"> <li>The full progress of this is reported under Project BT000369 – Corporate Mobile Working</li> <li>Training for staff was deliverd in August 2017</li> </ul>						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000374	HCC - Review of Community Care Packages for Adults		23/09/15	31/03/19	On Target	Approved Savings	0	0	0	560	0	560
<b>Brief Description :</b>						Projected Savings	0	303	52	257	0	612
Working with community care clients, their families and carers, to provide financially sustainable care packages.						Approved Funding	75	249	249	149	0	722
						Projected Spend	14	146	252	219	90	721
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
<ul style="list-style-type: none"> <li>Review existing care packages and amend where appropriate</li> </ul>						<b>21/09/2017</b>						
<ul style="list-style-type: none"> <li>Continue with the reviews and monitor any financial impact</li> </ul>						<ul style="list-style-type: none"> <li>£355k accelerated saving have been achieved.</li> <li>Reviews ongoing with any financial impact being monitored. 462 reviews have taken place across the service over the last month</li> <li>Awaiting vacancy of Reviewing Officer in North Locality to be filled.</li> <li>Reviews continue to be updated as part of the transition to new providers and there have been some funding request changes as a result of the new provider rates.</li> <li>No impact on providers or service level agreements at present</li> </ul>						
<b>Approved Savings Total</b>							<b>0</b>	<b>172</b>	<b>761</b>	<b>2119</b>	<b>0</b>	<b>3052</b>
<b>Projected Savings Total</b>							<b>0</b>	<b>475</b>	<b>576</b>	<b>1853</b>	<b>200</b>	<b>3104</b>
<b>Approved Funding Total</b>							<b>386</b>	<b>653</b>	<b>630</b>	<b>149</b>	<b>0</b>	<b>1818</b>
<b>Projected Spend Total</b>							<b>126</b>	<b>473</b>	<b>682</b>	<b>400</b>	<b>136</b>	<b>1817</b>

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
The Environment Service												
Business Transformation Programme												
BT000398	TES - Council Vehicle Fleet Utilisation and Optimisation Review	Bill Morton	01/04/16	30/03/18	On Target	Approved Savings	0	0	25	75	50	150
<b>Brief Description :</b> 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.						Projected Savings	0	0	25	50	75	150
						Approved Funding	96	36	18	0	0	150
						Projected Spend	0	1	134	15	0	150
<b>Key Milestones :</b>						<b>Progress to Date :</b>						
	• Project Officer start date				01/05/17	<b>27/09/2017 - Approved</b> <ul style="list-style-type: none"><li>The final phase of telematics installations is now complete, there are 379 vehicles live on the system.</li><li>The Project Assistant can now include all vehicles in the telematics data analysis from October onwards.</li><li>The journeys claimed for through MyView for Grey Fleet usage will also be analysed for any patterns in locations with a view to move Pool Vehicles if required.</li><li>Initial analysis of vehicle usage to be reviewed in November 2017.</li></ul>						
	• Review 2016/17 data on fleet usage				31/05/17							
	• Review Travel Policy				30/09/17							
	• Installation of telematics tracker system				30/09/17							
	• Complete business case for Pool Booking System				31/10/17							
	• Initial analysis of vehicle journeys using tracker information				30/11/17							
	• 1st phase of savings identified				31/01/18							
	• Actions implemented for 2017/18 savings				31/03/18							
	• Full year report on vehicle usage identifying savings for 2018/19				30/04/18							



Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000375	TES - Review of Roads Activities	Willie Young	01/11/15	31/03/18	On Target	Approved Savings	0	0	0	200	0	200
<b>Brief Description :</b> Examining potential efficiencies, including collaborative working with other Councils and working arrangements with current and potential future contractors.						Projected Savings	0	0	0	200	0	200
						Approved Funding	10	40	0	0	0	50
						Projected Spend	0	2	40	8	0	50
<b>Key Milestones :</b> <div> <div></div> <ul style="list-style-type: none"> <li>Baseline information</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Options developed for potential service delivery approaches</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Approval of option for potential future service delivery by Joint Management Team</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Second report with detailed options approved by Joint Management Team</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Full business case and options to be considered</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Develop implementation plan</li> </ul> </div>						<b>Progress to Date :</b>  <b>28/09/2017 - Approved</b>  The expanded working group covering the full range of activities outlined in the scope met on 29 May to review different options. Potential savings were identified but with a significant impact on service delivery and these impacts were examined more fully when the group met in June 2017. High level discussion between Perth and Kinross Council, Dundee City Council and Angus Council Chief Officers in August to agree a way forward.  The meeting with the 3 CE's to discuss the update report has been delayed and will therefore now be presented to the Joint Executives of the 3 authorities in October / November 2017 with a view to a partial triall collaboration commencing April 2018 - if agreed						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000366	TES - Corporate Property Asset Management Review	Keith Colville	01/11/15	31/03/20	At Risk	Approved Savings	0	0	190	605	1000	1795
<b>Brief Description :</b>  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.						Projected Savings	0	0	0	795	1000	1795
						Approved Funding	0	0	0	0	0	0
						Projected Spend	0	0	0	0	0	0
<b>Key Milestones :</b> <div><div></div><div>• Vacant properties database collated to identify opportunities to reduce costs</div><div></div><div>• Completion of property review project in Crieff/Blairgowrie</div><div></div><div>• Data gathering and development of programme plan for "Place based/ Area Asset Management Review"</div><div></div><div>• Start of area reviews (5 reviews - each started 6 months apart, 18 months duration)</div><div></div><div>• Completion of Area Reviews</div></div>						<b>Progress to Date :</b> <div>31/08/1626/09/2017 - Approved</div> <div>31/12/16<b>This project is At Risk in respect to the acheivement of savings and the timescale for completion becasue it is dependant on other property asset related projects.</b></div> <div>31/12/16</div> <div>01/01/17A report on the Corporate Property Asset Management review is currently being prepared for TES SMT and will subsequently be considered by the Executive Officer Team in October. Following consideration of the project update report, it will then be submitted to Committee.</div> <div>31/03/20</div> <div>With regard to the project to move twenty PKC staff from Jessie St to new office space within Blairgowrie Community Hospital; plans were submitted in August to building control and the building warrant is expected by the first week in October. Work on-site is expected to start in mid-October with a two-month duration.</div>						

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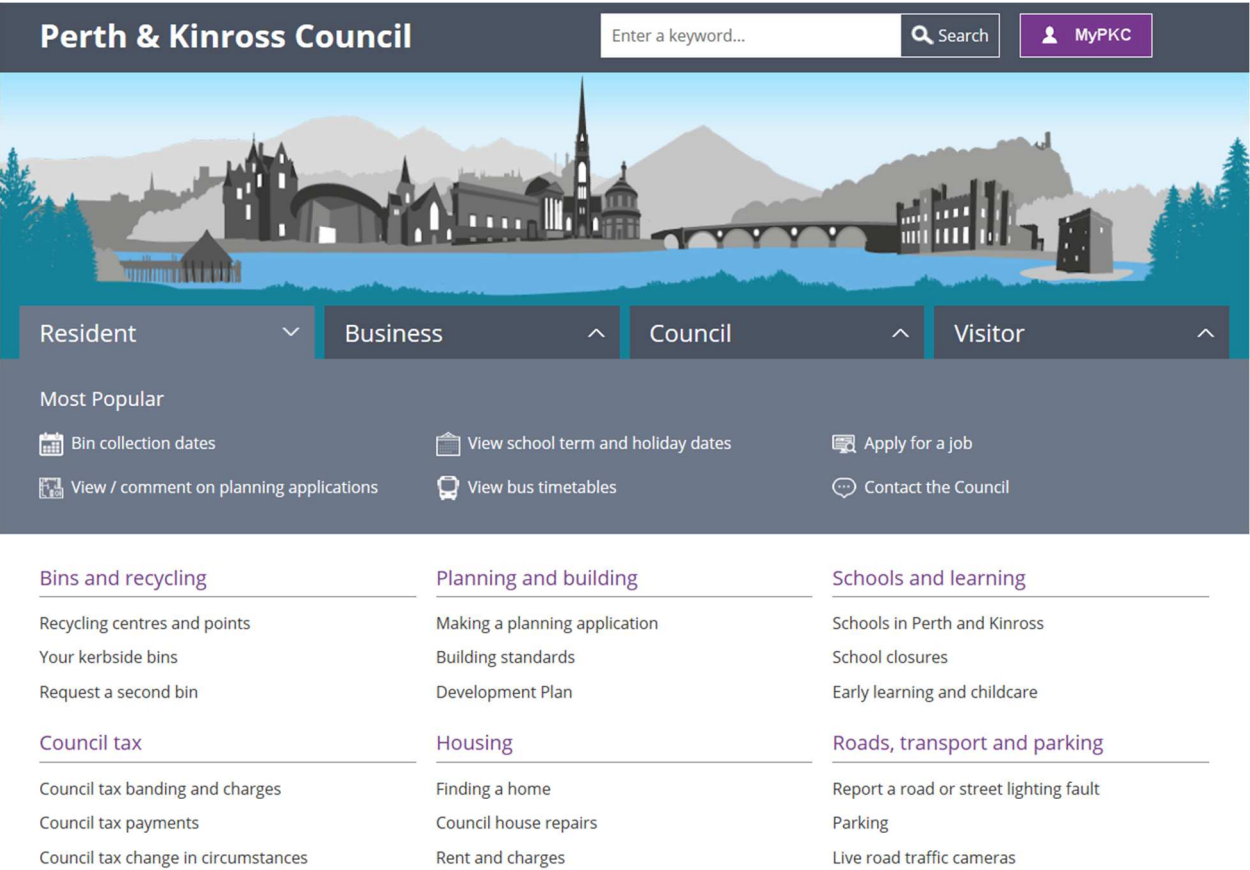
Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
BT000401	TES - Community Greenspace Review	Bruce Reekie, Andy Clegg	01/04/16	31/12/18	On Target	Approved Savings	0	0	0	0	0	0
<b>Brief Description :</b> Exploring the best way to work with our communities to take on smaller community greenspace sites for community benefit, reduce maintenance activities and explore potential alternative delivery mechanisms.						Projected Savings	0	0	0	0	0	0
						Approved Funding	0	40	0	0	0	40
						Projected Spend	0	4	15	21	0	40
<b>Key Milestones :</b> <div> <div></div> <ul style="list-style-type: none"> <li>Job evaluation and Employee Approval Process (EAP) approval</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Appointment of Greenspace Partnership Officer</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Scoping of framework for sites applicable for review complete</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Implementation of community agreements to adopt sites, support groups where required</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Project completion</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Licence to occupy/agreements complete</li> </ul> </div> <div> <div></div> <ul style="list-style-type: none"> <li>Equip communities</li> </ul> </div>						<b>Progress to Date :</b> <b>20/09/17 - Approved</b> <b>Rannoch Station</b> - Network Rail are drafting up document for transfer of maintenance to the residents, Partnership Officer continuing to liaise with them on this topic. <b>Perth Lade</b> - Community Greenspace Partnership Officer has attended second meeting with external contractor to confirm locations of works to be carried out on the lade and regarding the design of access steps for the Council's Operations team leading into the lade at the town centre stretch beside St Catherines Road, Perth. Partnership working day is taking place on the Thursday 26 October with Perth and Kinross Council and partners to undertake maintenance. Also on the 4 October 2017 the bed at Rae Place, Perth will be planted in partnership with the City of Perth Early Childhood Centre, subsequent maintenance will be undertaken by partners. <b>St Michaels Churchyard</b> - Community Greenspace Partnership Officer attended a open day of the grounds on the 2 September 2017 assisting the group where required. The open day was attended well with around 80 visitors to the site. <b>Glenearn Road, Perth</b> - Beds scheduled to be tarmacked over at the end of September 2017, elected members have been notified. <b>Alyth In Bloom</b> - Re-planting of Burnside was discussed with the Development Trust, Development Trust to go back to Drumderg to confirm if the funding could be delayed till next year. Partnership Officer and Environment Initiatives Officer continue to work with the Bloom group. <b>Burbank Meadows, Kinross</b> - Transfer of ground is being processed by legal services. Vegetation and scrub removal works (including re-instatement and grass seeding) have started and are on target for completion by the 30 September 2017. <b>Abemethy</b> - Community for Tesco Bags for Life funding (£4,000) to replace shrubs and adopt two planted areas. Awaiting funding outcome. <b>Pitlochry Recreation Park</b> - Community group PUGs (The Pavilion Users Groups) have replanted and adopted maintenance of entrance shrub bed. <b>Riverside Group, Blairgowrie</b> - Community Greenspace Partnership Officer and Greenspace Ranger (Eastern) working with Community Group and Volunteer Path Group - Blairgowrie and Rattay Access Network (BRAN) regarding Riverside Project. A title search is still ongoing investigating ownership of an area of land at Loons Braes, Rattay.						
Approved Savings Total							0	0	215	880	1050	2145
Projected Savings Total							0	0	25	1045	1075	2145
Approved Funding Total							106	116	18	0	0	240
Projected Spend Total							0	7	189	44	0	240

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Finances	2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	Total (£000s)
Approved Savings Overall Total							0	1450	3314	6294	2360	13418
Projected Savings Overall Total							0	1861	2017	4866	1940	10684
Approved Funding Overall Total							525	2547	2628	1927	283	7910
Projected Spend Overall Total							129	1198	2867	2820	388	7402

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# Website Re-design





# MyAccount



“

Customers access the portal via the web site, log into their account and have instant visibility of all “self service” options available to them in a single view.

GOSS

29





# MyPKC

Perth & Kinross Council

Welcome to MyPKC Tina Ho ▾

MyPKC Home

Services

My Requests

MyPKC is a new customer portal where you can access online services and if you have signed in using a mygovscot myaccount, you can track progress of your request. To access the Council's website visit [www.pkc.gov.uk](http://www.pkc.gov.uk).



Report a road fault



Report a housing repair



Report a missed bin collection



Report a street in need of cleaning



Report a street lighting issue



Apply for a recycling centre permit



Report an issue with a public toilet



Report an overflowing recycling bank or unit

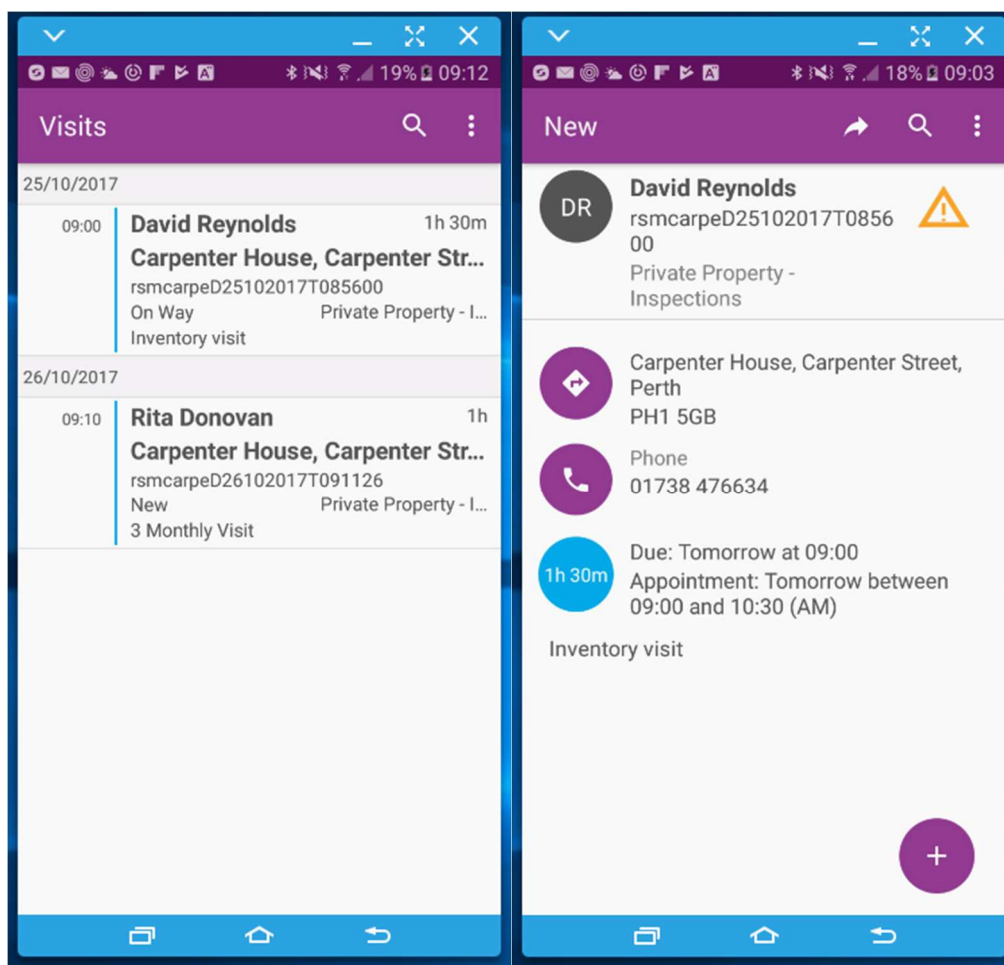


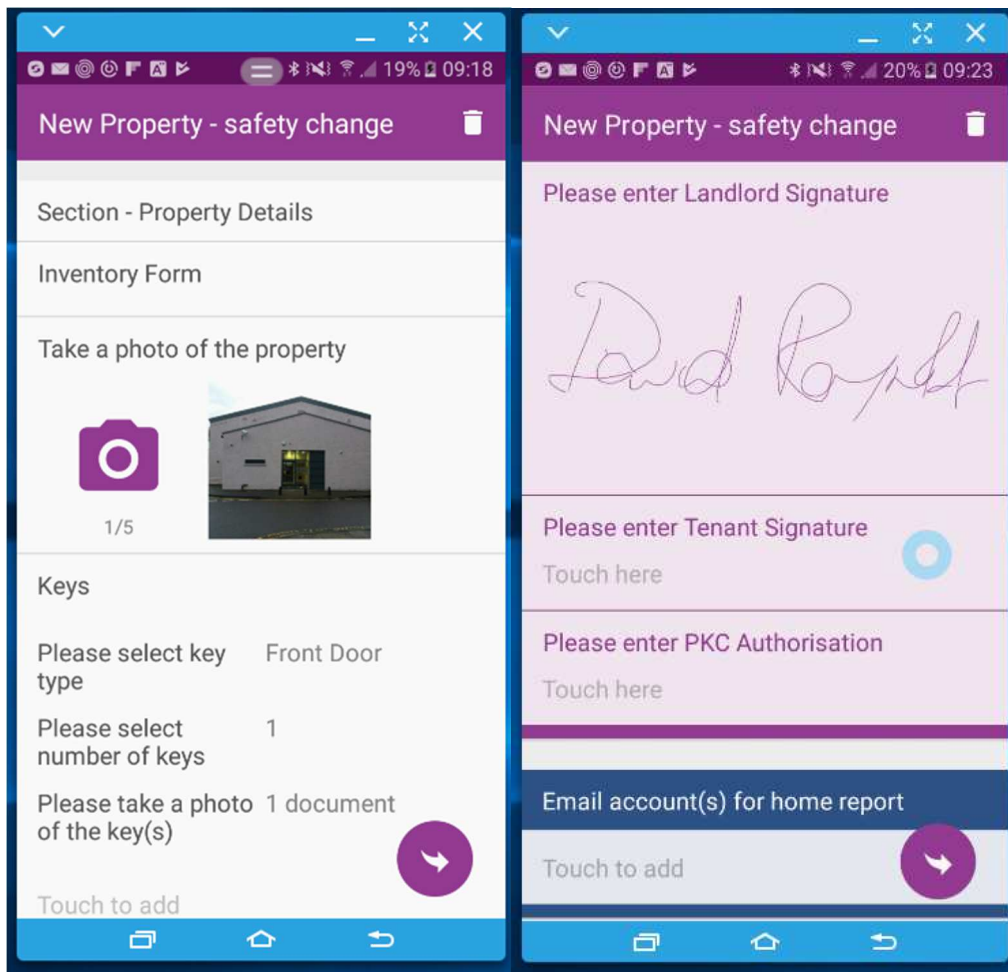
Make a general enquiry

[View all online services](#)



## Mobile Working – Example Mobile Phone Screens – Private Sector Access Team





## PERTH AND KINROSS COUNCIL

## Strategic Policy and Resources Committee

29 November 2017

**DIGITAL INFRASTRUCTURE ACROSS PERTH AND KINROSS  
PROGRESS REPORT**

Report by Depute Chief Executive, Chief Operating Officer

**PURPOSE OF REPORT**

The purpose of the report is to provide an update on progress with national programmes to provide superfast fibre broadband infrastructure in Perth and Kinross. It also outlines local community initiatives aimed at providing broadband in rural areas and suggests that the Council continue to support these community initiatives as the R100 programme progresses through its procurement stages.

**1. BACKGROUND**

- 1.1 Members of the former Enterprise and Infrastructure Committee received a report on progress of the Scottish Government led Digital Scotland Superfast Broadband (DSSB) programme covering the Rest of Scotland (RoS) in January 2017. This report outlines the latest progress being made on delivering superfast fibre broadband in Perth and Kinross. It looks ahead to the likely coverage to be achieved by the DSSB programme by the end of 2018 and timescales for the procurement and implementation of the new Reaching 100% (R100) programme providing 100% coverage across Scotland. It also highlights communities that are developing their own broadband solutions assisted either by the Council's Rural Broadband Fund, Community Broadband Scotland or BTOpenreach.
- 1.2 The DSSB programme contracted with the BT Group in 2013 to provide access to fibre broadband to 95% of premises in Scotland by December 2017. Progress on this has been good nationally and the programme has been extended to the end of 2018. So far across the whole of Scotland around 800,000 premises now have access to fibre through DSSB and around 639,000 in the RoS area. Across the whole of Scotland around 88.9% of premises now have access to speeds of >24Mbps through DSSB and commercial deployment and 90.9% in the RoS area.
- 1.3 Perth and Kinross is one of six rural Council areas (along with Aberdeenshire, Angus, Dumfries and Galloway, Scottish Borders and Stirling) that need more complicated and costly engineering solutions and which lag behind other areas in delivery of the programme. However, Digital Scotland anticipates Perth & Kinross will achieve a minimum of 90.0% fibre coverage by the end of 2018 with 83.1% of premises in having access to speeds greater than 24Mbps.

- 1.4 In March, the First Minister announced additional funding for fibre deployment. This was made available by BT through the existing contract (£11.3m) and through 'Gainshare' funds (£15.6m), Gainshare funding is created when there are high levels of take-up of broadband services through DSSB structures. This means DSSB Rest of Scotland deployment has been extended for a further year until December 2018, and the six local authority areas mentioned above are the main beneficiaries of this additional funding. Gainshare areas in Perth and Kinross are shown in Appendix 1.
- 1.5 Those premises in parts of the Perth and Kinross area currently lacking superfast fibre broadband (10% of premises) at the end of the current DSSB contract in 2018 will be left to the R100 programme to enable by 2021. This will cover approximately 13,800 'white premises' (premises not served by broadband or due to be served within 3 years) in Perth and Kinross.
- 1.6 The Council has worked with communities in the remotest rural areas in Perth and Kinross in the period since the DSSB Programme started and will continue to do so, until the R100 Programme completes in 2021. It is doing this by working collaboratively with Community Broadband Scotland in the areas least likely to benefit from the DSSB rollout and by providing direct assistance through the Rural Broadband Fund and the Rural Perth and Kinross LEADER Programme.
- 1.7 Finally, since the last report the UK Government has committed to introduce a Universal Service Obligation (USO) for broadband by 2020 through the Digital Economy Act 2017. This intends to provide a legal right for citizens to order a broadband connection at a minimum speed – initially set at 10Mbps – upon reasonable request. The Scottish Government has written to the UK Government and Ofcom urging them to establish a working group involving the Devolved Administrations' to oversee the design of the proposed USO. Meanwhile, BT Openreach has also made a commitment to voluntarily deliver a 10Mbps service to all premises by 2020.

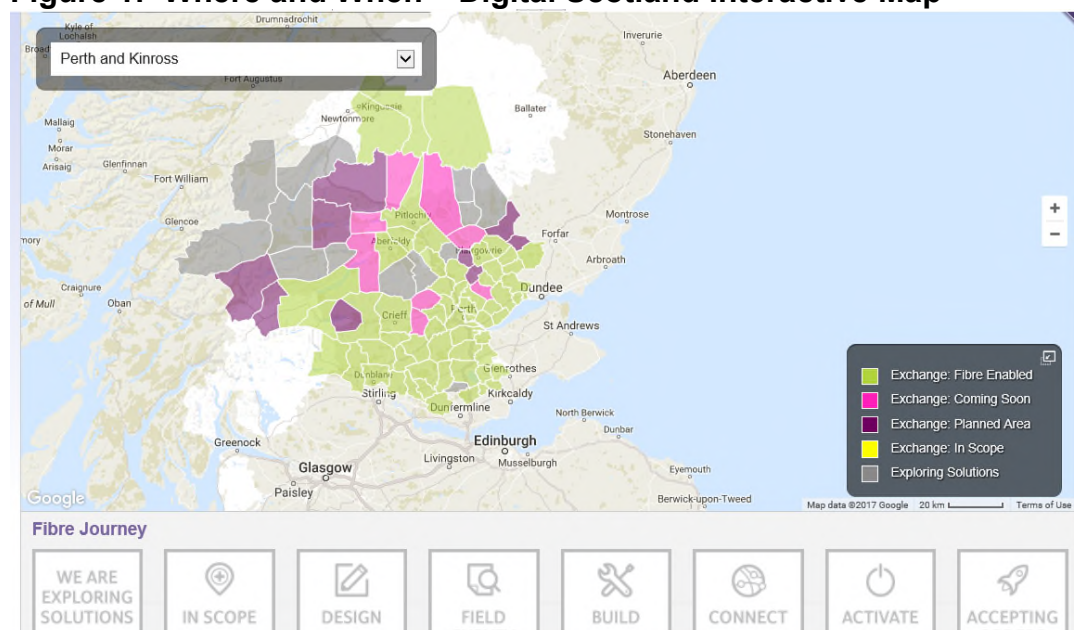
## **2. MAIN ISSUES**

### **Digital Scotland Superfast Broadband Programme**

- 2.1 The DSSB Programme is a partnership between Scottish Government, UK Government, Highlands and Islands Enterprise, BT, local authorities and the European Regional Development Fund to deliver fibre broadband to at least 95% of premises by the end of 2017 when existing commercial roll-out plans are also taken into account. Perth and Kinross Council made a contribution of £1.2m at the start of the programme to a total investment of over £400m made by these partners.

- 2.2 The total fibre coverage for a local authority area is made up of three elements:
- Predicted commercial coverage as understood on the basis of the Open Market Review 2012;
  - Baseline targets to be achieved by the end of December 2017; and
  - Gainshare targets to be achieved by the end of December 2018.
- 2.3 Based on these three elements, the total fibre coverage anticipated to be achieved by the DSSB programme by the end of December 2018 for Perth & Kinross is expected to be at least **90.0%** with **83.1%** having speeds of over 24Mbps.
- 2.4 At the start of the programme (July 2013), the anticipated commercial coverage for Perth & Kinross was **41.2%** of all premises and, without public intervention, this would not have increased significantly. Combined with the deployment to date, the coverage figure at the end of June 2017 was **82.4%** and of these premises **79.1%** currently have access to speeds of greater than 24Mbps.
- 2.5 The current and planned deployment through the DSSB Programme is shown on the Digital Scotland 'Where and When' interactive map website (Figure 1) showing planned deployment by BT Exchange area where green areas are fibre enabled exchanges; lights and dark purple are planned areas; and grey areas are where solutions are still being explored. It can be seen that there are still very large parts of Perth and Kinross where fibre is still planned or where solutions are still being explored.

**Figure 1: Where and When – Digital Scotland Interactive Map**



- 2.6 So far, more premises connected to the network are modelled to receive speeds which exceed 24 Mb/s than is set out in the contract. Lower than expected costs and higher than expected take-up combine to mean that £26.8 million more is available to extend broadband coverage through the DSSB programme to December 2018.
- 2.7 The postcode areas that Gainshare will affect are shown in Appendix 1. This information is compiled from information provided by Digital Scotland but a rider given with this information is that where a postcode area is shown as getting coverage that does not mean that every premise in that postcode will receive access to fibre through the DSSB programme.
- 2.8 It can be seen that rural areas such as Kinloch Rannoch, Blair Atholl and Strathtay are included for extended build as are Bridge of Cally and the area south of Kenmore alongside Loch Tay. There are a scattering of postcodes to the east of Perth and to the west and south of Blairgowrie and Rattray. Additionally, postcodes to the east of Crieff including Monzie and Madderty are shown, along with areas around Auchterarder and Glendevon. The extent of this extended build is important as it affects the eligibility of premises without fibre for the Better Broadband voucher scheme but also whether Community Broadband Scotland is able to assist these communities.
- 2.9 The deployment of cabinets to rural parts of Perth and Kinross over the past few months has been progressed by Digital Scotland and BT Openreach and the following settlements (or parts thereof) have benefited recently or will benefit soon from the installation of BT cabinets allowing the communities to order broadband services:
- Aberfeldy
  - Abernethy
  - Auchterarder
  - Ballingluig
  - Bankfoot
  - Blairgowrie
  - Burrelton
  - Caputh
  - Comrie
  - Crieff
  - Dunkeld
  - Errol
  - Glenfarg
  - Inchtute
  - Killin
  - Kinross
  - Methven
  - Muthill
  - Pitlochry
  - Scotlandwell



- 2.10 The Council receives communication from Digital Scotland of where deployment of cabinets will take place in the next six months but this information is covered by a Non-Disclosure Agreement. Areas in Highland Perthshire will benefit from new cabinets linked to the extended build facilitated by Gainshare.
- 2.11 Recently, Digital Scotland has communicated to the Council that Kinloch Rannoch, Meikleour and St Fillans exchanges which are Gainshare exchanges originally scheduled for July to December 2017 have been moved back to July to December 2018 because some structures have been reprioritised to maximise the number of premises who will be able to connect to enabling infrastructure before the end of the baseline programme. Craigton, Lintrathen, Bridge of Cally, Madderty and Strathardle exchanges have also been moved back to July to December 2018 for the same reasons.
- 2.12 When Cabinets are deployed Digital Scotland undertakes specific local demand stimulation activities with a focus on communities where take up is low and has included promotional events promoting the benefits of accessing higher speed broadband. Areas such as Pitlochry and Crieff have been the focus of attention for Digital Scotland over the last few months and resulted in a 4-6% increase in take-up of broadband services there. Take up through BT Cabinets in Perth and Kinross stands at **33.99%** as at July 2017 and stimulation activities are being undertaken in Aberfeldy, Strathtay, Ballinluig, Birnam and Dunkeld where take up is slightly lower. However, Digital Scotland considers that in terms of take-up Perth and Kinross is performing ahead of expectation and in line with the national average.
- 2.13 For premises too far from Cabinets or on Exchange Only lines where speeds are below 2Mbps, there is a Better Broadband Scheme where householders can apply for a £350 subsidy for deployment of alternative solutions using wireless or satellite. This remains the best current option for many homes in Perth and Kinross, however, it can only be used if premises will not benefit from the current phase of the Digital Scotland Superfast Broadband roll out and is only available until the end of 2017.

### **The Reaching 100% (R100) Programme**

- 2.14 The Scottish Government is committed to reaching 100% coverage of broadband by 2021 and the R100 Programme procurement process is now in progress. This is supporting the deployment of superfast broadband connections to premises that will not receive a superfast (now defined by EU as 30Mbps or more) service with existing or planned infrastructure as part of the current roll out. This will prioritise premises currently receiving less than 15Mbps from existing operators.

- 2.15 An Open Market Review has identified that in Scotland there are around 280,000 state aid eligible premises to be addressed by the R100 Programme with 14,000 in the Perth and Kinross area (Appendix 1). All but 30,000 premises mainly in large urban areas are expected to form the focus of the initial procurements. Further consultation with commercial providers and stakeholders was conducted over the summer to ascertain and map the proposed intervention area.
- 2.16 It seems likely that Perth and Kinross may be split across two lotting areas – one for the Central Belt and one for the Highlands and Islands area. There will also be a lotting area for the southern Scotland area. The procurement and delivery structure for R100 is being progressed to a timetable including the imminent publication of an OJEU notice and a tender process from December 2017 with contract being awarded in December 2018. It is unlikely that any work on the ground will begin until spring of 2019.
- 2.17 The R100 Programme is looking to City Deals in Scotland to join together funding through the identification of a ‘City Deal Intervention Area’ which could form part of the overall R100 Intervention Area. Discussions with Scottish Government on the potential funding available for the Tay Cities are due to start in November. In accordance with state aid approval any public sector investment must take a premises from below 30 Mbps to above 30 Mbps with at least a doubling of speeds.
- 2.18 The Tay Cities Deal has also expressed an interest in the UK Government Local Full Fibre Network Programme (LFFN) that would incentivise ultrafast broadband to the main urban areas and employment sites.

### **Community Broadband Scotland**

- 2.19 Community Broadband Scotland (CBS) is a Scottish Government initiative led by Highlands and Islands Enterprise (HIE). Over the past five years it has been supporting remote and rural communities across Scotland to gain access to faster broadband by supporting them to create and manage their own infrastructure.
- 2.20 CBS focus is on those areas least likely to benefit from the Digital Scotland Superfast Broadband rollouts. When a community expresses an interest or has been identified by Community Broadband Scotland (CBS) as a difficult area to reach through the DSSB programme, CBS provides advice regarding available options. The range and number of communities assisted by CBS in Perth and Kinross includes the Highland Perthshire Community Partnership, Loch Tay Internet, Lunan Valley and Mount Blair.

- 2.21 However, the CBS approach has been criticised for being overcomplicated and bureaucratic and to date only 14 communities have been assisted to set up and manage their own broadband projects since 2012. Although it states that it is currently working with a further 15 projects, CBS funding is frozen whilst EU funding is being reviewed linked to Brexit and also whilst independent consultants review the activities of CBS since it was established. The consultants are reviewing a range of innovations that CBS has considered to improve its delivery and how CBS could contribute to the R100 programme.

### **Support for remote rural communities**

- 2.22 Support to remote rural communities that will not receive superfast fibre broadband from the current DSSB Programme and are in areas that the R100 Programme will find hardest to reach will fall within the remit of the R100 contractors or a revamped Community Broadband Scotland or to the communities themselves.
- 2.23 Several local community projects are being supported by the Council either financially or through other advice and support. In February 2017 the Council agreed to provide £200K from an original allocation made in 2015/16 to support communities through a Rural Broadband Fund and LEADER funded project to develop alternative solutions including:
- technical feasibility studies and options to improve broadband access;
  - support to communities to procure technology solutions; and
  - match fund public or private funding to install and trial technology solutions.
- 2.24 The Rural Broadband Fund has the potential to support the ambitions of rural communities to have high speed internet access – using a range of technology solutions - to improve quality of life in rural areas, reduce the 'digital divide' and boost productivity of many small rural businesses. Given the timescales of the R100 programme many communities are eager to develop their own solutions rather than wait for fibre to arrive in 2021. Council funding can only be provided at a 'de-minimums' level to avoid breaching EU State Aid rules.
- 2.25 In some cases Council funding is being used by communities to match with Rural Perth & Kinross LEADER Programme funding allowing more premises to be connected. The following communities have asked for or submitted applications for funding to the Rural Broadband Fund:
- Classloch Digital (Loch Leven area) (approved and implemented see Appendix 2)
  - Lyon Internet (in draft)
  - Kinloch Rannoch (draft submitted)
  - Loch Tay Internet (submitted)
  - Mount Blair (in draft)

- 2.26 Linked to this the Council is currently mapping the extent of existing and planned digital and mobile communications infrastructure in Perth and Kinross and across the Tay Cities area. This mapping will help identify potential community areas that could be supported to develop their own solutions because of their geographical location, technical constraints or need for immediate connectivity for economic or social reasons but that will not be reached for several years by the R100 programme.

### **Other technologies available for rural areas**

- 2.27 The copper telephone wires that are used to carry standard (ADSL) broadband are the main issue with the DSSB programme delivery. These slow the internet connection down the further they have to travel from the telephone exchange to the home. The further the premises is from the exchange, the slower the broadband will be. In remote rural areas such as parts of Highland Perthshire some homes are several miles from their local telephone exchange. As a result, broadband speed tests have revealed speeds as slow as old-fashioned dial-up connections.
- 2.28 Whilst fibre optic cables being installed by BT Openreach for superfast broadband are better than copper wires, there is still a copper connection to the home because BT uses Fibre to the Cabinet (FTTC) technology rather than Fibre to the Premises (FTTP) technology (see Glossary, Appendix 3). Not all properties are connected to a roadside cabinet and are on an 'exchange only' line. There are a large number of these in Perth and Kinross and slow speeds are a feature of these lines. Sadly the provision of FTTP premises especially to many rural premises is very expensive, but may be achievable for some communities (see Classlochie case study, Appendix 2) where there is an active community able to assemble several funding streams through a BT Fibre Partnership.
- 2.29 Below are a few examples of other technologies that can be deployed by local community initiatives outside of the national programmes:

### **Community FTTP**

- 2.30 In some communities where residents are experiencing slow standard broadband and aren't eligible for FTTC broadband, groups of residents have decided to install their own FTTP networks. FTTP can deliver up to 1Gbps broadband straight into a customer's home, without the need for a street cabinet. In the Classlochie case this work has been done by BT Openreach through a BT Fibre Partnership but in other areas such as the B4RN project in Lancashire, residents have dug their own trenches and laid their own fibre and are now providing their own ISP services.

## **Wireless Broadband**

- 2.31 Some rural areas such as Loch Tay Internet opted for high-speed wireless networks which are installed by private companies who connect a fibre line and wireless access points on rooftops or poles around the community. Subscribers to the network then use their own aerials to pick up the signal. Though the company providing this service recently went into liquidation and services are now being provided by another company, the wireless technology installed remains sound.
- 2.32 Wi-Fi is generally viewed as a short to medium-term solution for communities waiting to be upgraded to fibre broadband. There are some drawbacks in that a Wi-Fi signal can be blocked by trees or buildings and weakened by bad weather and interference, which means it may not be as reliable as fixed or mobile broadband. However, in some cases, wireless broadband is the only way to get a connection in areas that are a fair distance away from the exchange and that struggle to get a strong mobile signal.

## **4G Mobile broadband**

- 2.33 The fourth generation of mobile broadband, known as 4G, is the fastest so far and is currently available across many areas of the UK. Although it can't compete with the fastest fixed broadband speeds, it can offer a significant boost for those who can't get a strong connection through their home broadband. Mobile broadband can be more expensive than traditional broadband and to get 4G you need to live in an area with sufficient coverage and either use a dongle or a 4G router.

## **Satellite broadband**

- 2.34 Satellite broadband is frequently the solution offered as part of the Better Broadband Scheme. The subsidy provided under this scheme provides equipment including a dish and receiver and an annual subscription. Satellite broadband delivers a maximum download speed of 20Mb and a maximum upload speed of 6Mb which may cause connection lags with heavy usage.

## **TV White Space**

- 2.35 TV White Space (TVWS) has the ability to deliver high speed broadband over long distances in sparsely populated areas, regardless of line-of-sight factors. The TVWS spectrum band was only liberalised by Ofcom on 1 January 2016, and the first commercial network was only beginning construction in March 2017. TVWS is also very quick to deploy, given the low environmental impact of the transmitter stations.

### 3. CONCLUSION AND RECOMMENDATIONS

- 3.1 The report has reviewed progress on the existing DSSB Programme to improve digital connectivity across Perth and Kinross and notes that fibre coverage will only extend to 90% of premises by the end of December 2018 with only 83.1% having speeds of greater than 24Mbps. It outlines the further investment of gainshare funds to areas of Perth and Kinross which will take place until the end of 2018.
- 3.2 The report also outlines procurement now being undertaken by Scottish Government for the R100 Programme to reach 100% coverage of superfast broadband in Scotland by 2021. The Tay Cities Deal has identified a City Deal Intervention Area and expressed an interest in the UK Government Local Full Fibre Network Programme that would incentivise ultrafast broadband to the main urban areas and employment sites and potentially also include funds for rural broadband.
- 3.3 The report highlights certain rural communities where local solutions are being sought some of whom the Council is supporting through the Rural Broadband Fund and the Rural Perth and Kinross LEADER Programme. It concludes that the Council should continue to support these communities whilst the DSSB programme completes and the R100 Programme procurement proceeds.
- 3.4 It is recommended that the Committee:
- i) Notes the progress made to improve broadband connectivity across Perth and Kinross by Digital Scotland and the R100 Programme.
  - ii) Notes the support being provided by Community Broadband Scotland, the Council and the Rural Perth and Kinross LEADER Programme to provide connectivity to remote rural communities.

#### Authors:

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#### Approved:

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Chief Operating Officer	9 November 2017

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1 The activities contribute to the Community Plan's strategic objectives of 'Promoting a prosperous, inclusive and sustainable economy' and the 'Outcome of a thriving, expanding economy', including the enhancement of digital broadband locally to increase the capacity to access services digitally and support more local working.

#### Corporate Plan

- 1.2 Perth and Kinross Council Corporate Plan 2013/2018 set 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
  - (v) Creating a safe and sustainable place for future generations.

- 1.3 This report relates to Objective No (iii) 'Promoting a prosperous, inclusive and Sustainable economy' and the outcome of 'Thriving, expanding economy' by ensuring that all our communities benefit from improved digital connectivity. It will also support Perth City Plan to make sure that Perth City is digitally connected with access to superfast broadband to encourage business growth.

### **Resource Implications**

#### Financial

- 1.4 The financial commitments relating to Perth Super-Connected City Project are mainly project management and marketing costs which will be funded from the approved Environment Service revenue budget in 2015/16.
- 1.5 Perth and Kinross Council agreed £1.2M on 19 December 2012 to support the roll-out of the Scottish Government Step Change (Rest of Scotland) Programme, to be met from the Council's Capital Grant. The Scottish Government confirmed this financial commitment and reduced the Capital Grant accordingly, as reported to the Strategic Policy and Resources Committee on 18 September 2013.
- 1.6 The Head of Finance has been consulted and has confirmed the financial commitments. Other funding streams for broadband solutions will be investigated including European funding opportunities.

#### Workforce

- 1.7 Project management support is provided by the Business Development Team within the Environment Service.

#### Asset Management (land, property, IST)

- 1.8 The development of digital and wireless connectivity may occasionally need to use Council's assets (e.g. fibre, lampposts, CCTV, buildings) and also the Council's Wireless Area Network (WAN) which links Council buildings, schools, libraries and community centres. Such use will be negotiated and agreed using the current procedures for such use.

## **2. Assessments**

#### Equality Impact Assessment

- 2.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. An equality impact assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new and existing policies.



- 2.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome: the proposal could have a positive impact on older people, people with a disability or people on low income or not working by offering more opportunities to access services and develop social interactions. However, specific targeted activities would have to be developed to promote positive impact and address digital divide.

#### Strategic Environmental Assessment

- 2.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. The proposals have been considered under 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

- 2.4 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, reduction of travel to access services from/to work and improved access for rural communities.

#### Legal and Governance

- 2.5 The consideration of the report is in line with the Council's Scheme of Administration and specifically the role of the Environment, Enterprise and Infrastructure Committee in developing measures to support and promote economic activity and to plan key infrastructure. There are no legal implications arising from the proposals contained in this report. The governance arrangements for the project are in place using Prince2 principles. The project management structure links directly to the Council's Governance structure via the Director (Environment) as the Project sponsor and the Head of Planning and Regeneration as the Project Executive.

#### Risk

- 2.6 Risks and the controls required to mitigate any risks will be reported through the Council's risk management process where the Council is the lead on individual projects. The main risks in relation to the roll-out of DSSB (Rest of Scotland) programme relate to the ability of BT Openreach to deliver the infrastructure on time and on budget as well as meeting standard requirements. The risks have been mitigated by the Scottish Government who is the contract signatory by transferring most of the risk to the contractor as part of the contractual arrangements and by having on-going mechanisms to monitor any arising risks through the deployment.
- 2.7 The risks have been mitigated by securing specialist technical advice and meeting DCMS project assurance requirements.

### **3. Consultation**

#### Internal

- 3.1 Other services are involved and consulted upon in terms of the delivery of the DSSB Programme.

#### External

- 3.2 Community Broadband Scotland, the Scottish Government, telecommunication operators are part of the DSSB project and therefore kept regularly informed or have been consulted on an on-going basis.

### **4. Communication**

- 4.1 As the project enters its final phases, Digital Scotland have been increasing the use of communication channels to ensure effective internal and external communication. The nature of, and the interest in, the project would require regular contacts with elected members, interested parties, general public and businesses. The Council's Corporate Communications Team is part of the Project management.

## **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.

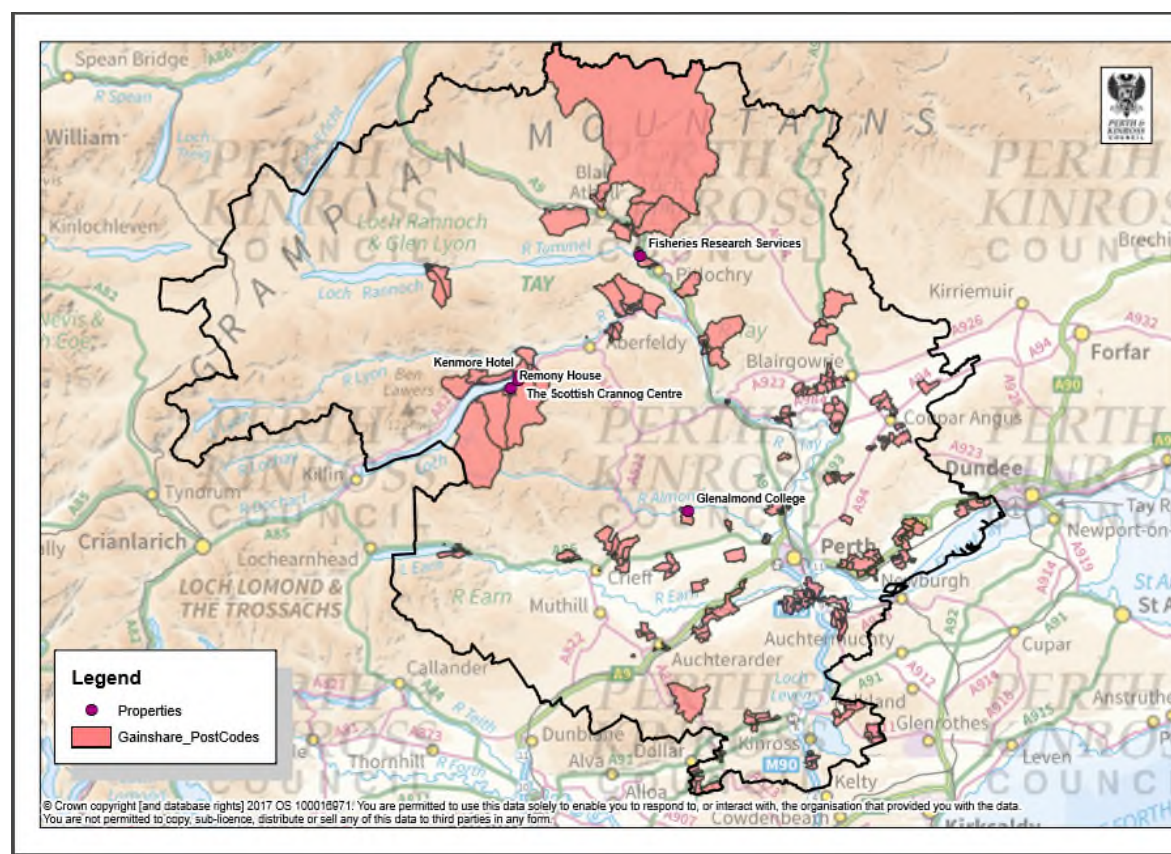
## **3. APPENDIX**

Appendix 1 – DSSB Rest of Scotland Gainshare and R100 Programme White Premises

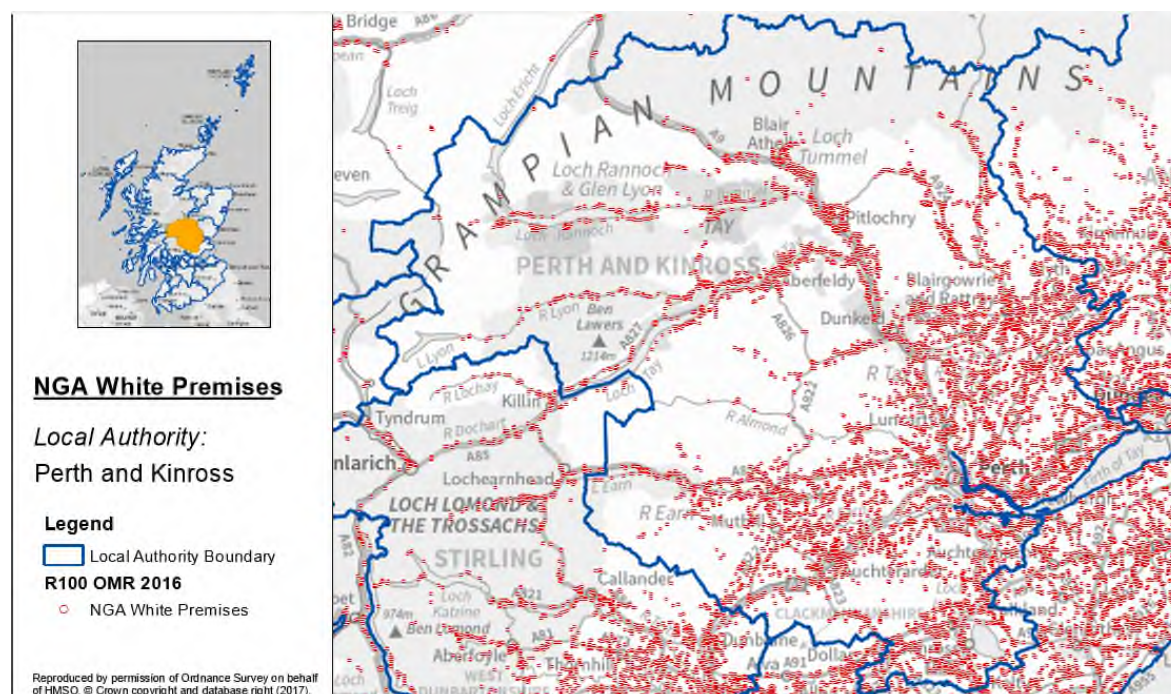
Appendix 2 – Case Study : Classloch Digital

Appendix 3 - Glossary of Terms

## DSSB Rest of Scotland Gainshare Areas



## R100 Programme White Premises





### Case Study: Classloch Digital

Classloch Digital Community Interest Company was established in April 2017 by a small rural community near Kinross to bring ultrafast Fibre to the Premises (FTTP) connectivity to 14 properties clustered at Newton of Classloch and to bring superfast (30Mbps+) broadband to other neighbouring properties in a 5km-10km radius from Classloch Farm via wireless solutions.

Around £25,000 of investment was secured by the company under the Seed Enterprise Investment Scheme; £5,500 of direct contribution from residents was also secured and £19,000 was provided by the Rural Broadband Fund. This funding enabled Classloch Digital CIC to enter in to a BT Community Fibre Partnership contract, with an estimated cost of £30,258.

In mid-September 2017 BT Openreach built fibre to the service ducts of each individual 14 properties. It is expected the BT Community Fibre Partnership will be tested, live and ready to accept orders by the end of October or early November 2017 considerably ahead of the contract schedule. At this time the 14 properties at Newton of Classloch will be able to order fibre products with speeds of up to 330Mbps.

The next stage of the project is to connect the additional 10-15 properties with wireless solutions, using the Classloch fibre infrastructure as the “backhaul”. A company that delivers fixed wireless solutions will be completing this work by the end of December 2017 and Classloch Digital will develop a full business plan for reaching 100-200 more properties in 2018, targeting those with sub 2 Mbps copper connections and those in “white” postcodes in the current R100 plans.



## GLOSSARY OF TERMS

**2G Second generation of mobile telephony systems:** Uses digital transmission to support voice, low-speed data communications, and short messaging services.

**3G Third generation of mobile telephony systems:** Provides high-speed data transmission and supports multimedia applications such as full-motion video, videoconferencing and internet access, alongside conventional voice services.

**4G Fourth generation mobile telecommunications technology:** Provides potential for mobile web access, IP telephony, gaming services, high-definition mobile TV, video conferencing, and 3D television.

**5G Fifth generation mobile networks:** These are the next telecommunications standards which provides higher capacity than current 4G, allowing higher number of mobile broadband users per area unit. This would make it feasible for a large portion of the population to stream high-definition media many hours per day with their mobile devices, when out of reach of WiFi hotspots.

**Asymmetric Digital Subscriber Line (ADSL):** A digital technology that allows the use of a standard telephone line to provide high speed data communications. Allows higher speeds in one direction (towards the customer) than the other.

**Broadband:** In telecommunications, broadband is wide bandwidth data transmission which transports multiple signals and traffic types. The medium can be coaxial cable, optical fibre, radio or wireless. In the context of Internet access, broadband is used to mean any high-speed Internet access that is always on and faster than traditional dial-up access.

**Broadband Internet Access:** Often shortened to just 'Broadband' is the process of connecting to the Internet and transferring high volume of data at high speed rates. Connections are measured in Kilo Bits Per Second (kbps) or Mega Bits Per Second (Mbps). The higher volume of data per second is transferred the better the connection is.

**DSLAM:** A digital subscriber line access multiplexer (DSLAM) is a network device, often located in telephone exchanges, that connects multiple customer digital subscriber line (DSL) interfaces to a high-speed digital communications channel using multiplexing techniques.

**Exchange only lines:** Exchange Only (EO) properties are connected directly to the exchange – there is no green cabinet between the property and the exchange to upgrade with fibre cabling. This is why superfast speeds cannot be reached by these properties until BT Openreach have installed two new cabinets – one for fibre and one for copper.

**Fibre-to-the-Cabinet (FTTC):** Fibre to the Cabinets (FTTC) is the main fibre technology currently in use in the Scottish network. It uses fibre-optic cables throughout the network right up to the street cabinet. Copper wires then connect the cabinet to homes and businesses. FTTC currently offers download speeds of up to 80Mbps and upload speeds up to 20Mbps.

**Fibre-to-the-Premises (FTTP):** Fibre to the premise or FTTP means fibre-optic cables run right to the door of each house or business. It currently has the potential to provide wholesale download speeds up to 330Mbps and upload speeds up to 30Mbps. FTTP is starting to become available on demand in certain areas where FTTC broadband has been deployed.

**Internet:** A global network of networks, using a common set of standards (e.g. the Internet Protocol), accessed by users with a computer via a service provider.

**ISP Internet Service Provider:** A company that provides access to the internet.

**Mobile Broadband:** Various types of wireless high-speed internet access through a portable modem, telephone or other device.

**Next Generation Access:** Next-generation access describes a significant upgrade to the broadband available by making a step change in speed and quality of the service. This is typically thought of as a download speed of 24Mb plus and a fast upload speed.

**Point of Presence (PoP):** Point of presence (POP) is the point at which two or more different networks or communication devices build a connection with each other. POP mainly refers to an access point, location or facility that connects to and helps other devices establish a connection with the Internet.

**Public hotspot:** A public location which provides access to the internet usually using WiFi technology.

**Satellite Broadband:** Satellite broadband is delivered by a satellite in orbit around the earth which communicates with a computer via a satellite dish on the person's premises. The capability of current satellite broadband services is around 10 Mbps, however, the next generation could potentially deliver speeds of up to 50 Mbps.

**Superfast Broadband:** Super-fast broadband is generally taken to mean broadband products that provide a maximum download speed that is greater than 24 Mbps. This threshold is commonly considered to be the maximum speed that can be supported on current generation networks.

**Universal Service Obligation (USO):** No individual, business or property is currently entitled to a broadband connection and as such, no provider is obligated to provide one. The UK Government has announced its intention to introduce a legal right to 'demand' a broadband service. Ofcom are currently consulting on the technical aspects of a broadband universal service obligation (USO), and plan to report their findings to the UK Government, with implementation expected by 2020

**Wireless LAN or WiFi (Wireless Fidelity):** Short range wireless technologies which allow an over-the-air connection between a wireless client and a base station, or between two wireless client



## PERTH AND KINROSS COUNCIL

## Strategic Policy &amp; Resources Committee

29 November 2017

## AUDIT SCOTLAND – EQUAL PAY IN SCOTTISH COUNCILS

## Report by Depute Chief Executive and Chief Operating Officer

**PURPOSE OF REPORT**

This report provides an update on the findings of the Audit Scotland report on equal pay in Scottish Local Government. It confirms there are no outstanding equal pay liabilities for Perth & Kinross Council, and provides reassurance that the Council has fair and transparent pay arrangements with regular equal pay audits.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 Historically, the pay and conditions of Council employees have been governed by different national agreements, for example pay and conditions for manual workers were different to those for administrative, technical and professional (APTC) workers. The differences between these groups of employees arose from national bargaining arrangements with different unions and historically favoured roles traditionally carried out by men. Equal pay claims about these differences were common in the 1990s and Councils made expensive settlements for historical discrimination. National negotiations commenced in the late 1990s to work towards implementing new pay and grading structures which would ensure that Councils complied with equal pay legislation.
- 1.2 In 1997, a UK-wide national agreement was reached to unify the pay structures of different groups of Council employees and this became known as the Single Status Agreement (SSA) or the “red book”. This agreement covered around 1.4 million workers across the UK, and Scottish Councils and trade unions negotiated the Scottish version of the SSA in 1999. By harmonising employment terms and conditions, and grading all jobs on the same pay scale, this agreement sought to eliminate pay inequality for all.
- 1.3 The Audit Scotland audit of equal pay in local government in Scotland focussed on the following themes:
  - Implementation of the Single Status Agreement (SSA)
  - Expenditure by Councils on settling equal pay claims
  - Dealing effectively with equal pay claims and minimising future risks
  - Governance and oversight arrangements of the SSA
  - Lessons for the future
- 1.4 The audit included interviews with a range of staff at 6 sample Councils and requested information from all 32 Councils. Perth & Kinross Council provided detailed information as part of the audit and was not selected as one of the sample councils.

## **2. SUMMARY OF AUDIT FINDINGS**

- 2.1 The Audit Scotland report ["Equal Pay in Scottish Councils"](#) in September 2017 identified a number of key messages as a result of the audit which are as follows:
- 2.2 Under equality legislation, all employers have a legal responsibility to ensure that women and men receive equal pay for work of equal value. In 1999, Scottish Councils and trade unions entered into the Single Status Agreement. The aim of the agreement was to harmonise local government pay and employment terms and conditions, and eliminate pay inequality.
- 2.3 Implementing the Single Status Agreement was a complex process which required each Council to undertake a large scale job evaluation exercise. Councils underestimated the challenges involved and all but one missed the agreed implementation date of 2004. It was not until 2010 that all Councils in Scotland had Single Status in place. This was 11 years after the agreement was signed, with implementation taking twice as long as initially planned.
- 2.4 Audit Scotland found there had been a lack of collective national leadership to overcome the challenges and address equal pay in a timely way.
- 2.5 Councils initially worked on the basis that they could offset the costs of implementing Single Status with savings from changes to staff conditions and by improving staff productivity. Councils received no additional funding to implement their new pay and grading structures. In reality, Single Status brought significant costs and some Councils and trade unions found themselves balancing the risk of industrial unrest with affordability. This meant that some of the approaches taken by Councils when implementing Single Status did not always prioritise pay equality and were later found to be discriminatory.
- 2.6 Councils sought to compensate workers who historically had been unfairly paid by offering payments if they signed compromise agreements. Councils paid around £232 million to approximately 50,000 workers in this way. The payments made were often of a relatively low value compared with the difference in pay over time, so some people refused them. Even while Councils were implementing Single Status, they continued to receive thousands of equal pay claims for historical pay discrimination.
- 2.7 All Councils received equal pay claims after implementation of Single Status. There were many reasons for these claims, for example, claims against pay and bonus protection given to predominantly male workers and discrimination in job evaluation schemes. Since 2004, around 70,000 equal pay claims have been lodged against Scottish Councils. The cost of compensation agreements and settling claims, along with legal fees, amounts to around £750 million. The number of claims made against individual Councils varies widely, and some of this variation can be explained by how actively “no win no fee” lawyers have encouraged claims in different Council areas. At the time of publication of the Audit Scotland report, there were almost 27,000 live equal

pay claims and workers could still potentially make new claims against Councils.

- 2.8 Councils need to be confident they have fair and transparent pay arrangements and take necessary action, such as regular equal pay audits, to deliver pay equality in line with their public sector equality duty. Elected members need to continue to oversee, scrutinise and challenge Councils' approaches to delivering equal pay and reducing the gender pay gap.

### **3. IMPLICATIONS FOR PERTH & KINROSS COUNCIL**

#### **Single Status Agreement**

- 3.1 In October 2005, the Executive Sub Committee of the Council's Strategic Policy & Resources Committee approved a package of proposals in respect of a new pay, grading and benefits package in accordance with the Single Status Agreement. This followed an extensive job evaluation exercise and a comprehensive review of all terms and conditions of employment. The costs associated with the implementation of a new pay structure were partially offset through changes to terms and conditions including revised overtime rates, the removal of weekend enhancements, the removal of all productivity bonus schemes and adopting Inland Revenue mileage rates for staff travel, etc.
- 3.2 The package was offered to the trade unions in November 2005 after which a further extensive period of consultation and negotiation ensued, including an employee consultation survey on the proposals through the Electoral Reform Society in November 2006.
- 3.3 An independent equalities impact assessment on the proposed pay and grading structure was completed in February 2007. The equalities impact assessment confirmed that the proposed pay structure was equal pay compliant subject to reducing the number of increments in the proposed GE1 grade, the phasing out of overlaps and implementation of regular equal pay audits. All recommendations were approved at the Leaders' Meeting on 19 February 2007 and incorporated into the Single Status Pay Structure.
- 3.4 In March 2007, the trade unions representing the Perth & Kinross Council workforce advised that a collective agreement would not be achievable; so the Council determined that the best way to implement within a reasonable timescale was by writing to employees directly seeking their individual agreement to the implementation of a revised Single Status contract of employment from 1 August 2017. 98% of employees agreed to offer to vary their contract. Subsequently the remaining 2% of employees had their contracts of employment terminated and were re-engaged under a new Single Status contract of employment.

- 3.5 Despite the lengthy consultation and negotiation process, Perth & Kinross Council was one of the first Councils in Scotland to implement a comprehensive Single Status package which included both a revised pay and grading structure and a new set of terms and conditions of employment. The extent of changes to terms and conditions was significant in comparison to many Scottish Councils at that time and included revised overtime rates, the removal of weekend enhancements, the removal of all productivity bonus schemes, changes to unsocial hours payments, the removal of essential user car allowances and adopting Inland Revenue mileage rates for staff travel.
- 3.6 Following implementation of Single Status in 2007, regular progress reports on Single Status implementation issues, appeals and equal pay claims were submitted to the Leaders' Meeting. In addition, regular updates were provided to the Council's Single Status Joint Negotiating Committee and the Council's Executive Officer Team.

### **Equal Pay Claims**

- 3.7 Prior to the implementation of Single Status, the Council settled historical equal pay anomalies relating to the Cleaning, Catering and Care Groups. The total cost of this exercise amounted to £795,646 which included a 30% concessionary payment to HM Revenue & Customs (HMRC) to cover employers' and employees' tax and national insurance liabilities. All 205 employees signed legally binding compromise agreements.
- 3.8 Following these payments, 263 equal pay claims were lodged with the Employment Tribunal system against the Council. The majority of these claims were from Social Care Officers and School Support staff ie Early Childhood Practitioners, Support for Learning Assistants and Classroom Assistants. 244 of these claims related to the former pay and grading schemes prior to the implementation of Single Status in August 2007. 19 claims related to the successor Single Status Pay & Grading Scheme by claimants who were challenging the Single Status Job Evaluation outcome for their posts. All 19 of these post Single Status claims were subsequently abandoned by claimants.
- 3.9 A further 97 claims were abandoned and either withdrawn or struck out by the Employment Tribunal (as claimants failed to respond to correspondence), which reduced the number of live claims to 147.
- 3.10 All these claims have now been settled at a total cost of £641,373 which includes a payment to HMRC to cover employers' and employees' tax and national insurance liabilities, and specialist legal fees.
- 3.11 For Perth & Kinross Council, the risk of pre-Single Status claims (ie claims relating to the period prior to 1 August 2007) has now ended because any such claim had to be lodged within a 5 year period, ie 1 August 2012.

- 3.12 The post-Single Status Preservation Agreement applied to those whose pay grades reduced when the Single Status Agreement took effect. This preservation lasted until 2010 – therefore, the risk of any additional claims relating to preservation arrangements ended in 2015. As such, by 2015 there was no residual risk of any new equal pay claims in respect of the pre-Single Status Pay & Grading Schemes.
- 3.13 In addition to its own equal pay liabilities, the Council also contributed to its share of the outstanding equal pay liability for Tayside Contracts. This amounted to payments of £2,006,000 in 2006/07 and £245,000 in 2007/08.
- 3.14 The Council developed a strategy to manage both the Council's liability and its share of the liabilities of Tayside Contracts. The essence of the approved strategy was to determine the probability of a range of financial outcomes based on the limited information at the time. The approved strategy involved earmarking £6 million of the Council's General Fund reserves to provide for the high and moderate risk scenarios. With the resolution of Council and Tayside Contracts equal pay cases, there was no longer a need to set aside a sum within the Council's reserves.
- 3.15 The Council has maintained a robust job evaluation process since the implementation of Single Status to maintain the integrity of the pay and grading structure and ensure compliance with equal pay principles. The Council's job evaluation procedures were the subject of an internal audit in March 2016 which confirmed that adequate and effective internal controls were in place.
- 3.16 Equality Impact Assessments are carried out on any proposed changes to terms and conditions in order to determine any impact on all protected characteristics including gender eg implementation of the Living Wage, Modern Apprenticeship Pay Rates, Holiday Pay plussage.

### **Reducing the Pay Gap**

- 3.17 Perth & Kinross Council was the first Scottish Council to implement regular Equal Pay Audits which have taken place since 2006/07. Initially, these focussed on Single Status employees but have now been extended to include all other employee groups. The purpose of equal pay audits is to identify any differences in pay between men and women doing equal work, to investigate the causes of any differences in pay between men and women doing equal work, and to eliminate instances of unequal pay which cannot be justified. This is a proactive approach which minimises the risk of any future equal pay claims.
- 3.18 The results of Equal Pay Audits have been reported to the Executive Officer Team and to the Equality & Diversity Member Officer Working Group since they were introduced in 2006/7.

- 3.19 Ensuring women and men receive equal pay for work of equal value should contribute to closing the gender pay gap. The Audit Scotland report highlights that, in Scotland, the pay gap between male and female employees is currently about 15% in favour of males. In 2016, the Local Government Benchmarking Framework (LGBF) introduced a new indicator for the Gender Pay Gap which requires to be completed annually by all Scottish Councils.
- 3.20 The most recent equal pay audit (carried out on data from 2016/17) showed that the Council's overall pay gap based on average hourly rates is now 0.4% in favour of female employees. The comparative figure for 2015/16 was 0.6% in favour of males. These gender pay gap figures demonstrate that there are minimal differences between the average pay of males and females within the Council which compares favourably with the national position highlighted by Audit Scotland.
- 3.21 Like all Scottish Councils, Perth & Kinross Council has identified pressure at the lower end of its pay and grading structure because of the Scottish Local Government Living Wage. A review of the pay and grading structure is currently being carried out ahead of any adverse impact on pay differentials for lower graded supervisory posts; this will also ensure the Council has a sustainable pay structure in the medium and longer term. An independent Equality Impact Assessment will be carried out on the preferred grading model to ensure it complies with equal pay provisions.

## 4. RECOMMENDATIONS

- 4.1 It is recommended that the Strategic Policy & Resources Committee:
- Notes the findings of the Audit Scotland report on equal pay in local government
  - Notes the progress made by Perth & Kinross Council in having fair and transparent pay arrangements and regular equal pay audits to deliver pay equality in line with our public sector equality duty

### Author

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### Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Chief Operating Officer	6 November 2017

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

Not applicable.

### 2. Resource Implications

Not applicable.

### 3. Assessments

Not applicable.

### 4. Consultation

#### Internal

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

### 5. Communication

Not applicable.

**2. BACKGROUND PAPERS**

Audit Scotland – ["Equal Pay in Scottish Councils"](#) September 2017

**3. APPENDICES**

Not applicable.