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Council Building
2 High Street
Perth
PH1 5PH

12 February 2020

A Meeting of **Perth and Kinross Council** will be held in **the Council Chamber, 2 High Street, Perth, PH1 5PH** on **Wednesday, 19 February 2020** at **12:30**.

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

KAREN REID
Chief Executive

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

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

Members:

Provost D Melloy
All Councillors

Perth and Kinross Council

Wednesday, 19 February 2020

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 NOTICE OF MOTION IN TERMS OF STANDING ORDER 39**
- 3(i) BEECHGROVE HOUSE 5 - 6**
Motion - Proposed by Councillor S McCole to be seconded by Councillor T McEwan
- 4 MINUTE OF MEETING OF PERTH AND KINROSS COUNCIL OF 18 DECEMBER 2019 FOR APPROVAL AND SIGNATURE 7 - 14**
(copy herewith)
- 5 MINUTES OF COMMITTEES - 10 DECEMBER 2019 TO 29 JANUARY 2020**
(copy to follow)
- 6 TREASURY ACTIVITY AND COMPLIANCE REPORT 2019/20 QUARTER 3 15 - 34**
Report by Head of Finance (copy herewith 20/48)
- 7 PERTH AND KINROSS CPP ANNUAL PERFORMANCE REPORT 2018/19 35 - 54**
Report by Depute Chief Executive (Chief Operating Officer) (copy herewith 20/47)
- 8 SCOTLAND'S LOW EMISSION ZONES: CONSULTATION ON REGULATIONS AND GUIDANCE 55 - 66**
Report by Head of Planning and Development (copy herewith 20/49)
- 9 PERTH AND KINROSS COUNCIL'S PROPOSED RESPONSE ON THE SCOTTISH GOVERNMENT CONSULTATION PAPER: PLANNING PERFORMANCE AND FEES 67 - 94**
Report by Head of Planning and Development (copy herewith 20/50)

10 APPOINTMENTS TO COMMITTEES/OUTSIDE BODIES
(copy herewith)

95 - 96

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

10(xiii) APPOINTMENTS TO COMMITTEES/OUTSIDE BODIES CONT.

- Exempt Reason 6 - Information relating to the financial or business affairs of any particular person (other than the authority).

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Perth and Kinross Council

19 February 2020

Beechgrove House

Motion – Proposed by Councillor S McCole to be seconded by Councillor T McEwan

Council asks officers to carry out a full and detailed options appraisal in relation to the future use of the current buildings and site formerly Beechgrove House, and in particular within that wide-ranging appraisal to explore the viability of the site for future health and social care and mixed tenure housing. The outcome of the options appraisal to come back to Council for consideration.

PERTH AND KINROSS COUNCIL
COUNCIL MEETING
18 DECEMBER 2019

COUNCIL MEETING

Minute of meeting of Perth and Kinross Council held in the Council Chamber, Ground Floor, Council Building, 2 High Street, Perth on Wednesday 18 December 2019 at 11.00am.

Present: Provost D Melloy, Councillors C Ahern, H Anderson, A Bailey, K Baird, M Barnacle, P Barrett, B Brawn, A Coates, H Coates, S Donaldson, E Drysdale, J Duff, A Forbes, D Illingworth, I James, A Jarvis, G Laing, M Lyle, R McCall, S McCole, X McDade, T McEwan, A Parrott, B Pover, C Purves, J Rebbeck, C Reid, W Robertson, F Sarwar, C Shiers, L Simpson, R Watters, M Williamson and W Wilson.

In Attendance: K Reid, Chief Executive; J Valentine, Depute Chief Executive; S Devlin, Executive Director (Education and Children's Services); B Renton, Executive Director (Housing and Environment); G Paterson, Chief Officer/Director – Integrated Health and Social Care; K McNamara, Depute Director (Housing and Environment); J Pepper, Depute Director (Education and Children's Services) and Chief Social Work Officer; P Marshall, F Crofts, E Queen, N Rogerson, S Best, E Kourtesi, C Gray and J Cruickshank (all Housing and Environment); L Simpson, S Hendry, S MacKenzie, K Donaldson, F Robertson, D McPhee, D Ross, K Barron and L Gowans (all Corporate and Democratic Services); R Drummond, H Robertson and M Roy (all Education and Children's Services); B Atkinson, Independent Chair of Perth and Kinross Adult Protection Committee and Child Protection Committees.

Apologies for Absence: Councillors B Band, R Brock, D Doogan and T Gray.

Provost D Melloy, Presiding.

The Provost led the discussion for Arts. 652-657, 660-661 and 664-668 and the Depute Provost for Arts. 658-659 and 662-663.

652. WELCOME AND APOLOGIES

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

653. DECLARATIONS OF INTEREST

In terms of the Councillors' Code of Conduct, Councillors C Purves and W Robertson both declared a non-financial interest in Art. 668, and Councillor S McCole declared a non-financial interest in Art. 657.

Prior to the commencement of the main business, Councillor M Lyle congratulated Councillor D Doogan on his recent election as MP for Angus at the UK Parliamentary Elections on 12 December 2019.

654. NOTICE OF MOTION IN TERMS OF STANDING ORDER 39

PAYMENT OF NEW REAL LIVING WAGE RATE

Motion (Councillors A Bailey and X McDade)

Council notes that an increase in the Real Living Wage to £9.30 per hour was announced by the Living Wage Foundation in early November. This increase takes into account higher transport costs, private rents and council tax bills that have already hit the pockets of our staff. As an accredited Living Wage Employer, Council would ordinarily pass on the new rate effective 1 May 2020.

Council instead agrees to pay the new £9.30 per hour Real Living Wage rate effective 1st November 2019. The costs of doing so will be £26,000 to be funded from the projected under spend in the Unfunded Pensions Budget which was reported to the Strategic Policy & Resources Committee on 27 November 2019. 262 staff members will benefit from this change. This position will be kept under review in future financial years.

Amendment (Councillors P Barrett and W Wilson)

In accordance with the Motion but with deletion of the final sentence and its replacement with the following:

For future years the Council agrees to implement the Real Living Wage as soon as possible after its announcement and effective from the date of announcement by the Living Wage Foundation and that this earlier implementation date is built into the Council's annual revenue budget setting process.

In terms of Standing Order 58 a roll call vote was taken.

31 members voted for the Motion as follows:

Councillors C Ahern, H Anderson, A Bailey, K Baird, M Barnacle, B Brawn, A Coates, H Coates, S Donaldson, E Drysdale, J Duff, A Forbes, D Illingworth, I James, A Jarvis, G Laing, M Lyle, R McCall, S McCole, X McDade, T McEwan, Provost Melloy, A Parrott, B Pover, C Purves, J Rebbeck, C Reid, F Sarwar, C Shiers, R Watters and M Williamson.

4 members voted for the Amendment as follows:

Councillors P Barrett, W Robertson, L Simpson and W Wilson.

Resolved:

In accordance with the Motion.

PERTH AND KINROSS COUNCIL
COUNCIL MEETING
18 DECEMBER 2019

655. MINUTES

(i) Minute of meeting of Perth and Kinross Council of 25 September 2019

The minute of the meeting of Perth and Kinross Council of 25 September 2019 (Arts. 490-503) was submitted, approved as a correct record and authorised for signature.

(ii) Minute of special meeting of Perth and Kinross Council of 22 October 2019

The minute of the special meeting of Perth and Kinross Council of 22 October 2019 (Arts. 513-515) was submitted, approved as a correct record and authorised for signature.

656. MINUTES OF MEETINGS OF COMMITTEES FROM 11 SEPTEMBER 2019 TO 27 NOVEMBER 2019

The decisions recorded in Arts. 432-489, 504-512 and 516-610, copies of which had been circulated to all members of the Council, were submitted and noted.

657. REVIEW OF DRAFT PERTH CITY PLAN

There was submitted a report by the Depute Chief Executive (19/360) outlining the proposed revisions to the Perth City Plan following review by the Perth City Development Board.

John Bullough, Chair of the Perth City Development Board, provided members with a slide based presentation on the proposed revisions to the Perth City Plan and answered a number of questions.

Resolved:

- (i) The amendments to the narrative and structure of the Draft Perth City Plan be endorsed.
- (ii) The Perth City Development Board to be advised that the Council's support and communication on the finalised plan will be developed through the Perth and Kinross Offer.
- (iii) It be noted that the Board is in the process of finalising revised governance arrangements and will seek a Council response to its participation on the Board once these have been finalised.
- (iv) A further briefing session for elected members to be arranged on the review of the draft Perth City Plan.

658. PERTH AND KINROSS OFFER UPDATE

There was submitted a report by the Chief Executive (19/361) providing Council with an update on the implementation of the Perth and Kinross Offer programme from June – December 2019.

PERTH AND KINROSS COUNCIL
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18 DECEMBER 2019

Resolved:

- (i) The progress made on the Perth and Kinross Offer in the past six months be noted;
- (ii) The key priorities for 2020, as outlined in paragraph 3.1 of Report 19/361, be approved;
- (iii) The Chief Executive be requested to bring forward a further report, by Spring 2020, outlining the framework along with the communication and engagement plan.

659. INTERIM CLIMATE EMERGENCY REPORT AND ACTION PLAN

There was submitted a report by the Depute Chief Executive (19/362) setting out an initial routemap to meeting the ambitions of the Council Motion agreed in June 2019 on climate change, as well as highlighting the targets, challenges, and the action the Council is already taking to address climate change.

Resolved:

- (i) The Interim Climate Emergency Report and Action Plan (Appendix 1 of Report 19/362) be approved as a basis for engagement with stakeholders to produce a shared vision and action programme, and to deliver a resilient and net zero carbon Perth and Kinross.
- (ii) The Depute Chief Executive to bring forward a report to the next Council meeting on proposals for the establishment of a Perth and Kinross Climate Change Commission.
- (iii) The Depute Chief Executive to bring forward a report to the Council following 2020 summer recess with the results of the climate change engagement activity and an updated route map for the delivery of a vision and action plan.

THERE FOLLOWED A RECESS AND THE MEETING RECONVENED AT 12.57PM.

660. TREASURY ACTIVITY AND COMPLIANCE REPORT 2019/20 QUARTER 2

There was submitted a report by the Head of Finance (19/363) updating the Council on treasury activity for the quarter ending 30 September 2019 as well as reporting on compliance with the Council's Treasury Management Policy Statement, Treasury Management Practices, the Investment Strategy and the Prudential Indicators for the same period. The report also covered the annual review of the Treasury Management Systems Document.

Resolved:

- (i) The contents of Report 19/363, submitted in accordance with the Council's approved Treasury Management Practices, be noted;
- (ii) The annual review of the Treasury Management Systems Document, as detailed in Section 7 of Report 19/363, be noted.

661. EQUALITIES PERFORMANCE REPORT 2018/19

There was submitted a report by The Executive Director (Housing and Environment) (Report 19/364) seeking approval for the Equalities Performance Report 2018/19.

PERTH AND KINROSS COUNCIL
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18 DECEMBER 2019

Resolved:

The contents of Report 19/364 be approved.

662. CHIEF SOCIAL WORK OFFICER ANNUAL REPORT 2018/19

There was submitted a report by the Chief Social Work Officer (19/365) providing an overview of social work services in Perth and Kinross during financial year 2018/19.

Resolved:

The Chief Social Work Officer Annual Report 2018/19, as appended to Report 19/365, be approved.

663. PERTH AND KINROSS CHILD PROTECTION COMMITTEE STANDARDS AND QUALITY REPORT 2018/2019

There was submitted a report by the Chief Social Work Officer (19/347) providing an overview of the key activities and work of the Perth and Kinross Child Protection Committee for 2018/19.

Bill Atkinson, Independent Chair of the Committee, was in attendance to introduce the report and answer members' questions.

Resolved:

- (i) The wide range of work being carried out by Perth and Kinross Council and partners through the Child Protection Committee, to provide high quality services to protect children and young people, in particular the high level commitment to continuous improvement through self-evaluation, be noted.
- (ii) The contents of Report 19/347, including the Child Protection Committee Standards and Quality Report 2018/2019 (Appendix 1), the Improvement Plan 2018-2020 at 31 July 2019 (Appendix 2), and the Child Sexual Exploitation Work Plan at 31 July 2019 (Appendix 3), be endorsed.
- (iii) It be noted that Report 19/347 had been submitted to the Scrutiny Committee on 27 November 2019 for scrutiny and comment.

664. ADULT SUPPORT AND PROTECTION ANNUAL REPORT 2018-19

There was submitted a report by the Chief Social Work Officer (19/348) providing an update on the work of the Perth and Kinross Adult Protection Committee and activity over 2018-2019.

Bill Atkinson, Independent Chair of the Committee, was in attendance to introduce the report and answer members' questions.

Resolved:

- (i) The contents of Report 19/348 be noted.
- (ii) It be noted that Report 19/348 had been submitted to the Scrutiny Committee on 27 November 2019 for scrutiny and comment.

PERTH AND KINROSS COUNCIL
COUNCIL MEETING
18 DECEMBER 2019

665. REVIEW OF PARLIAMENTARY CONSTITUENCY POLLING DISTRICTS AND POLLING PLACES

There was submitted a report by the Depute Chief Executive (19/366) seeking the Council's views on proposed changes to the parliamentary constituency polling districts and polling places within the area of Perth and Kinross following the recent review.

Motion (Councillors M Lyle and J Duff)

Approve the recommendations as set out in Report 19/366.

Amendment (Councillors A Parrott and E Drysdale)

Accept the recommendations as set out in Report 19/366, with the following exceptions:

In respect of PLJ – Railway Staff Club and PCW – St John's RC Church Hall, a further assessment of polling place options in ward 12 be undertaken. This assessment process will include accessibility (Disability Discrimination Act compliance/parking/public transport) and availability and will involve local ward members. The outcome of this assessment will be reported to a future meeting of the Council for decision.

Note – The Mover and Seconder of the Motion agreed to incorporate the Amendment into the Revised Motion.

Resolved:

- (i) **The proposals for the designation of polling districts and polling places as set out in Appendix 1 to Report 19/366 be endorsed, with the exceptions of SMF (Ruthvenfield Primary School, Huntingtower) and PLA (Moncrieffe Community Centre) which will be retained as polling places. Furthermore, in relation to PLJ - Railway Staff Club and PCW – St John's RC Church Hall, a further assessment of polling place options in ward 12 to be undertaken. This assessment process will include accessibility (Disability Discrimination Act compliance/parking/public transport) and availability and will involve local ward members. The outcome of this assessment to be reported to a future meeting of the Council for decision.**
- (ii) **The proposal to provide an evaluation of alternative polling stations for SMA (Pitcairngreen Village Hall), with a report to a future Council meeting, be approved.**

666. AMENDMENTS TO GOVERNANCE DOCUMENTS

Resolved:

- (i) **The Changes to the Scheme of Administration and Planning Scheme of Delegation, as set out in Item 15 on the agenda, be agreed.**

PERTH AND KINROSS COUNCIL
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- (ii) Furthermore, in relation to Part 2, Section 12.2 of the Scheme of Administration, the quorum for meetings of the Local Review Body to be amended from 2 to 3.

667. MEMBERSHIP OF COMMITTEES

Resolved:

Councillor A Jarvis be appointed to the vacant position on the Scrutiny Committee.

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.

668. UPDATE ON CULTURAL MATTERS

The Chief Executive provided members with a confidential briefing on cultural matters.

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# PERTH AND KINROSS COUNCIL

19 February 2020

## TREASURY ACTIVITY AND COMPLIANCE REPORT 2019/20 QUARTER 3

Report by Head of Finance  
(Report No. 20/48)

### PURPOSE OF REPORT

The purpose of this report is to update the Council on Treasury Activity for the quarter ending 31 December 2019 and to report on compliance with the Council's Treasury Management Policy Statement (TMPS); Treasury Management Practices (TMPs); the Investment Strategy and the Prudential Indicators for the same period. The report also proposes continuation of the current Treasury Strategy, Permitted Investments and Prudential Indicators until the Council meeting on 22 April 2020.

### 1. BACKGROUND / MAIN ISSUES

- 1.1 Treasury Management Practice 6 (TMP 6 - Reporting Requirements & Management Information Arrangements) requires that Loans Fund borrowing and investment activities are reported quarterly to the Council. This report covers the third quarter of the financial year for the period from 1 October to 31 December 2019. TMP 6 also requires that compliance with the approved TMPs, Treasury Policies and Investment Strategy are reported quarterly and this report also covers compliance for the period. The Prudential Indicators are monitored throughout the year and reported as part of the quarterly Treasury Activity and Compliance report.

### 2. ECONOMIC BACKGROUND

- 2.1 The Bank of England Monetary Policy Committee (MPC) made no change to the Bank Base Rate of 0.75% or the quantitative easing (QE) programme of £435bn during the quarter. UK Gross Domestic Product (GDP) grew by 0.3% in the quarter to September. Growth in the service sector remained weak, with growth being the lowest since 2010.
- 2.2 During the quarter, UK unemployment in November stood at 3.8% and remained at around the lowest levels since the 1970's, whilst UK CPI inflation fell from 1.7% to 1.3% over the quarter to December. At the same time, average earnings remained above the rate of inflation. Retail sales continued to fall in November with consumers reducing spending amid Brexit and uncertainty ahead of the December election. Business investment and the housing market also slowed.
- 2.3 Internationally, Eurozone GDP growth was 0.2% in the quarter to September 2019, whilst inflation rose to 1.3% in December 2019 due to increases in energy and food costs. EU unemployment remained at 6.3% in November 2019, which was unchanged from the previous month.

- 2.4 In the US, the Federal Reserve interest rate was reduced to between 1.50% and 1.75% in October. This was the third rate cut in a year as inflation remains subdued and concerns remain about the economic outlook and ongoing trade tensions with China. The US economy grew by 2.1% annually to September 2019. Forecasts for future growth were reduced, whilst the global outlook for economic growth remained subdued.
- 2.5 The Public Works Loan Board's (PWLB) Certainty fixed interest rates for the quarter, which are based on yields on UK gilts, are shown in the graph at Appendix I. On the 9 October 2019 the UK Treasury amended its lending arrangements by increasing PWLB borrowing rates by 1%. In addition, yields rose over the quarter in response to developments with Brexit and reduced political uncertainty. PWLB rates for all borrowing periods were, therefore, higher by the end of the quarter.

### **3. TREASURY ACTIVITY**

- 3.1 A summary of the Council's treasury position and transactions is shown at Appendix II. The main activities are detailed below.
- 3.2 During the quarter there was repayment of two maturing fixed rate PWLB loans totalling £10,000,000 at an average rate of 2.98%. There was no new PWLB borrowing in this quarter due to the increase in PWLB rates, therefore the Council's total long-term debt decreased from £514M to £504M. The average interest rate on the Council's loan portfolio with the PWLB at the end of the quarter remained at 2.69%, whilst the average interest rate on all long-term debt remained at 2.85%.
- 3.3 There were three short term market loans borrowed during the quarter. The average amount was £5.8M for an average period of 28 days and at an average rate of 0.67%. Common Good and Charitable Funds held on fixed deposit within the Loans Fund remained unchanged at £2.1M with an average interest rate paid on these funds of 1.03%. Funds held from associated bodies and organisations decreased from £2.3M to £2.1M over the quarter, in line with their own cash flow requirements, whilst the average rate paid on these funds decreased from 0.18% to 0.10%, in accordance with the approved Temporary Loan policy.
- 3.4 Short term cashflow surpluses were invested in a mixture of fixed term deposits, instant access accounts, notice accounts and money market funds. All investments were made in accordance with the approved Investment Strategy and Permitted Investments.

#### Fixed Term Deposits

- 3.5 Cashflow surpluses which arise during the year and which are not immediately required are invested in fixed term deposits for periods of up to 12 months. As there was no PWLB borrowing over this quarter, the amount of fixed deposits decreased. Consequently, there were 5 fixed deposits made in the quarter, at an average amount of £4.4M, compared to 20 deposits

averaging £6.2M in the previous quarter. The average period of the deposits was 345 days, which increased slightly from 325 days in the previous quarter. The average rate achieved decreased to 1.04% in the quarter (1.09% in the previous quarter) reflecting the reduction in rates offered by the banks.

#### Investments for Daily Cashflow Requirements

- 3.6 Cashflow surpluses which arise during the year but which are required for more immediate needs, usually within the next 3 months, are invested with the Council's instant access, notice deposit accounts and money market funds. The daily average amount of such investments held over the quarter increased from £4.7M in the last quarter to £6.0M in the current quarter. The average interest rate achieved on these accounts over the quarter increased slightly from 0.78% to 0.79%.
- 3.7 All of the above investment activities are consistent with the Council's current investment strategy and cashflow requirements.
- 3.8 The total amount of investments outstanding at the end of the quarter reduced, closing at £165.2M compared to £184.9M at the end of the last quarter. The overall average rate of interest earned on the investments outstanding at the end of the quarter increased to 1.11% from 1.07% in the previous quarter. Total investment income generated on the investments undertaken during the quarter was £290,183, down from £1,333,089 earned on the investments undertaken in the previous quarter. The decrease in investment income reflects the decrease in the number of fixed deposits made in the quarter as described above. This movement reflects how investment income is reported. Income from Treasury activity is effectively shown on an annual basis, enabling the Treasury reports to separately highlight the total return on investments made in each quarter. As previously reported, the Council borrowed £115 million from the Public Works Loans Board in the period July - September last year due to historically low interest rates. This resulted in the Council having significantly more funds to invest during the last quarter and hence a much higher level of reported investment income. The movement in investment income in the current quarter, therefore, reflects the amount of new funds available to invest rather than any reduction in investment returns or the value of the Council's existing investments.

#### **4. COMPLIANCE**

- 4.1 For the quarter ending 31 December 2019, there were no breaches in compliance with the Council's approved Treasury Management Policy Statement, Treasury Management Practices (TMP's) or lending limits as detailed in TMP 4 (Approved Instruments, Methods & Techniques).
- 4.2 TMP4 also requires that a working list of specific approved counterparties (including lending limits) is maintained by the Head of Finance and continuously reviewed and updated for any movements in credit ratings and other factors including press coverage or emerging issues. The Council's Treasury advisor's (Link Asset Services) suggested maximum lending period

for each counterparty is also included within the Council's approved lending policy, where appropriate. Appendix III shows the list of approved counterparties, based on the current lending policy, as at January 2020.

- 4.3 A further requirement of TMP4 is to measure cashflow performance, which is expressed as the average closing cleared bank balance for the period. For the quarter ending 31 December 2019 the average closing cleared bank balance was £5,544.41 in credit. This is within the set target range of £50,000 (debit or credit).

## **5. INVESTMENT STRATEGY COMPLIANCE AND PERFORMANCE**

- 5.1 The Treasury Investment Strategy for 2019/20 approved by the Council at its meeting on 27 February 2019 (Report No.19/59 refers) sought to ensure security over principal sums invested, whilst obtaining optimum returns consistent with this approach. Therefore, the only Permitted Investments are in low risk organisations. Revised individual counterparty limits were approved by the Council at its meeting on 25 September 2019 (report 19/277 refers). The limits for each Permitted Investment and individual counterparty ensure a spread of investments, thereby also spreading any risk. The Council needs to ensure sufficient liquidity at all times to meet its obligations as they fall due and consequently investments must be made in accordance with cashflow requirements. The approved Strategy was based on the assumption that the level of investments would increase in the first half of the year, however, they were not expected to exceed £80,000,000 unless new borrowing was undertaken early in the year.
- 5.2 The level of investments fluctuated over the quarter and peaked at £203.675M on 16 October 2019. This balance reflects the impact of the PWLB borrowing undertaken over the previous quarter and will steadily reduce over the next 2 years in line with delivery of the Council's Capital Programme. The average daily investment balance over the quarter was £191.0M, which increased from an average of £138.1M in the previous quarter, and increased from £60.1M in the same quarter of last year.
- 5.3 The Investment Strategy was applied in full over the quarter, with liquidity being maintained by the use of instant access accounts, notice accounts and money market funds as detailed in Section 3.6 above. There were no other risks identified in the quarter.
- 5.4 The Investment Strategy also incorporates investments held by the Common Good Funds. All such investments during the quarter were with the Council's Loans Fund, in line with the approved Strategy. The only Council funds held by external fund managers relate to Council administered Charitable Trusts and are, therefore, not covered by this Investment Strategy.
- 5.5 The Annual Property Investment Strategy for 2019/20 was also approved by the Council at its meeting on the 27 February 2019 and has been complied with in full, with no breaches in compliance with Permitted Investment limits.

- 5.6 The budgeted income in 2019/20 for Commercial Property investments was originally projected to be £1,836,000 and has subsequently been increased to £1,922,000. Projections for 2019/20 have been obtained from the Council's Corporate Property system.
- 5.7 There were neither additional risks identified nor new property investments entered into during the quarter. The Strategy action plan for the rationalisation of the commercial property portfolio remains on programme.

## **6. PRUDENTIAL INDICATORS**

- 6.1 The Council approved Prudential Indicators for 2019/20 to 2028/29 as part of the Treasury & Investment Strategy (Report No. 19/59 refers). These indicators are based on the approved Composite Capital Budget and the Housing Investment Programme.
- 6.2 The latest estimates of the Prudential Indicators, in line with the Council's current approved Capital Budget and Capital Financing (borrowing) Requirements, are shown at Appendix IV.
- 6.3 The indicator for Financing Costs remains at a relatively low level as a result of continuing low interest rates, as well as pro-active treasury management. Consequently, they only fluctuate each year within a narrow range, reflecting a stable budgetary position. However, Financing Costs are on a gradually increasing trend as interest rates are anticipated to rise over the coming years, coupled with the estimates now including the increase in interest rates offered by the PWLB. The movements in estimated Capital Expenditure and the Capital Financing Requirement reflect movements on the Composite Capital and Housing Investment programmes approved by the Strategic Policy & Resources Committee.
- 6.4 All Indicators remain within their current and projected estimates and limits, and accordingly all Prudential Limits were complied with throughout the period. Overall, the Council's plans remain affordable, prudent and sustainable over the medium term.

## **7. UPDATED TREASURY STRATEGY AND PRUDENTIAL INDICATORS**

- 7.1 The Council is due to consider the setting of a new 10-year Capital Budget for 2020/21 to 2029/30 at the special Council meeting on 4 March 2020. Once the new Capital Budget has been approved, the Council's Treasury Strategy, including Permitted Investments, and Prudential Indicators for the forthcoming financial year would be formulated and considered by the Council at its next meeting, which should be before the start of the new financial year on 1 April. However, the next meeting of the Council is not scheduled until 22 April 2020.
- 7.2 Consequently, it is proposed that the current approved Treasury Strategy, including Permitted Investments, and the Prudential Indicators continue in place beyond 31 March 2020 until the revised Strategy, Permitted

Investments and Prudential Indicators are considered by the Council at its meeting on 22 April 2020.

## 8. CONCLUSION AND RECOMMENDATIONS

- 8.1 UK GDP grew by 0.3% in the 3 months to September, whilst CPI inflation fell over the quarter to 1.3%. Unemployment levels remained low, whilst average earnings remained above inflation for the quarter. The Bank of England's Monetary Policy Committee made no change to the Bank Base Rate of 0.75%. There was less volatility in the financial markets over the quarter, as a result of Brexit developments, the UK Parliamentary election in December and other global economic developments. During the quarter PWLB rates increased accordingly.
- 8.2 Activities in the quarter included repayment of maturing long-term PWLB loans, with no new borrowing undertaken. Consequently, investment activity decreased in comparison to the previous quarter. Instant access notice accounts and money market funds were used to meet short term liquidity requirements. The level of investments decreased over the quarter in line with expectations.
- 8.3 The Council adhered to its Investment Strategy and policies throughout the quarter, with no breaches in compliance.
- 8.4 It is recommended that the Council:
1. Notes the content of this report, which is submitted in accordance with the Council's approved Treasury Management Practices.
  2. Approve the continuation of the current approved Treasury Strategy, Permitted Investments and Prudential Indicators until the next meeting of the Council scheduled for 22 April 2020 as outlined at Section 7.

### Author(s)

| Name          | Designation       | Contact Details                                                  |
|---------------|-------------------|------------------------------------------------------------------|
| John Jennings | Senior Accountant | <a href="mailto:CHXFinance@pkc.gov.uk">CHXFinance@pkc.gov.uk</a> |

### Approved

| Name              | Designation                                         | Date            |
|-------------------|-----------------------------------------------------|-----------------|
| Stewart MacKenzie | Head of Finance                                     | 6 February 2020 |
| Jim Valentine     | Depute Chief Executive<br>(Chief Operating Officer) | 6 February 2020 |

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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

#### Corporate Plan

- 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.

- 1.2 This report relates to all of these objectives.

### 2. Resource Implications

#### Financial

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

### Workforce

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

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

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

## **3 Assessments**

### Equality Impact Assessment

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

### Strategic Environmental Assessment

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

### Sustainability

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

## **4. Consultation**

- 4.1 The Chief Executive, and the Council's Treasury advisors, Link Asset Services, have been consulted in the preparation of this report.

## **2. BACKGROUND PAPERS**

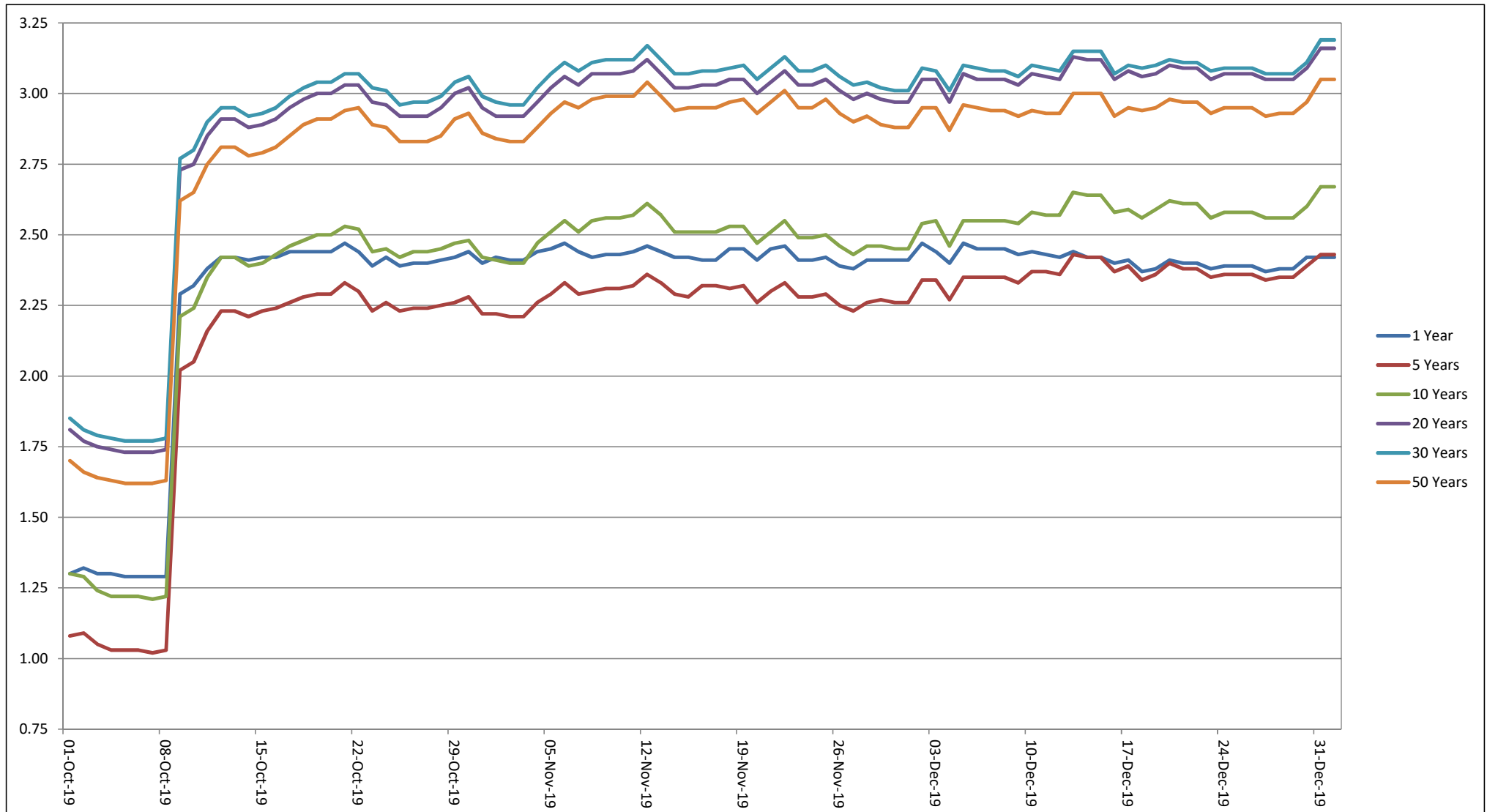
- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

## **3. APPENDICES**

- Appendix I – PWLB Fixed Maturity Interest Rates from 1 October to 31 December 2019.
- Appendix II – Summary of the Treasury Position and Transactions from 1 October to 31 December 2019.
- Appendix III – Approved Investment Counterparty List
- Appendix IV – Monitoring of Prudential Indicators – Quarter-ending 31 December 2019



**PWLB Fixed Maturity Interest Rates  
From 1st October to 31st December 2019  
(Certainty Rate)**





**SUMMARY OF THE TREASURY POSITION AND TRANSACTIONS  
FROM 1 OCTOBER TO 31 DECEMBER 2019**

**APPENDIX II**

**6**

**1 LONG TERM BORROWING**

**(a) Long Term Borrowing 1st October to 31st December 2019**

|      | No. | Average<br>Rate (%) | Average<br>Life (years) | Amount<br>(£) |
|------|-----|---------------------|-------------------------|---------------|
| None | 0   | 0.00%               | 0.0                     | 0             |

**(b) Long Term Debt Repayments 1st October to 31st December 2019**

|                                             | No. | Average<br>Rate (%) | Amount<br>(£) |
|---------------------------------------------|-----|---------------------|---------------|
| PWLB - Maturity Loan - Scheduled Repayments | 2   | 2.98%               | 10,000,000    |
|                                             | 2   | 2.98%               | 10,000,000    |

**(c) Long Term Debt Outstanding**

|                             | Outstanding<br>30-Sep-19<br>£ | Average<br>Rate | Outstanding<br>31-Dec-19<br>£ | Average<br>Rate |
|-----------------------------|-------------------------------|-----------------|-------------------------------|-----------------|
| Public Works Loan Board     | 470,000,000                   | 2.69%           | 460,000,000                   | 2.69%           |
| Money Market Loans (LOBO's) | 43,200,000                    | 4.59%           | 43,200,000                    | 4.59%           |
| Other Long Term Debt        | 406,890                       | 0.00%           | 406,890                       | 0.00%           |
| TOTAL                       | 513,606,890                   | 2.85%           | 503,606,890                   | 2.85%           |

**2 SHORT TERM BORROWING**

**(a) Short Term Market Borrowing - 1st October to 31st December 2019**

|      | No. | Average<br>Amount (£) | Average<br>Rate (%) | Average<br>Term (Days) | Interest<br>(£) |
|------|-----|-----------------------|---------------------|------------------------|-----------------|
| None | 3   | 5,833,333             | 0.67%               | 28                     | 8,968.49        |
|      | 3   | 5,833,333             | 0.67%               | 28                     | 8,968.49        |

**(b) Short Term Borrowing Outstanding**

|                                  | Outstanding<br>30-Sep-19<br>£ | Average<br>Rate | Outstanding<br>31-Dec-19<br>£ | Average<br>Rate |
|----------------------------------|-------------------------------|-----------------|-------------------------------|-----------------|
| Common Good and Charitable Funds | 2,123,841                     | 1.03%           | 2,123,841                     | 1.03%           |
| Local Trusts & Investors         | 2,347,762                     | 0.18%           | 2,095,280                     | 0.10%           |
| TOTAL                            | 4,471,603                     | 0.58%           | 4,219,121                     | 0.57%           |

**SUMMARY OF THE TREASURY POSITION AND TRANSACTIONS**      **APPENDIX II**  
**FROM 1 OCTOBER TO 31 DECEMBER 2019**

**3 INVESTMENTS**

**(a) Investment Transactions - 1st Oct to 31st December 2019**

| <u>Fixed Deposits &amp; Investments</u> | <u>No.</u> | <u>Average<br/>Amount (£)</u> | <u>Average<br/>Rate (%)</u> | <u>Average<br/>Term (Days)</u> | <u>Total<br/>Interest (£)</u> |
|-----------------------------------------|------------|-------------------------------|-----------------------------|--------------------------------|-------------------------------|
| Banks                                   | 4          | 4,250,000                     | 1.08%                       | 339                            | 172,156.16                    |
| Other Local Authorities                 | 1          | 5,000,000                     | 0.90%                       | 364                            | 44,876.71                     |
|                                         | <u>5</u>   | <u>4,400,000</u>              | <u>1.04%</u>                | <u>345</u>                     | <u>217,032.88</u>             |

| <u>Instant/Notice Accounts &amp; Money Market Funds</u> | <u>Average<br/>Amount (£)</u> | <u>Average<br/>Rate (%)</u> | <u>Total<br/>Interest (£)</u> |
|---------------------------------------------------------|-------------------------------|-----------------------------|-------------------------------|
| Instant Access/Notice accounts                          | 5,920,811                     | 0.87%                       | 58,218.30                     |
| Money Market Funds                                      | 6,037,640                     | 0.72%                       | 14,932.40                     |
|                                                         | <u>5,994,554</u>              | <u>0.79%</u>                | <u>73,150.70</u>              |

**(b) Investments Outstanding**

|                                | <u>Outstanding<br/>30-Sep-19<br/>£</u> | <u>Average<br/>Rate</u> | <u>Outstanding<br/>31-Dec-19<br/>£</u> | <u>Average<br/>Rate</u> |
|--------------------------------|----------------------------------------|-------------------------|----------------------------------------|-------------------------|
| Banks                          | 152,981,810                            | 1.11%                   | 147,690,619                            | 1.13%                   |
| Foreign Banks and Institutions | 29,500,000                             | 0.89%                   | 12,500,000                             | 0.92%                   |
| Money Market Funds             | 2,375,000                              | 0.73%                   | 25,000                                 | 0.73%                   |
| Other Local Authorities        | 0                                      | 0.00%                   | 5,000,000                              | 0.90%                   |
| <b>TOTAL</b>                   | <u>184,856,810</u>                     | <u>1.07%</u>            | <u>165,215,619</u>                     | <u>1.11%</u>            |

## APPROVED INVESTMENT COUNTERPARTY LIST

|                                                                                                             | <u>Country</u> | <u>Fitch Credit Rating</u> | <u>CDS Range</u> | <u>Maximum Lending</u> | <u>Note (2)</u>        |
|-------------------------------------------------------------------------------------------------------------|----------------|----------------------------|------------------|------------------------|------------------------|
| <b>Category 1 - Principal UK Clearing Banks - 40% Investment total (or £20M per Counterparty if higher)</b> |                |                            |                  |                        |                        |
| (Minimum rating required Fitch A, F1)                                                                       |                |                            |                  |                        |                        |
| Bank of Scotland (RFB) (5)                                                                                  | UK             | A+, F1                     | In range         | 12 months              | £80million Group limit |
| Barclays Bank plc (NRFB) (5)                                                                                | UK             | A+, F1                     | No data          | 6 months               |                        |
| Barclays Bank plc (RFB) (5)                                                                                 | UK             | A+, F1                     | In range         | 6 months               |                        |
| Close Brothers                                                                                              | UK             | A, F1                      | No data          | 6 months               |                        |
| Goldman Sachs International Bank                                                                            | UK             | A, F1                      | In range         | 12 months              |                        |
| Handelsbanken plc                                                                                           | UK             | AA, F1+                    | No data          | 12 months              |                        |
| HSBC Bank plc (NRFB)                                                                                        | UK             | AA-, F1+                   | In range         | 12 months              |                        |
| HSBC Bank plc (RFB)                                                                                         | UK             | AA-, F1+                   | No data          | 12 months              |                        |
| Lloyds Bank Corporate Markets Plc (NRFB)                                                                    | UK             | A, F1                      | No data          | 6 months               | £80million Group limit |
| Lloyds Banking Group plc (RFB)                                                                              | UK             | A+, F1                     | In range         | 12 months              | £80million Group limit |
| NatWest Markets Plc (NRFB)                                                                                  | UK             | A, F1                      | In range         | 12 months              |                        |
| Royal Bank of Scotland plc (RFB) (inc Nat West) (3) (4)                                                     | UK             | A+, F1                     | Nationalised     | 12 months              | Sovereign Rating AA    |
| Santander UK plc (inc Cater Allen)                                                                          | UK             | A+, F1                     | No data          | 12 months              |                        |
| Standard Chartered Bank                                                                                     | UK             | A+, F1                     | In range         | 6 months               |                        |
| Sumitomo Mitsui Banking Corporation Europe Ltd                                                              | UK             | A, F1                      | In range         | 6 months               |                        |

**Category 2 - Foreign Banks & Institutions - 25% Investment total (or £10M per Counterparty if higher)**

(Minimum rating required Fitch A, F1)

|                                                   |             |           |          |           |                      |
|---------------------------------------------------|-------------|-----------|----------|-----------|----------------------|
| Australia and New Zealand (ANZ) Banking Group Ltd | Aus         | AA-, F1+  | In range | 12 months |                      |
| Commonwealth Bank of Australia                    | Aus         | AA-, F1+  | In range | 12 months |                      |
| Macquarie Bank Ltd                                | Aus         | A, F1     | No data  | 6 months  |                      |
| National Australia Bank Ltd                       | Aus         | AA-, F1+  | In range | 12 months |                      |
| Westpac Banking Corporation                       | Aus         | AA-, F1+  | In range | 12 months |                      |
| BNP Paribas Fortis Bank                           | Belgium     | A+, F1    | No data  | 1 month   | Sovereign Rating AA- |
| KBC Bank                                          | Belgium     | A+, F1    | No data  | 1 month   | Sovereign Rating AA- |
| Bank of Montreal                                  | Can         | AA-, F1+  | No data  | 12 months |                      |
| Bank of Nova Scotia                               | Can         | AA-, F1+  | No data  | 12 months |                      |
| Canadian Imperial Bank of Commerce                | Can         | AA-, F1+  | No data  | 12 months |                      |
| National Bank of Canada                           | Can         | A+, F1    | No data  | 6 months  |                      |
| Royal Bank of Canada                              | Can         | AA, F1+   | No data  | 12 months |                      |
| Toronto Dominion Bank                             | Can         | AA-, F1+  | No data  | 12 months |                      |
| Danske Bank                                       | Denmark     | A, F1     | In range | 6 months  |                      |
| Nordea Bank Finland plc                           | Finland     | AA-, F1+  | No data  | 1 month   | Sovereign Rating AA+ |
| OP Corporate Bank (formerly Pohjola) (1)          | Finland     | AA-, A-1+ | No data  | 1 month   | Sovereign Rating AA+ |
| BNP Paribas                                       | France      | A+, F1    | In range | 1 month   | Sovereign Rating AA  |
| Credit Agricole Corporate and Investment Bank     | France      | A+, F1    | In range | 1 month   | Sovereign Rating AA  |
| Credit Agricole SA                                | France      | A+, F1    | In range | 1 month   | Sovereign Rating AA  |
| Credit Industriel et Commercial                   | France      | A+, F1    | No data  | 1 month   | Sovereign Rating AA  |
| Societe Generale                                  | France      | A, F1     | In range | 1 month   | Sovereign Rating AA  |
| DZ Bank AG                                        | Germany     | AA-, F1+  | No data  | 12 months |                      |
| Landesbank Hessen-Thueringen Girozentral (Helaba) | Germany     | A+, F1+   | In range | 12 months |                      |
| Landwirtschaftliche Rentenbank                    | Germany     | AAA, F1+  | No data  | 24 months |                      |
| NRW Bank                                          | Germany     | AAA, F1+  | No data  | 24 months |                      |
| ABN AMRO Bank                                     | Netherlands | A+, F1    | No data  | 6 months  |                      |
| Bank Nederlandse Gemeenten                        | Netherlands | AAA, F1+  | No data  | 24 months |                      |
| Cooperatieve Rabobank                             | Netherlands | AA-, F1+  | In range | 12 Months |                      |
| ING Bank                                          | Netherlands | AA-, F1+  | In range | 12 Months |                      |
| Nederlandse Waterschapsbank NV (1)                | Netherlands | AAA, A-1+ | No data  | 24 Months |                      |
| DBS Bank Limited                                  | Singapore   | AA-, F1+  | No data  | 12 months |                      |
| Oversea Chinese Banking Corp Ltd                  | Singapore   | AA-, F1+  | No data  | 12 months |                      |
| United Overseas Bank Ltd                          | Singapore   | AA-, F1+  | No data  | 12 months |                      |
| Skandinaviska Enskilda Banken AB                  | Sweden      | AA-, F1+  | No data  | 12 months |                      |
| Svenska Handelsbanken AB                          | Sweden      | AA, F1+   | No data  | 12 months |                      |
| Swedbank AB                                       | Sweden      | AA-, F1+  | No data  | 12 months |                      |
| Credit Suisse                                     | Switzerland | A, F1     | In range | 6 months  |                      |
| UBS AG                                            | Switzerland | AA-, F1+  | In range | 12 months |                      |
| Bank of America, NA                               | USA         | AA-, F1+  | No data  | 12 months |                      |
| Bank of New York Mellon                           | USA         | AA, F1+   | No data  | 24 months |                      |
| Citibank, NA                                      | USA         | A+, F1    | In range | 12 months |                      |
| JP Morgan Chase Bank, NA                          | USA         | AA, F1+   | No data  | 12 months |                      |
| Wells Fargo Bank, NA                              | USA         | AA-, F1+  | In range | 12 months |                      |

## APPROVED INVESTMENT COUNTERPARTY LIST

| <u>Country</u> | <u>Fitch Credit<br/>Rating</u> | <u>CDS<br/>Range</u> | <u>Maximum<br/>Lending</u> | <u>Note (2)</u> |
|----------------|--------------------------------|----------------------|----------------------------|-----------------|
|----------------|--------------------------------|----------------------|----------------------------|-----------------|

**Category 3 - Subsidiary Banks & Building Societies - 15% of Investment total (or £10M per Counterparty if higher)**

(Minimum rating required Fitch A, F1)

(parent bank shown in brackets)

**Subsidiary Banks**

None

**Building Societies**

|                             |    |       |         |          |
|-----------------------------|----|-------|---------|----------|
| Nationwide Building Society | UK | A, F1 | No data | 6 months |
|-----------------------------|----|-------|---------|----------|

**Category 4 - Other Local Authorities - 20% of Investment total (or £20M per Counterparty if higher)**

As arranged

**Category 5 Money Market Funds - 10% of Investment Total (or £10M per Counterparty if higher)**

(Minimum rating required Fitch AAA)

|                                             |    |     |
|---------------------------------------------|----|-----|
| Aberdeen Standard Investments               | UK | AAA |
| Aviva Investors Liquidity Fund              | UK | AAA |
| Federated Sterling Liquidity Fund (Class 3) | UK | AAA |
| Insight Sterling Liquidity Fund (Class 5)   | UK | AAA |
| Deutsche Bank Sterling Fund                 | UK | AAA |
| BNP Paribas                                 | UK | AAA |

**Note:**

- (1) - Standard & Poor's credit ratings shown, as no Fitch credit rating available
- (2) - All Sovereign credit ratings for above Countries are AAA, unless stated otherwise.
- (3) - Banks are part/majority owned by the UK government
- (4) - UK Sovereign Rating is AA (Fitch and Standard & Poor's)
- (5) - NRFB = Non Ring Fenced Bank, RFB = Ring Fenced B

Last Updated: 21-Jan-20

### 1 Financing Costs:Net Revenue Stream

The ratio of Capital Financing Costs (Loan Charges) to the Council's net revenue stream shall not exceed the following limits, which are based on historic levels, and allow some headroom for movement in interest rates. The estimated Financing Costs below are based on the latest monitoring figures.

|                                               | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|-----------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Prudential Limit - General Fund               | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  |
| Estimated Ratio of Financing Costs to Revenue | 8.20%   | 8.33%   | 8.73%   | 9.68%   | 10.29%  | 9.96%   | 9.99%   | 10.03%  | 9.84%   | 9.79%   |
| Prudential Limit - HRA                        | 30.00%  | 30.00%  | 30.00%  | 30.00%  | 30.00%  | 30.00%  | 30.00%  | 30.00%  | 30.00%  | 30.00%  |
| Estimated Ratio of Financing Costs to Revenue | 26.90%  | 23.67%  | 24.32%  | 24.10%  | 24.39%  | 24.47%  | 24.77%  | 24.83%  | 25.46%  | 27.32%  |

### 2 Gross & Net Borrowing and Capital Financing Requirements

For prudence, net external borrowing must not exceed the total capital financing requirement, thus ensuring that over the medium term, borrowing is only undertaken for capital purposes. The estimated total net borrowing and Capital Financing Requirement at the end of each of the years are as follows:

|                               | Actual as at<br>31-Dec-19 | Projected<br>31-Mar-20 | Projected<br>31-Mar-21 | Projected<br>31-Mar-22 | Projected<br>31-Mar-23 | Projected<br>31-Mar-24 | Projected<br>31-Mar-25 | Projected<br>31-Mar-26 | Projected<br>31-Mar-27 | Projected<br>31-Mar-28 | Projected<br>31-Mar-29 |
|-------------------------------|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net External Borrowing*       | 481,081,000               | 522,496,000            | 589,129,000            | 655,790,000            | 762,052,000            | 786,313,000            | 803,329,000            | 813,485,000            | 823,641,000            | 828,798,000            | 841,454,000            |
| Gross External Borrowing*     | 646,297,000               | 642,496,000            | 669,129,000            | 710,790,000            | 812,052,000            | 836,313,000            | 853,329,000            | 863,485,000            | 873,641,000            | 878,798,000            | 891,454,000            |
| Capital Financing Requirement | 595,167,000               | 591,143,000            | 641,543,000            | 734,737,000            | 835,370,000            | 856,905,000            | 874,096,000            | 885,598,000            | 894,794,000            | 902,751,000            | 912,068,000            |

\*For the purpose of this indicator, Borrowing includes the outstanding liability under PPP/PFI contracts.

### 3 Estimates of Capital Expenditure

The total estimated Capital Expenditure contained within the Council's Budgets for each year is as follows, based on updated monitoring figures.

| Composite Programme                                | 2019/20     | 2020/21      | 2021/22     | 2022/23     | 2023/24    | 2024/25    | 2025/26    | 2026/27    | 2027/28    | 2028/29    |
|----------------------------------------------------|-------------|--------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
| Current estimate                                   | 71,424,000  | 112,448,000  | 155,295,000 | 117,993,000 | 48,373,000 | 31,798,000 | 31,658,000 | 28,772,000 | 26,643,000 | 27,893,000 |
| Original Budget Estimate (including Budget Motion) | 76,371,000  | 123,274,000  | 134,383,000 | 114,218,000 | 49,193,000 | 29,760,000 | 29,402,000 | 29,039,000 | 27,194,000 | 28,333,000 |
| Movement in Estimated Capital Expenditure          | (4,947,000) | (10,826,000) | 20,912,000  | 3,775,000   | (820,000)  | 2,038,000  | 2,256,000  | (267,000)  | (551,000)  | (440,000)  |

The Original Budget Estimates are those per the 2019/20 to 2028/29 Composite Capital Budget Report on 20th February 2019, including budget motion. The latest estimates for Capital Expenditure are based on 2019/20 SP&R Monitoring Report No.3 on 29th January 2020.

| HRA Programme                             | 2019/20    | 2020/21    | 2021/22     | 2022/23     | 2023/24     | 2024/25    | 2025/26    | 2026/27    | 2027/28    | 2028/29    |
|-------------------------------------------|------------|------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| Current estimate                          | 15,807,000 | 15,140,000 | 5,933,000   | 8,917,000   | 23,690,000  | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| Original Budget Estimate                  | 12,555,000 | 9,552,000  | 7,148,000   | 10,321,000  | 28,256,000  | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| Movement in Estimated Capital Expenditure | 3,252,000  | 5,588,000  | (1,215,000) | (1,404,000) | (4,566,000) | 0          | 0          | 0          | 0          | 0          |

The Original Budget Estimates are those per the 2019/20 Housing & Communities Budget Report on 23rd January 2019. The latest estimates for Capital Expenditure are based on 2019/20 SP&R Monitoring Report No.3 on 29th January 2020.

Expenditure on the new school at Bertha Park has been included in the PPP figures in 2019/20. There is no further capital expenditure anticipated on the PPP Programme.

#### 4 Estimate of Capital Financing Requirement

The estimate (as at January 2020) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

| Composite Programme                                 | 2019/20     | 2020/21      | 2021/22     | 2022/23    | 2023/24    | 2024/25    | 2025/26    | 2026/27    | 2027/28   | 2028/29   |
|-----------------------------------------------------|-------------|--------------|-------------|------------|------------|------------|------------|------------|-----------|-----------|
| Current Estimated Capital Financing Requirement     | 62,081,000  | 56,079,000   | 101,498,000 | 98,212,000 | 29,228,000 | 12,948,000 | 12,808,000 | 9,922,000  | 7,793,000 | 9,043,000 |
| Original Budget Estimate (including Budget Motion)  | 65,030,000  | 71,760,000   | 83,077,000  | 94,343,000 | 30,048,000 | 10,910,000 | 10,552,000 | 10,189,000 | 8,344,000 | 9,483,000 |
| Movement in Estimated Capital Financing Requirement | (2,949,000) | (15,681,000) | 18,421,000  | 3,869,000  | (820,000)  | 2,038,000  | 2,256,000  | (267,000)  | (551,000) | (440,000) |

The Original Budget Estimates are those per the 2019/20 to 2028/29 Composite Capital Budget Report on 20th February 2019, including budget motion.  
The latest estimates for Capital Expenditure are based on 2019/20 SP&R Monitoring Report No.3 on 29th January 2020.

| HRA Programme                                       | 2019/20    | 2020/21    | 2021/22     | 2022/23     | 2023/24     | 2024/25    | 2025/26    | 2026/27    | 2027/28    | 2028/29    |
|-----------------------------------------------------|------------|------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| Current Estimated Capital Financing Requirement     | 13,650,000 | 12,253,000 | 2,849,000   | 5,450,000   | 20,173,000  | 11,500,000 | 11,500,000 | 11,500,000 | 11,500,000 | 11,500,000 |
| Original Budget Estimate                            | 10,121,000 | 6,545,000  | 3,918,000   | 6,854,000   | 24,739,000  | 11,500,000 | 11,500,000 | 11,500,000 | 11,500,000 | 11,500,000 |
| Movement in Estimated Capital Financing Requirement | 3,529,000  | 5,708,000  | (1,069,000) | (1,404,000) | (4,566,000) | 0          | 0          | 0          | 0          | 0          |

The Original Budget Estimates are those per the 2019/20 Housing & Communities Budget Report on 23rd January 2019.  
The latest estimates for Capital Expenditure are based on 2019/20 SP&R Monitoring Report No.3 on 29th January 2020.

#### 5 External Debt (Gross and Net)

| External Borrowing               | As at<br>31-Dec-19 | Projected<br>31-Mar-20 | Projected<br>31-Mar-21 | Projected<br>31-Mar-22 | Projected<br>31-Mar-23 | Projected<br>31-Mar-24 | Projected<br>31-Mar-25 | Projected<br>31-Mar-26 | Projected<br>31-Mar-27 | Projected<br>31-Mar-28 | Projected<br>31-Mar-29 |
|----------------------------------|--------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Public Works Loan Board          | 460,000,000        | 458,000,000            | 490,500,000            | 538,000,000            | 645,000,000            | 675,000,000            | 697,000,000            | 712,000,000            | 727,000,000            | 737,000,000            | 754,500,000            |
| Market Bonds                     | 43,200,000         | 43,200,000             | 43,200,000             | 43,200,000             | 43,200,000             | 43,200,000             | 43,200,000             | 43,200,000             | 43,200,000             | 43,200,000             | 43,200,000             |
| Special Loans                    | 2,123,841          | 2,123,841              | 2,123,841              | 2,123,841              | 2,123,841              | 2,123,841              | 2,123,841              | 2,123,841              | 2,123,841              | 2,123,841              | 2,123,841              |
| Project Borrowing                | 406,890            | 168,444                | 140,000                | 140,000                | 140,000                | 140,000                | 0                      | 0                      | 0                      | 0                      | 0                      |
| Temporary Loans/Other Borrowing  | 2,095,280          | 1,800,000              | 1,500,000              | 1,200,000              | 1,000,000              | 800,000                | 800,000                | 800,000                | 800,000                | 800,000                | 800,000                |
| Other Long Term Liabilities      | 138,470,750        | 137,204,000            | 131,665,250            | 126,126,500            | 120,587,750            | 115,049,000            | 110,205,200            | 105,361,400            | 100,517,600            | 95,673,800             | 90,830,000             |
| <b>Total Gross External Debt</b> | <b>646,296,760</b> | <b>642,496,285</b>     | <b>669,129,091</b>     | <b>710,790,341</b>     | <b>812,051,591</b>     | <b>836,312,841</b>     | <b>853,329,041</b>     | <b>863,485,241</b>     | <b>873,641,441</b>     | <b>878,797,641</b>     | <b>891,453,841</b>     |
| Short Term Investments           | (165,215,619)      | (120,000,000)          | (80,000,000)           | (55,000,000)           | (50,000,000)           | (50,000,000)           | (50,000,000)           | (50,000,000)           | (50,000,000)           | (50,000,000)           | (50,000,000)           |
| Long Term Investments            | 0                  | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| <b>Total Net External Debt</b>   | <b>481,081,141</b> | <b>522,496,285</b>     | <b>589,129,091</b>     | <b>655,790,341</b>     | <b>762,051,591</b>     | <b>786,312,841</b>     | <b>803,329,041</b>     | <b>813,485,241</b>     | <b>823,641,441</b>     | <b>828,797,641</b>     | <b>841,453,841</b>     |
| <b>Note:</b>                     |                    |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Operational Boundary             | 646,000,000        | 642,000,000            | 669,000,000            | 711,000,000            | 812,000,000            | 836,000,000            | 853,000,000            | 863,000,000            | 874,000,000            | 879,000,000            | 891,000,000            |
| Authorised Limit                 | 900,000,000        | 900,000,000            | 900,000,000            | 900,000,000            | 900,000,000            | 900,000,000            | 900,000,000            | 900,000,000            | 900,000,000            | 900,000,000            | 900,000,000            |

The Operational Boundary and Authorised Limit are based on Gross External Debt.

#### 6 Principal Sums Invested Longer Than 365 Days

The Upper Limit for sums invested for over 1 year up to 3 years is £10million. There were no sums invested which were outstanding for such periods as at the end of the quarter.

**7 MATURITY STRUCTURE**

The lower and upper limit for the proportion of the Council's total-long term debt which matures in each of the time bandings below, and is therefore subject to refinancing at the prevailing market rates, is as follows:

| Fixed Rate Borrowing Maturity Structure | Lower Limit | Upper Limit | Estimated |
|-----------------------------------------|-------------|-------------|-----------|
| Under 12 months                         | 0%          | 35%         | 0.5%      |
| over 12 months and < 24 months          | 0%          | 35%         | 2.0%      |
| over 2 years and < 5 years              | 0%          | 50%         | 6.6%      |
| over 5 years and < 10 years             | 0%          | 75%         | 11.6%     |
| over 10 years                           | 10%         | 95%         | 79.2%     |

The maturity profile for the Council's current long-term portfolio as at 31 December 2019, measured from the start of the financial year, is as follows:

|                   | Less 1 Year      | 1 - 2 Years       | 2 - 5 Years       | 5 - 10 Years      | 10 - 20 Years     | 20 - 30 Years     | 30 - 40 Years     | 40 - 50 Years      | Over 50 Years | Total              |
|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---------------|--------------------|
| PWLB              | 2,000,000        | 7,500,000         | 25,500,000        | 50,500,000        | 5,000,000         | 0                 | 24,500,000        | 345,000,000        | 0             | 460,000,000        |
| LOBOs             | 0                | 0                 | 0                 | 0                 | 0                 | 13,000,000        | 25,200,000        | 5,000,000          | 0             | 43,200,000         |
| PPP Liability     | 1,266,750        | 5,538,750         | 16,616,250        | 24,219,000        | 63,663,000        | 27,167,000        | 0                 | 0                  | 0             | 138,470,750        |
| Other             | 238,446          | 28,444            | 140,000           | 0                 | 0                 | 0                 | 0                 | 0                  | 0             | 406,890            |
| <b>Total</b>      | <b>3,505,196</b> | <b>13,067,194</b> | <b>42,256,250</b> | <b>74,719,000</b> | <b>68,663,000</b> | <b>40,167,000</b> | <b>49,700,000</b> | <b>350,000,000</b> | <b>0</b>      | <b>642,077,640</b> |
| <b>Percentage</b> | <b>0.55%</b>     | <b>2.04%</b>      | <b>6.58%</b>      | <b>11.64%</b>     | <b>10.69%</b>     | <b>6.26%</b>      | <b>7.74%</b>      | <b>54.51%</b>      | <b>0.00%</b>  | <b>100.00%</b>     |



## PERTH AND KINROSS COUNCIL

19 February 2020

### PERTH AND KINROSS CPP ANNUAL PERFORMANCE REPORT 2018/19

**Report by Depute Chief Executive (Chief Operating Officer)**  
**(Report No. 20/47)**

This second Annual Performance Report for the Community Plan 2017-27 provides an overview of how the Community Planning Partnership has performed against our shared strategic objectives for Perth and Kinross.

## 1 BACKGROUND/ MAIN ISSUES

- 1.1 The Annual Performance Report 2018/19 provides an important statement of progress made by the Community Planning Partnership (CPP) during the last year towards achieving the shared strategic objectives for Perth and Kinross, as set out in the Community Plan 2017-27.
- 1.2 The Community Empowerment (Scotland) Act 2015 requires CPPs to publish an annual progress report, the Community Plan was published in October 2017; therefore, the period of reporting is October to September. The report provides a high-level overview of the CPP impact on improving outcomes for people and communities in Perth and Kinross. It is focused on the added value the CPP brings by working together. The report sits within a wider framework of reporting linked to other performance reports across individual Community Planning Partners as well as the Outcome Delivery Groups.
- 1.3 The CPP Annual Performance Report 2018/19 was approved by CPP Board on 6 December 2019.

## 2. PROPOSALS

- 2.1 Progress against each of the strategic objectives is summarised within the Report and contains the following:
  - **Case Studies-** the report highlights examples of how communities and services have worked together to improve outcomes for people in our area.
  - **Performance Indicators-** reviews some high-level performance indicators to identify where we have made progress and monitor emerging challenges that Perth and Kinross faces.
  - **What Next-** The information presented within the report demonstrates the positive impact that our work is having on communities. However, there are areas where we need to do more. The report outlines what those improvement priorities are going forward.

2.2 The Annual Report outlines a number of partnership activities which have had a positive impact on the strategic objectives of the Community Planning Partnership. Examples include:

- The Eastern Perthshire 'Big January Get Together' brought 800 people together and helped build community spirit, whilst also providing hot food, support and advice, and activities for people to get involved in. Such was the success of these events that they were repeated in January 2020.
- Holiday programmes have been delivered across the region, ensuring children can take part in activities and have a healthy meal through holiday periods. Over the last 12 months 469 families were supported through these activities, which help to tackle social isolation, build skills and confidence and generally improve wellbeing.
- Social prescribers have helped improve people's health and wellbeing by signposting people to support organisations. Service users were asked to self-identify their own outcomes from the service and since July 2018 61% of users have stated that their outcomes have been achieved.
- The EmployabiliTAY project which supports people to get ready for work and ultimately get into employment. 407 people were supported over the last year, with 59 individuals successfully gaining employment. 68% of service users had a positive outcome, compared to a national average of 55%.

### 3. CONCLUSION AND RECOMMENDATIONS

3.1 We continue to work towards our vision of delivering better outcomes for the people of Perth and Kinross and continue to be committed to delivering the priorities detailed in the Community Plan. This Annual Performance Report provides a summary of the progress that is being made towards achieving this vision.

3.2 It is recommended that the Council:

- Notes the Annual Performance Report for 2018/19

#### Author

| Name            | Designation                            | Contact Details                                                                                      |
|-----------------|----------------------------------------|------------------------------------------------------------------------------------------------------|
| Fiona Robertson | Head of Culture & Communities Services | <a href="mailto:CommunityPlanningPartnership@pkc.gov.uk">CommunityPlanningPartnership@pkc.gov.uk</a> |

#### Approved

| Name          | Designation                                      | Date            |
|---------------|--------------------------------------------------|-----------------|
| Jim Valentine | Depute Chief Executive (Chief Operating Officer) | 4 February 2020 |

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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>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>Yes</b>        |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | <b>None</b>       |

### 1. Strategic Implications

#### Community Plan/LOIP

- 1.1 This Annual Report highlights CPP performance in relation to all of the strategic objectives in the Community Plan.

- (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 This Annual Report highlights CPP performance in relation to all of the strategic objectives in the Community Plan, which are the same as the Corporate Plan.

- (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.*

## 2. Resource Implications

### Financial

2.1 N/A

### Workforce

2.2 N/A

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

2.3 N/A

## 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. The report has been considered and is:

(i) Assessed as **not relevant** for the purposes of EqIA

### Strategic Environmental Assessment

3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

### Sustainability

3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:

- in the way best calculated to delivery of the Act's emissions reduction targets;
- in the way best calculated to deliver any statutory adaptation programmes; and
- in a way that it considers most sustainable.

#### Legal and Governance

3.4 N/A

#### Risk

3.5 N/A

### **4. Consultation**

#### Internal

4.1 Council services were asked to contribute to the content of the Annual Report and senior officers commented on draft versions.

#### External

4.2 All Community Planning Partnership members were asked to contribute to the content of the Annual Report.

### **5. Communication**

5.1 N/A

## **2. BACKGROUND PAPERS**

No background papers were accessed in preparing this report.

## **3. APPENDICES**

The 2019 Annual Report is provided as Appendix 1 to this paper.





# Perth and Kinross Community Plan

## Annual Performance Report

2018-19



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# A Year in Community Planning

## Who We Are

Welcome to the second Annual Performance Report on the Community Plan / Local Outcomes Improvement Plan for Perth and Kinross. This report outlines how the Community Planning Partnership is working towards improving life chances and opportunities for people across Perth and Kinross. We can only achieve our collective vision by working alongside local people and communities. This report is prepared by the [Community Planning Partnership](#), which includes public, private and third sector bodies.

## Our Vision

Our vision for the next decade has been developed through engagement communities across Perth and Kinross:

*Creating a confident, ambitious and fairer Perth and Kinross, for all who live and work here.*

1. Giving every child the best start in life
2. Developing educated, responsible and informed citizens
3. Promoting a prosperous, inclusive and sustainable economy
4. Supporting people to lead independent, healthy and active lives
5. Creating a safe and sustainable place for future generations

These Strategic objectives support the overarching National Performance Framework.

## A Changing Perth and Kinross

We are at the heart of Scotland, with significant assets and complex challenges, including:

- ❖ Dependency on tourism, agriculture and hospitality means low wages – our levels are 6% below the Scottish average (2018)
- ❖ Our 2017 Fairness Commission uncovered significant in-work poverty and rural poverty across the area.
- ❖ Social isolation in rural areas means transport and digital connectivity are vital.
- ❖ Our population is ageing, but alongside this we have welcomed 12,650 migrants from Eastern Europe and further afield in the last decade.
- ❖ Our overall population is set to increase by 7% over the next 20 years, and we require 10,500 new houses by 2027.

## Changing Ways of Working

In the last five years the pace and scale of public service reform has accelerated rapidly. This is underpinned by the principles set out in the Community Empowerment (Scotland) Act 2015, which give communities new rights to make, or influence decisions which affect them and the services they depend on. These rights also come with responsibilities.

# A Year in Community Planning

## Achieving our Vision

This Community Plan has three main drivers: positive outcomes for everyone in Perth and Kinross; prioritising preventive approaches; and tackling inequalities. Individuals and families across both our urban and rural communities are affected by inequalities covering a range of social, economic and environmental issues. Our large geography, with a dispersed population, makes inequalities sometimes difficult to identify and address. Inequalities are not just experienced by geographic communities; they apply to communities of interest and at individual, household or family level.

## Fairness Commission

In 2016 the Community Planning Partnership established a Fairness Commission to improve understanding about how people living in the area experience poverty and inequality in their everyday lives. The Commission was made up of 11 independent Commissioners with a broad range of experiences and backgrounds.

### Fairer Futures Statement of intent

Two years after publishing the Fairer Futures Report, the Partnership has reviewed our impact in making Perth and Kinross a fairer place. The Partnership has published a 'Statement of Intent' which outlines how the Partnership continues to work collectively to improve equalities.

## Key Actions

- Partners will take into account socio-economic disadvantage when making decisions.
- We maximise community benefits in our procurement.
- Promoting the living wage in our region.
- Supporting actions to reduce child poverty.

The Commission's recommendations can be found at the [Fairer Futures website](#).

## A Place-Based Approach

Within Perth and Kinross we have seven Local Action Partnerships (LAPs) which cover the following localities:

- ❖ [Highland](#)
- ❖ [Strathclyde](#)
- ❖ [Kinross-shire](#)
- ❖ [Almond and Earn](#)
- ❖ [Perth City](#)
- ❖ [Strathclyde and Strathclyde](#)
- ❖ [Eastern Perthshire](#)

LAPs consist of representatives from the local community, local elected members, and staff from Community Planning Partners. The LAPs work together to deliver a Local Action Plan, which identifies the priorities for their area and the actions they will take to address them.

# A Year in Community Planning

## Local Child Poverty Action Plan

The Council and Health Board published our first [Local Child Poverty Action Report](#) in June 2019, which has been developed in collaboration with a range of partners. This Plan is our starting point, from which we will review and strengthen our interventions to tackle child poverty. The report provides an overview of our vision and direction, setting out what we already know and outlining how we will work in partnership with all stakeholders, including local communities, to tackle child poverty.

## Community Investment Fund

Perth & Kinross Council established a Community Investment Fund of £1.2 million to fund projects aimed at improving equalities and building capacity in communities. The first round of funding has benefitted 105 groups with £579,000 worth of funding. The funding was awarded by 12 ward panels made up of local elected members and community representatives. The Community Investment Fund will allocate the remaining funds by March 2020. The funding has enabled community groups to undertake a range of projects to improve their local area.

## Community Empowerment Awareness

The Community Planning Partnership has undertaken a campaign to raise awareness of the rights and opportunities available to communities under the Empowerment Act. The Act places new duties on public bodies to involve communities in decision making and give them greater control or influence over community assets and services. The Community Planning Partnership has put together [infographics](#) and animated videos to raise awareness of how communities can take advantage of these rights. These infographics and videos cover key issues, including:

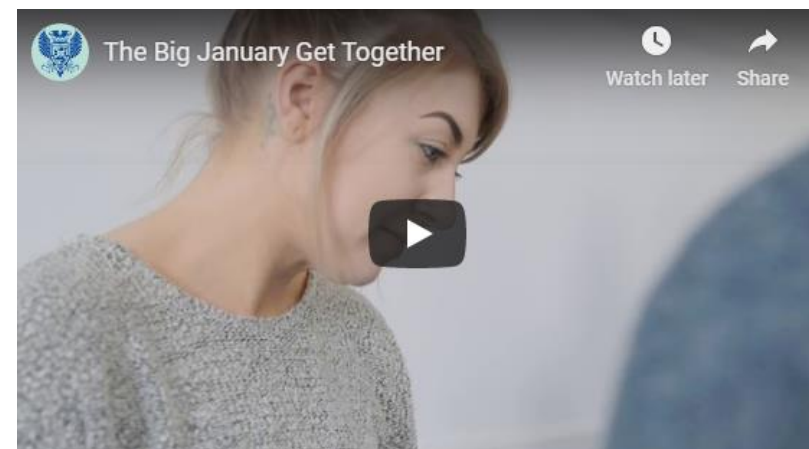
- Community Asset Transfer
- Participation Requests
- Local Community Planning
- 



# A Year in Community Planning

## Action Partnership Case Study

Eastern Perthshire Action Partnership contributed £4,000 to a series of events under the banner of the 'Big January Get Together' in 2019. January can be a hard time financially for many people, who are not able to afford to take part in social activities, or struggle to make ends meet. The Get Together was an opportunity for people across Eastern Perthshire to meet their community members for food and entertainment. At the event people were signposted to support services they could receive, such as social prescribers and the Citizen's Advice Bureau. Through extensive publicity and promotion by local groups, an estimated 800 people went to one of the events. These events proved successful and will run again in January 2020.



# Best Start in Life

## Our Ambition

Our children and young people have the best start in life and Perth and Kinross is the best place in Scotland to grow up.

## Updates

- ❖ The number of families presenting as homeless reduced by almost a quarter from 306 to 232 from 2017/18 to 2018/19 and our rent levels were among the lowest in Scotland in 2018/19.
- ❖ 96% of looked after children and young people were in family and community placements rather than residential accommodation in 2018/19, an increase from 2017/18 and placing our performance top out of 32 local authorities nationally.
- ❖ A Health and Wellbeing Strategy has been developed in partnership with staff, children and young people. This strategy focuses on improvement in mental, emotional, social and physical wellbeing and builds on existing good practice, such as: Bounce Back in Primary Schools (resilience building); the Incredible Years Programme (social and emotional development); and development of nine Physical Education, Physical Activity & Sport groups (physical health).
- ❖ Communities Service supported 469 families through Family Clubs and Holiday Activities. These initiatives help tackle social isolation, builds relationships between service providers and service users and helps service users to improve their skills and confidence. Participation in these activities is often the first step in accessing further learning.

## What Next

- ❖ Expand the successful family Nurse Programme; to include women aged 20-24 in their 1st pregnancy and with additional identified vulnerabilities.
- ❖ Support the implementation of the Perth and Kinross Child Poverty Action Plan.
- ❖ Further develop and implement the food insecurity plans through holiday hunger projects throughout Perth and Kinross
- ❖ Continue to make progress in our corporate parenting plans and take forward the recommendations of the Independent Care Review when it reports in 2020/21
- ❖ Continue to secure continuous improvements in our work to protect children, address neglect and enhance wellbeing.

## Case Studies



Splashtots is a partnership between the Family Focus Team and Live Active, which encourages vulnerable parents to attend a swimming group with their young children. The group has significant impact on building confidence, decreasing social isolation, promoting attachment and an active lifestyle.

# Developing educated, responsible and informed citizens

## Our Ambition

Everyone in Perth and Kinross has a stake in creating a confident, ambitious and fairer place to live, learn, work and visit. We will support children, young people, adults and communities to develop their skills and active participation in their communities.

## Updates

- ❖ Over the past year the proportion of children and young people attaining literacy and numeracy milestones at key stages has increased from 87% to 90%
- ❖ In 2018/19, 94% young people aged 16-19 are in education, employment or training an increase of 1% from 2017/18.
- ❖ The Tayside Regional Collaborative has created the Strategy for Parents, which aims to strengthen family learning provision and improve parental involvement in their child's education.
- ❖ Through attendance of the Peep Plus family learning programme, parents are given the opportunity to complete SQA level 4 modules, which help them to access college courses and other routes to employment.
- ❖ From February to July 2019 Communities Service have supported 224 Adult learners, to improve their skills and confidence with literacies, languages and food preparation.
- ❖ There were 2 new 'Open' Duke of Edinburgh Awards (DofE) Community Groups created in Auchterarder in addition to the current 4 DofE Community Groups, offering additional opportunities for young people to gain valuable life skills and team working experience.

## Case Study

Over the last two years a holiday hunger programme was introduced in Letham in Perth, an area which is statistically more deprived than other parts of Perth and Kinross. Community support workers organised a range of activities for local children to take part in during the summer holiday. It is estimated that over 1,500 meals were served as part of the programme, with an average of 50 people attending each day. The programme ensured that children had a healthy meal over the summer holidays and took part in a wide range of activities over the long summer break. The programme was supported by local volunteers and helped improve parental engagement.



## What Next

- ❖ Support the implementation of the Perth and Kinross Child Poverty Action Plan.
- ❖ Continue to make progress in the Raising Attainment Strategy to improve educational attainment and close the poverty related attainment gap.
- ❖ Work in collaboration with partners to implement the refreshed Perth and Kinross strategy for Developing the Young Workforce.

# Promoting a prosperous, inclusive and sustainable economy

## Our Ambition

We live in fairer Perth & Kinross which promotes inclusive economic growth and a thriving economy.

## Updates

- ❖ Unemployment in Perth and Kinross remains low at around 3% (approximately 2,300 adults), more than 1% lower than Scotland and UK figures.
- ❖ The Tay Cities Deal Heads of Terms were agreed in November 2018. This will provide a significant injection of capital into the wider region over a 10 year period, with almost £160 million allocated to projects in Perth and Kinross, including Perth City Hall, Pitlochry Festival Theatre and James Hutton Institute.

## Case Study

### EmployabiliTAY

Although unemployment across Perth and Kinross remains low, there are still many workless households, or households where income levels are low. A total of 407 people were assisted into work through the Employment Connections Hub. In 2018/19, the new EmployabiliTAY project was introduced across the region, focussing on individuals with specific employment barriers and in Perth and Kinross 59 individuals gained employment. Across the programme, 68% had a positive outcome, which is well above the national average of 55% for such programmes.

## What next

- ❖ Focus economic development activity on the creation of higher value jobs in key growth sectors such as food & drink, low carbon technologies and engineering.
- ❖ Support businesses to be more productive through a new grant to support market development and exporting;
- ❖ Support the ongoing delivery of the Perth City Plan and investment through the £1.9m Town Centre Fund.
- ❖ We will start construction of the £23M City Hall development as part of the Tay Cities Deal strategy to create a cultural and creative industry corridor along the Tay and generate an additional 160,000 visits to Perth
- ❖ Work with rural employers to establish a new rural recruitment incentive, providing employment opportunities in higher paid, higher skilled jobs.
- ❖ Job Centre Plus will run a new drop-in service 'DE-Frazzle Café!' designed to improve employment support services. The monthly drop-in will be open to everyone needing support in improving their well-being and Community Planning Partners will be invited to attend to share information on their services, or to bring their clients along



# Supporting people to lead independent, healthy and active lives

## Our Ambition

People in Perth and Kinross lead independent, healthy and active lives, with choice and control over the decisions they make about their health, care and support.

## Case Study



‘Care About Walking’ is a resource which contains dementia friendly information booklets, steps taken wall charts, motivational posters, pedometers and coloured footprint floor stickers. All of this is designed to support residents in long-term care to walk more and increase their levels of physical activity.

## Updates

- ❖ Through 2018/19, the HSCP has been transforming services to focus on prevention and early intervention activity. This has resulted in a reduction of unnecessary hospital admissions (down 2.9% from 2017/18), more people with mental health or drug and alcohol problems in recovery and more people supported to live independently at home.
- ❖ In 2018 three Social Prescribers were hired and aligned to GP practices to help to signpost and offer support to people to improve their health and wellbeing. Service users were asked to self-identify their own preferred outcomes from using the service and of the 606 referrals since July 2018, 61% of users stated that their outcomes had been achieved.
- ❖ The Adult Social Work Survey identified a 14% reduction in respondents feeling services had helped them to feel part of their community. As a result, local health and wellbeing networks have been developed, with over 250 members to date. These networks bring communities together to identify initiatives to address issues of loneliness, access and mobility. Examples include Men’s Sheds and community transport initiatives.
- ❖ Live Active Leisure work to deliver health improvement programmes, which seek to deliver improved wellbeing and social connections, change behaviours and encourage people to be more active. Service users are often signposted by partners and in 2018/19 participation in these programmes was over 33,000, significantly above the annual target.

## What Next

- ❖ Develop the new 2020/2025 Strategic Commissioning Plan outlining the Health & Social Care Partnership’s ambitions for the future.
- ❖ Work with communities to co-create different ways of ensuring people can live healthy lives, independently in their community.<sup>10</sup>

# Creating a safe and sustainable place for future generations

## Our Ambition

Perth and Kinross is a sustainable, safe place for everyone to live, work and visit, and we make the most of our outstanding urban and rural environment for the benefit of all.

## Updates

- ❖ The PK Community Watch programme has been rolled out over a wider area with 1,000 people now connected to the service. The alert system keeps communities and business informed about the operations of community safety services in their area.
- ❖ The Perth & Kinross wide Community Transport Forum has been established to improve connectivity in rural Perthshire. This brings together the shared expertise of local community transport groups, Council staff and other groups looking to develop their own community transport. The Council has made a 'Community Transport Fund' to support communities take their transport plans forward.
- ❖ An additional £50k has been invested into improvements in the Lade waterway, with a promotional campaign to 'Love the Lade,' in order to protect the wildlife and preserve the heritage of this canal, which played an important role in Perth's industrial past. Much of this work was carried out by community and third sector groups.
- ❖ A Road Safety Plan for Perth and Kinross has been developed to reduce traffic accidents through education, amending speed limits, adding vehicle activated signs and re-engineering accident hotspots to make them safer.
- ❖ From February to July this year there were 482 volunteers supporting greenspace, youth and community activities across Perth and Kinross, with 16,377 volunteer hours spent on greenspace projects. This volunteering supports the ongoing provision of attractive spaces and environments in communities across Perth and Kinross and enables people to participate in various activities and awards.

## Case Study

The Welton Farm Landfill project sought to remove a section of landfill from an eroded riverbank and install green engineering measures to improve the riverbank, which is a special area of conservation. The project used a soft engineering approach that minimises environmental consequences in future years and helps preserve the natural landscape of the river.



## What Next

- ❖ Emissions from public sector organisations (tonnes CO2) will be reduced by at least 56% compared to 1990 levels through electric vehicles and heat efficient buildings.
- ❖ Increase household recycling from the current 52% towards the Scottish Government's target of 60% by 2020 through expanding kerbside collections
- ❖ Publish an Action Plan to prevent and manage invasive non-native species.
- ❖ Integrate public space, other CCTV and community alarms, providing opportunities to keep people safe in their homes
- ❖ Expand the current bail supervision scheme to include people aged over 26 years to deliver more justice in the community.

# Get Involved

## Looking to the Future

### Community Plan Refresh and the Perth and Kinross Offer

The Community Planning Partnership will refresh our Local Outcome Improvement Plan (LOIP) in 2020. The LOIP will have a focus on key joint actions partners can make together, aimed at improving equality in Perth and Kinross. The refreshed plan will be accompanied by new governance arrangements, designed to help the Community Planning Partnership improve the impact it has on the issues which matter most to the people of Perth and Kinross.

The Plan will be developed in conjunction with the Perth and Kinross Offer. The Offer is our vision for a new sustainable approach to public service delivering, in which services are shaped and delivered in partnership with communities and service users. We believe that this approach leads to better services and improved outcomes.

We will really welcome your views. To do this, contact us at:

✉ [CommunityPlanningPartnership@pkc.gov.uk](mailto:CommunityPlanningPartnership@pkc.gov.uk)

☎ 01738 477834

📍 Community Planning  
2 High Street, Perth  
Perthshire  
PH1 5PH

# List of Indicators

| Indicator                                                                                                                            | Objective | PKC<br>2018-<br>19    | PK<br>2017-18 | PK<br>2016-<br>17 | Scotland<br>2018/19 |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------|---------------|-------------------|---------------------|
| % of children with a BMI in healthy weight (clinical) category at P1 review                                                          | 1         | Update<br>Dec<br>2019 | 82.4%         | 79.1%             | 83.8%<br>*2017/18   |
| % of Children meeting their 48-60 month developmental milestones (% of P1 meeting expected milestone)                                | 1         | 81%                   | 81%           | 79%               | Not<br>available    |
| School Leaver destinations (% Positive)                                                                                              | 2         | 96%                   | 94%           | 94.5%             | 93.7%               |
| 16-19 year olds in learning, training or work (% Positive participation)                                                             | 2         | 94%                   | 93%           | 93.1%             | 91.8%               |
| % of Scottish average monthly earnings                                                                                               | 3         | 94%                   | 94.7%         | 93.2%             | 100%                |
| % of working age population unemployed, based on claimant count rate                                                                 | 3         | 1.5%                  | 1.2%          | 1.2%              | 2.7%                |
| Rate of Emergency Admissions for adults per 100,000 Population                                                                       | 4         | 10,686                | 10,777        | 11,158            | 11,959              |
| People who agree 'I am supported to live as independently as possible'                                                               | 4         | 91%                   | 91.7%         | 89.9%             | 81%                 |
| Percentage of carers who feel supported to continue in their caring role                                                             | 4         | Not<br>available      | 41%           | Not<br>available  | 37%                 |
| Percentage of adults receiving any care or support who rate it as excellent or good                                                  | 4         | Not<br>available      | 81%           | Not<br>available  | 80%                 |
| Number of crimes and offences recorded by the police, index of national rate per 10,000 population, by local authority area, 2017-18 | 5         | 81                    | 77            | 76                | 100                 |
| Number of accidental dwelling fires                                                                                                  | 5         | 111                   | 109           | 136               | 4,762               |
| Total number of people killed or seriously injured on roads                                                                          | 5         | 83                    | 84            | 60                | Not<br>available    |
| % of people rating of neighbourhood as a good or very good place to live                                                             | 5         | 97.8%                 | 97%           | 95%               | 94.6%               |
| % of people who agree "I can influence decisions affecting my local area"                                                            | 5         | 23.%                  | 25%           | 24%               | 20%                 |
| Recycling rates (%)                                                                                                                  | 5         | 51.4%                 | 55.5%         | 55%               | 44.7%               |

# Partners Performance Report

[Perth and Kinross Health and Social Care Partnership Annual Performance Report 2018/19](#)

[Perth and Kinross Council Annual Performance Report 18/19](#)

[Police Scotland Perth and Kinross – Perth and Kinross Update Reports](#)

[Scottish Fire & Rescue Service – Perth and Kinross Update Reports](#)

[NHS Tayside Annual Report and Accounts 2018/19](#)

[NHS Tayside Public Health Annual Report 2018/19](#)

[PKAVS Annual Impact Report 2018/19](#)

[PKC Education and Children Services Annual Performance Report 2018/19](#)

[PKC Housing & Environment Annual Performance Report 2018/19](#)

[PKC Corporate & Democratic Services Annual Performance Report 2018/19](#)

[Raising Attainment Strategy Update 2018-19](#)

## PERTH AND KINROSS COUNCIL

19 February 2020

### SCOTLAND'S LOW EMISSION ZONES: CONSULTATION ON REGULATIONS AND GUIDANCE

Report by Head of Planning & Development  
(Report No. 20/49)

#### PURPOSE OF REPORT

This report provides the Council with an opportunity to respond formally to the Scottish Government on proposed arrangements and standards for the establishment and operation of Low Emission Zones (LEZ).

The consultation is not about the design or implementation of any individual town or city-specific LEZ.

#### 1. BACKGROUND

- 1.1 The Transport (Scotland) Act 2019 received Royal Assent on 15 November 2019. The Act is designed to bring forward some key radical measures to make transport networks cleaner, smarter and more accessible than ever. It aims to empower local authorities to tackle current and future challenges while delivering a more responsive and sustainable transport system for all users.
- 1.2 There are wide ranging provisions in the Transport (Scotland) Act and there are some key policy areas that will require consideration by the Council. These include the Workplace Parking Levy, the creation and decriminalised enforcement of LEZs, prohibiting double parking and parking on pavements, alternative methods of bus service provision as well as standardising smart ticketing technology. Further reports will be provided in the near future on the workplace parking levy, bus services provided by Local Authorities, pavement parking and ticketing. This report proposes the Council's response (Appendix 1) to the first tranche of a series of consultations on a major aspect of the Act – an LEZ.
- 1.3 The consultation on *Scotland's Low Emission Zones: Consultation on Regulations and Guidance* is seeking feedback from any interested parties on the technical issues that will support the operation and delivery of an LEZ. There is a presumption that the operation of LEZs will work on the same basis wherever they are located particularly in regard to the substantive issues of emission standards, vehicle class exemptions and penalty charge levels.
- 1.4 The key provisions in the Transport (Scotland) Act relating to LEZ's include:
  - Providing local authorities with powers to create, enforce, operate or revoke a LEZ in their area and to design the scope of the zone i.e. shape, size or vehicle particulars

- The setting of specified emission standards by the Scottish Ministers
- The setting of grace periods to allow those wishing to drive within the zone an opportunity to upgrade their vehicle to a less polluting model
- The ability for the local authority to promote permanent and/or time limited exemptions from the requirements of the zone
- Enable Scottish Ministers to specify by regulations the amount of the penalty charge notice (PCN) and set out the rules which apply to the PCN -i.e. time for payment, review, right of appeal etc
- Requiring local authorities to utilise the money raised by the LEZ scheme via enforcement to facilitate the achievement of the scheme objectives and cover its operational cost.

1.5 For clarity, a LEZ is a scheme whereby vehicles that fail to meet specified emission standards will be prohibited from entering a designated geographical area i.e. the zone. The vehicle by definition will be in contravention of the terms of the scheme as proposed by the relevant local authority.

## **2. CONSULTATION PROPOSALS**

2.1 The purpose of this consultation is to gather a wide range of views to set out future arrangements relating to nationally consistent LEZ standards. Proposals and findings from the consultation will be set out formally in Regulations and Guidance to support the new Transport Act.

2.2 It is understood the final Regulation and Guidance will be implemented this year in order that the LEZ schemes in Edinburgh, Aberdeen and Dundee can be taken forward, Glasgow's already being in place. It is in Perth & Kinross Council's interest to monitor how these schemes are taken forward and learn from any issues arising.

2.3 The consultation seeks views on a range of issues that would be pertinent to the establishment of LEZs. These include the range of standards relating to emission thresholds, potential exemptions of vehicle classes and the level of appropriate penalty charges. However, there are clearly other matters to be considered whilst developing any kind of scheme, particularly for an area as diverse geographically as the Council. This would likely include issues of equity, equality, business impacts, and impacts on individuals. As such any proposed LEZ would require a thorough review of all the issues should a scheme be taken forward.

2.4 Legislation set out in the Transport Act may clearly have a significant impact on how cities operate in the future, particularly with regard to how traffic is managed and resultant impacts on air quality and wider climate change objectives. Perth & Kinross Council will be undertaking an initial screening exercise for Perth and Crieff Air Quality Management Areas to identify whether an LEZ may be an appropriate solution for reducing vehicle emissions in these locations. The screening exercise is due for submission by the end of June 2020 and will be reviewed by SEPA and the Scottish Government to which further actions required will be identified.

- 2.5 The full consultation document which sets out more of the background to the issues is available to view at (<https://www.transport.gov.scot/media/46548/scotland-s-low-emission-zones-consultation-on-regulations-and-guidance.pdf>). The consultation is summarised by a series of 14 questions and a suggested response to each of the questions is provided at Appendix 1.

### 3. CONCLUSION AND RECOMMENDATION

- 3.1 It is recommended that the Council:
- i) Endorses the attached officer response at Appendix 1 for submission to the Scottish Government;
  - ii) Requests the Depute Chief Executive to bring forward a further report by the end of 2020 outlining further developments on Regulations and Guidance on LEZ's and potential implications on existing Air Quality Management Areas in Perth and Crieff.

#### Author(s)

| Name       | Designation                    | Contact Details |
|------------|--------------------------------|-----------------|
| Alex Deans | Transport Planning Team Leader | 01738 475000    |

#### Approved

| Name          | Designation                                      | Date            |
|---------------|--------------------------------------------------|-----------------|
| Jim Valentine | Depute Chief Executive (Chief Operating Officer) | 6 February 2020 |

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

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           | N/A               |
| Corporate Plan                                      | N/A               |
| <b>Resource Implications</b>                        |                   |
| Financial                                           | N/A               |
| Workforce                                           | N/A               |
| Asset Management (land, property, IST)              | N/A               |
| <b>Assessments</b>                                  |                   |
| Equality Impact Assessment                          | N/A               |
| Strategic Environmental Assessment                  | N/A               |
| Sustainability (community, economic, environmental) | N/A               |
| Legal and Governance                                | N/A               |
| Risk                                                | N/A               |
| <b>Consultation</b>                                 |                   |
| Internal                                            | YES               |
| External                                            | N/A               |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | N/A               |

### 1. Strategic Implications

#### Community Plan

- 1.1 This report contributes to the following Perth and Kinross Community Plan/Single Outcome Agreement priorities:
- (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 This report contributes to the achievement of the following Council's Corporate Plan priorities: -
- (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.

### 2. Resource Implications

#### Financial

- 2.1 As this is only a Consultation there are no financial implications at this time.

### Workforce

- 2.2 Not applicable.

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

- 2.3 Not applicable.

## **3. Assessments**

### Equality Impact Assessment

- 3.1 Not applicable.

### Strategic Environmental Assessment

- 3.2 As this is only a Consultation there are no strategic implications at this time

### Sustainability

- 3.3. Not applicable.

### Legal and Governance

- 3.4 Not applicable.

### Risk

- 3.5 There are no key risks associated with the contents of this report

## **4. Consultation**

### Internal

- 4.1 Environmental Health, Traffic & Network, Parking Services and Public Transport Teams within Housing & Environment Services have been consulted in the preparation of this report.

### External

- 4.2 No external consultation has been undertaken in the preparation of this report.

## **5. Communication**

- 5.1 A Communications Plan will not be required at this time. As further details emerge on the exact details of the regulations, a proper Communications and Engagement Plan will need to be considered given the range of potential affected parties.

## **2. BACKGROUND PAPERS**

Scotland's Low Emission Zones, Consultation on Regulations and Guidance  
(Transport Scotland, 13 December 2019)

<https://www.transport.gov.scot/media/46548/scotland-s-low-emission-zones-consultation-on-regulations-and-guidance.pdf>

## **3. APPENDICES**

Appendix 1: Proposed response on Scotland's Low Emission Zones:  
Consultation on Regulations and Guidance

Consultation Questions

| Number | Consultation Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1a     | <p>Do you agree with the proposed present-day emission standards for Scottish LEZs?<br/>If not, why not?</p> <p><i>The emission standards should be consistent across all vehicle classes. In effect all Diesel vehicles should be Euro 6 and all Petrol vehicles should be Euro 4. This makes the standard much easier to understand by all users regardless of vehicle class. Information on the proportional breakdown of the national fleet would have been beneficial in this decision-making process (e.g. what percentage of vehicles will be affected by LEZ restrictions).</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1b     | <p>What are your views on Scotland making a transformative shift to zero or ultra-low emission city centres by 2030? Please be as specific as possible in your reasoning.</p> <p><i>As it currently stands the document does not provide enough information on ultra-low emission city centres for PKC to pass comment. Would all Scottish cities be required to have an ultra-low emission city centre, or would they only be required in cities with Air Quality Management Areas? A clear definition for a 'city centre' would also need to be provided before any comments can be made.</i></p> <p><i>A LEZ may also not be a precursor to low emission cities where only one or two streets are implicated</i></p> <p><i>If Scotland is to make a transformative shift to zero or ultra-low emissions city centres, measures must be put in place to allow members of the public to reduce the need for them to bring their vehicles into city centres.</i></p> <p><i>This might include:</i></p> <ul style="list-style-type: none"> <li><i>~ the construction of Park &amp; Choose sites where member of the public can choose public transport, cycling, walking or wheeling where appropriate</i></li> <li><i>~ Introduction of zero or ultra-low emission public transport vehicles, such as trams, trolley buses or electric vehicles</i></li> <li><i>~ Construction of distribution centres for deliveries where last mile deliveries are coordinated</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                             |
| 2a     | <p>Which of the proposed national LEZ exemptions do you agree with? Please be as specific as possible in your reasoning.</p> <p><i>In terms of the proposed national LEZ exemptions, the following exemptions should be included:</i></p> <ul style="list-style-type: none"> <li><i>- Emergency Vehicles, Military Vehicles – These should be exempt nationally, as they are specialist vehicles that need to access all areas for the safety of the public. However, if there is no sign of improvement in the efficiency of these vehicles after a number of years, this exemption should be reviewed.</i></li> <li><i>- Vehicles registered with a 'disabled' or 'disabled passenger vehicles' tax class.</i></li> </ul> <p><i>In terms of the proposed national LEZ exemptions, the following exemptions should be excluded:</i></p> <ul style="list-style-type: none"> <li><i>- Historic Vehicles, Showman Vehicles – These vehicles should NOT be exempt. They do not provide a service, nor are they necessary for any group. There are a number of other highly specialised vehicles including Cranes and Construction Vehicles that have not been included in the exception.</i></li> <li><i>- Blue Badge Holders - The administration of Blue Badge holders could prove to be challenging, as the badge is assigned to a person rather than a vehicle. The system of administering a LEZ should be as automated as possible, without needing to have human intervention, for example a blue badge holder phoning to log their vehicle of travel. The minimum amount of intervention possible should be designed into the system. Where a disabled person has their own vehicle that has been adapted and registered with a 'disabled' or 'disabled passenger vehicles' tax class, this vehicle should be included.</i></li> </ul> |

| Number | Consultation Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2b     | Are there any other LEZ exemptions you would propose? If so, what should these exemptions be and why?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|        | <i>No other exemptions should be considered</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 3a     | Do you agree with the proposed base level and subsequent tiers of penalty charges for each vehicle type as outlined in Table 5? Please explain your answer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|        | <i>Yes, the approach that has been taken, is logical and explainable with HGVs and Buses receiving a larger charge from the outset due to both their higher emissions rate and the likelihood they are owned by a business (and thus would potentially not be discouraged by the standard penalty).</i>                                                                                                                                                                                                                                                                                                                                           |
| 3b     | Which surcharge 'curve' in Figure 1 represents the best approach to designing a surcharge?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|        | <i>Graph 2 is the best approach, as the stepped approach provides clear guidance for vehicle users and authorities on surcharge increases. However, it is recommended that the surcharge be increased after two contraventions rather than three (as shown in Graph 2).</i>                                                                                                                                                                                                                                                                                                                                                                       |
| 3c     | How should the surcharge approach be applied in order to discourage non-compliant vehicles from driving within a LEZ?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|        | <i>The doubling effect displayed in Table 5 is appropriate for all vehicle types with the exception of Bus/Coach and Heavy Goods Vehicles where a higher initial surcharge has been applied.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 3d     | How many days should lapse before a registered keeper of a vehicle returns to the base tier of the penalty charge?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|        | <i>Graph 2 should also apply in reverse, going back down in a phased return, rather than an automatic reset. The period should be longer than 28 days before going back down the graph. This would discourage those who occasionally drive in the city centre (once a month for example) from avoiding the penalty charge due to the period lapsing in-between each contravention. This lapse period should be counted from the offender's most recent contravention, rather than the first in a sequence (e.g. if an offender is charged three times over a 28-day period, the lapse period should be counted from the third contravention).</i> |
| 4      | Do you agree with the general principles of the LEZ enforcement regime? If not, why not?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|        | <i>The general principles are acceptable. With regard to the issuing of the PCN, could a photograph of the contravening vehicle be included on the notice?</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 5      | What are your views on the proposed list of 'other persons' that local authorities must consult with on their LEZ plans?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|        | <p><i>Agree with all those proposed by SG to be consulted, but suggest the following agencies/bodies should also be consulted:</i></p> <ul style="list-style-type: none"> <li><i>• Chamber of Commerce</i></li> <li><i>• Federation of Small Businesses</i></li> <li><i>• Community Planning Partnerships</i></li> <li><i>• Delivery Companies</i></li> <li><i>• Bus and Coaches Operators</i></li> </ul>                                                                                                                                                                                                                                         |

| Number | Consultation Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6      | <p>If a LEZ scheme review was undertaken, what elements would you expect the review to investigate and how would the review ensure transparency and accountability?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|        | <p><i>In terms of a review of the scheme the following information should be included:</i></p> <ul style="list-style-type: none"> <li><i>~ The number of vehicles entering the LEZ</i></li> <li><i>~ The number of contraventions</i></li> <li><i>~ Time spent within the LEZ</i></li> <li><i>~ Impacts on the surrounding road network, in terms of emissions and vehicle numbers</i></li> <li><i>~ The reduction in emissions achieved in the LEZ</i></li> <li><i>~ The number of vehicles paying the surcharge and which Tier they are in</i></li> <li><i>~ Assessment of the Zone signage effectiveness (e.g. large number of first-time offenders – poor signage)</i></li> </ul> <p><i>The review should be undertaken by an independent body of experts similar to the Cleaner Air for Scotland Review, with all relevant stakeholders consulted on the findings of the review before any changes to the LEZ scheme are made.</i></p> <p><i>If the Scottish Ministers are to give a local authority direction to address an under performing LEZ, they must give clear recommendations on how they feel performance can be improved.</i></p> |
| 7      | <p>What secondary objectives should be created for LEZ schemes? Please be as specific as possible in your reasoning</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|        | <p><i>Increase use of public transport and sustainable transport methods: could be monitored through obtaining passenger data from bus companies, using cycle counters etc. This would show the direct effect of the LEZ in encouraging modal shift.</i></p> <p><i>Increase uptake of Low/Zero emission vehicles: ANPR surveys could be undertaken to assess composition of the local fleet. This would show the influence the LEZ has had on vehicle change for both cars and public transport.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Number | Consultation Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8      | Do you agree with the steps outlined in Figure 2 for enabling a LEZ scheme to come into effect? If not, why not?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|        | <p><i>Yes, however additional steps should be included:</i></p> <ul style="list-style-type: none"> <li><i>• An appraisal/feasibility study for a LEZ in the chosen area should be undertaken before Step 1. Following this study, a consultation of stakeholders should be carried out.</i></li> <li><i>• Prior to Step 7 and following Step 6 in Figure 2, a grace period should be included</i></li> <li><i>• Following Step 7, a Review of the LEZ step should be listed</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 9      | How can local authorities maximise the technological opportunities available from the deployment of approved devices?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|        | <p><i>The devices could be used for the following purposes:</i></p> <ul style="list-style-type: none"> <li><i>- Car Parking within the LEZ, could be used to charge based on time within the zone</i></li> <li><i>- ANPR Camera data could be used to create accurate traffic and air quality models which can be regularly updated with new ANPR data. These models would assist in the Air Quality Action Planning process, leading measures more focused on problem areas</i></li> <li><i>- Noise monitors could be included in the devices to assist noise mapping.</i></li> <li><i>- Devices could communicate with city traffic management systems, alleviating congestion when identified</i></li> <li><i>- Monitoring of real-world emissions to establish if Euro ratings are accurate.</i></li> </ul>                                                                                                                                                                        |
| 10     | What positive or negative impacts do you think the LEZ proposals outlined within this consultation may have on:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|        | <ul style="list-style-type: none"> <li>a) particular groups of people, with particular reference to 'protected characteristics' listed above</li> <li>b) the very young and old</li> <li>c) people facing socioeconomic disadvantages</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|        | <p><i>(a) There could be a possible negative impact on those with a disability, were they (those with a blue badge) not to be exempt from the LEZ as discussed in 2a. Similarly, there may be a negative impact on the elderly if their vehicle does not meet LEZ standards, due to possible mobility problems making it difficult to reach the city centre from outside the LEZ.</i></p> <p><i>(b) There would be a positive impact on the health of the very young and old from a LEZ. Both of these groups are particularly vulnerable to air pollution and would benefit from the improvements in air quality a LEZ may likely bring.</i></p> <p><i>(c) There may be a negative impact on those facing socioeconomic disadvantages. The introduction of a LEZ could result in penalties, the need to purchase a more efficient car to access the area, or the need to use more expensive travel methods (e.g. if public transport is more expensive than using their car).</i></p> |
| 11     | Do you think the LEZ proposals outlined within this consultation are likely to increase, reduce or maintain the costs and burdens placed on business sectors? Please be as specific as possible in your reasoning.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|        | <p><i>There may be an initial decrease in revenue for businesses within the LEZ, due to customers being unsure about the new Zone: there is a perception that footfall will be adversely affected where parking is not available nearby their business. In addition, delivery methods for businesses may need to be changed if a delivery vehicle does not the new LEZ standards. This could result in an increase of costs for a business. A raft of measures for businesses should be made available to incentivise growth/sustainably following the introduction of a LEZ.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                  |

| Number | Consultation Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12     | <p>What impacts do you think the LEZ proposals outlined within this consultation may have on the personal data and privacy of individuals?</p> <p><i>The approach for enforcing the LEZ, is a well-established method of pursuing penalties for example Bus Lane enforcement or Speed Camera enforcement. GDPR must be adhered to regarding the use of ANPR data collected through LEZ verification technology.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 13     | <p>Do you think the LEZ proposals outlined within this consultation are like to have an impact on the environment? If so, which ones and how? Please be as specific as possible in your reasoning.</p> <p><i>The LEZ proposals will have a significant positive effect on the environment, primarily on local air quality. When implemented these measures will divert vehicles of poor emission standards away from city centres while encouraging the uptake of more efficient vehicles and more sustainable transport methods, the combination of which will result in a decrease in air pollutants within LEZ areas. The decrease in overall traffic in the area may also result in a decrease in vehicular noise pollution.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 14     | <p>Do you have any other comments that you would like to add on the Scottish Government's LEZ proposals outlined within this consultation?</p> <p><i>Clarification is required regarding the assessment of vehicles entering a LEZ:</i></p> <ul style="list-style-type: none"> <li><i>• Will foreign vehicles be recognised by ANPR cameras?</i></li> <li><i>• Can ANPR identify retrofitted vehicles or vehicles using alternative fuels (these vehicles will have different emission rates to their original models)?</i></li> <li><i>• How will the degradation/age of vehicles be factored into determining LEZ access (vehicle degradation leads to increased emissions)?</i></li> </ul> <p><i>An increase in city centre parking charges and parking fines should occur in conjunction with the introduction of LEZs. This will further discourage those willing to accept the cost of contraventions for the convenience of parking in the city centre.</i></p> <p><i>Should the revocation of LEZ's be considered, where for example significant city centre changes occur?</i></p> <p><i>Will penalty costs be retained by the Local Authority to reinvest in positive transport measures.</i></p> <p><i>Redirection of traffic away from an implemented LEZ onto smaller side streets less equipped to deal with high volumes of traffic could result in air quality problems being moved elsewhere rather than being reduced. As such, a LEZ may not be advantageous for every city</i></p> <p><i>Crieff has an AQMA constrained to one main road running through the town and does not have any alternative routes for traffic were a LEZ to be implemented. Alternative actions should be available for similar cities/towns in which a LEZ would be unfeasible.</i></p> |



## PERTH AND KINROSS COUNCIL

19 February 2020

### PERTH AND KINROSS COUNCIL'S PROPOSED RESPONSE ON THE SCOTTISH GOVERNMENT CONSULTATION PAPER: PLANNING PERFORMANCE AND FEES

**Report by Head of Planning & Development  
(Report No. 20/50)**

This report sets out the Council's proposed response to the Scottish Government Consultation Paper: Planning Performance and Fees.

#### **1. BACKGROUND / MAIN ISSUES**

- 1.1 On 18 December 2019 the Scottish Government published a consultation paper proposing the revising the arrangements for: measuring the performance of Planning Authorities, and the fee regimes for planning applications. The consultation is part of an assessment of potential impacts on both planning authorities and applicants, such that no unforeseen consequences arise from the changes.  
  
<https://www.gov.scot/publications/planning-performance-fees-consultation/>
- 1.2 This consultation forms part of the Scottish Government work programme "Transforming Planning in Practice", following on from the Planning (Scotland) Act 2019. The two areas covered by the consultation relate to: performance; and fees. The intention is to bring forward detailed proposals for substantial changes to both areas.
- 1.3 A new approach is promoted on how the performance of planning authorities is measured, including the creation of the role of a national 'planning improvement co-ordinator'.
- 1.4 Improvements in performance achieved since the introduction of the Planning Performance Framework (PPF) in 2011-12 are recognised although performance against some of the national markers remains variable, particularly in relation to decision making speed. As such an alternative approach to assessment is promoted.
- 1.5 The planning fees structure is proposed to be reviewed with the aim of having early clarity around costs and resources. This would include changes to existing fees, and the introduction of additional services which can be charged for, as well as the ability to waive or reduce planning fees in certain circumstances. The consultation is expected to be concluded to allow new fee arrangements to be in place by mid-2020.

- 1.6 The proposed changes aim to ensure that the planning system is valued, resilient and capable of providing the service that local people and planning applicants expect, whilst also delivering on the increasing challenges being placed upon it.
- 1.7 The Minister for Local Government, Housing and Planning states in the consultation, that *“Fundamental to this is ensuring that the planning system is appropriately resourced to deliver on those ambitions. Increases to planning fees must be matched by continuing improvements to performance, and this requires an effective reporting regime that ensures the priorities of all users are being delivered.”*
- 1.8 The consultation recognises that the resourcing of the planning system is a recurring issue, particularly since 2007/8. In the intervening years research has been undertaken to understand the issues and to improve performance. It notes that planning fees currently only account for on average 63% of the cost of determining an application. As such the Scottish Government expects that a fee regime which better reflects costs, ought to result in improved resources across the whole planning service. However, it is not intended that planning fees cover the cost of that wider planning service, including the various new duties identified in the 2019 Planning Act.
- 1.9 The consultation also recognises that additional fee income is not a solution in itself, but that smarter resourcing and improved use of digital opportunities is also essential. There are a significant number of questions, on which respondent views are sought, these can be accessed on the Scottish Government website via the following link:
- <https://consult.gov.scot/planning-architecture/planning-performance-and-fees/>
- 1.10 A brief summary of the most significant proposals are set out in section 2. of this report. Responses were invited by 14 February 2020 however, the Scottish Government is aware that Perth and Kinross Council will submit around 1 week later than this and that the Council’s submission will be taken into account.

## **2. PROPOSALS**

### **Planning Performance**

- 2.1 The Planning (Scotland) Act 2019 requires annual performance reporting by planning authorities, with the form and content to be provided for in regulations. The following approach to the context, structure and content of performance, and its reporting, is set out in the consultation.
- 2.2 A ‘vision’ of the planning system is promoted, this is stated as: *“The Planning System must provide certainty, consistency and clarity to all those who participate in it, through effective engagement, policy, decision making and communication.”* Comments on this vision are sought.

- 2.3 A refocus of the annual Planning Performance Framework is also promoted, so that it looks at the outcomes and impacts which planning delivers, rather than statistics. The 2019 Planning Act also allows a 'National Planning Improvement Co-ordinator' (NPIC) to monitor and provide advice to planning authorities and others on the performance of general or specific functions, reporting to Ministers. In addition the NPIC will also look at the roles of the Scottish Government's Planning and Architecture Division, the Department for Planning and Environmental Appeals, and Scottish Ministers.

### **Planning Fees**

- 2.4 The resourcing of planning services has been a consistent Scottish Government priority throughout the review of the planning system and is seen as essential to the proper implementation of the 2019 Planning Act and other existing regulations.
- 2.5 The Planning Act also allows for additional charges to be set for a range of services, as well as the waiving or reducing of fees and making provision for an increased fee for retrospective applications. The consultation paper recognises that further work may be needed to model the likely change in income for each Planning Authority, given the caseload volume variations between them.
- 2.6 The potential impact on the development and business sectors are also recognised, in terms of viability and wider investment. A draft Business and Regulatory Impact Assessment has been prepared in this regard.
- 2.7 It is also recognised in the consultation document that the resourcing of the local planning service is the responsibility of local authorities. However, it also sets out that Scottish Ministers agree that any increase in fees must be linked to sustained impacts in performance, with increased fee income intended to provide additional resources to Planning Authorities to help support performance improvement.
- 2.8 Overall the consultation looks at how the fee regime could be revised as well as looking at the potential for discretionary charging, increased fees for retrospective applications, the removal of fees for advertising planning applications and reducing and waiving fees. There are also some practical issues on which views are sought.
- 2.9 Generally it is proposed that the fee regime better reflects the resource expended in terms of processing and advertisement costs. Some fees will increase significantly, although tapering up or down to reflect scale and resource implications. In some cases, reductions are promoted, such as removing potential barriers to economic development for small or medium sized enterprises. The fee regime is separated into various categories and the headline themes are set out below:

Residential proposals would see fees for development of between 1-10 dwellings increase by 50% to £600 per unit; 11-49 units at £450 per unit; and

thereafter any additional units would have a fee of £250. The maximum possible fee is also to be increased to £150,000 this being equal to 2,058 dwellings and an increase of 20% from the existing fee. For extensions and alterations to existing dwellings fees are to be separated. Extensions and buildings within gardens would see a fee of £300 applied whereas the replacement of windows, means of enclosure, garages and micro-generation equipment would see a fee of £150 apply.

Business and Commercial proposals would see an alternative approach taken, avoiding a deterrent in the expansion of small to medium size enterprises. Here, examples given indicate that applicable fees equivalent to 1,500m<sup>2</sup> and 5,000m<sup>2</sup> of floor space would reduce by 20% and 14%, before reaching a tipping point where fees would begin to increase from the current situation. Similar approaches are promoted in relation Agricultural Buildings, Glasshouses and Polytunnels. Windfarm related development is to be separated out from plant and machinery. Hydro Schemes fees are to be increased by roughly 20%. There are also questions relating to Other Energy Generation projects and whether there should be a separate category for Solar Farms.

Approval of Matters Specified in Conditions (AMSC), as set by Planning Permission in Principle approvals: the consultation recognises that there can be situations with larger developments where the maximum fee is reached early, and that only a named applicant can benefit from a cumulative calculation to reach that limit. This has seen confusion and disparity, dependant on the situation and approach taken. Various questions are posed on this issue.

Cross boundary Applications – Allocation of the fee: currently the relevant fee is passed to the authority which contains the majority of the development being proposed, the other authority receiving nothing. The consultation now asks if the fee should be split between the relevant authorities, or not, and on what basis.

Conservation Areas: It is proposed that a 50% fee would be applied to applications in conservation areas, where development would otherwise be permitted outwith these statutory designated areas.

Listed Building Consent: currently no fee is applicable to LBC applications and this is now to be reviewed, although the implications and unintended consequences require to be understood. Equally the long term viability of historic buildings should not be compromised through additional costs. Although recognising the considerable cost to authorities of processing such applications it is also recognised that the main impact is likely to be on smaller works where planning permission is not required or they are permitted development. Furthermore the consultation notes that more detailed guidance on when Listed Building Consent is required may be needed.

Hazardous Substances Consent: the relevant fees have not altered in 25 years and the consultation asks what fee level would be appropriate.

Other types of Applications: it is proposed to make various changes to the fees associated to applications for a Certificate of Lawful Use or Development (CLUD); Advertisement; Alternative Schemes; and under Section 42 (conditions).

Discretionary Charging: The Planning (Scotland) Act 2019 increases the scope of services planning authorities can charge for. An example includes pre-application discussions, which some authorities already charge for. However, Scottish Government do not intend to make it compulsory for authorities to charge for such services, leaving it discretionary. Various questions are posed on this issue.

Charging for Appeals: this area may be of particular interest, relating to whether an appeal to the Department of Planning and Environmental Appeals (DPEA) or Local Review Board (LRB) should see a cost attached. It is recognised that this would be a sea change in approach and as such a modest introduction rate, followed by moves towards full recovery, is suggested. Further consultation is to take place on this specific proposal..

Retrospective Applications – the consultation recognises that there can be issues associated to situations where applications are made after development has been undertaken. It is proposed that authorities would have discretion as to whether or not to apply any surcharge, above the standard planning fee. A surcharge of 100% is suggested.

Environmental Impact Assessments (EIA): the consultation recognises that applications associated to an EIA can have significant resource implications and asks if an EIA application should see a supplementary fee paid.

Charging for Scottish Government services: it is also suggested that a surcharge could be applied to applications made via the planning portal which would then be reinvested into the services provided by the Scottish Government.

### **3. CONCLUSION AND RECOMMENDATIONS**

- 3.1 The consultation paper seeks to update how the performance of the planning system is measured, and to introduce the role of a National Planning Improvement Co-ordinator. It also seeks views on revising the Planning Fee regime, with a view to better reflecting the type of development now experienced, with revisions and additions to the categories of developments and how the fees are calculated. The consultation in some circumstances proposes increasing the maximum fee to £150,000 and, in general, the overall fee applied to most scales of development. The consultation paper also seeks views on the introduction of charges for discretionary services such as: pre-application discussions, enhanced project managed applications, increased fees for retrospective applications, and waiving or reducing planning fees.
- 3.2 In particular a significant change in approach is discussed in relation to: setting a vision for the planning system; a refocusing of Planning Performance

Frameworks toward outcomes and impacts; the creation of a National Planning Performance Co-ordinator; significant and almost wholesale change to the planning fee regime; introducing the ability of Planning Authorities to charge for other planning services, and also waive or reduce fees; pointing out that any increase in fees must see enhanced performance through the provision of additional resources; promoting that fee income for cross boundary applications is split between the relevant authorities; that applications for Listed Building Consent would incur a fee; that authorities could choose to charge for discretionary services, such as pre-application consultation; that appeals would incur a fee; that retrospective applications could see a surcharge applied; that there could be a level of refund of a fee if a decision was not issued in 26 weeks; that fees for advertising applications are incorporated into the overall application fee; that EIA development would see an additional fee; a review of fees for Planning Permission in Principle applications; the introduction of a 'Hybrid' application fee category; that there could be an additional fee for applications made in paper form; and that there would be a service charge for electronic submission via the eDevelopment portal.

- 3.3 The considered view of officers in relation to the large number of questions posed in the consultation is set out in the attached draft response.
- 3.4 It is recommended that the Council approve the draft consultation response prepared by officers, as set out in Appendix 1, for onward submission to the Scottish Government.

#### Author(s)

| Name           | Designation                                                          | Contact Details                                                                                        |
|----------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
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#### Approved

| Name          | Designation                                         | Date            |
|---------------|-----------------------------------------------------|-----------------|
| Jim Valentine | Depute Chief Executive (Chief<br>Operating Officer) | 6 February 2020 |

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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>No</b>         |
| Corporate Plan                                      | <b>No</b>         |
| <b>Resource Implications</b>                        |                   |
| Financial                                           | <b>Yes</b>        |
| Workforce                                           | <b>No</b>         |
| Asset Management (land, property, IST)              | <b>No</b>         |
| <b>Assessments</b>                                  |                   |
| Equality Impact Assessment                          | <b>No</b>         |
| Strategic Environmental Assessment                  | <b>No</b>         |
| Sustainability (community, economic, environmental) | <b>No</b>         |
| Legal and Governance                                | <b>No</b>         |
| Risk                                                | <b>No</b>         |
| <b>Consultation</b>                                 |                   |
| Internal                                            | <b>No</b>         |
| External                                            | <b>No</b>         |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | <b>No</b>         |

### 1. Strategic Implications

#### Community Plan/Single Outcome Agreement

- 1.1 The impacts of this Scottish Government Consultation are unlikely to have significant impacts on the delivery of the Perth and Kinross Community Plan/Single Outcome Agreement, as they relate to performance reporting a fee structures. However there is an anticipation that there will be an increase in overall fee income, with a clear inference that this should be used to increase resources, such that performance is enhanced.

#### Corporate Plan

- 1.2 The Consultation outcomes are likely to support the ongoing achievement of our corporate priorities through facilitating resources to enhance performance of the planning function.

### 2. Resource Implications

#### Financial

- 2.1 The consultation makes it clear that there is an anticipation that there will be an increase in overall fee income, and that such monies should be used to increase resources, such that performance is enhanced.

- 2.2 However, until the outcomes of the consultation are known and a revised statutory fee regime put in place, impacts on fee income cannot be quantified. However, it is likely that any impacts are likely to be neutral from the present situation, as increased income could be balanced with investment in services.

#### Workforce

- 2.3 As indicated above, until the outcomes of the consultation are known and a revised statutory fee regime put in place, impacts on workforce cannot be quantified. However, it is likely that any impacts are likely to be neutral from the present situation, as increased income could be balanced with investment in resources.

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

- 2.4 Again, until there is certainty on the outcomes of the consultation are known, it is not possible to quantify or predict impacts on land and property, although these are unlikely.

### **3. Assessments**

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

- 3.1 As a Scottish Government consultation in relation to areas which fall under their control, relevant assessments have been undertaken by that authority and are contained within the consultation documents. In relation to impacts associated to matters which may be discretionary to Perth and Kinross Council, relevant assessments could be undertaken when approaches on such matters are being considered.

#### Risk

- 3.2 There are no key risks associated with the contents of this report.

### **4. Consultation**

#### Internal

- 4.1 None.

#### External

- 4.2 None.

### **5. Communication**

- 5.1 None.

## **2. BACKGROUND PAPERS**

Scottish Government Consultation on Planning Performance and Fees – 2019

<https://www.gov.scot/publications/planning-performance-fees-consultation/>

## **3. APPENDICES**

Appendix 1 – Draft Response to Consultation



**Note: Proposed PKC comments in red.**

## Planning Performance

- 1 Should we set out a vision for the Planning Service in Scotland?  
Yes
  - 1a Do you agree with the vision proposed in this consultation?  
Yes
  - 1b Do you have any comments about the proposed vision?  
No. The general theme is the service standard which Perth and Kinross Council strive to achieve.
- 2 Is the proposed approach to the content correct?  
Yes
- 3 Do you have any comments on the Proposed content of Planning Performance Reports?  
The focus of presenting both best practice, excellent outcomes, as well as where lessons can be learnt is important. Guidance will be required in relation to how non-statistical information is to be reported - particularly reference against national outcomes. It is noted that comment on resourcing is to become an integral part of future PPF cycles, again guidance on how this is to be measured and reported would be useful.
  - 3a Do you have any comments or suggestions as to how reports should be prepared?  
A common template approach, across all authorities, for the bones of any PPF document would create consistency and aid comparison between authorities. However, how this is then visually presented could be left to each authority, to provide individuality.  
Co-ordination of the process may require an appointed individual within an authority, with a long-term responsibility for PPF, thus allocating adequate resource and giving opportunity to grow as years progress.
  - 3b What statistical information would be useful/valuable to include and monitor?  
The current range of monitored statistics is relatively targeted towards performance. It may be opportune to now look at statistics which relate to new areas of PPF focus, such as monitoring of engagement; value added, in relation to national outcomes; and financial and staff resources.
  - 3c What are the key indicators which you think the performance of the system and authorities should be measured against?  
Output and outcomes should be measured, as an understanding of all 7 areas to be covered in reports is important, such that a rounded rating can be presented - rather than a focus on statistics over quality of results.

- 3d Do you have any other comments to make with regards to how the Performance of the Planning System and Authorities is measured and reported?  
**No.**
- 3e Do you have any suggestions about how we could measure the outcomes from planning such as:
- Placemaking
  - Sustainable Development
  - Quality of decisions
- It is considered that this area will require further research to determine an appropriate approach. However, there are tools which can be used to place value on some of these areas. Although how these could be easily and proportionately applied, such that an accurate and worthwhile picture of outcome was achieved is not obvious.**
- 3f Do you have any suggestions about how planning's contribution to the National Outcomes contained in the National Performance Framework should be measured and presented?  
**As with 3.e. this area will require further research and a standardised approach agrees for all authorities.**
- 4 Do you agree with the proposed responsibilities of the planning improvement co-ordinator?  
**Yes.**
- 4a Do you have any comments/suggestions about the role?  
**No.**

## **Planning Fees**

- 5 Do you agree with the proposed planning fees for Category 1 - Residential Development?  
**Yes.**
- 5a Is the proposed method for calculating the fee correct?  
**Yes.**
- 5b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**
- 6 Do you agree with the proposed planning fees for Categories 2, 3, 4 and 5 - Extensions and Alterations to Existing Dwellings?  
**Yes.**
- 6a Is the proposed method for calculating the fee correct?  
**Yes.**
- 6b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**

- 7** Do you agree with the proposed planning fees for Category 6 – Retail and Leisure including extensions?  
**Yes.**
- 7a Is the proposed method for calculating the fee correct?  
**Yes.**
- 7b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**
- 8** Do you agree with the proposed planning fees for Category 7 - Business and Commercial including extensions?  
**No.**
- 8a Is the proposed method for calculating the fee correct?  
**No.**
- 8b Do you have any comments on the proposed fees and for calculating the planning fee?  
**It would be useful to have further information on how influencing a factor a planning fee reduction would encourage the expansion of small to medium size enterprises, and what the converse result would be. All measured against overall costs associated to such expansion.**
- 9** Do you agree with the proposed planning fees for Category 8 - Agricultural Buildings?  
**Yes.**
- 9a Is the proposed method for calculating the fee correct?  
**Yes.**
- 9b Do you have any comments on the proposed fees and for calculating the planning fee?  
**Although a similar approach is taken to that suggested for Category 7, the potential impact on resources associated to authorities considering such applications is unlikely to be as intensive or impacted by the changes proposed.**
- 10** Do you agree with the proposed planning fees for Category 9 - Glasshouses?  
**Yes.**
- 10a Is the proposed method for calculating the fee correct?  
**Yes.**
- 10b Do you have any comments on the proposed fees and for calculating the planning fee?  
**The reasoning for the approach taken is understood, given this type of development is common in Perth & Kinross. Although it would have been helpful to have more information published in the consultation on the reasoning for this change.**

10c Should a separate category be established for erection of glasshouses on land that is not agricultural land?

Yes.

Please provide reasons for your answer.

A separate category could simply apply a fee beginning at a lower size threshold, but excluding more modest 'domestic scaled' proposals.

11 Do you agree with the proposed planning fees for Category 10 - Polytunnels?

Yes.

11a Is the proposed method for calculating the fee correct?

Yes.

11b Do you have any comments on the proposed fees and for calculating the planning fee?

Again, the rationale is understood, however it may be considered that the range of reduced fees and range of increased fees is significant and it would have been helpful to have seen more information published in the consultation on the reasoning for this change.

11c Should a separate category be established for erection of polytunnels on land that is not agricultural land?

Yes.

Please provide reasons for your answer.

Again, a separate category could simply apply a fee beginning at a lower size threshold but excluding more modest 'domestic scaled' proposals.

12 Do you agree with the proposed planning fees for Category 11 – Windfarms – access tracks and calculation?

Yes.

12a Is using the site area the best method of calculating fees for windfarms of more than 3 turbines?

Yes.

12b If not, could you suggest an alternative? In your response please provide any evidence that supports your view.

N/A

12c Do you have any comments on the proposed fees and for calculating the planning fee?

No.

13 Do you agree with the proposed planning fees for Category 12 - Hydro Schemes?

Yes.

13a Is the proposed method for calculating the fee correct?

Yes.

- 13b Do you have any comments on the proposed fees and for calculating the planning fee?  
Guidance should be provided to set out how site areas will be applied. As is inferred in Q13.c. pipework can be extensive but not result in a large surface area, whilst impacts can be significant. It may be more appropriate to apply a fee related to the length of pipework.
- 13c Could the planning fee be set using site area for the generating station and equipment with a separate calculation used for pipework? This could be similar to the fee for Fish Farms where the surface area is subject to a different fee to the seabed.  
Yes. See comment in relation to Q13.b.
- 14** Is the definition and the proposed method for calculating the planning fee correct for Category 13 - Other energy generation projects?  
Yes.
- 14a Do you have any comments on the proposed fees and for calculating the planning fee?  
Examples could be provided as to what type of proposals would fall into this category and how a fee would be calculated, giving an example fee.
- 14b Should a category be created for Solar Farms?  
Yes.
- 14c Do you have any suggestions for how the fee should be calculated?  
Although large in area impacts can often be quantified through reports which would not necessarily increase exponentially in cost. As such a bespoke approach may be appropriate, to avoid disproportionate fees.
- 14d Should a category be created for energy storage developments?  
Yes.
- 14e Do you have any suggestions for how the fee should be calculated?  
The same approach to Category 13 could apply.
- 14f Should a category be created for heat networks?  
Yes.
- 14g Do you have any suggestions for how the fee should be calculated?  
A similar approach to Category 12 could apply, with the way in which fees are calculated separating out equipment and pipework.
- 15** Do you agree with the proposed planning fees for Category 14 – Exploratory Drilling for Oil and Natural Gas?  
Yes.
- 15a Is the proposed method for calculating the fee correct?  
Yes.

- 15b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No. Although examples could be given of past development, giving a benchmark.**
- 16** Do you agree with the proposed planning fees for Category 15 – Fish Farming?  
**Yes.**
- 16a Is the proposed method for calculating the fee correct?  
**Yes.**
- 16b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**
- 17** Do you agree with the proposed planning fees for Category 16 – Shellfish Farming?  
**Yes.**
- 17a Is the proposed method for calculating the fee correct?  
**Yes.**
- 17b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**
- 18** Do you agree with the proposed planning fees for Category 17 – Plant and Machinery?  
**Yes.**
- 18a Is the proposed method for calculating the fee correct?  
**Yes.**
- 18b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**
- 19** Do you agree with the proposed planning fees for Category 18 – Access, Car Parks etc. for Existing Uses?  
**No.**
- 19a Is the proposed method for calculating the fee correct?  
**No.**
- 19b Do you have any comments on the proposed fees and for calculating the planning fee?  
**An area-based approach, reflective of the scale of development proposed could be applied.**

- 20** Do you agree with the proposed planning fees for Category 19 - Winning and Working of Minerals?  
**Yes.**
- 20a Is the proposed method for calculating the fee correct?  
**Yes.**
- 20b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**
- 21** Do you agree with the proposed planning fees for Category 20 - Peat?  
**Yes.**
- 21a Is the proposed method for calculating the fee correct?  
**Yes.**
- 21b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**
- 21c In light of the climate emergency do you agree that fees for applications relating to the winning and working of peat should continue to be considered separately from other mineral operations?  
**Yes.**
- 22** Do you agree with the proposed planning fees for Category 21 – other operations?  
**Yes.**
- 22a Is the proposed method for calculating the fee correct?  
**Yes.**
- 22b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No. Although examples could have been given of past development, giving a flavour for what types of development would fall into this category and provide a benchmark.**
- 23** Do you agree with the proposed planning fees for Categories 22 and 23 – Waste Disposal and Minerals Stocking – does not cover waste management (recycling)?  
**Yes.**
- 23a Is the proposed method for calculating the fee correct?  
**Yes.**
- 23b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**

- 24** Do you agree with the proposed planning fees for Category 24 - Conversion of Flats and Houses?  
**Yes.**
- 24a Is the proposed method for calculating the fee correct?  
**Yes.**
- 24b Do you have any comments on the proposed fees and for calculating the planning fee?  
**Although responding as a 'Yes', it is unclear why the fee for proposals for the creation of between 11 and 49 units would be charged at the rate of £400 per unit, thus differing from the £450 fee proposed for Category 1.**
- 25** Do you agree with the proposed planning fees for Category 25 - Changes of Use of a Building?  
**No.**
- 25a Is the proposed method for calculating the fee correct?  
**No.**
- 25b Do you have any comments on the proposed fees and for calculating the planning fee?  
**In certain circumstances, such as the scale of site or impacts of development may see this fee inadequately reflect the resource requirement to process such a proposal. A scale-based approach may be appropriate.**
- 26** Do you agree with the proposed planning fees for Category 26 - Changes of Use of Land?  
**Yes.**
- 26a Is the proposed method for calculating the fee correct?  
**Yes.**
- 26b Do you have any comments on the proposed fees and for calculating the planning fee?  
**No.**
- 27** Please list any types of developments not included within the proposed categories that you consider should be.  
**None obvious, examples may have helped focus thoughts.**

## **Other Fees**

- 28** How should applications for planning permission in principle and Approval of Matters Specified in Conditions (AMSC) be charged in future?  
**If the basis of the maximum fee principle is not to change it is difficult to see what approach would be fair to both applicants and authorities.**

It may also be worth noting that very large sites granted PPP can result in decades of work for authorities, without fee income. This has been particularly hard hitting when fees have more recently seen significant increases, after low level maxims have been reached. Today and going forward even a 150% limit may not be a significant fee, relative to the scale or nature of development proposed and timelines associated.

On this basis it may be appropriate to limit the time period for the maximum fee principle to apply, perhaps encouraging development to come forward early and also future proof the ability of authorities to resource services.

28a How should the fee for AMSC applications be calculated?

The general approach is sound, other than in relation to concerns over exceedingly large development with long development timelines, and the risk that many years of large complex applications could see no fee income to resource a service. As noted a time limit for the maximum fee principle may be appropriate.

28b Should the maximum fee apply to the individual developers/applicants or applied to the whole development with applicants (if number is known) paying an equal share of the max fee?

Yes.

Further to the above, an approach to reflect the scale and timelines of development is considered appropriate. However, how individual developers/applicants are defined is important, to avoid risk of continuing named applicants, when this is perhaps questionable.

28c Should the granting of a section 42 application lead to the fee calculator being reset?

Yes.

There is a particular issue with determining which planning permission is being implemented, thus what timelines and controls apply, when there are various versions in place. This factor requires to be clarified.

29 Should the fee for cross boundary applications be split between the respective authorities?

- No change
- 100% to authority where majority of development occurs with remaining 50% to other authority
- Fee divided as per how the development is split across the authority boundaries
- Yes.
- Other

Please provide reasons for your answer

A proportionate approach should be taken, reflective of the authority involvement.

- 30** Do you agree or disagree with the proposal that where applications are required because permitted development rights for dwellings in conservation areas are restricted, then a reduced fee should be payable?

Agree.

Please provide reasons for your answer

To encourage development/maintenance improvements and also applications being made, rather than unauthorised works.

- 31** Is the introduction of a fee for applying for Listed Building Consent appropriate?

Yes.

How should the fee be set

A similar fee to that associated to Q30. could be applied, with both reflecting advertisement costs - noting the requirement for LBC applications to have enhanced advertising.

- 32** Should the fees for Hazardous Substances Consent be increased?

Yes.

What levels do you think are appropriate?

Further research is required to determine an appropriate fee scale, as well as clarifying the most appropriate party to consider such applications - Local Authorities or the HSE.

- 33** Are the proposed increases in fees for the categories below appropriate? –

33a CLUDS

Yes.

33b Advertisement

Yes.

33c Prior Approval

Yes.

33d Should alternative schemes remain as it is?

Yes.

Please provide reasons for your answer

It is noted that the CLUD per dwellinghouse unit cost does not take account of the reduction in cost associated to unit number thresholds in the planning permission application fee structure.

- 34** Are there other fees which have not been considered?

None obvious.

## Discretionary Charging

- 35 Do you think we should set out the range of services which an authority is allowed to charge for?

Yes.

Please provide reasons for your answer

Consistency of approach across authorities is important, such that there is an overall confidence in the system and to avoid disparities.

- 36 How should the fee for pre-application discussions be set?

A national approach and level of service expected should be set, again in order to create consistency across authorities.

- 36a should the fees for pre-application discussions be subtracted from the full fee payable on submission of an application?

No.

Please provide reasons for your answer

Pre-application advice is not the same as the consideration of a planning application. However, a % discount could be applied related to the subsequent fee - but reaching a level/cap not exceeding the pre-application fee paid.

- 37 Do you think that there should be an additional charge for entering into a processing agreement to reflect the additional resource required to draft and agree the timescales to be included?

Yes.

Should we set the fee for that or an upper limit allowing authorities the flexibility to set their fee within clear parameters?

A fee should be nationally set, to create consistency. This may be notional, and with increases or decreases if targets are not met by either the applicant or authority.

- 38 Where a non-material variation is required should an authority be able to charge for each change which is made?

- No charge
- Per Change
- Per Request

Yes.

Should we set the fee for that or an upper limit allowing authorities the flexibility to set their fee within clear parameters?

Regulations should set the fee, again to create consistency.

- 39 Should authorities be able to charge for carrying out the monitoring of conditions?

Yes.

39a Should a fee for monitoring be limited to certain types of monitoring requirements?

Yes.

39b what should this be limited to?

Further analysis will be required to determine an appropriate scope for this fee category.

39c How should the fee be set?

Again, a fee scale should reflect the likely resource implications, inclusive of complexity and time.

40 Do you think there should be a fee payable for the discharge of conditions? -  
Yes.

Please provide reasons for your answer

When approving planning permission subject to conditions, often as a result of lack of detail or clarification, or a need to ensure certain actions are undertaken, the resource implication can be significant. However, as such matters are not a formal application, they are not able to be subject to statistical analysis or easy monitoring for compliance. Formalisation of the process, towards an application, is likely to improve customer service, quality of outcomes and transparency.

41 Do you think that Planning Authorities should be able charge for the drafting of planning agreements?

Yes.

Please provide reasons for your answer

In many cases Section 75 Agreements are used to secure financial contributions. But if the applicant made the payment upfront of release of planning consent then no Agreement would be required. The use of a S.75 Agreement is therefore as a result of the applicant's choice and it should therefore be available to Local Authorities to charge for this work. It is acknowledged that there are instances where an Agreement is required which does not relate to finance but with the emphasis on using conditions to secure necessary restrictions the requirement to use a S.75 Agreement can be reduced.

Section 75 (2) states "A planning obligation may- (c) contain such incidental and consequential provisions as- (i) in the case of an agreement appear to the planning authority to be necessary or expedient for the purposes of the agreement,....."

PKC considers the payment of the Council's in house or external legal fees relating to a s75 to be necessary and expedient. It is considered that the existing legislation already allows for fee charging but it would be helpful if this could be further supported through the fees legislation.

If so how should this be calculated?

There is no requirement for the Fees Legislation to set fee levels for undertaking work relating to legal agreements and these should be assessed on an individual basis depending on the complexity of the agreement. In line with a number of authorities across Scotland, PKC undertake the more standard Legal Agreements using the Council's Legal Team with the work carried out for a fixed fee. But this approach does not work with larger and more complex agreements which may require additional expertise. In these cases, the Council engage a commercial planning law practice on the Council's behalf to undertake the drafting of the Agreement. This approach is found to provide better flexibility and improved performance in terms of quality and delivery of the agreements. Defining specific fee levels may restrict this approach and may also not provide enough income to cover the additional costs associated with providing the necessary expertise when drafting more complex agreements.

- 42** Should an authority be able to charge for development within a MCA (building, or changes or use) in order to recoup the costs involved in setting one up?

Yes.

- 42a Should we set the fee or an upper limit?

Yes.

Please provide reasons for your answer

The cost of setting up an MCA should be able to be recouped, although how this could be achieved such that there is a nationally consistent fee level is difficult to confirm. As such it may be that a reduced fee level, compared to that associated to planning permission, for confirmation of compliance with the requirements of the MCA is applied.

- 43** Should the ability to offer and charge for an enhanced project managed service be introduced?

Yes.

Please provide reasons for your answer

A different approach to the processing projects should be clear in why it is separated from general planning applications and the standard fee structure. A specific coding and fee reflective of the differing approach being taken would assist in this, avoiding feelings of 'special treatment' being given to some development proposals - when everyone should be on a level playing field, if paying the standard planning fee relevant to their proposal.

- 43a What if anything should happen in the event of failure to meet timescales?

A review could take place to see where lessons could be learned or where things broke down and if any blame should be apportioned. However, what penalties could be applied would require careful consideration in each case.

- 44 Do you think charging for being added or retained on the register of interested people should be included in the list of services which Planning Authorities should be allowed to charge for?

Yes.

Should there be a restriction of the amount that can be charged?

Yes.

Please provide reasons for your answer

This should be a nominal fee.

At present there is no guidance to Local Authorities as to the form that the Self/Custom Build register should take. Companies such as Buildstore have already developed and maintain a register of interest which they do not charge to be part of. The concern raised is that by charging interested parties to be part of a register which is also being made available free by the private sector would inhibit uptake and make the register less comprehensive.

As the register is being used to gauge demand in a local authority area it is appropriate to charge a nominal fee to register just to ensure that only people who are committed will actually sign up. It is not considered that a restriction on the amount charged should be specified but any fee should be conscious of the aim of the register so as not to be so high as to dissuade people to sign on.

- 45 Do you think that, in principle, fees should be charged for appeals to Planning and Environmental Appeals Division (DPEA)?

Yes.

- 45a Should we limit the circumstances in which a fee can be charged for lodging an appeal?

Fees could relate to scale, perhaps based on: householder type applications seeing a nominal charge; other 'Local' applications, and 'Major' applications seeing a fee structure based on a percentage of the relevant planning fee.

- 45b In what circumstances do you think a fee should be paid for lodging an appeal?

See answer to 45.a.

- 45c Do you think that the fee should be refunded in the event of a successful appeal?

Yes.

- 45d If so, should this follow the same process as is currently set out for awarding costs?

To an extent this is a matter for DPEA or prospective appellants to comment on.

45e What categories of appeals should be considered for charging?

See answer to 45.a.

45f Do you think that a fee scale should be provided in relation to appeals to Local Review Bodies and, if so, should the arrangements differ from appeals to DPEA?

Yes, although the only difference to DPEA arrangement may see a partial refund of the appeal fee. To retain part of an appeal fee would allow the funding of the LRB service to be resourced more directly.

46 Do you have any suggestions as to the circumstances in which authorities could waive or reduce a planning fee?

Parameters should be set at a national level.

46a Should the maximum reduction be set out in regulations?

Yes.

Please provide reasons for your answer

To create national consistency.

## Other Issues

47 Should the (Retrospective Applications) surcharge be set at 100%?

Yes.

If not what level should it be set at?

N/A

47a Authorities will need to apply discretion when applying this surcharge. Should authorities need to clearly set out the reasons why the surcharge has been applied or not in each individual case?

No.

Please provide reasons for your answer

No discretions should be applied, as to apply discretion is likely to be very difficult to routinely clearly reason. There should either be a surcharge or none.

48 Given the success of ePlanning, the continuing increase in its use and the savings which are made to both an applicant and authority in submitting an application electronically, do you think it is appropriate to apply an increased fee for submitting a paper application due to the additional work involved?

Yes.

Please provide reasons for your answer

It is important to continue to transition to ePlanning and reduce the resource and public access implications of paper applications. The level of applications still being submitted in paper form is low, with many being from Agents who could easily transition, or first-time users. Perhaps it is now appropriate to use the 'stick' approach, having reached a point where all who are open to the transition have done so.

48a Do you consider the use of rebates, discounts or other incentives, a useful tool delivering a more efficient service?

No.

If so what would you consider to be an effective discount, rebate or other incentive?

This area requires further analysis and consultation to provide a sound evidence base to indicate that a more efficient service would result.

49 Do you consider there should be a single advertising fee?

Yes.

How do you think the cost of advertising should be recovered?

Absorbed within the relevant planning fee. However, consideration should be given to the appropriateness of the current arrangements for advertising and whether this is an approach fit for purpose in 2020 and beyond.

50 Do you consider that submission of an Environmental Impact Assessment (EIA) should warrant a supplementary fee in all cases?

No.

Please give reasons for your answer

The relevant planning fee is likely to generally reflect that the application is more resource intensive, although this may be averaged out over multiple EIA applications. All whilst noting that EIA development is limited in many authorities.

If so what might an appropriate charge be?

N/A

51 Do you think that (Hybrid) applications for planning permission in principle should continue to be charged at half the standard fee?

No.

Should there be a different fee for 'hybrid applications' as described?

Yes.

52 Should the Scottish Government introduce a service charge for submitting an application through eDevelopment (ePlanning and eBuilding Standards)?

Yes.

## Impact Assessments

53 Do you have any comments on the Business and Regulatory Impact Assessment?

No.

54 Do you agree with our conclusion that a full Equality Impact Assessment is not required?

The conclusions appear robust.

**55** Do you have any comments on the Equality Impact Assessment?

No.

**56** Do you agree with our conclusion that a full Strategic Environmental Assessment (SEA) is not required?

Yes.

Please provide reasons for your answer

The conclusion appears robust.

**57** Do you agree with our conclusion that a full Children's Rights Assessment (CRWIA) is not required?

Yes.

Please provide reasons for your answer

The conclusion appears robust.

**58** Do you agree with our conclusion that a full Fairer Scotland Duty assessment is not required?

Yes.

Please provide reasons for your answer

The conclusion appears robust.

**59** Do you have any comments which relate to the impact of our proposals on the Islands?

No.



## **Appointments to Committees/Outside Bodies**

The Council is asked to agree the following:

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

- (a) Councillor T McEwan be appointed to replace Councillor D Doogan on the Strategic Policy and Resources Committee.
- (b) Councillor A Parrott be appointed to replace Councillor D Doogan on the Executive Sub-Committee of the Strategic Policy and Resources Committee.
- (c) Councillor A Parrott be appointed to replace Councillor D Doogan on the Property Sub-Committee.

**(ii) Environment and Infrastructure Committee**

- (a) Councillor T Gray be appointed to replace Councillor D Doogan on the Environment and Infrastructure Committee.
- (b) Councillor G Laing be appointed to replace Councillor D Doogan on the Executive Sub-Committee of the Environment and Infrastructure Committee.

**(iii) Scrutiny Committee**

- (a) Councillor F Sarwar be appointed to replace Councillor D Doogan on the Scrutiny Committee.
- (b) Councillor S McCole to replace Councillor G Laing as Convener of the Scrutiny Committee.

**(iv) Modernising Governance Member/Officer Working Group**

Councillor F Sarwar be appointed to replace Councillor D Doogan on the Modernising Governance Member/ Officer Working Group.

**(v) Affordable Housing Member/Officer Working Group**

Councillor C Ahern be appointed to replace Councillor C Shiers on the Affordable Housing Member/Officer Working Group.

**(vi) Perth Harbour Board**

Councillor S McCole be appointed to replace Councillor D Doogan on the Perth Harbour Board.

**(vii) Tayside Contracts Joint Committee**

Councillor J Rebbeck be appointed to replace Councillor D Doogan on the Tayside Contracts Joint Committee.

**(viii) Tay Cities Joint Committee**

Councillor G Laing be appointed to replace Councillor D Doogan on the Tay Cities Joint Committee.

**(ix) Tayside Valuation Joint Board**

Councillor M Williamson be appointed to replace Councillor D Doogan on the Tayside Valuation Joint Board.

**(x) COSLA Convention**

Councillor G Laing be appointed to replace Councillor D Doogan on the COSLA Convention.

**(xi) Live Active Leisure Limited**

Councillor J Rebbeck be appointed to replace Councillor G Laing on Live Active Leisure Limited.

**(xii) Friends of Aschaffenburg Management Committee**

Councillor H Anderson be appointed to replace Councillor B Pover on the Friends of Aschaffenburg Management Committee.

**(xiii) Horsecross Perth Theatre and Concert Hall – Executive Committee**

See attached (Exempt by Vitruvius of Para 6 of Part 1 of Schedule 7A of the 1973 Act)