PERTH & KINROSS COUNCIL

Securing the future… • *Improving services* • *Enhancing quality of life* • *Making the best use of public resources*

Council Building
2 High Street
Perth
PH1 5PH

25/01/2023

A hybrid meeting of the **Finance and Resources Committee** will be held in **the Council Chamber** on **Wednesday, 01 February 2023** at **14:00**.

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

THOMAS GLEN
Chief Executive

Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.

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

Members:
Councillor Stewart Donaldson (Convener)
Councillor Grant Laing (Vice-Convener)
Bailie Chris Ahern
Bailie Alasdair Bailey
Councillor Peter Barrett
Councillor Andy Chan
Councillor Dave Cuthbert
Councillor Eric Drysdale
Councillor John Duff
Councillor Angus Forbes
Provost Xander McDade
Councillor Tom McEwan
Depute Provost Andrew Parrott
Councillor John Rebbeck
Councillor Caroline Shiers
Councillor Colin Stewart

Finance and Resources Committee

Wednesday, 01 February 2023

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	**MINUTE OF MEETING OF THE FINANCE AND RESOURCES COMMITTEE OF 30 NOVEMBER 2022 FOR APPROVAL** (copy herewith)	**5 - 8**
4	**OUSTANDING BUSINESS STATEMENT** (copy herewith 22/39)	**9 - 10**
5	**REVENUE BUDGET 2022/23 - UPDATE NO. 3** Report by Chief Accountant (copy herewith 23/30)	**11 - 42**
6	**COMPOSITE CAPITAL BUDGET 2022/28 & HOUSING INVESTMENT PROGRAMME 2022/27 - MONITORING REPORT NO.3** Report by Head of Finance (copy herewith 23/31)	**43 - 74**
7	**TREASURY ACTIVITY AND COMPLIANCE REPORT 2022-23 QUARTER 3** Report by Head of Finance (copy herewith 23/32)	**75 - 94**
8	**FRAMEWORK FOR MANAGING WORKFORCE CHANGES** Report by Corporate Human Resources Manager (copy herewith 22/33)	**95 - 132**
9	**DIGITAL PERTH AND KINROSS: DIGITAL STRATEGY 2023-27** Report by Head of Corporate IT and Revenues (copy herewith 23/34)	**133 - 176**
10	**COMMUNITY INVESTMENT FUND 2022-23** Report by Head of Culture and Community Services (copy herewith 22/36)	**177 - 186**

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FINANCE AND RESOURCES COMMITTEE

Minute of hybrid meeting of the Finance and Resources Committee held in the Council Chamber, 2 Hight Street, Perth on Wednesday 30 November 2022 at 2.00pm.

Present: Councillor S Donaldson, Councillors H Anderson (substituting for Bailie C Ahern), P Barrett, A Chan, D Cuthbert, E Drysdale, J Duff, A Forbes, G Laing, B Leishman (substituting for Baillie A Bailey), Provost McDade, T McEwen, J Rebbeck, C Shiers, C Stewart and R Watters (substituting for Depute Provost A Parrott).

In Attendance: T Glen, Chief Executive; S Devlin, Executive Director (Education and Children's Services); C Mailer (Chief Executive's Service); G Boland (Education and Children's Services); G Bissett, L Brady, M Butterworth, F Croft, S Coyle, S Crawford, P Dickson, J Ferguson, C France, K Fraser, F Robertson and R Stewart (all Communities); K Donaldson, L Simpson, S MacKenzie, S Walker, D Williams, V Robertson, L Stewart, M Pasternak and A Brown (all Corporate and Democratic Services).

Apologies: Bailies C Ahern and A Bailey, Depute Provost A Parrott.

Councillor S Donaldson, Convener, Presiding.

1. WELCOME AND APOLOGIES

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

2. DECLARATIONS OF INTEREST

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

3. MINUTE OF PREVIOUS MEETINGS

The minute of meeting of the Finance and Resources Committee of 15 June 2022 was submitted and approved.

4. OUTSTANDING BUSINESS STATEMENT

Resolved:

(i) The contents of the Outstanding Business Statement, be noted.

(ii) The removal of all completed actions from the Outstanding Business Statement, be agreed.

5. REVENUE BUDGET 2022/23 – UPDATE NO.2

There was submitted a report by Head of Finance (22/294) providing an update on progress with the 2022/23 General Fund Revenue Budget based upon the September 2022 ledger, updated for any subsequent known material movements.

Motion (Councillors S Donaldson and G Laing)

(i) The contents of the report 22/294, be noted.
(ii) The projected outturn for General Fund Services set out in Section 4 and Appendix 1 and 2 of report 22/294, be noted.
(iii) The projected outturn for Corporate Budgets set out in Section 5, be noted.
(iv) The Health & Social Care projected outturn, which is summarised in section 5 and Appendix 3 of report 22/294, be noted.
(v) The application of up to £900,000 from Reserves to fund the 2022/2023 pay awards subject to final agreement be agreed.
(vi) The creation of a local policy on the charging of Non-Domestic Rates on empty lands and heritages that replicates statutory reductions be agreed.
(vii) The projected outturn for the Housing Revenue Account, which is summarised in Section 6 and Appendix 4 of report 22/294, be noted.
(vii) The adjustments to the 2022/23 Management Revenue Budget detailed in Appendices 1, 2, 4, 5 and 6 and Section 7, 8, 9 and 10 of report 22/208, be noted.
(viii) It be noted that the position will be kept under review and mitigating action may be required to manage the projected overspend in 2022/23.

Amendment (Councillors T McEwan and R Watters)

Agree the recommendations set out in report 22/294, but with the change that any under spends on projects listed in Appendix 6 of report 22/294 be transferred to the General Fund rather than an earmarked Reserve, as outlined in Section 9.12 of report 22/294.

THERE FOLLOWED A TEN-MINUTE RECESS

Following the recess, Councillors McEwan and Watters advised members that they wished to withdraw the Amendment.

Resolved:
In accordance with the motion.

6. COMPOSITE CAPITAL BUDGET 2022/28 & HOUSING INVESTMENT PROGRAMME 2022/27 – MONITORING REPORT No.2

There was submitted a report by the Head of Finance (22/298) providing a summary position to date for the 6-year Composite (General Fund) Capital Budget for 2022/23 to 2027/28 and the 5-year Housing Investment Programme 2022/23 to 2026/27 and seeking approval for adjustments to the programmes. The report includes an update on progress with the Cross Tay Link Road and Perth Museum projects as part of a rolling cycle of updates on major projects together with commentary on the overall affordability of the Capital Budget.

Resolved:
(i) The content of report 22/298, be noted
(ii) The proposed adjustments to the six-year Composite Capital Budget 2022/23 to 2027/28 set out in Sections 3 and 4 of this report and summarised in Appendix III of report 22/298, be approved.

(iii) The proposed adjustments to the Housing Investment Programme Budget 2022/23 to 2026/27 set out in Section 5 of this report and summarised in Appendix III of report 22/298, be approved.
(iv) The update reports on significant Capital projects, attached at Appendix IV of report 22/298, be noted.
(v) The professional opinion of the Head of Finance as the Council's Section 95 Officer as to the impact of inflation and increased borrowing costs on the overall affordability of the approved Capital programme as summarised in section 7 of report 22/298, be noted.

7. TREASURY ACTIVITY AND COMPLIANCE REPORT 2022/23 QUARTER 2

There was submitted a report by the Head of Finance (22/295) updating the Committee on Treasury Activity for the quarter ending 30 September 2022, and to report on compliance with the Council's Treasury Management Policy Statement (TMPS); Investment Strategy and Prudential Indicators.

Resolved:
The content of report 22/295, be noted.

8. PROCUREMENT UPDATE

There was submitted a report by Head of Finance (22/296) providing an update on the Council's procurement activity, setting out an Annual Procurement Report for financial year 2021/22 and the planned procurement activity for future years.

Resolved:
(i) The publication of the Procurement Annual Report, attached as Appendix I to report 22/296, be agreed
(ii) The record of tenders accepted and payments made in 2021/22 under the Councils scheme of delegation, be noted.
(iii) The planned procurement activity as far as known for future years, be noted.

DRAFT

(Report No. 23/29)

FINANCE AND RESOURCES COMMITTEE

OUTSTANDING BUSINESS STATEMENT (OBS)

Please note that this statement sets out outstanding decisions of this committee along with an update and estimated completion date. Actions which are overdue are shaded for ease of reference. Where an update reflects that an action is complete then the Committee's agreement will be sought to its removal from the OBS.

No	Minute Reference	Subject Title	Outstanding Action	Update	Lead Officer /Service	Action due	Action Expected
9.	30 November 2022	Revenue Budget 2022/23 – Update No.2	Clarification to be provided to members of the Committee regarding the uptake in school meals, and whether there had been an increase in this regard.	Briefing note issued to Elected Members. **COMPLETED**	Greg Boland.	1 February 2023	1 February 2023
10.	30 November 2022	Revenue Budget 2022/23 – Update No.2	An update to be provided to members regarding underspend in the Health and Social Care Partnership.	**NOT COMPLETED**	Jacqueline Pepper.	-	-
11.	30 November 2022	Revenue Budget 2022/23 – Update No.2	An update to be provided to members on the uptake of warm spaces in Perth and Kinross.	Briefing note will be issued to members by 1st February 2023. **NOT COMPLETED**	Clare Mailer.	1 February 2023	1 February 2023

No	Minute Reference	Subject Title	Outstanding Action	Update	Lead Officer /Service	Action due	Action Expected
12	30 November 2022	Composite Capital Budget 2022/28 & Housing Investment Programme 2022/27 – Monitoring Report	A briefing to be provided to members of the Committee regarding the removal of the budget of £1m for Technology and Innovation Incubator Units, as outlined in section 4.3.10 of Report 22/298.	Briefing note issued to Elected Members. **COMPLETED**	Serge Merone	1 February 2023	1 February 2023

PERTH & KINROSS COUNCIL

FINANCE & RESOURCES COMMITTEE

1 FEBRUARY 2023

REVENUE BUDGET 2022/23 – UPDATE NO.3

Contact Officer: Scott Walker, Chief Accountant
(Report No. 23/30)

1. PURPOSE

1.1 This report provides an update on progress with the 2022/23 General Fund Revenue Budget based upon the November 2022 ledger, updated for any subsequent known material movements, and the projected financial position of the Housing Revenue Account.

1.2 The total net projected over spend on the 2022/23 General Fund Management Budget is **£1.558 million** (see **Appendix 1**).

2. RECOMMENDATIONS

2.1 The Committee is requested to:

(i) note the contents of the report

(ii) note the projected outturn for General Fund Services set out in Section 5 and **Appendix 1 and 2**

(iii) note the projected outturn for Corporate Budgets set out in Section 6

(iv) note the Health & Social Care projected outturn, which is summarised in Section 6 and **Appendix 3**

(v) note the projected outturn for the Housing Revenue Account which is summarised in Section 7 and **Appendix 4**

3. STRUCTURE OF REPORT

3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Revenue Monitoring – Service Budgets
- Section 6: Revenue Monitoring – Corporate Budgets
- Section 7: Revenue Monitoring – Other Revenue Budgets
- Section 8: 2022/23 Additional Funding
- Section 9: 2022/23 Virements
- Section 10: 2022/23 Movements in Reserves
- Section 11: Conclusion

4. BACKGROUND

4.1 This report updates the Committee on progress with the 2022/23 Revenue Budget. **Appendix 1** to this report summarises the current projected year end (outturn) position for each Service based upon the November 2022 ledger, updated for any subsequent known material movements.

4.2 The budget total reflected in Column 1 of **Appendix 1** to this report is that approved by the Council in setting the 2022/23 Final Revenue Budget on 23 February 2022 (Report No. 22/35 refers). In addition, adjustments approved by Council on 25 May, 17 August and 28 September 2022 (Report No. 22/252 refers), by the Strategic Policy & Resources Committee on 20 April (Report No. 22/87) and by the Finance & Resources Committee on 7 September and 30 November 2022 (Report Nos. 22/208 and 22/294 refer) are reflected in **Appendix 1** (Column 2).

4.3 On 22 June 2022, the Council approved the Financial Strategy which set out a number of principles that will assist Medium Term Financial Planning and development of Revenue and Capital Budgets (Report No. 22/141 refers).

5. REVENUE MONITORING – SERVICE BUDGETS

5.1 Details of variances against Service budgets are shown in **Appendix 2** to this report with the most significant variances summarised below. The total net projected over spend on Service budgets, as set out in **Appendix 1** to this report, is **£58,000** which represents **0.02%** of total net Service expenditure.

5.2 The management of Service over and under spends are considered throughout the financial year and may also form part of the Revenue Budget strategy for future years.

5.3 There remains a risk that the Council continues to experience increases in costs over the short to medium term that are higher than budgeted inflation levels. This is already being seen in the cost of the materials required by property and housing maintenance teams. Going forward, this may have an impact on projected outturns and future years' budgets.

5.4 In addition, the 2022/23 pay negotiations for teachers have not yet concluded which presents a further risk to both the current and future year's Revenue Budgets.

Education & Children's Services

5.5 The projected outturn for Education & Children's Services excluding Devolved School Management (DSM) and the Pupil Equity Fund (PEF) is currently anticipated to be **£478,000** less than budget – a movement of **£155,000** from the position last reported to Committee. The movements are summarised as follows.

5.6 Within non devolved Education Services there is an increase in the projected under spend of **£264,000**. These movements are made up of additional staff slippage due to continued proactive workforce management (£141,000), an increase in the projected under spend on home to school transport (£72,000) and other net under spends / additional income (£51,000).

5.7 The financial consequences of the strikes-that took place in December 2022 amounted to an estimated £245,000 of unpaid salaries. There is a proposal later in this report to transfer this amount to Reserves. This amount will increase as a result of the further strikes in January 2023; and may increase again throughout the course of this financial year.

5.8 In Services for Children, Young People & Families there is an increase in the projected over spend of **£470,000**. The main factor contributing to this movement is an increase in the projected outturn for expenditure on young people for whom the Council is corporate parent and who require residential care to meet their needs (£465,000). Across other Children, Young People & Families budget there is also an increase in the net projected over spend (£5,000).

5.9 In Business & Resource Services and Catering Services there are increases in the projected under spend of **£41,000** and **£10,000** respectively due primarily to additional staff slippage because of continued proactive workforce management.

5.10 There is a planned under spend of **£777,000** on Devolved School Management budgets (DSM) due primarily to staff slippage and recharges, which represents **0.7%** of the overall DSM budget. It is anticipated that in line with the approved DSM scheme, the eventual over and under spends will be carried forward into 2023/24. The budgets for the Devolved School Management scheme are allocated by financial year (April – March), whereas expenditure is incurred by academic year (August – June).

5.11 At this stage of the academic year, expenditure met from the Pupil Equity Fund (PEF) is projected to be **£300,000** less than the allocation from the Scottish Government of £1.874 million. Schools are being instructed to use this year's PEF by 31 March 2023. It is anticipated that the projected under spend on teacher and support costs will be carried forward to 2023/24 to meet commitments. The budgets for the Pupil Equity Fund scheme are allocated by financial year, whereas expenditure is incurred by academic year.

Communities

5.12 The projected outturn for Communities is currently anticipated to be **£263,000** less than budget – a reduction of **£27,000** from the previously reported projected over spend. The movements are summarised as follows.

5.13 Across the **Service** it is anticipated that, due to continued proactive workforce management, the budgeted slippage target will be exceeded by a further **£250,000**.

5.14 Within **Business & Resources** there is a net increase in the projected overspend of **£27,000** across several budgets. In addition, there is a reduction in the projected deficit on the Car Park Trading Account for the current financial year (£200,000).

5.15 In **Environment & Consumer Services** there is a net increase in the projected over spend of **£700,000.** The main reason for this movement is the inclusion of a projected over spend on winter maintenance based on the most recent levels of activity (£1.2 million). In addition, there are projected over spends (£150,000) including responding to severe weather.

5.16 These are partially offset by projected under spends on street lighting energy (£200,000), street lighting maintenance (£50,000), traffic and network (£100,000), flood risk studies (£100,000), community greenspace (£50,000), income from statutory road network works (£100,000) and movements in commercial waste income projections (£50,000).

5.17 In **Planning & Development** there is a net reduction in the projected over spend of **£490,000**. The main reason for this movement relates to additional income from planning and building warrant fees (£400,000). In addition, there are further net under spends across the remainder of the division (£90,000).

5.18 In **Housing** there is a net increase in the projected over spend of **£40,000**.

Corporate & Democratic Services

5.19 The projected outturn for Corporate & Democratic Services is currently anticipated to be **£874,000** more than budget – a reduction of **£58,000** from the previously reported projected over spend. The movements are summarised as follows.

5.20 In Property the projected over spend has reduced by **£100,000**. This is primarily as a result of updated energy projections (£78,000) and proactive workforce management (£72,000) partially offset by increased maintenance costs (£50,000).

5.21 Across the remainder of the Service there is a reduction in the net projected under spend of **£42,000**.

Chief Executive Service

5.22 The projected outturn for the Chief Executive's Service is currently anticipated to be **£75,000** less than budget due to staff slippage and additional income.

6. REVENUE MONITORING – CORPORATE BUDGETS

Health & Social care

6.1 Across the Perth and Kinross Health & Social Care Partnership there is a projected over spend of **£435,000** which is set out in **Appendix 3**. This

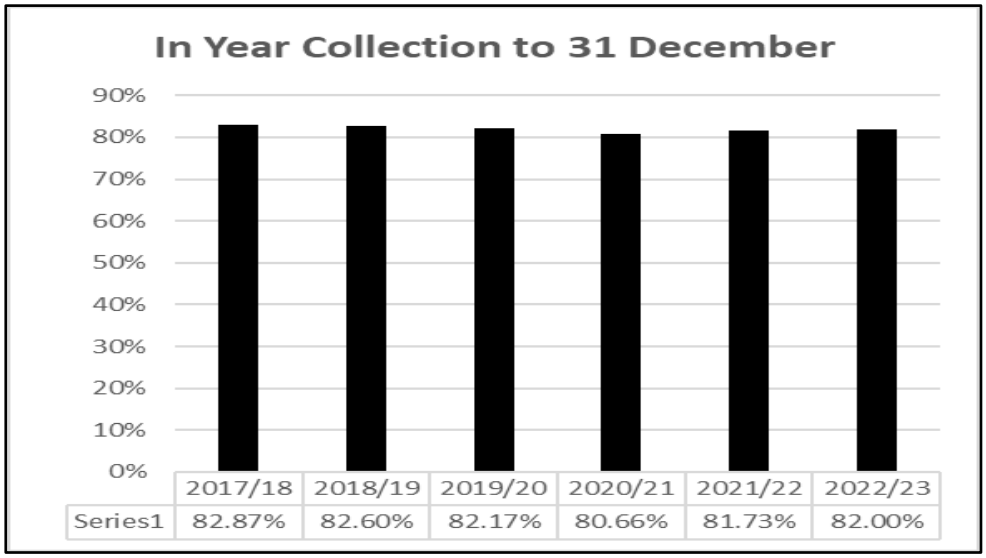
projected over spend was considered in detail at the meeting of the Perth & Kinross Integration Joint Board on 28 November 2022. Within the overall projected over spend, **£266,000** relates to social care. It is anticipated that this projected over spend will not impact on the Council.

6.2 The Integration Joint Board will receive an update at its meeting on 13 March 2023.

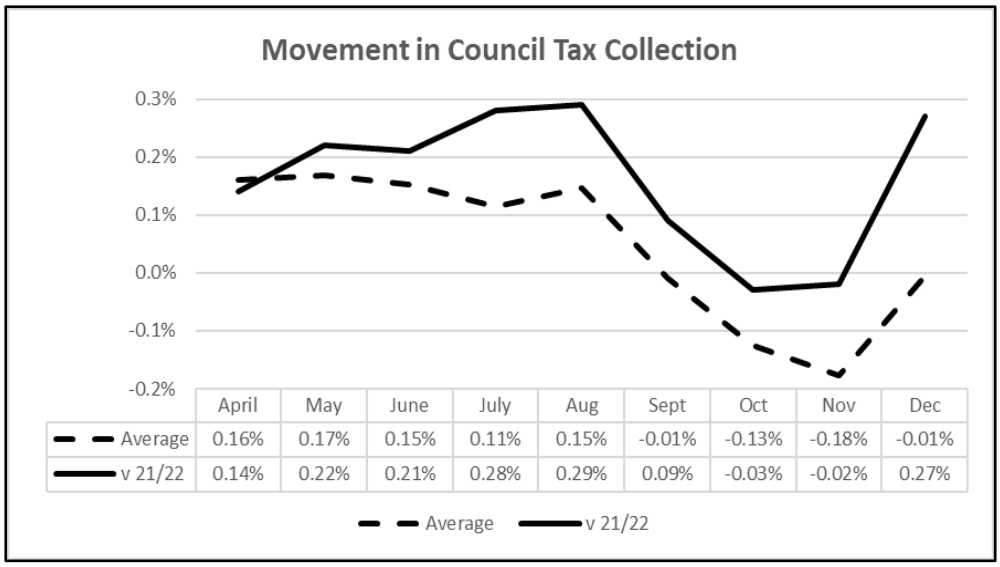
Council Tax Income

6.3 The amount of income the Council will generate from Council Tax is dependent on two main factors, firstly the collection levels and secondly, the number of Band D properties on the Valuation Roll.

6.4 Monitoring of Council Tax collection levels is carried out monthly. The following graph sets out collection performance to 31 December 2022 together with prior year comparative figures for the previous five financial years (the collection level for 2022/23 has been adjusted to reflect the consequences of the Scottish Government funded Cost of Living Award on in year performance).

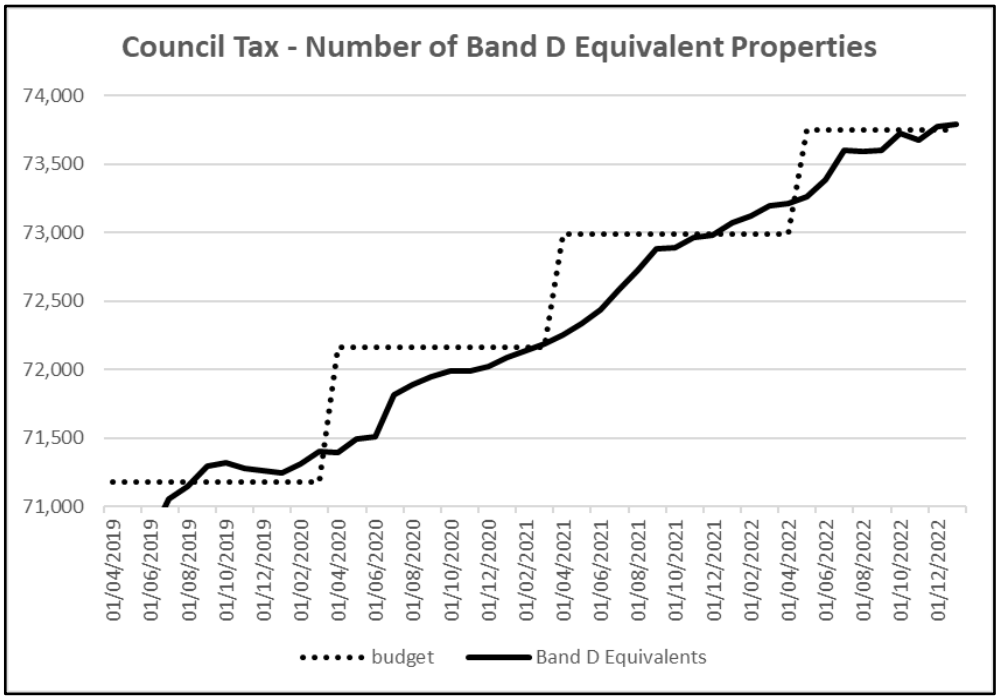


6.5 Between 2017/18 and 2021/22, the average collection figure to 31 December was 82.01%. The actual collection figure to 31 December 2022 was 82% which is a reduction of 0.01% compared to the historical average and a 0.27% increase on the comparable position in 2021.



	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Average	0.16%	0.17%	0.15%	0.11%	0.15%	-0.01%	-0.13%	-0.18%	-0.01%
v 21/22	0.14%	0.22%	0.21%	0.28%	0.29%	0.09%	-0.03%	-0.02%	0.27%

6.6 Secondly, in setting the Council's Revenue Budget, assumptions are made on increases in the number of Band D equivalent properties. The graph set out below suggests that actual growth levels are in line with budget assumptions.



6.7 However, taking into account the latest information on exemptions and discounts, the latest projected outturn indicates that Council Tax income is projected to be **£250,000** less than budget in 2022/23. There are several national issues that may further impact on Council Tax income going forward. The potential impact of these issues will be kept under review with updates to elected members being provided to future meetings of this Committee.

Council Tax Reduction Scheme

6.8 Council Tax Reduction is a statutory function and encouraging take up is a key responsibility for the Council, particularly when households are facing significant pressures on the cost of living.

6.9 The Council is currently supporting approximately 8,300 households across Perth and Kinross with the Council Tax Reduction Scheme with an average award of £16 per week. This results in a projected over spend on the Council Tax Reduction Scheme of approximately **£700,000**.

Non-Domestic Rates

6.10 The actual collection rate to 31 December 2022 was **79.43%**, compared to 79.85% for the same period in 2021/22.

Tayside Contracts

6.11 On 30 November 2022 the Finance & Resources Committee were advised of the potential financial challenges facing Tayside Contracts in the current financial year. Challenges which could lead to a potential liability of £2.4 million for Perth & Kinross Council (Report No. 22/294 refers) – this represents 34% of the worst-case scenario set out previously.

6.12 Specifically, Tayside Contracts are experiencing financial pressures relating to the 2022/23 pay award, school meal uptake, recent court judgements on a national issue and inflation.

6.13 Since the update in November the position has been updated with Tayside Contracts now projecting an over spend of £5.112 million which results in a potential liability to the Council of approximately **£1.740 million** in 2022/23. There remains a risk that the Council will be required to provide additional financial support to underwrite Tayside Contracts in the current financial year. At present, there is no approved budget in place to provide this additional support. If this situation does materialise there may be a requirement to call an executive sub-committee meeting of the Finance and Resources Committee to provide the necessary authority to officers.

6.14 Tayside Contracts are continuing to work with Council officers to identify mitigating actions. Work will continue between officers of the Council and Tayside Contracts to further refine these projections.

6.15 Should the Council be required to provide additional funding then this will have an impact on the Council's level of unearmarked Reserves.

6.16 In addition, given the financial challenges facing Tayside Contracts, it is unlikely that the budgeted amount from the Trading Operations surplus of **£550,000** will be received in the current year and this has been reflected in **Appendix 1**.

7. REVENUE MONITORING – OTHER REVENUE BUDGETS

Housing Revenue Account

7.1 The Housing Revenue Account is currently projected to **break even** in the current financial year. The main movements from the last update are summarised below and set out in **Appendix 4**.

7.2 The main movements are in Perth City & Specialist and Housing Administration where there are increases in projected under spends of **£48,000** and **£63,000** respectively.

7.3 Across the remainder of the Housing Revenue Account there is a projected net under spend of **£9,000**.

7.4 As a result of the variances identified above Capital from Current Revenue will be increased by **£120,000**.

Impact on Arm's Length External Organisations (ALEOs)

7.5 The Council continues to work closely with its three Arm's Length External Organisations (ALEOs) – Live Active Leisure (LAL), Horsecross Arts (Hx Arts) and Culture Perth & Kinross (CPK) who make an important contribution to the wellbeing of both citizens and visitors to Perth and Kinross.

7.6 As sole member and core funder of all three ALEOS, the Council has managed financial risk by maintaining normal monthly service level agreement payments to all three organisations to mitigate the impact of Covid-19. In addition, officers continue to work closely with all three ALEOs to understand the impact of Covid-19 more fully on service delivery.

7.7 To date, no significant financial issues have been identified relating to Culture Perth and Kinross or Horsecross Arts Ltd.

7.8 Based on monitoring to 30 November 2022, Live Active Leisure (LAL) is projecting a deficit in the range of between **£350,000** and **£650,000** for 2022/23 which is an improvement on the previous quarter. This projection is based on six months of activity. Officers continue to work closely with LAL to refine the current year position. There are still key variables including staff costs, performance of individual venues/sports activities, maintenance expenditure, the positive impact on income resulting from the continued closure of Olympia in Dundee and utility costs.

7.9 Live Active Leisure continues to retain **£600,000** in its reserves to contribute to any year end deficit position.

7.10 The long-term impact of Covid-19 on the Council's ALEOs across future financial years will be kept under review with updates provided to future meetings of the Finance & Resources Committee.

8. 2022/23 ADDITIONAL FUNDING

8.1 Since the 2022/23 Revenue Budget was updated on 30 November 2022 (Report No. 22/294 refers), the Council has been advised of additional funding for the current financial year from several sources. To ensure that the 2022/23 Management Budget continues to reflect the operational requirements of the Council, several adjustments are required, which are summarised below and included in **Appendix 1** and **Appendix 5**.

Scottish Government – Revenue Support Grant:

- Teacher Induction Scheme: £142,000 (Education & Children's Services (ECS)
- Educational Psychologists: £11,000 (ECS)
- 2022 Local Heat and Energy Efficiency: £75,000 (Communities)
- Green Growth Accelerator Resource Funding: £26,000 (Communities)
- Scottish Child Payment Bridging Payments: £458,000 (Corporate & Democratic Services (CDS)
- DHP Benefit Cap: £32,000 (CDS)
- DHP Benefit Cap Admin: £10,000 (CDS)
- Council Tax Reduction Data Extract Funding: £9,000 (CDS)
- Adult Disability: £71,000 (Health & Social Care Partnership)
- 10% £150 Cost of Living Award: £702,000 (Council Tax)

8.2 The Scottish Government has advised that the increase in Revenue Support Grant identified above of **£1.536 million** will be made through a redetermination of the Council's Revenue Support Grant. It is therefore necessary to adjust budgets for Education & Children's Services, Communities, Health & Social Care, Council Tax and Revenue Support Grant.

8.3 **ACTION:** The Council is asked to approve the adjustments set out at paragraph 8.2 which is reflected in **Appendix 1** (Column 3) to this report.

Other Funding

8.4 Other funding amounting to **£3.698 million** will be paid outside the Revenue Support Grant mechanism as Other Grant income and is, therefore, cost neutral in terms of the budget summary. Details of this funding is set out in **Appendix 5**.

8.5 **ACTION:** The Committee is asked to note the receipt of **£3.698 million** of additional resources, with this funding being reflected within Education & Children's Services and Communities as additional grant income. The current projected outturn assumes that all these additional resources will be fully expended in 2022/23 or will be carried forward under the terms of the grant award.

9. 2022/23 VIREMENTS

Contribution to/from Capital Fund

9.1 In line with the strategy for managing the Council's Capital Programme over the medium term, it is recommended that the eventual over or under spend on Capital Financing Costs and Interest on Revenue Balances be transferred from or to the Capital Fund.

9.2 The latest monitoring indicates a reduction in the projected outturn for capital financing costs (loan charges) of **£72,000** based on the latest treasury management activity and an increase of **£23,000** in income from interest on revenue balances. This will result in an increased Contribution to the Capital Fund of **£95,000** in the current financial year

9.3 **ACTION:** The Committee is requested to approve the virement of **£72,000** from the Capital Financing Costs (Loan Charges) Budget and **£23,000** to Interest on Revenue Balances with a corresponding increase in the projected Contribution to the Capital Fund. These adjustments have been reflected in **Appendix 1** (Column 4) to this report.

Service Virements

9.4 To ensure that the 2022/23 Management Revenue Budget continues to reflect current Service needs and operational requirements there are several virements that are reflected in **Appendix 1** (column 4) that have been processed in line with the Scheme of Administration. The main adjustment being in respect of the allocation of funding for the 2022/23 pay award for Scottish Joint Committee (non-teaching) employees.

10. 2022/23 MOVEMENTS IN RESERVES

Financial Implications of Strike Action

10.1 The financial implications of the strikes that took place in December 2022 is currently estimated at **£245,000**. Approval is sought to transfer this under spend to unearmarked Reserves.

10.2 **ACTION**: The Committee is asked to approve the transfer of **£245,000** from Education & Children's Services to unearmarked Reserves. This adjustment is reflected in **Appendix 1** (Column 5) to this report.

10.3 With further strikes having taken place in January 2023, there are likely to be further amounts that can be transferred to Reserves in due course. The next Finance & Resources Committee, scheduled for April 2023, will receive further updates.

Revenue Grants

10.4 There have been under spends totalling **£450,000** on early learning and childcare due to delays in recruitment and lower than expected costs of practitioners in Primary 1 & family support posts, resignations, reduction in projections for partner providers and lower than expected supply costs. Approval is sought to transfer this projected under spend to the Revenue Grants earmarked Reserve to be drawn down as required.

10.5 Furthermore, changes to national guidance have impacted on the roll out of the Period Dignity initiative. Therefore, approval is sought to transfer **£25,000** from Communities to the Revenue Grants earmarked Reserve to be drawn down in 2023/24.

10.6 **ACTION**: The Committee is asked to approve the transfer of **£450,000** from Education & Children's Services and **£25,000** from Communities to the Revenue Grants earmarked Reserve. This adjustment is reflected in **Appendix 1** (Column 5) to this report.

Cultural Reserve

10.7 The construction of Perth Museum remains on track. However, a rephasing of **£261,000** of planned revenue expenditure is required to ensure marketing, community engagement and other key activities to support opening in spring 2024 can now begin to accelerate. Much of this work was curtailed in early 2022 due to ongoing impact of Covid-19. Therefore, approval is sought to transfer £261,000 from Communities to the Culture earmarked Reserve, to be drawn down in 2023/24.

10.8 **ACTION**: The Committee is asked to approve the transfer of **£261,000** from Communities to the Culture earmarked Reserve. This adjustment is reflected in **Appendix 1** (Column 5) to this report.

Council Approved Expenditure

10.9 In setting the 2022/23 Revenue Budget in February 2022, the Council approved expenditure to fund several initiatives. For a variety of reasons including consultation and capacity issues, there has been slippage in the delivery of these projects that may result in the expenditure not being incurred in the current financial year. Projects totalling **£410,000** are set out at **Appendix 6**.

10.10 Should the Committee confirm that that the projects remain a priority for the Council then the balances set out in **Appendix 6** will be transferred to an earmarked Reserve to ensure that the funding is in place to ensure delivery. The final outturn for individual projects may change before the end of the financial year. Therefore, by agreeing the projects within **Appendix 6**, the Committee is confirming that the initiative remains a priority and that the final under spend will be earmarked within Reserves.

10.11 Should any of the projects no longer be a priority, the projected underspend would be available to support the financial management of the Council in both current and future financial years.

10.12 **ACTION:** the Committee is asked to confirm that the projects listed in **Appendix 6** remain a priority and that the final under spends, currently projected at **£410,000** are transferred to an earmarked Reserve to ensure delivery.

Scottish Crannog Centre

10.13 The Scottish Crannog Centre (SCC) is a five-star visitor attraction in Highland Perthshire. In June 2021, a fire destroyed the reconstructed Iron Age Crannog. The centre has developed plans for a move to a new site which will vastly improve the visitor experience and will include a café and new crannog. Plans have been approved through the planning process and preliminary work on the site has been done.

10.14 To date, the SCC have raised £3.088 million from a variety of sources including public donations and fundraising from trusts and grants. After architect's fees, planning and surveys, approximately £2.822 million remains for the remainder of the development. However, due to the inflation impacting on the construction sector, the SCC have had to utilise all their contingency to meet the increased costs.

10.15 On 1 September 2021, the Strategic Policy & Resources Committee approved funding of £51,000 which was used as part of the payment for the development of the plans, including fees for architects (Report No. 21/146 refers).

10.16 The Council has now been approached to underwrite a contingency of **£210,000** to allow the development of the Scottish Crannog Centre in Highland Perthshire to progress. Should the Committee be minded to support this proposal, a report will be brought back to a future meeting where a funding source will be identified, which may involve Reserves.

10.17 If the development does not move to the new site by early summer 2023, the management of SCC will close the centre temporarily while they raise the contingency funds. This would be detrimental to the tourism offer in Perth and Kinross, as well as putting at risk many of the community interest programmes the Crannog runs, with charities such as Women's Aid Perth.

10.18 Officers have studied the finances of the Scottish Crannog Centre and the plans for the new site which will be at Dalerb, on the banks of Loch Tay, and are satisfied that there is minimal risk that the contingency will be needed. Officers will also inspect the contract documents to minimise the risk to the Council.

10.19 **ACTION:** The Committee is asked to approve the underwriting of the **£210,000** contingency allowance to allow the development of the Scottish Crannog Centre to progress.

11. CONCLUSION

11.1 Currently, a projected over spend of **£1.558 million** has been identified. This position will be kept under review and mitigating action may be required to support the delivery of the 2022/23 Final Revenue Budget.

11.2 There remains a risk that the Council may be required to provide additional funding to Tayside Contracts and Live Active Leisure.

11.3 All things being equal this projected over spend and any support to Tayside Contracts will have an impact on the level of unearmarked Reserves.

11.4 The Council's financial position remains challenging and regular updates will be provided to the Council and the Finance & Resources Committee as the position develops.

APPROVED

Name	Designation	Date
Stewart Mackenzie	Head of Finance	24 January 2023
Karen Donaldson	Chief Operating Officer	24 January 2023

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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven 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) Tackling poverty
(ii) Tackling climate change and supporting sustainable places
(iii) Growing a sustainable and inclusive local economy
(iv) Enabling our children and young people to achieve their full potential
(v) Protecting and caring for our most vulnerable people
(vi) Supporting and promoting physical and mental wellbeing
(vii) Placing communities at the heart of how we work

1.2 This report relates to all these objectives.

2. Resource Implications

Financial

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

Workforce

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

Asset Management (land, property, IT)

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

3. Assessments

Equality Impact Assessment

3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council must discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

4.1 The Executive Leadership Team have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

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

3. APPENDICES

- Appendix 1 – 2022/23 Management Budget
- Appendix 2 – General Fund 2022/23 Projected Outturn – Service Analysis
- Appendix 3 – Perth & Kinross Integration Joint Board
- Appendix 4 – Housing Revenue Account 2022/23 Projected Outturn
- Appendix 5 – Revenue Grants
- Appendix 6 – Council Approved Projects

Appendix 1

PERTH & KINROSS COUNCIL GENERAL FUND
2022/23 REVENUE BUDGET - SUMMARY

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SERVICE	2022/23 Council Approved Budget £'000	Previously Approved Adjustments (Net) £'000	Movements in Funding £'000	Virements £'000	Movements in Reserves £'000	2022/23 Revised Mgt Budget £'000	Projected Outturn £'000	Variance to Revised Mgt Budget £'000	Variance to Revised Mgt Budget %
Education & Children's Services	212,418	10,825	153	755	(735)	223,416	222,938	(478)	(0.21%)
Communities	71,165	3,862	101	1,345	(656)	75,817	75,554	(263)	(0.35%)
Corporate & Democratic Services	35,228	5,106	509	729		41,572	42,446	874	2.10%
Chief Executive Service	1,174	1,763		30		2,967	2,892	(75)	(2.53%)
Sub - Total: Service Budgets	**319,985**	**21,556**	**763**	**2,859**	**(1,391)**	**343,772**	**343,830**	**58**	0.02%
Corporate Budgets									
Health & Social Care	74,866	6,758	71	880		82,575	82,575	0	0.00%
Contribution to Valuation Joint Board	1,309					1,309	1,309	0	0.00%
Capital Financing Costs	13,866	(1,336)		(72)		12,458	12,458	0	0.00%
Interest on Revenue Balances	(200)	(1,804)		(23)		(2,027)	(2,027)	0	0.00%
Net Contribution to/(from) Capital Fund	1,530	(114)		95		1,511	1,511	0	0.00%
Contribution to/(from) Insurance Fund	200	1,000				1,200	1,200	0	0.00%
Trading Operations Surplus	(550)					(550)	0	550	100.00%
Support Service External Income	(2,153)					(2,153)	(2,153)	0	0.00%
Tayside Pension Fund	1,565					1,565	1,565	0	0.00%
Contribution to 2022/23 Pay Award	0	7,931		(3,739)		4,192	4,192	0	0.00%
Apprenticeship Levy	818					818	818	0	0.00%
Council Tax Reduction Scheme	6,200					6,200	6,900	700	11.29%
Discretionary Relief	150					150	150	0	0.00%
Net Expenditure (General Fund)	**417,586**	**33,991**	**834**	**0**	**(1,391)**	**451,020**	**452,328**	**1,308**	**0.29%**
Financed By:									
Revenue Support Grant	(234,656)	(22,354)	(1,536)			(258,546)	(258,546)	0	0.00%
Ring Fenced Grant	(17,194)	(677)				(17,871)	(17,871)	0	0.00%
Non Domestic Rate Income	(46,141)					(46,141)	(46,141)	0	0.00%
Council Tax Income	(98,941)	6,035	702			(92,204)	(91,954)	250	0.27%
Capital Grant	(1,600)	(120)				(1,720)	(1,720)	0	0.00%
Total Financing	**(398,532)**	**(17,116)**	**(834)**	**0**	**0**	**(416,482)**	**(416,232)**	**250**	**0.06%**
Financed from/(returned to) Reserves	**19,054**	**16,875**	**0**	**0**	**(1,391)**	**34,538**	**36,096**	**1,558**	

APPENDIX 2

PERTH & KINROSS COUNCIL - GENERAL FUND 2022/23 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 November 2022)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Education & Children's Services			
Total	(478)		
			DEVOLVED SCHOOL MANAGEMENT SCHEME (DSM)
			There are 66 primary schools, 7 secondary schools, 4 all through schools, 46 nurseries and early learning centres and 1 special school within the Council's DSM scheme. Each school has an individual budget, primarily based on pupil numbers. Headteachers are responsible for the annual budgets devolved to them in April each year. The total DSM budget for 2022/23 is £113.876 million including carry forwards.
			Within the scheme there is a facility allowing for DSM balances, whether surplus or deficit, to be brought forward from the previous financial year. In addition to the resources devolved, balances may also be available to headteachers of schools that have a carry forward. In 2021/22, £1.191 million of DSM balances were brought forward.
		(811)	**Staff Costs**
			Additional slippage due to staff turnover
		(107)	**Property Costs**
			Projected under spend on landfill recharges based on latest activity.
		141	**Supplies & Services**
			Projected over spend on supplies and services within schools.
		777	There is currently a projected net under spend of £777,000 based on current spending plans from schools for the current academic year that runs to June 2023. The maximum carry forward under the DSM scheme is 2.5%, the current projection is 0.7%.
			Pupil Equity Fund
		(300)	The majority of schools within Perth & Kinross Council have been allocated a share of £1.874 million of Pupil Equity Funding from the Scottish Government as a ring fenced grant. Schools are being instructed to use this year's PEF Grant by 31 March 2023 as per the revised Scottish Government guidance. At this time £300,000 is projected to be carried forward into 2023/24 for teacher and support staff costs to the end of the current academic year.
		300	Projected carry forward of Pupil Equity Funding.
			Early Learning & Childcare - 1140 Expansion Funding
		(450)	Projected under spend on Early Learning & Childcare due to delay in recruiting and lower than expected costs of practitioners in P1 & family support posts, resignation of graduates, reduction in projections for partner providers and lower than expected supply costs.
		450	Transfer to earmarked Reserve
			NON DEVOLVED
			Education Services
			Nursery Sector
		(333)	Additional slippage due to turnover of staff.
		(4)	Savings from Industrial action
		(31)	Savings from non-domestic rates as early learning centres are exempt from the charge.
			Primary Sector
		(123)	Savings from industrial action
			Secondary Sector
		(60)	Additional slippage due to turnover of staff.
		(100)	Savings from Industrial action
		(162)	Projected under spend on investment in learning unitary charge due to an insurance rebate.
		(63)	Home to School Transport - projected under spend due to less school days (£84,000) partially offset by projected over spend on transport costs for Central Music Groups (£21,000).
		70	Projected shortfall on income from Renewable Heat Initiative Rebate (£70,000).

PERTH & KINROSS COUNCIL - GENERAL FUND 2022/23 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 November 2022)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
			Special Sector
		(81)	Additional slippage due to turnover of staff.
		(18)	Savings from industrial action.
		(306)	Projected under spend on home to school transport after allowing for non-recurring increase of £250,000.
		(167)	There is a projected under spend on the budget for young people with additional support needs (ASN) who are educated out with the Council's mainstream school provision.
		245	Transfer to Reserves of savings from industrial action.
			Services for Children, Young People & Families
		(188)	Additional slippage due to turnover of staff.
		99	Projected over spend on legal fees and translation / interpreter services
		67	Projected over spend on client travel.
		1,434	The budget for young people with complex behavioural issues, which includes a number of pupils placed within residential schools, is projected to overspend due to additional demand.
		269	A projected over spend on Kinship Care (£538,000) due to demand partially offset by a projected under spend in Foster Care (£269,000).
		(3)	There is a projected under spend in relation to supporting care experienced young people (continuing care, supported accommodation).
		128	There is a projected over spend on self directed support (children & disability team - respite provision) due to the level of demand and an increase to the hourly rate paid to clients.
		(262)	Additional grant funding for Unaccompanied Asylum Seeking Children (£215,000); Wellbank rental income (£20,000) and the Alcohol & Drug Partnership (£27,000).
			Business and Resources Services
		(146)	Additional slippage due to turnover of staff.
		(27)	Projected underspend due to Area Office recharge no longer required.
		20	Projected over spend on school clothing grants based on activity to date.
			Catering Services
		(69)	Additional staff slippage.
		(600)	Projected under spend within the Early Learning & Childcare 1140 grant for nursery meals.
		(236)	Projected under spend of school meals due to uptake partially offset below by reduced income.
		50	Projected over spend on Free School Meals during holiday periods due to need and two extra public holidays.
		119	Projected shortfall in income from breakfast clubs.

PERTH & KINROSS COUNCIL - GENERAL FUND 2022/23 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 November 2022)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Communities			
Total	(263)		
			BUSINESS AND RESOURCES
			Service Wide
		(1,000)	Staff slippage in excess of budgeted target
			Administration
		30	Projected over spend on IT Licensing & Support costs
		30	Various minor projected over spends across Business & Resources
			Public Transport Unit / Car Parking Account
		25	Perth Bus Station - increased costs
		(80)	Corporate Asset Management - accelerated savings
		50	Car Park Trading Account - projected reduction in income and increased provision for bad debts
		(50)	Drawdown from Car Park Trading Account earmarked Reserve
		135	Projected over spend on tendered services
		(65)	Additional income from Park and Ride departure charges
			ENVIRONMENTAL AND CONSUMER SERVICES
			Roads
		(250)	Projected additional income from statutory road network works
		150	Additional costs of recent severe weather events
		1,200	Projected over spend on winter maintenance
		110	Maintenance works at River Ericht
		(95)	Contribution from Scottish Government
		(200)	Projected saving on street lighting power due to positive impact of LED replacement programme
		(50)	Projected under spend on street lighting maintenance
		(100)	Projected under spend and additional grant income across traffic & network budgets
		(100)	Projected under spend on programme of flood risk studies
			Regulation
		25	Projected shortfall in Corporate Health and Safety income
			Operations
		220	Projected shortfall in commercial waste income
		(150)	Projected additional income from sale of recyclates due to favourable market prices
		400	Projected additional cost of fuel across Operations due to increase in price
		50	Additional hire costs for refuse collection vehicles
			Fleet Management
		(280)	Saving on loan charges due to slippage on planned vehicle replacement programme
		100	Additional cost of vehicle materials
			Community Greenspace
		(50)	Projected underspends across Community Greenspace budgets
			PLANNING AND DEVELOPMENT
		127	Perth Harbour - projected increase in operating costs /shortfall in income
		30	Projected shortfall in Commercial Rent Income
		(50)	Projected underspend within Market Development Grants
		(90)	Various small underspends and additional income across Planning & Development
		(400)	Additional Planning & Building Warrant Income

PERTH & KINROSS COUNCIL - GENERAL FUND 2022/23 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 November 2022)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
			HOUSING
		35	Greyfriars - projected increased in void rent loss and provision for bad debts
		10	Greyfriars - projected increase in energy costs
		(25)	Temporary accommodation - reduction in estimated bad debt provision
		(25)	St Catherine's - reduced security costs
		30	Cost of Local House Condition Survey to inform the Local Housing Strategy
		30	Void Rent Loss for Housing Support properties
		20	Various minor projected over spends with Safer Communities
		(10)	Various minor projected under spends within Housing

APPENDIX 2

PERTH & KINROSS COUNCIL - GENERAL FUND 2022/23 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 November 2022)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Corporate & Democratic Services			
Total	874		
			Legal & Governance Services
		(109)	Projected additional income from licensing and recharges
		28	Projected over spend in relation to elected members
		40	Net projected over spend across function (including non-achievement of slippage target)
			Human Resources
		(200)	Additional projected income from salary sacrifice scheme and other recharges
		15	Net projected over spend on other budgets
			Information Technology and Revenues & Benefits
		(53)	Miscellaneous other projected net under spends.
			Property
		761	Projected over spend on energy costs due to inflationary pressures.
		790	Projected over spend on maintenance relating to compliance remedial works.
		(398)	Net projected under spend on staff costs after adjusting for professional fee income chargeable on projects
Chief Executive Service			
Total	(75)		**Core Costs**
		(75)	Staff slippage and additional income
TOTAL	**58**		

APPENDIX 3

Perth and Kinross Integration Joint Board (IJB)
Projected outturn based on Revenue Monitoring to 30 September 2022

	Projected Out-turn Over / (Under) Spend		
	Social Care	Health	Health & Social Care Partnership
	£'000	£'000	£'000
DEVOLVED FUNCTIONS			
Older People Services	(753)	1,657	904
Adult Services	309	(647)	(338)
Other Community Services	(183)	0	(183)
Management/Commissioned/Other	2,840	(403)	2,437
Undelivered Savings	1,227	740	1,967
Budget Deficit	0	238	238
Sub Total - Hospital & Community Health	**3,440**	**1,585**	**5,025**
P&K IJB Hosted Services	0	(127)	(127)
Dundee & Angus Hosted Services Recharges In/Out excl Covid	0	360	360
Sub Total - Hosted Services	**0**	**233**	**233**
GP Prescribing / Other Family Health Services	0	225	225
General Medical Services / Family Health Services	0	426	426
Sub Total - PKHSCP	**3,440**	**2,469**	**5,909**
Planned use of Covid-19 Reserves	(2,466)	(2,300)	(4,766)
PKC Funding	(708)	0	(708)
Total Projected Outturn PKHSCP	**266**	**169**	**435**

APPENDIX 4

PERTH & KINROSS COUNCIL - HOUSING REVENUE ACCOUNT 2022/23 PROJECTED OUTTURN
(Based on expenditure to 30 November 2022)

£'000	Summary of Service Variances
219	**Housing Repairs** A projected over spend within stores (£200,000) as a result of the increased cost of materials, agreed increase in costs for Internet of Things (IOT) project due to increased demand (£20,000), projected increase in costs for diesel (£20,000), increased costs for gas and electric (£37,000), transport hire costs (£39,000) plus increased costs for waste disposal (£31,000). These projected over spends are partially offset by staff slippage (£127,000).
(217)	**Improvements** Projected under spend on staff costs (£121,000) and additional income from OFGEM (£100,000) partially offset by other minor over spends (£4,000).
(126)	**Letham, North & South** A projected under spend on staff costs as a result of slippage (£41,000), on transport costs (£16,000), Sheriff Officers fees and related income (£41,000 net) and on non-staff budgets (£28,000).
22	**Perth City and Specialist** Projected net over spends on electricity and gas costs within Sheltered Housing (£80,000) and cleaning costs (£10,000) partially offset by additional staff slippage (£41,000), additional housing register income (£24,000) and non staff budgets (£3,000).
21	**Housing Management** Projected over spend on staff costs, including the Apprenticeship Levy (£12,000) and other non staff budgets (£9,000).
(232)	**Administration** Projected under spend on bad debt provision (£350,000), lower corporate recharges compared to budget (£103,000), reduced recharges from the General Fund (£83,000) and under spends in non-staff budgets (£3,000). These are partially offset by projected over spends on void rent loss based on similar trend to last year (£162,000), void rates / Council Tax / utilities (£92,000), bad debt provision (£37,000) and recharges (£13,000).
21	**Income** Projected shortfall in income from commercial rents (£17,000) and mainstream housing (£104,000) which is partially offset by increases in interest on revenue balances (£100,000).
292	**Capital Financed from Current Revenue** As a result of the projected net under spends highlighted above, this is the increase in the amount available to invest in the HRA capital programme from the Revenue Budget.
0	

APPENDIX 5

Other Grant Funding

Education & Children's Services	
Creative Scotland – Youth Music Initiative	£171,646
Communities	
UK Government - Department for Levelling Up, Housing & Communities – Homes for Ukraine Displaced Persons	£2,572,850
Tay Cities Deal (Dundee City Council) – Regional Skills & Employability – Programme Manager	£506,220
Scottish Government – Delivery of Rural Community Led Local Development Funding 2022/23 (CLLD)	£447,098
TOTAL	**£3,697,814**

APPENDIX 6

Council Approved Projects - 23 February 2022

Education & Children's Services	
Complex Needs Capacity	£40,000
Communities	
Rural Visitor Management Fund	£60,000
Open For Business Fund	£50,000
Support For Businesses	£150,000
Care & Repair	£50,000
Perth & Kinross Skills Passport	£60,000
Total	**£410,000**

PERTH & KINROSS COUNCIL

FINANCE & RESOURCES COMMITTEE

1 FEBRUARY 2023

COMPOSITE CAPITAL BUDGET 2022/28 & HOUSING INVESTMENT PROGRAMME 2022/27 – MONITORING REPORT No.3

Report by the Head of Finance
(Report No. 23/31)

PURPOSE OF REPORT
This report provides a summary position to date for the 6-year Composite (General Fund) Capital Budget for 2022/23 to 2027/28 and the 5-year Housing Investment Programme 2022/23 to 2026/27 and seeks approval for adjustments to the budgets.

STRUCTURE OF REPORT

This report is structured over the following sections:

- Section 1: Background
- Section 2: Recommendations
- Section 3: Composite Capital Programme – Gross Capital Resources
- Section 4: Composite Capital Programme – Expenditure
- Section 5: Housing Investment Programme
- Section 6: Summary

1. BACKGROUND / MAIN ISSUES

1.1 The Finance & Resources Committee approved an updated six-year gross Composite Capital Budget for 2022/23 to 2027/28 totalling **£687,853,000** and a five-year gross Housing Investment Programme for 2022/23 to 2027/28 totalling **£84,018,000** at its meeting on 30 November 2022 (report 22/298 refers).

1.2 This report advises on expenditure to 31 December 2022 and the latest estimate of the projected outturn for each of the years to 2027/28 for the Composite Programme and to 2026/27 for the Housing Investment Programme.

2. RECOMMENDATIONS

2.1 It is recommended that the Committee:

(i) notes the contents of this report.
(ii) approves the proposed adjustments to the six-year Composite Capital Budget 2022/23 to 2027/28 set out in Sections 3 and 4 of this report and summarised in Appendices I and II.
(iii) approves the proposed adjustments to the Housing Investment Programme Budget 2022/23 to 2026/27 set out in Section 5 of this report and summarised in Appendix III.

(iv) notes progress with the delivery of major Capital projects as summarised in Appendix IV.

3. COMPOSITE CAPITAL PROGRAMME – GROSS CAPITAL RESOURCES

3.1 The current estimated total gross capital resources (which includes movements in Capital Receipts, Capital Grants, Contributions and borrowing) available over the six years 2022/23 to 2027/28 amount to **£696,021,000**. Movements from the revised Composite Capital Budget approved on 30 November 2022 are summarised in the table below, and the constituent elements for each year are shown in Appendix I.

	Total Gross Composite Capital Resources		
	Approved 30 Nov 2022	**Current Estimate**	**Movement**
	£'000	**£'000**	**£'000**
2022/23	171,528	143,465	(28,063)
2023/24	184,848	190,281	5,433
2024/25	148,122	159,900	11,778
2025/26	82,339	92,330	9,991
2026/27	56,761	65,766	9,005
2027/28	44,255	44,279	24
Total	**687,853**	**696,021**	**8,168**

3.2 The overall movement in the total Gross Resources for the 6 years 2022/23 to 2027/28 shown at Section 3.1 above can be summarised as follows:

	£'000
Increase in Capital Grants (Section 3.4)	100
Increase in Third Party, Revenue and Developer Contributions (Section 3.5)	371
Increase in Borrowing Requirement (Section 3.7)	7,697
Increase in Gross Capital Resources (Section 3.1)	**8,168**

3.3 There is only small movements in the estimated Property receipts, including an increase of £113,000 in estimated receipts on the Commercial property Programme. With no updated proposals for expenditure within the Commercial Investment Programme at this stage, this increase in receipts is therefore carried-forward to future years and has no overall impact on the current level of resources.

3.4 The Provisional Local Government Finance Circular issued on 20 December 2022, includes an increase of £100,000 in the Council's General Capital Grant in 2022/23 relating to the allocation for flood studies. The Council has already included this expenditure as part of its Revenue Budget so while the level of gross Capital resources increases by £100,000, there is no requirement for corresponding Capital expenditure and the grant can be applied to reducing the level of borrowing for the current programme.

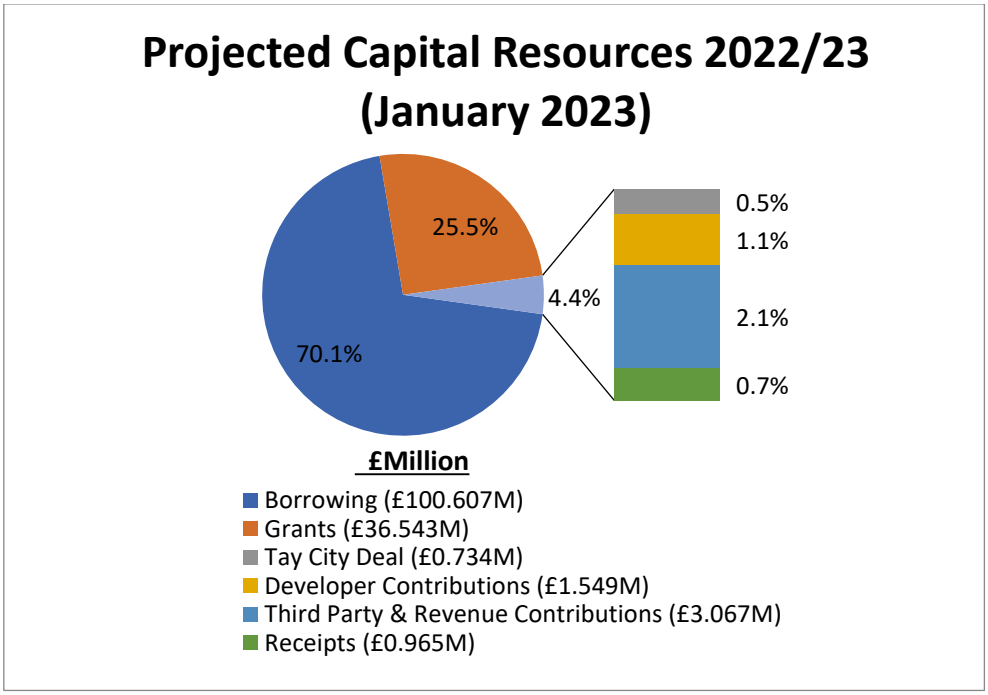
3.5 There is an increase in Third Party Contributions of £371,000 for Structural Maintenance (Section 4.3.3), relating to Roads Bonds for the purpose of bringing roads up to an adoptable standard.

3.6 The projected Borrowing Requirement in 2022/23, which is effectively the balancing item for resources, is **£100,607,000**. This is £28,095,000 lower than the Borrowing Requirement approved on 30 November 2022, and mainly reflects the revised phasing for the new Perth High School included within this report following the approval of the project by Council on 21 December 2022 (report 22/312 refers).

3.7 The total Borrowing Requirement in the subsequent years 2023/24 to 2027/28 has increased by **£35,792,000** to **£440,423,000**, resulting in an increase of **£7,697,000** across the whole 6-year programme. The movement in borrowing is summarised as follows:

	2022/23	2023/24	2024/25	Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Increase in General Capital Grant (Section 3.4)	(100)	0	0	0	**(100)**
Increase/(Decrease) in expenditure for the Perth High School Replacement (Section 4.2.2)	(24,776)	14,617	6,559	15,100	**11,500**
(Decrease)/Increase in Communities Prudential Borrowing (Section 4.3.8)	(1,348)	(2,977)	223	399	**(3,703)**
Movements arising from re-phasing of other expenditure and receipts (Appendix II)	(1,871)	(6,368)	4,919	3,320	**0**
(Decrease)/Increase in Borrowing Requirement	(28,095)	5,272	11,701	18,819	**7,697**

3.8 The chart below shows the Capital Resources required to fund the 2022/23 Composite Capital Programme following the proposed budget adjustments detailed in this report.



4. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

4.1 Total Expenditure and Proposed Budget Adjustments to the Current Programme

4.1.1 Total expenditure (net of grants and contributions) to 31 December 2022 on the Composite Capital Programme amounts to **£55,332,000**, which is detailed in Appendix II and summarised as follows:

	Net Expenditure to 31 Dec 2022
	£'000
Education & Children's Services	13,485
Communities	37,211
Health and Social Care	278
Corporate & Democratic Services	4,358
Total	**55,332**

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

4.2 Education and Children's Services

4.2.1 The Executive Director (Education & Children's Services) has reviewed the programme for their Service with the following movements to report at this time.

4.2.2 A full business case for the Perth High School Replacement project was considered by the Council on 21 December 2022 (Report 22/312 refers). The Council approved that the budget for the Perth High School Replacement be increased by £11.5M to £80.2M in order that the project could reach financial close. Following this increase in the budget, work has been undertaken to rephase the budget accordingly. The proposed revised budgets for each year are detailed in Appendix II.

4.2.3 Within the Investment in the Learning Estate there have been increased upgrades to school furniture and blinds completed in the current financial year. It is proposed to accelerate £180,000 from next year to the current financial year to cover these costs. It is also proposed to transfer £600,000 from the Early Learning & Childcare (ELC) budget in the current financial year to the Investment in the Learning Estate budget to allow works scheduled to be undertaken in the school holidays in 2024/25.

4.2.4 Within Technology Upgrades, due to the level of works forecast to be undertaken before the year end, it is proposed to move £100,000 from the current year to next financial year.

4.2.5 The refurbishment work at Perth Academy is progressing well and it is proposed that £350,000 of the budget is accelerated from next year to the current year to cover the works which are now due for completion this year. The upgrade program within Perth Grammar School is currently focused on audio visual and Wi-Fi upgrades which requires works taking place within

classrooms. Due to the limited access to classrooms during term time, works that can be undertaken by the end of the financial year are less than anticipated and it is, therefore, proposed that £200,000 of the budget is moved from the current financial year to next year to allow the works to take place in the school holidays.

4.2.6 All the above proposed adjustments have been reflected in Appendix II.

4.3 Communities

4.3.1 The Executive Director (Communities) has reviewed the programme for their Service and proposes various budget adjustments, the most significant of which are described below.

4.3.2 Within Asset Management – Roads & Lighting, additional expenditure of £371,000 will be incurred to bring a road to an adoptable standard. While this increases the gross Capital expenditure of the Council as reflected in section 3 above, there is no net impact on the Capital budget as the works are funded by a matching third party contribution.

4.3.3 Within Asset Management – Bridges, works within the Bridge Refurbishment Programme face slight delays due to current staff capacity, with recruitment for an engineering post ongoing. The budgets for each year have been reviewed and it is proposed that they are rephased with reductions of £151,000 in the current year; £194,000 next year and £575,000 in 2024/25; to be offset with increases of £250,000 in 2025/26; £555,000 in 2026/27 and £115,000 in 2027/28.

<u>Comrie Flood Protection Scheme</u>

4.3.4 It had previously been reported to this Committee (Report 22/298 refers) that the consultants working on the detailed design of the Comrie Flood Protection Scheme were approximately three months behind schedule. The Executive Director (Communities) has provided the following position statement and update on progress with the scheme:

- The advance works for the Comrie Flood Protection Scheme were substantially completed by the end of 2022, except for outstanding erosion protection work at Field of Refuge and some minor public utility works. The delivery of these works has helped to mitigate the risks to the main construction works that will follow.

- Work on the erosion protection works at the Field of Refuge were paused in October 2022 due to the environmental (fisheries) restrictions around working within the Water of Ruchill. The Contractor (Balfour Beatty) has left site but will return to complete this work once these restrictions are lifted in May. We are also planning to commence further site clearance works prior to this, in preparation for the main works.

- The conclusion of the detailed design for the main works continues to take longer than anticipated. A further meeting has been held with our

consulting engineers, Sweco. They have just provided an updated programme which indicates that they now plan to complete the detailed design at the end of March 2023.

- It is therefore likely that the main construction works will commence in Summer 2023, following on from the outstanding erosion protection work.

Accordingly, work to be completed in the current year and next year has been reduced and it is proposed that the budget for the current year and next year are reduced by £622,000 and £3,833,000 respectively, with an increase of £4,455,000 in 2024/25.

4.3.5 Additionally, within the Flood Protection Schemes, due to the recent flood events across the region, resources have been diverted to deal with the impacts of the severe weather events. This has resulted in a delay to the flood protection schemes at Milnathort and South Kinross with both schemes moving by one year. It is proposed that the majority of the budget for the Milnathort Scheme is moved from 2023/24 to 2024/25; and that the majority of the budget for the South Kinross Scheme is moved from 2024/25 to 2025/26.

4.3.6 Following confirmation that the new Perth Museum will house objects that are currently held within Perth Museum and Art Gallery (PMAG), it has been determined that PMAG would be renamed Perth Art Gallery and that works would be undertaken to convert areas to be more suitable for the increased display of artwork. Works to facilitate this transition have begun and it is, therefore, proposed that £100,000 is accelerated from next year into the current year to meet the costs of altering the exhibition spaces.

4.3.7 Within Community Greenspace, Play Areas – Improvement Implementation Strategy, due to the current staff resource capacity there is a minor delay to the implementation of schemes that have been prepared in various locations. Work on the ground is not expected to commence in the current year and so it is proposed that £248,000 of the budget is slipped from the current year to next year in line with the anticipated works.

4.3.8 Within Prudential Borrowing, a comprehensive review has been undertaken of the Vehicle Replacement Programme and Disposals and the vehicles that will be replaced through the remainder of this year and next year. This has resulted in a reduction in the overall programme of £3,703,000 with vehicles lasting longer than expected mainly due to a reduction in mileage, as well as delays in the supply of new vehicles due to the shortage of chips. Consequently, it is proposed that an adjustment is made to the Purchase and Disposal receipts as set out in Appendix II.

4.3.9 On 19 January 2023, the Council was informed by the Department for Levelling Up, Housing & Communities that the application for £10 million of round two levelling up grant funding for the Eco-Innovation Park has been unsuccessful. The Council is currently awaiting feedback on its application.

4.3.10 All the above proposed adjustments, together with other small movements, have been reflected in Appendices I & II.

4.4 Corporate & Democratic Services

4.4.1 The Chief Operating Officer has reviewed the programme for their Service and proposes the following adjustments described below.

Property Services

4.4.2 Within DDA Adaptation & Alteration Works, lift works require rescheduling due to difficulties in sourcing components and materials with these unlikely to be received this financial year. It is, therefore, proposed that £200,000 is moved from the current year to next year.

4.4.3 Within Property Compliance Works it is proposed that £221,000 is accelerated from next year to the current year in part to cover new gas pipework required at Blairgowrie High School.

4.4.4 Previously within Capital Improvement Projects, £600,000 was accelerated from 2027/28 to the current year to fund energy efficiency measures. Although works have progressed, it is anticipated that £400,000 of this accelerated funding will not be utilised in the current year and it is, therefore, proposed that this budget be moved into next year. Also, within Capital Improvement projects, following the carrying out of scheduled works at Blairgowrie High School and The Community School of Auchterarder, structural improvements have been identified which are due to take place this year. It is proposed that £400,000 for these works is brought forward from next year to the current year.

4.4.5 Upgrades to Pitlochry High School have been paused for a couple of months to allow electrical compliance works to be carried out. This has resulted in a reduction in the level of upgrade works which can be completed this year and it is proposed that £90,000 is moved from the current year to next year to finalise this project.

4.4.6 Energy Efficiency Works which are being fully funded by the Salix reserve are no longer taking place in the current year, and it is therefore proposed that both the budget and the reserve contribution of £99,000 are moved from the current year to next year.

Information Systems & Technology

4.4.7 Within the ICT Infrastructure & Replacement and Upgrade programme there has been a change to planned contracting periods in order to bring security enhancements in line with the Microsoft licensing renewal later in 2023. As such, it is proposed that £447,000 is rephased from the current year to next year in line with expected spend. Also, within this budget, a review has been undertaken of the anticipated expenditure and licensing requirements in future years, and this has resulted in updated budget profiles. Therefore, it is proposed to decrease the revised budget in 2023/24 by £1,854,000, giving a net movement of £1,407,000. with this being rephased across the following 5 years of the current programme.

4.4.8 Within the Supporting Digital programme, it is proposed to move £137,000 from the current year into next year in line with the current projection of works that will be concluded before the end of the year.

4.4.9 All the above proposed adjustments, together with other small movements have been reflected in Appendices I & II.

Major Capital Projects

4.4.10 Appendix IV to the report shows progress on the delivery of major Capital projects within the approved Capital programme. The appendix summarises budgeted expenditure and the current projected outturn on these projects; their anticipated completion date; current status and any significant changes since the last monitoring report. This appendix will be kept updated and it is proposed to report on an exceptions basis where there are significant changes in the status of major Capital projects, for example in terms of forecast cost, scope or anticipated completion date.

4.4.11 In this regard, the Executive Director (Communities) has provided a position statement and update on progress with the delivery of the Comrie Flood Protection Scheme which is set out in section 4.3 of the report.

5. HOUSING INVESTMENT PROGRAMME

5.1 The current estimated expenditure, net of contributions, for the Housing Investment Programme over the 5 years 2022/23 to 2026/27 amounts to **£84,018,000**. Movements from the previous estimates approved by this Committee on 30 November 2022 are summarised in the table below and detailed in Appendix III.

	Approved 30 Nov 2022	**Current Estimate**	**Movement**
	£'000	**£'000**	**£'000**
2022/23	18,965	18,990	25
2023/24	16,457	16,457	0
2024/25	13,858	13,858	0
2025/26	18,694	18,669	(25)
2026/27	16,044	16,044	0
Total	**84,018**	**84,018**	**0**

5.2 Total Expenditure to 31 December 2022 (Housing Investment Programme)

Net expenditure for 2022/23 to 31 December 2022 amounts to £8,174,000 and receipts amount to £9,000. This therefore means that the borrowing requirement for the year to date is £8,165,000.

5.3 It is proposed to transfer £25,000 to support the conversion of the former driving test centre at 111 Rannoch Road Perth from the SHQS Future Developments Budget in 2025/26. This is to cover additional costs associated with installing air source heat pumps, upgrading the electrical fuse box, as well as additional garden landscaping.

5.4 Miscellaneous Receipts have increased by £5,000 to £9,000. Consequently, the Borrowing Requirement has reduced by £5,000, giving a revised overall total for the 5-year programme of £67,338,000.

6. SUMMARY

6.1 The projected net expenditure outturn in 2022/23 for the Composite Capital Budget is **£117,566,000** and represents **85%** of the 2022/23 budget as approved on 20 April 2022 (£138,276,000). The revised budget is based on the latest projection of expenditure and all budget adjustments outlined within this report.

6.2 Net expenditure to 31 December 2022 on the Composite Capital Budget is **£55,332,000** and represents 47**%** of the proposed revised budget for 2022/23 of **£117,566,000**. However, actual expenditure to 31 December 2022 shown above does not include accrued expenditure or provision for works certified as completed by that date. All such expenditure is accounted for when preparing the final outturn as at 31 March 2023.

6.3 The projected net expenditure outturn in 2022/23 for the Housing Investment Programme is **£18,990,000** and represents **106%** of the 2022/23 budget approved on 20 April 2022 (£17,963,000).

6.4 Net expenditure to 31 December 2022 on the Housing Investment Programme is **£8,174,000,** subject to the same caveat outlined above for the Composite Programme, which represents **43%** of the proposed revised budget for 2022/23 of **£18,990,000**.

6.5 A summary of the major capital projects included with the Council's Composite Capital Budget and Housing Investment Programme and their current status is included at Appendix IV.

6.6 As previously outlined in the last monitoring report to this Committee, and in the Revenue & Capital Update at the Council meeting on 21 December 2022, the delivery of all the approved projects and programmes within the current 6-year Capital Budget is no longer expected to be affordable under the current funding strategy due to the impact of contract inflation alone. This position will likely be compounded by the impact of anticipated higher borrowing costs over the next few years. This will be subject to ongoing discussion with elected member Budget Review Groups as part of their consideration of the Capital Budget on 1 March 2023.

Author(s)

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Approved

Name	Designation	Date
Karen Donaldson	Chief Operating Officer	24 January 2023
Stewart MacKenzie	Head of Finance	24 January 2023

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All Council Services can offer a telephone translation facility.

ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven 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) Tackling Poverty
(ii) Tackling climate change and supporting sustainable places
(iii) Growing a sustainable and inclusive local economy
(iv) Enabling our children and young people to achieve their full potential
(v) Protecting and caring for our most vulnerable people
(vi) Supporting and promoting physical and mental wellbeing
(vii) Placing communities at the heart of how we work

1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

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

Workforce

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

Asset Management (land, property, IT)

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

3. Assessments

Equality Impact Assessment

3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

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

2. BACKGROUND PAPERS

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

3. APPENDICES

- Appendix I – Composite Capital Programme - Estimated Capital Resources 2022/23 to 2027/28
- Appendix II – Composite Capital Programme - Summary of Capital Resources and Expenditure 2022/23 to 2027/28
- Appendix III – HRA Capital Investment Programme – Summary of Capital Resources and Expenditure 2022/23 to 2026/27
- Appendix IV – Significant Capital Projects Progress Update

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
Estimated Capital Resources 2022/23 to 2027/28

	Capital Resources 2022/23 (£'000) Revised Budget	Capital Resources 2023/24 (£'000) Revised Budget	Capital Resources 2024/25 (£'000) Revised Budget	Capital Resources 2025/26 (£'000) Revised Budget	Capital Resources 2026/27 (£'000) Revised Budget	Capital Resources 2027/28 (£'000) Revised Budget	Capital Resources TOTAL (£'000) Revised Budget
Capital Grants							
Cycling, Walking & Safer Routes (CWSR)	973	200	200	200	200	200	1,973
Free School Meals Expansion	0	0	0	0	0	0	0
Town Centre Fund	26	0	0	0	0	0	26
Regeneration Fund	524	0	0	0	0	0	524
Recycling Improvement Fund	281	2,081	0	0	0	0	2,362
Cross Tay Link Road - Transport Scotland	20,000	15,000	0	0	0	0	35,000
General Capital Grant	14,739	13,128	16,371	13,007	12,265	12,265	81,775
Total Capital Grants	36,543	30,409	16,571	13,207	12,465	12,465	121,660
General Capital Receipts							
General Fund - Capital Receipts	46	934	250	250	250	250	1,980
General Fund - Ring Fenced Receipts	294	200	377	377	927	897	3,072
Total General Capital Receipts	340	1,134	627	627	1,177	1,147	5,052
Commercial Property Receipts							
Capital Receipts brought-forward	2,556	2,274	2,082	2,707	3,015	3,015	2,556
Commercial Property Capital Receipts	343	953	625	308	0	0	2,229
Capital Receipts carried-forward	(2,274)	(2,082)	(2,707)	(3,015)	(3,015)	(3,015)	(3,015)
Total Commercial Property Receipts Applied	625	1,145	0	0	0	0	1,770
Contributions							
Tay Cities Deal	734	81	990	1,899	550	505	4,759
Third Party Contributions	2,330	568	0	2,500	1,000	1,000	7,398
Developer Contributions	1,549	2,100	2,300	2,367	2,600	2,600	13,516
Revenue Budget Contributions	737	99	0	0	0	0	836
Total Contributions	5,350	2,848	3,290	6,766	4,150	4,105	26,509
Capital Borrowing Requirement	100,607	154,745	139,412	71,730	47,974	26,562	541,030
TOTAL CAPITAL RESOURCES/ GROSS BUDGET EXPENDITURE	143,465	190,281	159,900	92,330	65,766	44,279	696,021

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
Estimated Capital Resources 2022/23 to 2027/28

Movements in Resources from Approved Budget - 30 November 2022

	Revised Budget 2022/23 £'000	Revised Budget 2023/24 £'000	Revised Budget 2024/25 £'000	Revised Budget 2025/26 £'000	Revised Budget 2026/27 £'000	Revised Budget 2027/28 £'000	Revised Budget TOTAL £'000
Increase/(Decrease) in:							
Capital Receipts - General Fund	(240)	240	0	0	0	0	0
Capital Receipts - Commercial Property	0	(195)	308	0	0	0	113
Capital Receipts - Housing Receipts	0	0	0	0	0	0	0
Capital Receipts - Ring Fenced	(100)	(178)	77	77	77	47	0
Capital Grants:							
Cycling, Walking & Safer Routes (CWSR)	0	0	0	0	0	0	0
Road Safety Improvement Fund	0	0	0	0	0	0	0
Free School Meals Expansion	0	0	0	0	0	0	0
Regeneration Fund	0	0	0	0	0	0	0
Recycling Improvement Fund	0	0	0	0	0	0	0
Town Centre Fund	0	0	0	0	0	0	0
Cross Tay Link Road - Transport Scotland	0	0	0	0	0	0	0
General Capital Grant	100	0	0	0	0	0	100
Tay Cities Deal	0	0	0	0	0	0	0
Third Party Contributions	371	0	0	0	0	0	371
Revenue Contributions	(99)	99	0	0	0	0	0
Developer Contributions	0	0	0	0	0	0	0
Resources b/f	0	0	(195)	113	113	113	144
Resources c/f to future years	0	195	(113)	(113)	(113)	(113)	(257)
Borrowing Requirement	(28,095)	5,272	11,701	9,914	8,928	(23)	7,697
Total Increase/(Decrease) in Resources	**(28,063)**	**5,433**	**11,778**	**9,991**	**9,005**	**24**	**8,168**
Approved Resources 30 November 2022	171,528	184,848	148,122	82,339	56,761	44,255	687,853
Revised Resources	**143,465**	**190,281**	**159,900**	**92,330**	**65,766**	**44,279**	**696,021**

APPENDIX II

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Approved Budget 30-Nov-22 2022/23 (£'000)	Proposed Budget Adjustment Report 3 2022/23 (£'000)	Revised Budget Report 3 2022/23 (£'000)	Actuals to 31-Dec-22 2022/23 (£'000)	Projected Outturn 2022/23 (£'000)	Approved Budget 30-Nov-22 2023/24 (£'000)	Proposed Budget Adjustment Report 3 2023/24 (£'000)	Revised Budget Report 3 2023/24 (£'000)	Approved Budget 30-Nov-22 2024/25 (£'000)	Proposed Budget Adjustment Report 3 2024/25 (£'000)	Revised Budget Report 3 2024/25 (£'000)
EDUCATION AND CHILDREN'S SERVICES	55,317	(25,146)	30,171	13,485	30,171	41,818	14,387	56,205	49,290	7,159	56,449
COMMUNITIES	77,620	(2,352)	75,268	37,211	75,268	112,861	(7,758)	105,103	87,712	3,701	91,413
HEALTH AND SOCIAL CARE	1,332	0	1,332	278	1,332	1,532	0	1,532	1,303	0	1,303
CORPORATE AND DEMOCRATIC SERVICES	11,532	(737)	10,795	4,358	10,795	10,329	(1,117)	9,212	8,327	841	9,168
TOTAL NET EXPENDITURE	145,801	(28,235)	117,566	55,332	117,566	166,540	5,512	172,052	146,632	11,701	158,333
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)											
GENERAL CAPITAL GRANT	(14,639)	(100)	(14,739)	(13,455)	(14,739)	(13,128)	0	(13,128)	(16,371)	0	(16,371)
DEVELOPER CONTRIBUTIONS	(1,549)	0	(1,549)	0	(1,549)	(2,100)	0	(2,100)	(2,300)	0	(2,300)
CAPITAL RECEIPTS	(629)	240	(389)	(5)	(389)	(1,842)	(45)	(1,887)	(567)	(308)	(875)
ANNUAL BORROWING REQUIREMENT	128,984	(28,095)	100,889	41,872	100,889	149,470	5,467	154,937	127,394	11,393	138,787
CAPITAL RECEIPTS BROUGHT FORWARD	(2,556)	0	(2,556)	(2,556)	(2,556)	(2,274)	0	(2,274)	(2,277)	195	(2,082)
CAPITAL RECEIPTS CARRIED FORWARD	2,274	0	2,274	2,484	2,274	2,277	(195)	2,082	2,594	113	2,707
TOTAL NET BORROWING REQUIREMENT	**128,702**	**(28,095)**	**100,607**	**41,800**	**100,607**	**149,473**	**5,272**	**154,745**	**127,711**	**11,701**	**139,412**

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Approved Budget 30-Nov-22 2025/26 (£'000)	Proposed Budget Adjustment Report 3 2025/26 (£'000)	Revised Budget Report 3 2025/26 (£'000)	Approved Budget 30-Nov-22 2026/27 (£'000)	Proposed Budget Adjustment Report 3 2026/27 (£'000)	Revised Budget Report 3 2026/27 (£'000)	Approved Budget 30-Nov-22 2027/28 (£'000)	Proposed Budget Adjustment Report 3 2027/28 (£'000)	Revised Budget Report 3 2027/28 (£'000)
EDUCATION AND CHILDREN'S SERVICES	28,600	7,300	35,900	9,704	7,800	17,504	6,823	0	6,823
COMMUNITIES	40,559	1,860	42,419	36,592	778	37,370	27,253	68	27,321
HEALTH AND SOCIAL CARE	1,303	0	1,303	1,303	0	1,303	1,319	0	1,319
CORPORATE AND DEMOCRATIC SERVICES	6,978	754	7,732	6,562	350	6,912	6,305	(91)	6,214
TOTAL NET EXPENDITURE	77,440	9,914	87,354	54,161	8,928	63,089	41,700	(23)	41,677
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)									
GENERAL CAPITAL GRANT	(13,007)	0	(13,007)	(12,265)	0	(12,265)	(12,265)	0	(12,265)
DEVELOPER CONTRIBUTIONS	(2,367)	0	(2,367)	(2,600)	0	(2,600)	(2,600)	0	(2,600)
CAPITAL RECEIPTS	(558)	0	(558)	(250)	0	(250)	(250)	0	(250)
ANNUAL BORROWING REQUIREMENT	61,508	9,914	71,422	39,046	8,928	47,974	26,585	(23)	26,562
CAPITAL RECEIPTS BROUGHT FORWARD	(2,594)	(113)	(2,707)	(2,902)	(113)	(3,015)	(2,902)	(113)	(3,015)
CAPITAL RECEIPTS CARRIED FORWARD	2,902	113	3,015	2,902	113	3,015	2,902	113	3,015
TOTAL NET BORROWING REQUIREMENT	**61,816**	**9,914**	**71,730**	**39,046**	**8,928**	**47,974**	**26,585**	**(23)**	**26,562**

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Revised Budget Report 3 (£'000)
EDUCATION AND CHILDREN'S SERVICES	203,052
COMMUNITIES	378,894
HEALTH AND SOCIAL CARE	8,092
CORPORATE AND DEMOCRATIC SERVICES	50,033
TOTAL NET EXPENDITURE	640,071
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)	
GENERAL CAPITAL GRANT	(81,775)
DEVELOPER CONTRIBUTIONS	(13,516)
CAPITAL RECEIPTS	(4,209)
ANNUAL BORROWING REQUIREMENT	540,571
CAPITAL RECEIPTS BROUGHT FORWARD	(2,556)
CAPITAL RECEIPTS CARRIED FORWARD	3,015
TOTAL NET BORROWING REQUIREMENT	**541,030**

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Revised Budget Report 2 2022/23 (£'000)	Proposed Budget Adjustment Report 3 2022/23 (£'000)	Revised Budget Report 3 2022/23 (£'000)	Actual to 31-Dec-22 2022/23 (£'000)	Projected Outturn 2022/23 (£'000)	Revised Budget Report 2 2023/24 (£'000)	Proposed Budget Adjustment Report 3 2023/24 (£'000)	Revised Budget Report 3 2023/24 (£'000)	Revised Budget Report 2 2024/25 (£'000)	Proposed Budget Adjustment Report 3 2024/25 (£'000)	Revised Budget Report 3 2024/25 (£'000)	Revised Budget Report 2 2025/26 (£'000)	Proposed Budget Adjustment Report 3 2025/26 (£'000)	Revised Budget Report 3 2025/26 (£'000)	Revised Budget Report 2 2026/27 (£'000)	Proposed Budget Adjustment Report 3 2026/27 (£'000)	Revised Budget Report 3 2026/27 (£'000)
EDUCATION AND CHILDREN'S SERVICES																	
MIS - Procurement & Integration	55		55	57	55	49		49	0		0	0		0	0		0
Blairgowrie Recreation Centre - Replacement	9,868		9,868	102	9,868	8,435		8,435	6,600		6,600	0		0	0		0
Schools Modernisation Programme																	
Investment in the Learning Estate	795	180	975	959	975	5,084	(180)	4,904	10,413	600	11,013	6,650		6,650	6,650		6,650
Free School Meal Expansion Programme	913		913		913	0		0	0		0	0		0	0		0
Methven Primary School Refurbishment	311		311	218	311	0		0	250		250	0		0	0		0
Kirkmichael Primary School Upgrades	98		98	91	98	0		0	0		0	0		0	0		0
Capital Receipt (ring-fenced)	(100)		(100)		(100)	0		0	0		0	0		0	0		0
Early Learning & Childcare	638	(600)	38	34	38	0		0	0		0	0		0	0		0
- Letham Primary School Upgrade Project	19		19		19	0		0	0		0	0		0	0		0
- Rattray Primary School Upgrade Project	1,345		1,345	1,369	1,345	470		470	0		0	0		0	0		0
North/West Perth - New Primary School	100		100		100	1,000		1,000	7,500		7,500	15,000		15,000	400		400
Riverside Primary New School	12,018		12,018	7,922	12,018	2,635		2,635	0		0	0		0	0		0
Technology Upgrades	145	(100)	45	15	45	700	100	800	586		586	0		0	0		0
Perth Academy - Refurbishment	1,018	350	1,368	1,336	1,368	2,162	(350)	1,812	2,500		2,500	2,150		2,150	2,150		2,150
Perth Grammar School - Upgrade Programme Phase 3	561	(200)	361	350	361	1,500	200	1,700	1,500		1,500	1,500		1,500	504		504
Perth High School - Internal Services & Refurbishment	21		21	9	21	0		0	0		0	0		0	0		0
Perth High School - New School Investment	26,412	(24,776)	1,636	1,023	1,636	15,683	14,617	30,300	19,941	6,559	26,500	3,300	7,300	10,600	0	7,800	7,800
Harris Academy/Invergowrie - Extension	1,100		1,100		1,100	4,100		4,100	0		0	0		0	0		0
TOTAL: EDUCATION AND CHILDREN'S SERVICES	55,317	(25,146)	30,171	13,485	30,171	41,818	14,387	56,205	49,290	7,159	56,449	28,600	7,300	35,900	9,704	7,800	17,504
COMMUNITIES																	
Traffic & Road Safety																	
Road Safety Initiatives (20mph Zones etc..)	0		0		0	512		512	335		335	200		200	200		200
Additional Road Safety - Pedestrian Crossings	0		0		0	175		175	175		175	175		175	0		0
Schools Road Safety Measures	440		440	215	440	106		106	0		0	0		0	0		0
20mph Signage Programme - Schools	111		111	18	111	89		89	0		0	0		0	0		0
20mph Signage Programme	0		0		0	76		76	0		0	0		0	0		0
Cycling Walking & Safer Routes (CWSR)	1,078		1,078	310	1,078	200		200	200		200	200		200	200		200
Scottish Government Grant - CWSR	(973)		(973)	(171)	(973)	(200)		(200)	(200)		(200)	(200)		(200)	(200)		(200)
Third Party Contribution (TACTRAN)	(105)		(105)		(105)	0		0	0		0	0		0	0		0
Car Parking Investment	95	(50)	45	12	45	227	50	277	0		0	0		0	0		0
Car Parking Investment - Pitlochry	0		0		0	150		150	0		0	0		0	0		0
Strathmore Cycle Network	0		0		0	84		84	0		0	0		0	0		0
Sub-Total	646	(50)	596	384	596	1,419	50	1,469	510	0	510	375	0	375	200	0	200
Asset Management - Roads & Lighting																	
Structural Maintenance	13,399	371	13,770	9,202	13,770	9,541		9,541	9,593		9,593	9,593		9,593	9,800		9,800
Third Party Contribution (Forestry Commission Timber Routes)	(945)	(371)	(1,316)	(172)	(1,316)	0		0	0		0	0		0	0		0
Traffic Signal Renewals - Upgrading	199		199	101	199	0		0	0		0	0		0	0		0
Third Party Contributions	(3)		(3)		(3)	0		0	0		0	0		0	0		0
Footways	524		524	435	524	435		435	435		435	435		435	435		435
Third Party Contributions	0		0	(2)	0	0		0	0		0	0		0	0		0
Investment in Local Footpaths	0		0		0	100		100	100		100	0		0	0		0
Road Safety Barriers	10		10	11	10	23		23	0		0	0		0	0		0
Sub-Total	13,184	0	13,184	9,575	13,184	10,099	0	10,099	10,128	0	10,128	10,028	0	10,028	10,235	0	10,235
Asset Management - Bridges																	
Bridge Refurbishment Programme	839	(151)	688	260	688	2,506	(194)	2,312	2,046	(575)	1,471	1,091	250	1,341	1,191	555	1,746
Dalhenzean Culvert	20	23	43		43	287	(23)	264	0		0	0		0	0		0
Dunkeld Golf Course	20	7	27		27	0		0	226	(7)	219	0		0	0		0
Vehicular Bridge Parapets Programme - Assess & Upgrade	29	(29)	0		0	0	29	29	0		0	0		0	0		0
Old Perth Bridge - Strengthening	10		10		10	180		180	10		10	2,369		2,369	0		0
Perth Queens Bridge - Strengthening	0		0		0	385		385	10		10	70		70	2,153		2,153
Culteuchar Culvert	68	(26)	42	1	42	331	26	357	0		0	0		0	0		0
Glendevon Bridge	235		235	210	235	0		0	0		0	0		0	0		0
Tullyfergus Bridge	0		0		0	134		134	0		0	0		0	0		0
Sub-Total	1,221	(176)	1,045	471	1,045	3,823	(162)	3,661	2,292	(582)	1,710	3,530	250	3,780	3,344	555	3,899

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SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Revised Budget Report 2 2022/23 (£'000)	Proposed Budget Adjustment Report 3 2022/23 (£'000)	Revised Budget Report 3 2022/23 (£'000)	Actual to 31-Dec-22 2022/23 (£'000)	Projected Outturn 2022/23 (£'000)	Revised Budget Report 2 2023/24 (£'000)	Proposed Budget Adjustment Report 3 2023/24 (£'000)	Revised Budget Report 3 2023/24 (£'000)	Revised Budget Report 2 2024/25 (£'000)	Proposed Budget Adjustment Report 3 2024/25 (£'000)	Revised Budget Report 3 2024/25 (£'000)	Revised Budget Report 2 2025/26 (£'000)	Proposed Budget Adjustment Report 3 2025/26 (£'000)	Revised Budget Report 3 2025/26 (£'000)	Revised Budget Report 2 2026/27 (£'000)	Proposed Budget Adjustment Report 3 2026/27 (£'000)	Revised Budget Report 3 2026/27 (£'000)
Improvement Schemes																	
A9/A85 Road Junction Improvements	359		359	39	359	0		0	0		0	0		0	0		0
Cross Tay Link Road (CTLR)	51,802		51,802	23,793	51,802	57,543		57,543	24,358		24,358	0		0	0		0
Scottish Government Grant	(20,000)		(20,000)	(10,000)	(20,000)	(15,000)		(15,000)	0		0	0		0	0		0
A977 Upgrades	20		20		20	170		170	0		0	0		0	0		0
Brioch Road, Crieff - Road Realignment & Safety Measures	0		0		0	31		31	0		0	0		0	0		0
Sub-Total	32,181	0	32,181	13,832	32,181	42,744	0	42,744	24,358	0	24,358	0	0	0	0	0	0
Rural Flood Protection Schemes																	
Almondbank Flood Protection Scheme	39		39	66	39	0		0	0		0	0		0	0		0
Perth Flood Protection Scheme (Pump Replacement)	25		25	19	25	136		136	0		0	0		0	0		0
Comrie Flood Protection Scheme	2,718	(622)	2,096	1,482	2,096	11,031	(3,833)	7,198	12,334	4,455	16,789	0		0	0		0
Milnathort Flood Protection Scheme	120	(8)	112	16	112	1,093	(1,041)	52	541	1,049	1,590	0		0	0		0
South Kinross Flood Protection Scheme	142	4	146	47	146	256	53	309	2,562	(1,444)	1,118	350	1,387	1,737	0		0
Scone Flood Protection Scheme	51		51		51	257		257	416		416	48		48	0		0
Coastal Change Adaptation	0		0		0	100		100	0		0	0		0	0		0
Sub-Total	3,095	(626)	2,469	1,630	2,469	12,873	(4,821)	8,052	15,853	4,060	19,913	398	1,387	1,785	0	0	0
Perth & Kinross Place-making																	
Mill Street Environmental Improvements	127		127		127	0		0	0		0	0		0	0		0
Perth, Place, People	0		0		0	3,629		3,629	0		0	0		0	0		0
City Greening	31		31		31	0		0	0		0	0		0	0		0
Perth & Kinross Lighting Action Plan	1,075		1,075	445	1,075	1,047		1,047	630		630	0		0	0		0
Sub-Total	1,233	0	1,233	445	1,233	4,676	0	4,676	630	0	630	0	0	0	0	0	0
Other Planning Projects																	
Creative Exchange (former St. John's Primary School)	53		53		53	0		0	0		0	0		0	0		0
Town Centre - Regeneration & Economic Improvements	26		26		26	0		0	0		0	0		0	0		0
Scottish Government Grant	(26)		(26)		(26)	0		0	0		0	0		0	0		0
Local Full Fibre Network	198		198	55	198	0		0	0		0	0		0	0		0
Third Party Contribution - Tay Cities Deal	(198)		(198)	(195)	(198)	0		0	0		0	0		0	0		0
Low Carbon Transport & Active Travel Hub - Broxden EV Charger	864		864	695	864	130		130	0		0	0		0	0		0
Third Party Contribution - ERDF	(327)		(327)		(327)	(49)		(49)	0		0	0		0	0		0
Third Party Contribution - Tay Cities Deal	(536)		(536)		(536)	(81)		(81)	0		0	0		0	0		0
Perth Eco Innovation Park	6,889		6,889		6,889	10,661		10,661	3,536		3,536	0		0	0		0
Third Party Contributions - Tay Cities Deal	0		0		0	0		0	(990)		(990)	(1,899)		(1,899)	(550)		(550)
Other Third Party Contributions	0		0		0	0		0	0		0	(2,500)		(2,500)	(1,000)		(1,000)
Capital Receipts - Ring Fenced Land Disposals	0		0		0	0		0	0		0	0		0	(550)		(550)
Nature Restoration	206		206	9	206	0		0	0		0	0		0	0		0
Sub-Total	7,149	0	7,149	564	7,149	10,661	0	10,661	2,546	0	2,546	(4,399)	0	(4,399)	(2,100)	0	(2,100)
City Centre Developments - Cultural Attractions																	
Perth City Hall	9,229		9,229	7,660	9,229	3,781		3,781	0		0	0		0	0		0
Perth Museum & Art Gallery (PMAG)	12	100	112		112	3,304	(100)	3,204	0		0	0		0	0		0
Collections Centre	24		24		24	6,400		6,400	0		0	0		0	0		0
PH2O	500		500		500	3,500		3,500	26,000		26,000	25,000		25,000	20,000		20,000
Sub-Total	9,765	100	9,865	7,660	9,865	16,985	(100)	16,885	26,000	0	26,000	25,000	0	25,000	20,000	0	20,000
Community Planning																	
Letham Community Wellbeing Hub	2,552		2,552	1,687	2,552	1,317		1,317	0		0	0		0	0		0
Scottish Government Grant (Regeneration Fund)	(524)		(524)	(524)	(524)	0		0	0		0	0		0	0		0
Third Party Contribution (Letham4All)	0		0		0	(519)		(519)	0		0	0		0	0		0
Revenue Contribution (Place Based Development Grant)	(735)		(735)		(735)	0		0	0		0	0		0	0		0
Sub-Total	1,293	0	1,293	1,163	1,293	798	0	798	0	0	0	0	0	0	0	0	0
Community Greenspace																	
Play Areas - Improvements Implementation Strategy	340	(248)	92	1	92	649	248	897	587		587	878		878	150		150
Third Party Contribution	(47)		(47)	(10)	(47)	0		0	0		0	0		0	0		0
Revenue Contribution (Developer Contribution Reserve)	(2)		(2)		(2)	0		0	0		0	0		0	0		0
3G Pitch, Blairgowrie	38		38	2	38	100		100	0		0	0		0	0		0
Settlement/Neighbourhood Parks	25		25		25	0		0	0		0	0		0	0		0
Countryside Sites	13	10	23	1	23	139		139	0		0	0		0	0		0
Community Greenspace Sites	0		0		0	562	(10)	552	532		532	532		532	532		532
Community Greenspace Bridges	33		33	14	33	31		31	0		0	0		0	0		0
Core Path Implementation	48		48	28	48	0		0	0		0	0		0	0		0
Third Party Contribution	(60)		(60)		(60)	0		0	0		0	0		0	0		0
Alyth Environmental Improvements	0		0		0	0		0	0		0	0		0	0		0

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	Revised Budget Report 2 2022/23 (£'000)	Proposed Budget Adjustment Report 3 2022/23 (£'000)	Revised Budget Report 3 2022/23 (£'000)	Actual to 31-Dec-22 2022/23 (£'000)	Projected Outturn 2022/23 (£'000)	Revised Budget Report 2 2023/24 (£'000)	Proposed Budget Adjustment Report 3 2023/24 (£'000)	Revised Budget Report 3 2023/24 (£'000)	Revised Budget Report 2 2024/25 (£'000)	Proposed Budget Adjustment Report 3 2024/25 (£'000)	Revised Budget Report 3 2024/25 (£'000)	Revised Budget Report 2 2025/26 (£'000)	Proposed Budget Adjustment Report 3 2025/26 (£'000)	Revised Budget Report 3 2025/26 (£'000)	Revised Budget Report 2 2026/27 (£'000)	Proposed Budget Adjustment Report 3 2026/27 (£'000)	Revised Budget Report 3 2026/27 (£'000)
Premier Parks	53	(14)	39		39	0	14	14	0		0	0		0	0		0
Auchterarder Public Park	263		263	175	263	0		0	0		0	0		0	0		0
Third Party Contribution	(140)		(140)		(140)	0		0	0		0	0		0	0		0
The Knock	24		24	7	24	0		0	0		0	0		0	0		0
Kinnoull Hill	41		41	2	41	0		0	0		0	0		0	0		0
Cemetery Extensions	25		25	5	25	444		444	150		150	100		100	100		100
Sub-Total	654	(252)	402	225	402	1,925	252	2,177	1,269	0	1,269	1,510	0	1,510	782	0	782
Waste Strategy																	
Recycling Improvement Fund	281		281	45	281	2,081		2,081	0		0	0		0	0		0
Scottish Government Grant	(281)		(281)		(281)	(2,081)		(2,081)	0		0	0		0	0		0
Sub-Total	0	0	0	45	0	0	0	0	0	0	0	0	0	0	0	0	0
Support Services																	
PC Replacement & IT Upgrades																	
Hardware	10		10	22	10	17		17	17		17	17		17	17		17
Licenses	35		35	20	35	120		120	120		120	120		120	120		120
Sub-Total	45	0	45	42	45	137	0	137	137	0	137	137	0	137	137	0	137
Commercial Property Investment Programme																	
North Muirton Industrial Estate - Site Servicing & Provision of Units	105		105	13	105	0		0	0		0	0		0	0		0
Western Edge, Kinross - Site Servicing	10		10		10	0		0	0		0	0		0	0		0
Additional Infrastructure Investment - Broxden	46		46		46	0		0	0		0	0		0	0		0
Broxden Drainage Mitigation Works	308		308	59	308	0		0	0		0	0		0	0		0
Third Party Contribution (Scottish Water)	(239)		(239)		(239)	0		0	0		0	0		0	0		0
Ruthvenfield Business Centre	510		510		510	1,145		1,145	0		0	0		0	0		0
Third Party Contribution	(115)		(115)		(115)	0		0	0		0	0		0	0		0
North Muirton Industrial Estate Expansion Land - Servicing	0		0		0	0		0	0		0	0		0	0		0
Sub-Total	625	0	625	72	625	1,145	0	1,145	0	0	0	0	0	0	0	0	0
Prudential Borrowing Projects																	
Wheeled Bin Replacement Programme - Domestic Bins	265		265	222	265	200		200	200		200	200		200	200		200
Wheeled Bin Replacement Programme - Commercial Bins	39		39		39	20		20	20		20	20		20	20		20
Recycling Containers, Oil Banks & Battery Banks Replacement Pr	111		111	28	111	65		65	65		65	65		65	65		65
Capital Receipts - Disposals	(4)		(4)	(4)	(4)	0		0	0		0	0		0	0		0
Litter Bins	25		25	25	25	25		25	50		50	50		50	50		50
Smart Cities - Smart Waste	305		305	130	305	0		0	0		0	0		0	0		0
Third Party Contribution (ERDF)	(118)		(118)		(118)	0		0	0		0	0		0	0		0
Vehicle Replacement Programme	2,902	(1,448)	1,454	280	1,454	4,700	(3,155)	1,545	3,000	300	3,300	3,000	300	3,300	3,000	300	3,300
Capital Receipts - Vehicle Disposals	(290)	100	(190)	(67)	(190)	(378)	178	(200)	(300)	(77)	(377)	(300)	(77)	(377)	(300)	(77)	(377)
Crematorium - Abatement Works	9		9		9	0		0	0		0	0		0	0		0
Street Lighting Renewal - LED & Column Replacement	770		770	437	770	944		944	954		954	945		945	959		959
LED Traffic Signal Replacement	146		146	39	146	0		0	0		0	0		0	0		0
Almondbank Flood Protection Scheme	4		4		4	0		0	0		0	0		0	0		0
Land Purchase & Development (Hotel Development)	1,900		1,900		1,900	0		0	0		0	0		0	0		0
Technology & Innovation Incubator Units	0		0		0	0		0	0		0	0		0	0		0
Sub Total	6,064	(1,348)	4,716	1,090	4,716	5,576	(2,977)	2,599	3,989	223	4,212	3,980	223	4,203	3,994	223	4,217
Housing Projects																	
Gypsy Travellers Site Improvement Works	207		207	5	207	0		0	0		0	0		0	0		0
Additional Gypsy Traveller Site Improvement Works	225		225	8	225	0		0	0		0	0		0	0		0
Gypsy Traveller Site Community Improvement Works	33		33		33	0		0	0		0	0		0	0		0
Sub Total	465	0	465	13	465	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL: COMMUNITIES	77,620	(2,352)	75,268	37,211	75,268	112,861	(7,758)	105,103	87,712	3,701	91,413	40,559	1,860	42,419	36,592	778	37,370
Health & Social Care																	
Occupational Therapy Equipment	250		250	167	250	250		250	250		250	250		250	250		250
Technology Enabled Telecare	1,000		1,000	111	1,000	1,000		1,000	1,000		1,000	1,000		1,000	1,000		1,000
Moving & Handling Office Refurbishment	29		29		29	0		0	0		0	0		0	0		0
Software Licences	53		53		53	53		53	53		53	53		53	53		53
Developing Supported Tenancies	0		0		0	229		229	0		0	0		0	0		0
TOTAL: HEALTH & SOCIAL CARE	1,332	0	1,332	278	1,332	1,532	0	1,532	1,303	0	1,303	1,303	0	1,303	1,303	0	1,303

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Revised Budget Report 2 2022/23 (£'000)	Proposed Budget Adjustment Report 3 2022/23 (£'000)	Revised Budget Report 3 2022/23 (£'000)	Actual to 31-Dec-22 2022/23 (£'000)	Projected Outturn 2022/23 (£'000)	Revised Budget Report 2 2023/24 (£'000)	Proposed Budget Adjustment Report 3 2023/24 (£'000)	Revised Budget Report 3 2023/24 (£'000)	Revised Budget Report 2 2024/25 (£'000)	Proposed Budget Adjustment Report 3 2024/25 (£'000)	Revised Budget Report 3 2024/25 (£'000)	Revised Budget Report 2 2025/26 (£'000)	Proposed Budget Adjustment Report 3 2025/26 (£'000)	Revised Budget Report 3 2025/26 (£'000)	Revised Budget Report 2 2026/27 (£'000)	Proposed Budget Adjustment Report 3 2026/27 (£'000)	Revised Budget Report 3 2026/27 (£'000)
CORPORATE AND DEMOCRATIC SERVICES																	
Property Services																	
DDA Adaptation & Alteration Works Programme	374	(200)	174	50	174	200	200	400	200		200	200		200	200		200
Property Compliance Works Programme	1,405	221	1,626	876	1,626	650	(221)	429	650		650	650		650	650		650
Capital Improvement Projects Programme	1,987		1,987	770	1,987	1,800		1,800	1,800		1,800	1,800		1,800	1,800		1,800
Pitlochry High School - Upgrade Programme	725	(90)	635	318	635	0	90	90	0		0	0		0	0		0
Community School of Auchterarder - Structural Improvements	736		736	705	736	0		0	0		0	0		0	0		0
CO2 Monitors for Schools Programme	81		81		81	0		0	0		0	0		0	0		0
Energy Efficiency Works - Various Properties	99	(99)	0		0	0	99	99	0		0	0		0	0		0
Revenue Contribution (Salix Reserve)	(99)	99	0		0	0	(99)	(99)	0		0	0		0	0		0
Energy Conservation & Carbon Reduction Programme (PB)	168		168	12	168	150		150	150		150	150		150	150		150
Information Systems & Technology																	
ICT Infrastructure & Replacement and Upgrade Programme	2,864	(447)	2,417	371	2,417	3,711	(1,407)	2,304	4,087	841	4,928	2,744	754	3,498	2,283	350	2,633
Data & Analytics	500	(85)	415	88	415	790	85	875	675		675	646		646	668		668
Supporting Digital	837	(137)	700	67	700	1,169	137	1,306	714		714	737		737	760		760
Software Licences (Revenues & Benefits)	51	1	52	52	52	51	(1)	50	51		51	51		51	51		51
School Audio-Visual (AV) Equipment Replacement Programme	1,400		1,400	806	1,400	526		526	0		0	0		0	0		0
Swift Social Work System Replacement	404		404	243	404	1,282		1,282	0		0	0		0	0		0
TOTAL: CORPORATE AND DEMOCRATIC SERVICES	11,532	(737)	10,795	4,358	10,795	10,329	(1,117)	9,212	8,327	841	9,168	6,978	754	7,732	6,562	350	6,912
TOTAL COMPOSITE NET EXPENDITURE	145,801	(28,235)	117,566	55,332	117,566	166,540	5,512	172,052	146,632	11,701	158,333	77,440	9,914	87,354	54,161	8,928	63,089
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)																	
CAPITAL RECEIPTS																	
General Capital Grant - Scottish Government	(14,639)	(100)	(14,739)	(13,455)	(14,739)	(13,128)		(13,128)	(16,371)		(16,371)	(13,007)		(13,007)	(12,265)		(12,265)
Developer Contributions	(1,549)		(1,549)		(1,549)	(2,100)		(2,100)	(2,300)		(2,300)	(2,367)		(2,367)	(2,600)		(2,600)
General Fund - Capital Receipts/Disposal	(286)	240	(46)	(5)	(46)	(694)	(240)	(934)	(250)	0	(250)	(250)	0	(250)	(250)	0	(250)
Commercial Property - Capital Receipts/Disposal	(343)	0	(343)	0	(343)	(1,148)	195	(953)	(317)	(308)	(625)	(308)	0	(308)	0	0	0
Total: Capital Receipts	(16,817)	140	(16,677)	(13,460)	(16,677)	(17,070)	(45)	(17,115)	(19,238)	(308)	(19,546)	(15,932)	0	(15,932)	(15,115)	0	(15,115)
Annual Composite Borrowing Requirement	128,984	(28,095)	100,889	41,872	100,889	149,470	5,467	154,937	127,394	11,393	138,787	61,508	9,914	71,422	39,046	8,928	47,974
CAPITAL RECEIPTS BROUGHT FORWARD	(2,556)	0	(2,556)	(2,556)	(2,556)	(2,274)	0	(2,274)	(2,277)	195	(2,082)	(2,594)	(113)	(2,707)	(2,902)	(113)	(3,015)
CAPITAL RECEIPTS CARRIED FORWARD	2,274	0	2,274	2,484	2,274	2,277	(195)	2,082	2,594	113	2,707	2,902	113	3,015	2,902	113	3,015
TOTAL NET COMPOSITE BORROWING REQUIREMEI	128,702	(28,095)	100,607	41,800	100,607	149,473	5,272	154,745	127,711	11,701	139,412	61,816	9,914	71,730	39,046	8,928	47,974

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Revised Budget Report 2 2027/28 (£'000)	Proposed Budget Adjustment Report 3 2027/28 (£'000)	Revised Budget Report 3 2027/28 (£'000)	Revised Budget Report 3 TOTAL (£'000)
EDUCATION AND CHILDREN'S SERVICES				
MIS - Procurement & Integration	0		0	104
Blairgowrie Recreation Centre - Replacement	0		0	24,903
Schools Modernisation Programme				
Investment in the Learning Estate	6,823		6,823	37,015
Free School Meal Expansion Programme	0		0	913
Methven Primary School Refurbishment	0		0	561
Kirkmichael Primary School Upgrades	0		0	98
Capital Receipt (ring-fenced)	0		0	(100)
Early Learning & Childcare	0		0	38
- Letham Primary School Upgrade Project	0		0	19
- Rattray Primary School Upgrade Project	0		0	1,815
North/West Perth - New Primary School	0		0	24,000
Riverside Primary New School	0		0	14,653
Technology Upgrades	0		0	1,431
Perth Academy - Refurbishment	0		0	9,980
Perth Grammar School - Upgrade Programme Phase 3	0		0	5,565
Perth High School - Internal Services & Refurbishment	0		0	21
Perth High School - New School Investment	0		0	76,836
Harris Academy/Invergowrie - Extension	0		0	5,200
TOTAL: EDUCATION AND CHILDREN'S SERVICES	6,823	0	6,823	203,052
COMMUNITIES				
Traffic & Road Safety				
Road Safety Initiatives (20mph Zones etc..)	200		200	1,447
Additional Road Safety - Pedestrian Crossings	0		0	525
Schools Road Safety Measures	0		0	546
20mph Signage Programme - Schools	0		0	200
20mph Signage Programme	0		0	76
Cycling Walking & Safer Routes (CWSR)	200		200	2,078
Scottish Government Grant - CWSR	(200)		(200)	(1,973)
Third Party Contribution (TACTRAN)	0		0	(105)
Car Parking Investment	0		0	322
Car Parking Investment - Pitlochry	0		0	150
Strathmore Cycle Network	0		0	84
Sub-Total	200	0	200	3,350
Asset Management - Roads & Lighting				
Structural Maintenance	7,500		7,500	59,797
Third Party Contribution (Forestry Commission Timber Routes)	0		0	(1,316)
Traffic Signal Renewals - Upgrading	0		0	199
Third Party Contributions	0		0	(3)
Footways	435		435	2,699
Third Party Contributions	0		0	0
Investment in Local Footpaths	0		0	200
Road Safety Barriers	0		0	33
Sub-Total	7,935	0	7,935	61,609
Asset Management - Bridges				
Bridge Refurbishment Programme	1,291	115	1,406	8,964
Dalhenzean Culvert	0		0	307
Dunkeld Golf Course	0		0	246
Vehicular Bridge Parapets Programme - Assess & Upgrade	0		0	29
Old Perth Bridge - Strengthening	0		0	2,569
Perth Queens Bridge - Strengthening	0		0	2,618
Culteuchar Culvert	0		0	399
Glendevon Bridge	0		0	235
Tullyfergus Bridge	0		0	134
Sub-Total	1,291	115	1,406	15,501

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Revised Budget Report 2 2027/28 (£'000)	Proposed Budget Adjustment Report 3 2027/28 (£'000)	Revised Budget Report 3 2027/28 (£'000)	Revised Budget Report 3 TOTAL (£'000)
Improvement Schemes				
A9/A85 Road Junction Improvements	0		0	359
Cross Tay Link Road (CTLR)	0		0	133,703
Scottish Government Grant	0		0	(35,000)
A977 Upgrades	0		0	190
Brioch Road, Crieff - Road Realignment & Safety Measures	0		0	31
Sub-Total	0	0	0	99,283
Rural Flood Protection Schemes				
Almondbank Flood Protection Scheme	0		0	39
Perth Flood Protection Scheme (Pump Replacement)	0		0	161
Comrie Flood Protection Scheme	0		0	26,083
Milnathort Flood Protection Scheme	0		0	1,754
South Kinross Flood Protection Scheme	0		0	3,310
Scone Flood Protection Scheme	0		0	772
Coastal Change Adaptation	0		0	100
Sub-Total	0	0	0	32,219
Perth & Kinross Place-making				
Mill Street Environmental Improvements	0		0	127
Perth, Place, People	0		0	3,629
City Greening	0		0	31
Perth & Kinross Lighting Action Plan	0		0	2,752
Sub-Total	0	0	0	6,539
Other Planning Projects				
Creative Exchange (former St. John's Primary School)	0		0	53
Town Centre - Regeneration & Economic Improvements	0		0	26
Scottish Government Grant	0		0	(26)
Local Full Fibre Network	0		0	198
Third Party Contribution - Tay Cities Deal	0		0	(198)
Low Carbon Transport & Active Travel Hub - Broxden EV Charger	0		0	994
Third Party Contribution - ERDF	0		0	(376)
Third Party Contribution - Tay Cities Deal	0		0	(617)
Perth Eco Innovation Park	0		0	21,086
Third Party Contributions - Tay Cities Deal	(505)		(505)	(3,944)
Other Third Party Contributions	(1,000)		(1,000)	(4,500)
Capital Receipts - Ring Fenced Land Disposals	(550)		(550)	(1,100)
Nature Restoration	0		0	206
Sub-Total	(2,055)	0	(2,055)	11,802
City Centre Developments - Cultural Attractions				
Perth City Hall	0		0	13,010
Perth Museum & Art Gallery (PMAG)	0		0	3,316
Collections Centre	0		0	6,424
PH2O	15,000		15,000	90,000
Sub-Total	15,000	0	15,000	112,750
Community Planning				
Letham Community Wellbeing Hub	0		0	3,869
Scottish Government Grant (Regeneration Fund)	0		0	(524)
Third Party Contribution (Letham4All)	0		0	(519)
Revenue Contribution (Place Based Development Grant)	0		0	(735)
Sub-Total	0	0	0	2,091
Community Greenspace				
Play Areas - Improvements Implementation Strategy	150		150	2,754
Third Party Contribution	0		0	(47)
Revenue Contribution (Developer Contribution Reserve)	0		0	(2)
3G Pitch, Blairgowrie	0		0	138
Settlement/Neighbourhood Parks	0		0	25
Countryside Sites	0		0	162
Community Greenspace Sites	528		528	2,676
Community Greenspace Bridges	0		0	64
Core Path Implementation	0		0	48
Third Party Contribution	0		0	(60)
Alyth Environmental Improvements	0		0	0

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Revised Budget Report 2 2027/28 (£'000)	Proposed Budget Adjustment Report 3 2027/28 (£'000)	Revised Budget Report 3 2027/28 (£'000)	Revised Budget Report 3 TOTAL (£'000)
Premier Parks	0		0	53
Auchterarder Public Park	0		0	263
Third Party Contribution	0		0	(140)
The Knock	0		0	24
Kinnoull Hill	0		0	41
Cemetery Extensions	100		100	919
Sub-Total	778	0	778	6,918
Waste Strategy				
Recycling Improvement Fund	0		0	2,362
Scottish Government Grant	0		0	(2,362)
Sub-Total	0	0	0	0
Support Services				
PC Replacement & IT Upgrades				
Hardware	17		17	95
Licenses	120		120	635
Sub-Total	137	0	137	730
Commercial Property Investment Programme				
North Muirton Industrial Estate - Site Servicing & Provision of Units	0		0	105
Western Edge, Kinross - Site Servicing	0		0	10
Additional Infrastructure Investment - Broxden	0		0	46
Broxden Drainage Mitigation Works	0		0	308
Third Party Contribution (Scottish Water)	0		0	(239)
Ruthvenfield Business Centre	0		0	1,655
Third Party Contribution	0		0	(115)
North Muirton Industrial Estate Expansion Land - Servicing	0		0	0
Sub-Total	0	0	0	1,770
Prudential Borrowing Projects				
Wheeled Bin Replacement Programme - Domestic Bins	200		200	1,265
Wheeled Bin Replacement Programme - Commercial Bins	20		20	139
Recycling Containers, Oil Banks & Battery Banks Replacement Pr	65		65	436
Capital Receipts - Disposals	0		0	(4)
Litter Bins	50		50	250
Smart Cities - Smart Waste	0		0	305
Third Party Contribution (ERDF)	0		0	(118)
Vehicle Replacement Programme	3,000		3,000	15,899
Capital Receipts - Vehicle Disposals	(300)	(47)	(347)	(1,868)
Crematorium - Abatement Works	0		0	9
Street Lighting Renewal - LED & Column Replacement	932		932	5,504
LED Traffic Signal Replacement	0		0	146
Almondbank Flood Protection Scheme	0		0	4
Land Purchase & Development (Hotel Development)	0		0	1,900
Technology & Innovation Incubator Units	0		0	0
Sub Total	3,967	(47)	3,920	23,867
Housing Projects				
Gypsy Travellers Site Improvement Works	0		0	207
Additional Gypsy Traveller Site Improvement Works	0		0	225
Gypsy Traveller Site Community Improvement Works	0		0	33
Sub Total	0	0	0	465
TOTAL: COMMUNITIES	27,253	68	27,321	378,894
Health & Social Care				
Occupational Therapy Equipment	250		250	1,500
Technology Enabled Telecare	1,000		1,000	6,000
Moving & Handling Office Refurbishment	0		0	29
Software Licences	69		69	334
Developing Supported Tenancies	0		0	229
TOTAL: HEALTH & SOCIAL CARE	1,319	0	1,319	8,092

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2027/28

	Revised Budget Report 2 2027/28 (£'000)	Proposed Budget Adjustment Report 3 2027/28 (£'000)	Revised Budget Report 3 2027/28 (£'000)	Revised Budget Report 3 TOTAL (£'000)
CORPORATE AND DEMOCRATIC SERVICES				
Property Services				
DDA Adaptation & Alteration Works Programme	200		200	1,374
Property Compliance Works Programme	650		650	4,655
Capital Improvement Projects Programme	894		894	10,081
Pitlochry High School - Upgrade Programme	0		0	725
Community School of Auchterarder - Structural Improvements	0		0	736
CO2 Monitors for Schools Programme	0		0	81
Energy Efficiency Works - Various Properties	0		0	99
Revenue Contribution (Salix Reserve)	0		0	(99)
Energy Conservation & Carbon Reduction Programme (PB)	150		150	918
Information Systems & Technology				
ICT Infrastructure & Replacement and Upgrade Programme	2,884	(91)	2,793	18,573
Data & Analytics	691		691	3,970
Supporting Digital	785		785	5,002
Software Licences (Revenues & Benefits)	51		51	306
School Audio-Visual (AV) Equipment Replacement Programme	0		0	1,926
Swift Social Work System Replacement	0		0	1,686
TOTAL: CORPORATE AND DEMOCRATIC SERVICES	6,305	(91)	6,214	50,033
TOTAL COMPOSITE NET EXPENDITURE	41,700	(23)	41,677	640,071
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCEI				
CAPITAL RECEIPTS				
General Capital Grant - Scottish Government	(12,265)		(12,265)	(81,775)
Developer Contributions	(2,600)		(2,600)	(13,516)
General Fund - Capital Receipts/Disposal	(250)	0	(250)	(1,980)
Commercial Property - Capital Receipts/Disposal	0	0	0	(2,229)
Total: Capital Receipts	(15,115)	0	(15,115)	(99,500)
Annual Composite Borrowing Requirement	26,585	(23)	26,562	540,571
CAPITAL RECEIPTS BROUGHT FORWARD	(2,902)	(113)	(3,015)	(2,556)
CAPITAL RECEIPTS CARRIED FORWARD	2,902	113	3,015	3,015
TOTAL NET COMPOSITE BORROWING REQUIREMEI	26,585	(23)	26,562	541,030

APPENDIX III

PERTH AND KINROSS COUNCIL
HRA CAPITAL INVESTMENT PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2022/23 to 2026/27

	Approved Budget 30-Nov-22 2022/23 £'000	Proposed Budget Adjustment Report 3 2022/23 £'000	Revised Budget Report 3 2022/23 £'000	Actual to 31-Dec-22 2022/23 £'000	Projected Outturn Report 3 2022/23 £'000	Approved Budget 30-Nov-22 2023/24 £'000	Proposed Budget Adjustment Report 3 2023/24 £'000	Revised Budget Report 3 2023/24 £'000	Approved Budget 30-Nov-22 2024/25 £'000	Proposed Budget Adjustment Report 3 2024/25 £'000	Revised Budget Report 3 2024/25 £'000	Approved Budget 30-Nov-22 2025/26 £'000	Proposed Budget Adjustment Report 3 2025/26 £'000	Revised Budget Report 3 2025/26 £'000	Approved Budget 30-Nov-22 2026/27 £'000	Proposed Budget Adjustment Report 3 2026/27 £'000	Revised Budget Report 3 2026/27 £'000	Revised Budget Report 3 TOTAL £'000
Council House New Build Programme																		
Glebe, Scone - 65 Units	21		21		21	0		0	0		0	0		0	0		0	21
Council Tax (Second Income)	0		0		0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0		0	0		0	0		0	0		0	0		0	0
	21	0	21	0	21	0	0	0	0	0	0	0	0	0	0	0	0	21
Milne Street, Perth - 8 Units	3		3		3	0		0	0		0	0		0	0		0	3
Council Tax (Second Income)	0		0		0	0		0	0		0	0		0	0		0	0
Third Party Contribution (Commuted Sums)	0		0		0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0		0	0		0	0		0	0		0	0		0	0
	3	0	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0	3
Huntingtower, Perth - 70 Units	2		2		2	0		0	0		0	0		0	0		0	2
Council Tax (Second Income)	0		0		0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0		0	0		0	0		0	0		0	0		0	0
	2	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2
Fairfield, Perth	2,653		2,653	1,682	2,653	0		0	0		0	0		0	0		0	2,653
Council Tax (Second Income)	(360)		(360)	(360)	(360)	0		0	0		0	0		0	0		0	(360)
Scottish Government Subsidy	(652)		(652)	(651)	(652)	0		0	0		0	0		0	0		0	(652)
	1,641	0	1,641	671	1,641	0	0	0	0	0	0	0	0	0	0	0	0	1,641
Lynedoch Road, Methven	2,362		2,362	1,985	2,362	1,039		1,039	0		0	0		0	0		0	3,401
Council Tax (Second Income)	(480)		(480)	(480)	(480)	0		0	0		0	0		0	0		0	(480)
Scottish Government Subsidy	(1,074)		(1,074)	(1,074)	(1,074)	0		0	0		0	0		0	0		0	(1,074)
	808	0	808	431	808	1,039	0	1,039	0	0	0	0	0	0	0	0	0	1,847
Newburgh Road, Abernethy	414		414	424	414	0		0	0		0	0		0	0		0	414
Council Tax (Second Income)	0		0		0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0		0	0		0	0		0	0		0	0		0	0
Capital Receipts	(708)		(708)	(766)	(708)	0		0	0		0	0		0	0		0	(708)
	(294)	0	(294)	(342)	(294)	0	0	0	0	0	0	0	0	0	0	0	0	(294)
Future Developments	3,751		3,751		3,751	4,894		4,894	5,128		5,128	6,014		6,014	3,014		3,014	22,801
Council Tax (Second Income)	0		0		0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0		0	0		0	0		0	0		0	0		0	0
	3,751	0	3,751	0	3,751	4,894	0	4,894	5,128	0	5,128	6,014	0	6,014	3,014	0	3,014	22,801
Total Council House New Build	**5,932**	**0**	**5,932**	**760**	**5,932**	**5,933**	**0**	**5,933**	**5,128**	**0**	**5,128**	**6,014**	**0**	**6,014**	**3,014**	**0**	**3,014**	**26,021**
Increase in Council House Stock																		
Council House Buy-Backs	3,298		3,298	3,049	3,298	4,050		4,050	3,000		3,000	3,000		3,000	3,000		3,000	16,348
Scottish Government Subsidy	(1,050)		(1,050)	(630)	(1,050)	(1,050)		(1,050)	0		**0**	0		0	0		0	(2,100)
	2,248	**0**	**2,248**	**2,419**	**2,248**	**3,000**	**0**	**3,000**	**3,000**	**0**	**3,000**	**3,000**	**0**	**3,000**	**3,000**	**0**	**3,000**	**14,248**
Lock-ups and Garage Sites	0		0		0	0		0	50		50	0		0	0		0	50

APPENDIX III

	Approved Budget 30-Nov-22 2022/23 £'000	Proposed Budget Adjustment Report 3 2022/23 £'000	Revised Budget Report 3 2022/23 £'000	Actual to 31-Dec-22 2022/23 £'000	Projected Outturn Report 3 2022/23 £'000	Approved Budget 30-Nov-22 2023/24 £'000	Proposed Budget Adjustment Report 3 2023/24 £'000	Revised Budget Report 3 2023/24 £'000	Approved Budget 30-Nov-22 2024/25 £'000	Proposed Budget Adjustment Report 3 2024/25 £'000	Revised Budget Report 3 2024/25 £'000	Approved Budget 30-Nov-22 2025/26 £'000	Proposed Budget Adjustment Report 3 2025/26 £'000	Revised Budget Report 3 2025/26 £'000	Approved Budget 30-Nov-22 2026/27 £'000	Proposed Budget Adjustment Report 3 2026/27 £'000	Revised Budget Report 3 2026/27 £'000	Revised Budget Report 3 TOTAL £'000
Standard Delivery Plan																		
Central Heating and Rewiring Works	864		864	469	864	0		0	0		0	0		0	0		0	864
- less Third Party Contribution	0		0		0	0		0	0		0	0		0	0		0	0
Rewiring, Infrastructure & Property Refurbishment	941		941	386	941	1,000		1,000	1,686		1,686	0		0	0		0	3,627
Triple Glazing	111		111	82	111	0		0	0		0	0		0	0		0	111
Controlled Door Entry	35		35	32	35	0		0	30		30	0		0	0		0	65
- less Third Party Contribution	(2)		(2)	(1)	(2)	0		0	0		0	0		0	0		0	(2)
Kitchen Modernisation Programme	290		290	181	290	1,832		1,832	1,504		1,504	625		625	0		0	4,251
Bathroom Modernisation Programme	1,110		1,110	1,026	1,110	0		0	0		0	0		0	0		0	1,110
External Fabric	2,200		2,200	1,789	2,200	598		598	528		528	625		625	0		0	3,951
- less Third Party Contribution	0		0	(16)	0	0		0	0		0	0		0	0		0	0
Energy Efficiency	331		331	27	331	0		0	875		875	625		625	0		0	1,831
Multi Storey Flats	2,290		2,290	8	2,290	0		0	0		0	0		0	0		0	2,290
Environmental Improvements	602		602	301	602	333		333	0		0	0		0	0		0	935
Fire Precaution Measures	524		524	464	524	0		0	0		0	0		0	0		0	524
Sound Insulation	140		140	5	140	162		162	100		100	42		42	0		0	444
Structural	20		20		20	458		458	250		250	522		522	0		0	1,250
SHQS Future Developments	0		0		0	0		0	0		0	7,241	(25)	7,216	10,030		10,030	17,246
Total Standard Delivery Plan	**9,456**	**0**	**9,456**	**4,753**	**9,456**	**4,383**	**0**	**4,383**	**4,973**	**0**	**4,973**	**9,680**	**(25)**	**9,655**	**10,030**	**0**	**10,030**	**38,497**
Other Investment in Council House Stock																		
Total Major Adaptations to Council House Stock	4		4		4	0		0	100		100	0		0	0		0	104
Balmoral Road, Rattray, Refurbishment (3 Units)	273		273		273	0		0	0		0	0		0	0		0	273
Anchor House, Rannoch Road, Perth - Conversion (5 U	109		109		109	0		0	0		0	0		0	0		0	109
149-151 Dunkeld Road, Perth	25		25	1	25	0		0	0		0	0		0	0		0	25
- Government Grant	0		0		0	0		0	0		0	0		0	0		0	0
111 Rannoch Road, Perth (Former Driving Test Centre)	202	25	227	193	227	0		0	0		0	0		0	0		0	227
St.Catherine's Square Redevelopment	0		0		0	2,991		2,991	402		402	0		0	0		0	3,393
Shops & Offices	192		192	1	192	50		50	50		50	0		0	0		0	292
Greyfriars and Satellite Sites	34		34		34	0		0	50		50	0		0	0		0	84
Sheltered Housing	13		13	14	13	0		0	5		5	0		0	0		0	18
General Capital Works	31		31	29	31	0		0	0		0	0		0	0		0	31
Upgrade and Replacements to Lifts Programme	143		143	4	143	0		0	0		0	0		0	0		0	143
ICT Expenditure	178		178		178	50		50	50		50	0		0	0		0	278
Mortgage to Rent	125		125		125	50		50	50		50	0		0	0		0	225
Total Other Investment in Council House Stock	**1,329**	**25**	**1,354**	**242**	**1,354**	**3,141**	**0**	**3,141**	**707**	**0**	**707**	**0**	**0**	**0**	**0**	**0**	**0**	**5,202**
Total Net Expenditure	**18,965**	**25**	**18,990**	**8,174**	**18,990**	**16,457**	**0**	**16,457**	**13,858**	**0**	**13,858**	**18,694**	**(25)**	**18,669**	**16,044**	**0**	**16,044**	**84,018**
Income																		
CAPITAL RECEIPTS	(4)	(5)	(9)	(9)	(9)	0		0	0		0	0		0	0		0	(9)
CFCR	(2,458)		(2,458)		(2,458)	(2,645)		(2,645)	(3,329)		(3,329)	(3,960)		(3,960)	(4,279)		(4,279)	(16,671)
TOTAL BORROWING REQUIREMENT	**16,503**	**20**	**16,523**	**8,165**	**16,523**	**13,812**	**0**	**13,812**	**10,529**	**0**	**10,529**	**14,734**	**(25)**	**14,709**	**11,765**	**0**	**11,765**	**67,338**

APPENDIX IV

PERTH AND KINROSS COUNCIL
SIGNIFICANT CAPITAL PROJECT PROGRESS UPDATE

Project Title	Total Gross Budget	Third Party Funding (£'000)	Total Net Budget (£'000)	Projected Outturn (£'000)	Completion Date	Contract Awarded	On Site	Status	Change Since Last Report	Additional Commentary
Blairgowrie Recreation Centre - Replacement	26,701	0	26,701	26,701	To be advised at Financial Close	No	No	Full Business Case (FBC) to be tabled to Council 1st March 2023	No	Revised completion date to be provided in early March 2023. Full Business Case scheduled to be presented to Council on 1st March 2023.
North/West Perth New Primary School*	24,000	0	24,000	24,000	Summer 2026	No	No	Currently at Initiation stage	No	New Project Request scheduled to be submitted to HubCo early Feb 2023
Riverside Primary New School	19,899	0	19,899	19,899	Late spring 2023	Yes	Yes	On track	No	
Perth High School - New School Investment	80,200	0	80,200	80,200	Summer 2026 - school building curently scheduled to open summer 2025	No	No	Full Business Case approved by Council 21 December 2022	Yes - Approved to progress to Financial Close	Additional £11.5m of funding approved by the Council on 21 December 2022. Financial close anticipated Feb 2023
Harris Academy/Invergowrie Extension	5,200	0	5,200	5,200	Late 2023	Yes	Yes	On track	No	Construction contract signed - project to be delivered by Dundee City Council
Cross Tay Link Road (CTLR)	150,500	40,000	110,500	110,500	Spring 2025	Yes	Yes	On track	No	
Comrie Flood Protection Scheme	28,435	0	28,435	28,435	End of 2024	No	No	Advance works substantially complete	No	Detailed design on-going but delayed. Preliminary advance works are ongoing and substantially complete with main construction works anticipated to start in summer 2023, with a duration of 18 months.
Perth Eco Innovation Park*	21,086	9,544	11,542	26,273	Not currently programmed	No	No	Preliminary design works completed	Yes - confirmation of funding bid	The Council was advised on 19 January 2023 that its application for Round Two Levelling Up Fund Grant of £10 million towards the project has been unsuccessful.
Perth Museum	27,232	10,300	16,932	16,932	Spring 2024	Yes	Yes	On track	No	
Collections Centre	6,578	0	6,578	6,578	Not currently programmed	No	No	Options still under consideration	No	
PH2O	90,000	0	90,000	90,000	Not currently programmed	No	No	Outline Business Case reported to Council 23 February 2022.	No	Joint Elected Member & LAL Project Board and Senior Officer Group established

* Third paty Funding excludes Developer contributions and receipts to be received in future years

PERTH AND KINROSS COUNCIL

Finance & Resources Committee
1 February 2023

TREASURY ACTIVITY AND COMPLIANCE REPORT 2022/23 QUARTER 3

Report by Head of Finance
(Report No. 23/32)

1. PURPOSE

1.1 The purpose of this report is to update the Committee on Treasury Activity for the quarter ending 31 December 2022 and to report on compliance with the Council's Treasury Management Policy Statement (TMPS); Investment Strategy and Prudential Indicators.

2. RECOMMENDATION

2.1 It is recommended that the Committee

(i) notes the content of this report.

3. STRUCTURE OF REPORT

3.1 This report is structured over the following sections:

- Section 4: Economic Background
- Section 5: Treasury Activity
- Section 6: Compliance
- Section 7: Investment Strategy Compliance and Performance
- Section 8: Prudential Indicators
- Section 9: Conclusion

4. ECONOMIC BACKGROUND

4.1 The Bank of England's Monetary Policy Committee (MPC) increased the UK Bank Base Rate over the quarter from 2.25% to 3.0% at its meeting on 3 November, and then to 3.50% at its meeting on 15 December 2022. The increases in the Bank Base Rate were in response to continuing rises in CPI inflation which peaked at 11.1% in October, largely due to increased energy and food costs, before reducing slightly to 10.7% in November, and to 10.5% in December 2022. The Retail Price Index (RPI) inflation fell from 14.2% to 13.4% over this same period (October to December 2022).

4.2 UK Gross Domestic Product (GDP) decreased by 0.3% over the quarter to September 2022, as household expenditure reduced, whilst the Unemployment rate increased in the 3 months to October 2022.

4.3 Following the period of market volatility and increased interest rates in the aftermath of the UK Government's Growth Plan at the end of September, interest rates fell following the appointment of the new Chancellor and the reversal of proposed tax cuts. Rates continued to fall further in response to the Autumn statement, however, they remain at high levels for the year. The Bank of England also resumed its sale of UK government bonds (gilts) which it had purchased under its previous Quantitative Easing programme.

4.4 Internationally, Europe and the US both experienced reduced GDP rates as well as a slight reduction in inflation. However, as inflation was still at a high level in these regions, their central banks also increased their bank rates over the quarter.

4.5 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 in Appendix I. PWLB borrowing rates showed significant volatility over the quarter and had increased for long-term borrowing over 30 years or more by the end of the quarter. However, for shorter-term borrowing, the rates decreased with the 5-year rate falling significantly. The volatility over the quarter was a result of the UK Government's fiscal statement as well as other factors, including the impact of base rate increases, inflationary pressures and economic growth prospects relative to other major economies.

5. TREASURY ACTIVITY

5.1 A summary of the Council's treasury position and transactions is shown in Appendix II. The main activities are detailed below.

5.2 During the quarter there was no new long-term PWLB borrowing undertaken or repayment of PWLB fixed-rate loans. Therefore, over the quarter the Council's total long-term debt remained unchanged at £606.3 million at an average interest rate of 2.56%. There were 2 short-term temporary loans undertaken in the quarter: the first was for £5 million in October for one month at 2.40%, the second was in November for £5 million at 2.75% for 3 weeks. There was no temporary borrowing outstanding at the end of the quarter.

5.3 Common Good and Charitable Fund balances held on fixed deposit within the Loans Fund reduced slightly from £2.169 million to £2.131 million, with the average interest rate paid increasing from 1.12%to 1.14%. Funds held from associated bodies and organisations increased from £3.525 million to £4.129 million over the quarter, in line with their own cash flow requirements, whilst the average rate paid on these funds increased from 0.18% to 2.86% in accordance with the revised Temporary Loan Policy approved by the Committee on 7 September 2022 (report 22/210 refers).

5.4 Short term cashflow surpluses are 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

5.5 Cashflow surpluses which arise during the year, and which are not immediately required, are generally invested in fixed term deposits for periods of up to 12 months, or up to 3 years where forecast cashflow requirements allow.

5.6 There were 4 fixed rate deposits made in the quarter (totalling £25 million) at an average amount of £6.25 million and at an average interest rate of 3.87% and average term of 128 days. Fixed deposit activity in the current quarter, therefore, decreased from the previous quarter to 30 September (£84 million) mainly due to fewer maturing deposits and cashflow requirements only allowing for shorter term investments. As interest rates increased over the quarter, the average rate also improved. Deposits undertaken in the quarter will generate £345,373 in interest at their maturity.

Investments for Daily Cashflow Requirements

5.7 Cashflow surpluses which are required for more immediate needs are invested in the Council's instant access, notice deposit accounts and money market funds. These investment transactions in the quarter can be summarised as follows:

- The daily average amount of such funds over the quarter increased from £3 million in the last quarter to £7.2 million in the current quarter.
- The average interest rate achieved on these accounts over the quarter increased from 1.42% to 2.83% reflecting the increase in the base rate.
- Due to their relatively low rates, the only activity in notice accounts related to existing balances where notice had previously been given.
- Money Market Funds, which operate on instant access terms, were used extensively over the quarter to meet day-to-day cashflow requirements. The average amount invested increased from £4.9 million in the previous quarter to £11.8 million in the current quarter, whilst the average interest rate increased from 1.47% to 2.89%.
- Interest generated on these investments over the quarter amounted to £110,855.

5.8 The total amount of investments outstanding at 31 December 2022 was £207.7million compared to £240.5 million at the end of the previous quarter. The overall average rate of interest on the investments outstanding increased from 2.13% at the end of the previous quarter to 2.67% at the end of the current quarter. This increase reflects the increases in base rates over the quarter.

5.9 Total investment income generated on the investments undertaken during the quarter is £456,228 (£2,550,885 in the quarter ended 30 September 2022). This measure reflects the total return on the investment activity undertaken in each quarter and is significantly lower in comparison to the last quarter due to cashflow requirements reducing investment activity.

5.10 All of the above investment activities are consistent with the Council's current investment strategy and cashflow requirements.

6. COMPLIANCE

6.1 For the quarter ending 31 December 2022, 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).

6.2 Appendix III shows the list of approved counterparties, based on the Council's current lending policy, as at January 2023.

6.3 For the quarter ending 31 December 2022 the average closing cleared bank balance was £26,319.86 in credit. This reflects the application of the Council's "sweep facility" operated by the bank, with any credit balance in excess of £35,000 being "swept up" overnight to the Council's instant access account.

7. INVESTMENT STRATEGY COMPLIANCE AND PERFORMANCE

7.1 The Treasury Investment Strategy for 2022/23 was approved by the Council at its meeting on 9 March 2022 (report 22/47 refers).

7.2 In the current quarter, the level of Council investments peaked at £259.092 million on 17 October 2022 and reduced to £207.673 million by the end of the quarter. The average daily investment balance over the quarter was £237.987 million, which decreased from an average of £259.296 million in the previous quarter and increased slightly from £233.231 million in the same quarter of last year.

7.3 As a result of the long-term borrowing last year, the investment balances in the current year are higher. However, this is steadily reducing (subject to daily fluctuations) which will continue over the next year as the Capital programme accelerates, and in line with forecast cashflows.

7.4 The Investment Strategy was applied in full over the quarter, with liquidity being maintained using instant access accounts and money market funds as detailed in paragraph 5.7 above. There were no other risks identified in the quarter.

7.5 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. The only Council funds held by external fund managers relate to Council administered Charitable Trusts and are, therefore, not covered by this Investment Strategy.

7.6 The budgeted income in 2022/23 for Commercial Property investments is £1,812,000 whilst the latest projection for the year is £1,893,000. There were no new property investments entered into during the quarter.

8. PRUDENTIAL INDICATORS

8.1 Prudential Indicators for 2022/23 to 2027/28 were approved by the Council at the meeting on 9 March 2022 (report 22/47 refers) as part of the Annual Treasury & Investment Strategy report.

8.2 The latest estimates of the Prudential Indicators, in line with the Council's current approved Capital Budget and Capital Financing (borrowing) requirements, are shown in Appendix IV. These show that the Council adhered to all Prudential limits in the quarter. However, the annual Loan Charges relative to the Net Revenue stream and the Capital Financing (Borrowing) Requirement show an increasing trend which reflects the current Capital Programme and increasing interest rates forecast over the period.

9. CONCLUSION

9.1 The Bank of England's MPC increased the Bank Base Rate from 2.25% to 3.5% over the quarter due to continued inflationary pressures. There was continued volatility within the markets at the start of the quarter, resulting in interest rates rising, however volatility levels did reduce towards the end of the quarter.

9.2 PWLB borrowing rates were also volatile over the quarter due to the continued inflationary expectations, economic growth prospects and the market reaction to the September fiscal statement noted above. Rates for shorter term PWLB borrowing decreased over the quarter whilst the rates for longer term borrowing of 30 years or more increased. All rates, however, remain at higher levels compared to early in the year.

9.3 Investment activity in the quarter consisted mainly of the use of money market funds to meet short term liquidity requirements, and the use of fixed rate deposits for longer durations. Investment rates increased over the quarter, whilst activity decreased as a result of cashflow requirements, and the total level of investments outstanding reduced.

9.4 The Council adhered to its Investment Strategy and policies throughout the quarter, with no breaches in compliance.

9.5 The Council's Prudential Indicators were also adhered to throughout the quarter.

Author(s)

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Approved

Name	Designation	Date
Stewart MacKenzie	Head of Finance	13 January 2023
Karen Donaldson	Chief Operating Officer	13 January 2023

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All Council Services can offer a telephone translation facility.

ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven 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) Tackling Poverty
(ii) Tackling climate change and supporting sustainable places
(iii) Growing a sustainable and inclusive local economy
(iv) Enabling our children and young people to achieve their full potential
(v) Protecting and caring for our most vulnerable people
(vi) Supporting and promoting physical and mental wellbeing
(vii) Placing communities at the heart of how we work

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.

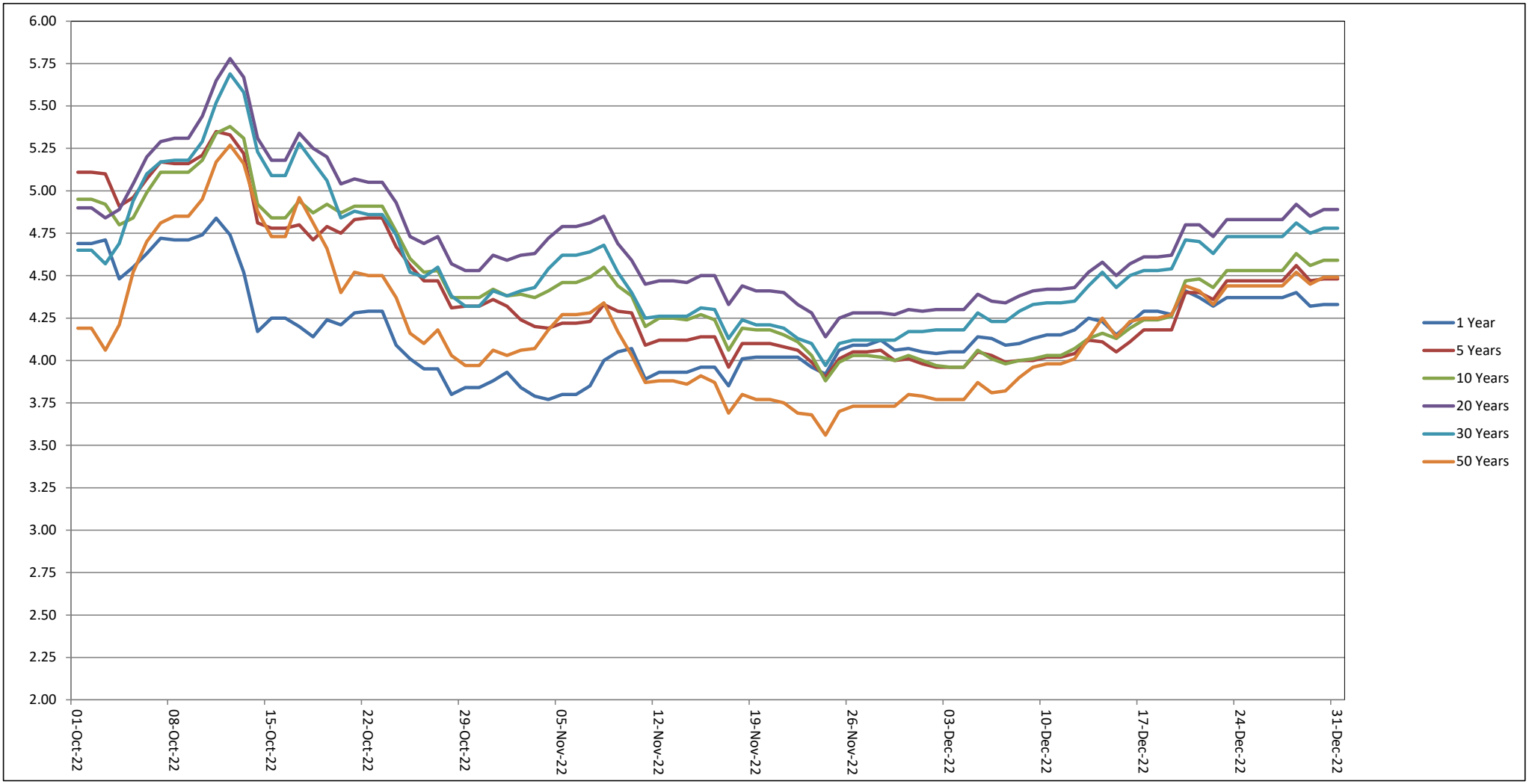
2. BACKGROUND PAPERS

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 2022.
- Appendix II – Summary of the Treasury Position and Transactions from 1 October to 31 December 2022.
- Appendix III – Approved Investment Counterparty List.
- Appendix IV – Monitoring of Prudential Indicators – Quarter ending 31 December 2022.

PWLB Fixed Maturity Interest Rates
From 1st October to 31st December 2022
(Certainty Rate)



SUMMARY OF THE TREASURY POSITION AND TRANSACTIONS
1 OCTOBER TO 31 DECEMBER 2022

1 LONG TERM BORROWING

(a) Long Term Borrowing 1st October to 31st December 2022

	No.	Average Rate (%)	Average Life (years)	Amount (£)
None	0	0.00%	0.00	0
	0	0.00%	0.0	0

(b) Long Term Debt Repayments 1st October to 31st December 2022

	No.	Average Rate (%)	Amount (£)
None			
	0	0.00%	0

(c) Long Term Debt Outstanding

	Outstanding 30-Sep-22 £	Average Rate	Outstanding 31-Dec-22 £	Average Rate
Public Works Loan Board	563,000,000	2.41%	563,000,000	2.41%
Money Market Loans (LOBO's)	43,200,000	4.59%	43,200,000	4.59%
Other Long Term Debt	140,000	0.00%	140,000	0.00%
TOTAL	606,340,000	2.56%	606,340,000	2.56%

2 SHORT TERM BORROWING

(a) Short Term Market Borrowing - 1st October to 31st December 2022

	No.	Average Amount (£)	Average Rate (%)	Average Term (Days)	Interest (£)
None	2	5,000,000	2.58%	27	18,431.51
	2	5,000,000	2.58%	27	18,431.51

(b) Short Term Borrowing Outstanding

	Outstanding 30-Sep-22 £	Average Rate	Outstanding 31-Dec-22 £	Average Rate
Market Borrowing	0	0.00%	0	0.00%
Common Good and Charitable Funds	2,169,272	1.12%	2,131,508	1.14%
Local Trusts & Investors	3,525,480	0.18%	4,129,401	2.86%
TOTAL	5,694,752	0.54%	6,260,908	2.27%

SUMMARY OF THE TREASURY POSITION AND TRANSACTIONS
1 OCTOBER TO 31 DECEMBER 2022

3 INVESTMENTS

(a) Investment Transactions - 1st October to 31st December 2022

Fixed Deposits & Investments	No.	Average Amount (£)	Average Rate (%)	Average Term (Days)	Total Interest (£)
Banks	1	10,000,000	3.73%	139	142,046.58
Foreign Banks and Institutions	3	5,000,000	3.97%	121	203,326.03
	4	6,250,000	3.87%	128	345,372.60

Instant/Notice Accounts & Money Market Funds	Average Amount (£)	Average Rate (%)	Total Interest (£)
Instant Access/Notice accounts	494,246	0.61%	2,399.47
Money Market Funds	11,783,434	2.89%	108,456.04
	7,235,272	2.83%	110,855.51

(b) Investments Outstanding

	Outstanding 30-Sep-22	Average Rate	Outstanding 31-Dec-22	Average Rate
	£		£	
UK Banks	133,079,641	2.06%	98,023,256	2.81%
Foreign Banks and Institutions	85,500,000	2.58%	88,000,000	2.95%
Money Market Funds	1,900,000	2.09%	1,650,000	3.28%
Other Local Authorities	20,000,000	0.75%	20,000,000	0.75%
TOTAL	240,479,641	2.13%	207,673,256	2.67%

Category 1 - Principal UK Clearing Banks - 40% Investment total (or £20M per Counterparty if higher)
(Minimum rating required Fitch A, F1)

	Country	Fitch Credit Rating	CDS Range	Maximum Lending	Note (2)
Bank of Scotland (RFB) (5)	UK	A+, F1	In range	6 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	
Goldman Sachs International Bank	UK	A+, F1	In range	6 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	6 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	A+, F1+	In range	12 months	
Commonwealth Bank of Australia	Aus	A+, F1+	In range	12 months	
Macquarie Bank Ltd	Aus	A, F1	No data	6 months	
National Australia Bank Ltd	Aus	A+, F1+	In range	12 months	
Westpac Banking Corporation	Aus	A+, 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+
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
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 Germeenten	Netherlands	AAA, F1+	No data	24 months	
Cooperatieve Rabobank	Netherlands	A+, F1+	In range	12 Months	
ING Bank	Netherlands	AA-, F1+	In range	12 Months	
DBS Bank Limited	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	A+, F1	No data	12 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	

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
With the exclusion of the below:

Northamptonshire County Council	Budgetary issues
Lancashire County Council	Regulatory issues
Spelthorne Borough Council	Commercialism activities
London Borough of Croydon	Commercialism activities
Thurrock Council	Excessive short-term exposure/strategy
Plymouth City Council	Regulatory issues
City of Liverpool Council	Regulatory issues
Wirral Council	Budgetary issues
London Borough of Bexley	Budgetary issues
Slough Borough Council	Budgetary issues
Peterborough City Council	Budgetary issues
Nottingham City Council	Budgetary issues

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

Note:

(1) - Standard & Poor's credit ratings shown, as no Fitch credit rating available

(2) - All Soveriegn 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: 11-Jan-23

APPENDIX IV

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - QUARTER ENDING 31 DECEMBER 2022

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.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Prudential Limit - General Fund	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs to Revenue	6.46%	7.37%	8.40%	9.23%	9.47%	9.43%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	21.97%	23.10%	23.01%	23.23%	22.53%	22.53%

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 31-Dec-22	Projected 31-Mar-23	Projected 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Net External Borrowing*	527,721,000	605,798,000	789,876,000	956,093,000	1,040,611,000	1,095,128,000	1,140,371,000
Gross External Borrowing*	735,394,000	730,798,000	834,876,000	976,093,000	1,060,611,000	1,115,128,000	1,160,371,000
Capital Financing Requirement	696,374,000	712,705,000	870,754,000	989,586,000	1,072,362,000	1,131,130,000	1,185,095,000

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

3 Estimates of Gross 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	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	147,462,000	197,172,000	135,622,000	93,393,000	71,911,000	66,164,000
Original Budget Estimate (including Budget Motion)	176,562,000	173,493,000	126,749,000	61,376,000	52,519,000	43,737,000
Movement in Estimated Capital Expenditure	(29,100,000)	23,679,000	8,873,000	32,017,000	19,392,000	22,427,000

The Original Budget Estimates are those per the 2022/23 to 2027/28 Composite Capital Budget Report on 23 February 2022
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 3 on 1 February 2023.

HRA Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	18,990,000	16,457,000	13,858,000	18,669,000	16,044,000	16,500,000
Original Budget Estimate	17,299,000	15,983,000	13,886,000	20,085,000	16,044,000	16,500,000
Movement in Estimated Capital Expenditure	1,691,000	474,000	(28,000)	(1,416,000)	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 24 January 2022.
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 3 on 1 February 2023.

4 Estimate of Capital Financing Requirement

The estimate (as at January 2023) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	102,264,000	159,698,000	113,211,000	70,870,000	52,196,000	46,494,000
Original Budget Estimate (including Budget Motion)	140,264,000	137,906,000	106,775,000	41,581,000	34,804,000	26,067,000
Movement in Estimated Capital Financing Requirement	(38,000,000)	21,792,000	6,436,000	29,289,000	17,392,000	20,427,000

The Original Budget Estimates are those per the 2022/23 to 2027/28 Composite Capital Budget Report on 23 February 2022
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 3 on 1 February 2023.

HRA Programme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	16,523,000	13,812,000	10,529,000	14,709,000	11,765,000	12,000,000
Original Budget Estimate	14,685,000	13,338,000	10,557,000	16,125,000	11,765,000	12,000,000
Movement in Estimated Capital Financing Requirement	1,838,000	474,000	(28,000)	(1,416,000)	0	0

The Original Budget Estimates are those per the 2020/21 Housing & Communities Budget Report on 24 January 2022.
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 3 on 1 February 2023.

5 External Debt (Gross and Net)

External Borrowing	**As at 31-Dec-22**	**Projected 31-Mar-23**	**Projected 31-Mar-24**	**Projected 31-Mar-25**	**Projected 31-Mar-26**	**Projected 31-Mar-27**	**Projected 31-Mar-28**
Public Works Loan Board	563,000,000	560,000,000	670,000,000	817,000,000	907,000,000	967,000,000	1,017,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	140,000	140,000	0	0	0	0	0
Special Loans	2,131,508	2,131,508	2,131,508	2,131,508	2,131,508	2,131,508	2,131,508
Temporary Loans/Other Borrowing	4,129,401	4,000,000	3,700,000	3,400,000	3,400,000	3,400,000	3,400,000
Other Long Term Liabilities (PPP/PFI)	122,792,977	121,326,977	115,844,477	110,361,977	104,879,477	99,396,977	94,639,577
Total Gross External Debt	735,393,885	730,798,484	834,875,984	976,093,484	1,060,610,984	1,115,128,484	1,160,371,084
Short Term Investments	(207,673,256)	(125,000,000)	(45,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Long Term Investments	0	0	0	0	0	0	0
Total Net External Debt	527,720,629	605,798,484	789,875,984	956,093,484	1,040,610,984	1,095,128,484	1,140,371,084
Note:							
Operational Boundary	735,000,000	731,000,000	835,000,000	976,000,000	1,061,000,000	1,115,000,000	1,160,000,000
Authorised Limit	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000

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 £45 million. There were no amounts invested within this period 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:

Borrowing Maturity Structure	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	0.61%
over 12 months and < 24 months	0%	35%	1.44%
over 2 years and < 5 years	0%	50%	6.08%
over 5 years and < 10 years	0%	75%	7.28%
over 10 years	10%	95%	84.58%

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The maurity profile for the Council's current long-term portfolio as at 31st Decmber 2022, 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	3,000,000	5,000,000	23,000,000	27,500,000	5,000,000	0	40,500,000	459,000,000	0	563,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
Other	0	0	140,000	0	0	0	0	0	0	140,000
PPP/PFI Liability	1,466,000	5,482,500	21,204,900	25,611,400	69,028,177	0	0	0	0	122,792,977
Total	4,466,000	10,482,500	44,344,900	53,111,400	74,028,177	13,000,000	65,700,000	464,000,000	0	729,132,977
Percentage	0.61%	1.44%	6.08%	7.28%	10.15%	1.78%	9.01%	63.64%	0.00%	100.00%

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PERTH AND KINROSS COUNCIL

Finance & Resources Committee

1 February 2023

FRAMEWORK FOR MANAGING WORKFORCE CHANGE

Report by Corporate Human Resources Manager
(Report No. 23/33)

1. PURPOSE OF REPORT

This report seeks approval of changes to the Framework for Managing Workforce Changes ("the Framework"). The provisions contained in the Framework have been reviewed to ensure that the terms effectively support the Transformation & Change agenda in terms of pace and scale and remain fit for purpose and affordable. The Framework continues to ensure that we promote fair, consistent and equitable treatment of employees. The proposed changes relate to the voluntary redundancy compensation and the search periods for suitable alternative employment.

2. RECOMMENDATION

2.1 It is recommended that the Finance & Resources Committee:

- Approve the revised provisions within the Framework for Managing Workforce Change.

3. STRUCTURE OF REPORT

3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Proposals
- Section 6: Consultation
- Section 7: Conclusion
- Appendices

4. BACKGROUND

4.1 The Framework for Managing Workforce Changes (the Framework) was initially approved by the Strategic Policy & Resources Executive Sub-Committee on 8 December 2010 (Report No. 10/625) and implemented on 1 March 2011. It was updated at the Strategic Policy Committee on 15 June 2016 (Report No. 16/271). The Framework's discretionary terms were updated in 2019. The Framework applies to all staff groups, although certain aspects do not apply to Teachers.

4.2 The Framework enables organisational change in any workforce change scenario. It is one of several tools that is used to support transformation and other service redesign projects.

4.3 The main driver for the review is to ensure that the provisions within the Framework remain relevant and fit for purpose in the current financial climate. The changes will enable workforce change reviews to take place smoothly and timeously while supporting flexibility when responding to the Council's Transformation & Change programme.

4.4 The Framework continues to promote fair, consistent and equitable treatment of our employees. It also supports a culture of innovation, learning and our ongoing commitment to employability and positive approaches to managing our employees. The Council remains committed to continue to provide support and learning opportunities for all employees leading or affected by change and transformation.

5. PROPOSALS

5.1 The revised Framework, attached at Appendix 1, will complement other policies and procedures in supporting improved flexibility and adaptability and movement of staff across the Council.

5.2 It is proposed that the Framework is adapted to refresh the provisions to ensure that the terms effectively support the Transformation & Change agenda in terms of pace and scale and are fit for purpose and affordable.

5.3 The proposed key changes are listed in Appendix 2 and revised wording is shown in ***bold italics*** and explained below:

Redundancy Provisions

5.4 The Council applies discretion to calculate a redundancy payment based on the actual week's pay rather than the statutorily capped rate which is currently £571 per week. No change is proposed here.

5.5 The Council also uses its discretion to double the compensation payable for **voluntary redundancy** using the statutory calculator for age and length of service. This results in a maximum redundancy payment based on 20 years' service, giving a maximum of 30 weeks' pay. This was doubled for volunteers who were <u>not</u> able to access their local government pension, giving a maximum of 60 weeks' pay. This arrangement was introduced temporarily in 2016 as part of a council-wide Voluntary Severance exercise and was confirmed in 2019 as permanent. This arrangement is no longer affordable in the current economic climate and its impact on local government services. Therefore, it is proposed that the Council reverts to using the statutory maximum compensation of a maximum of 30 weeks' pay.

5.6 It is further proposed that a cash flat payment of £6k (pro-rated for part time staff) be introduced for volunteers for redundancy who are <u>not</u> eligible to access their local government pension; this will be paid in addition to the redundancy payment. Anyone who is eligible to access their local government pension will receive unreduced access to their Pension in addition to their redundancy payment and will <u>not</u> qualify for the cash flat payment.

5.7 There is no proposed change to the terms for employees with 2 years or less service.

5.8 There is an established process (para 6.3 in the Framework) for assessing applications for voluntary redundancy which will continue to be applied.

5.9 The Council will remain a large employer in the area and will always consider ways to mitigate the need for redundancies by considering retraining and finding suitable alternative employment. However, the current terms which effectively double an employee's notice period during which the search for suitable alternative employment is carried out are no longer affordable. This is particularly the case where there is no reasonable prospect of finding an alternative role. It is proposed that the search period for suitable alternative employment is the greater of statutory or contractual notice of up to a maximum 12 weeks or 3 months depending on the individual employee's contract of employment.

5.10 During the consultation period on the proposed changes, the trade unions requested the search period remains at the current minimum 8 weeks search, rather than the original proposal which was to revert to the contractual minimum of 4 weeks. The trade unions argued that a minimum period of 8 weeks is a more reasonable period of time to search for suitable alternative employment. Officers have accepted this argument and therefore it is proposed that the minimum search will be 8 weeks for those employees who have 8 years or less continuous service, with a search period up to a maximum of 12 weeks/3-month based on the contractual notice period for those who have qualifying service.

5.11 Employees who accept suitable alternative council employment with a lower salary during their search period will retain the existing provision of salary preservation to the current maximum of 26 weeks.

6. CONSULTATION

6.1 There have been a number of meetings with the Trade Unions to consult them on the proposed changes to the provisions within the Framework and their feedback and suggestions have been carefully considered and reflected in the final draft of the Framework for consideration by the Committee. In principle, they advised that they cannot agree to the changes proposed as their role is to optimise and maintain employment. They indicated that they could not agree to proposals or changes to any existing arrangements that detrimentally impact on their members. They are keen to ensure fair and equitable treatment of all employees and security of employment for all.

6.2 The Executive Leadership Team have been consulted on the revised Framework and have agreed with the proposed changes.

7. CONCLUSION

7.1 The Framework for Managing Workforce Change is a key policy framework for enabling workforce change.

7.2 The revised Framework will provide greater flexibility and pace for developing and implementing transformation and change.

7.3 The revised Framework will protect people, as far as reasonably practical, to remain in Council employment.

Author

Name	Designation	Contact Details
Pauline Johnstone	Corporate HR Manager	PJohnstone@pkc.gov.uk

Approved

Name	Designation	Date
Karen Donaldson	Chief Operating Officer	**18 January 2022**

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You can also send us a text message on 07824 498145.
All Council Services can offer a telephone translation facility.

Other Background Papers:

- Financial Strategy –approved by Council (22 June 2022) Report No. 22/141
- Transformation and Change Strategy 2022/23 to 2027/8 –approved by Council (22 June 2022) report No.22/142

ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven 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) Tackling Poverty
(ii) Tackling climate change and supporting sustainable places
(iii) Growing a sustainable and inclusive local economy
(iv) Enabling our children and young people to achieve their full potential
(v) Protecting and caring for our most vulnerable people
(vi) Supporting and promoting physical and mental wellbeing
(vii) Placing communities at the heart of how we work

1.2 It is considered that the proposals contained within this report contribute to all objectives.

2. Resource Implications

Financial

2.1 There are no financial implications arising directly from this report.

Workforce

2.2 The implications to the Council workforce of the revisions to the Framework are that there will be greater flexibility in terms of the pace of change necessary to support movement of employees from one role to another, preparing and enabling employees to adopt new roles and new ways of working. The Framework continues to protect people to remain in Council employment if they are willing to be flexible and agile in their approaches. The revision allows for a more streamlined approach to the costs associated with transformation and change, reducing the time to search for suitable alternative employment, reduced time to populate new organisational structures, and reduce the anxiety around the implementation of any changes. In a review or restructure situation the recognised Trade Unions will continue to be consulted about the approach and solutions proposed.

Asset Management (land, property, IT)

2.3 There are no land, IT or property implications arising from this report.

3. Assessments

Equality Impact Assessment

3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties. The proposals have been considered under the Corporate Equality Impact Assessment Process (EqIA) and assessed as **relevant** for the purposes of EqIA. A range of measures have been incorporated to ensure our arrangements make appropriate provision for the protected characteristics, and in particular for disability, pregnancy, maternity, paternity leave, race, sex and age. The Equality Impact Assessment undertaken in relation to this report can be viewed clicking here.

Strategic Environmental Assessment

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

Sustainability

3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate. The proposals contained in this report are assessed to have no sustainability related impacts.

Legal and Governance

3.4 The Head of Legal and Governance Services has been consulted in the preparation of this report.

Risk

3.5 The practices set out within this report are designed to ensure that the Council is resourced with a skilled workforce to enable it to modernise, transform and deliver its strategic objectives. It will provide opportunities to maximise and sustain employability of our people. Updating the redundancy provisions may lead to less people volunteering in the targeted areas. This could result in selection methods being applied to deliver changes and potentially more appeals from affected employees.

4. Consultation

Internal

4.1 The Head of Legal and Governance Services, the Executive Leadership Team have been consulted on the content of this report. Several meetings and formal consultation has been undertaken with the Trade Unions on the revised Framework.

External

4.2 No external consultation was required.

5. Communication

5.1 If approval is given for these proposals a communication plan will be developed to ensure that all employees are aware of and understand the approved changes. An implementation date of the next available month following the Committee decision will be set to enable the communication of the changes to be undertaken. This will be through Manager's Briefings, Service updates and face to face opportunities, such as briefings or team meetings.

2. BACKGROUND PAPERS

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

3. APPENDICES

Appendix 1: Framework for Managing Workforce Changes
Appendix 2: Table setting out the current and proposed changes

APPENDIX 1

FRAMEWORK FOR MANAGING WORKFORCE CHANGES

PERTH & KINROSS COUNCIL

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1 INTRODUCTION

1.1 Perth & Kinross Council has developed strategies for workforce planning and management which aim to develop and retain an agile, flexible and high-performing workforce which is ready to adopt new ways of working and deliver Council services and priorities.

1.2 This Framework will apply as appropriate when undertaking a transformational review, any re-design to the structure or composition of teams, or other initiative which results in the movement of staff within the organisation.

1.3 This framework applies to all employees of Perth & Kinross Council, unless indicated otherwise.

2 PRINCIPLES

2.1 This framework is based on the following key principles:

- The Council is committed to developing a positive culture through employee engagement and involvement as we transform the organisation, implement change and improve efficiency.
- A culture of innovation, learning and fair work will underpin the Council approach to workforce change, thereby preparing employees for new and flexible ways of working.
- Employees will be supported during the change process and will be encouraged to develop and contribute to their chosen career pathway.
- The Council must be able to vary its structure and its workforce composition, in response to changing service needs and priorities, and in order to demonstrate best value.
- The Council is committed to working with its trade unions and employees in managing change and will promote constructive and open dialogue.
- All policies and procedures will be based on openness, fairness and equality and be consistent with current employment legislation and the Corporate Equalities Policy.
- Employee illness, maternity or parental leave, career breaks, grievances etc. will not normally impede implementing change or resourcing new organisational structures; nor will any redundancy situation or voluntary severance, which has been approved by the Council, impede the progression or completion of action under any HR or other Council policy.

3 CONSULTATION AND COMMUNICATION

3.1 The specific arrangements for each review or restructure will be developed in relation to the extent of the planned changes and will be agreed through consultation with the relevant trade unions or directly with each affected employee (and their representative where applicable). This will incorporate the individual circumstances of each review while also recognising the need for a structured and consistent approach.

3.2 Preliminary consultation with the trade unions will include the scope of the review, the workgroup affected, and projected timescales. Progress meetings will be agreed as appropriate throughout the review. Once proposals have been prepared for formal consultation the trade unions will be given 21 days to respond, unless agreed otherwise.

3.3 Consultation with the trade unions will be with a view to reaching agreement. Where there is a failure to agree the circumstances will be referred to the Corporate Human Resources Manager for review.

3.4 Consultation about the workgroup affected will include, if applicable, the proposed approach to filling posts and implementing the review or restructure. Where applicable this will also include the proposed approach to fixed term employees and those seconded to the work group.

3.5 Consultation and communication will also take place as appropriate with all affected employees, with a view to receiving feedback and ensuring that affected employees are prepared for change by understanding the rationale and detail of the proposed changes.

3.6 Consultation in relation to redundancy situations can be found in the relevant section within this Framework.

4 OPTIONS FOR FILLING POSTS MINOR/NO CHANGE, REGRADING, MATCHING AND RING-FENCED RECRUITMENT

4.1 A mix of options may be appropriate in any review, restructure or redesign of posts. The main options for implementing changes in posts are:

MINOR/NO CHANGE

4.2 Applies where the changes required are minor in relation to the grade, and the job profile is essentially the same as the current post.

RE-GRADING

4.3 The outcome of a review or restructure may involve the redesign of an existing post. Where the demands have changed significantly, the post should be re-evaluated to determine if there is any impact on grade. The provisions of the relevant job evaluation process will apply (i.e. Single Status Job Evaluation Scheme or Job Sizing for Teaching employees).

MATCHING

4.4 Where the new structure has posts which are wholly or predominantly the same as a current post, a job matching process will apply. Matching can be at a higher or lower grade than the existing grade.

4.5 A fair and equitable process for filling posts by matching will be agreed in advance with the recognised trade unions. The matching process will include a comparison of the duties and responsibilities of the current role against those within the job profile for the new post. It may also include the skills, abilities, knowledge and experience of the current post holder(s).

4.6 Where there are sufficient posts for those who are confirmed as a match, these employees will be matched without the need for an interview process.

4.7 Where the number of people confirmed as a match exceeds the available number of posts, then priority interviews will be carried out to determine the best candidate (s). In cases where a match is confirmed and the current post(s) is/are being deleted, the provisions of ring-fenced recruitment will apply.

4.8 Where an employee refuses to be matched and the manager with advice from Human Resources considers the employee does not have reasonable grounds for their refusal, the employee will be regarded as having resigned.

RING-FENCED RECRUITMENT

4.9 A ring-fenced recruitment process will be applied to posts in the structure if:

- there is a need to work within existing or less resources; and
- employees in the work group affected by the review or restructure are likely to have the skills, abilities, knowledge, experience and potential to fulfil the demands of the post.

4.10 Pools of employees within the work group affected by the review or restructure will be established in order to determine who can apply for which posts at each level of the new structure. This will be the subject of consultation with the relevant trade union/s.

4.11 Employees in the ring-fenced pool will include eligible employees awaiting redeployment whether within or outwith the affected workgroup. Employees awaiting redeployment will be identified as eligible where the grade of their substantive post is greater than or equivalent to the grade of post(s) to be filled. This priority will be given to those employees who are within the timeframe of the defined redeployment period.

4.12 The normal application and interview processes will apply but other forms of assessment and selection techniques may be applied as appropriate. Applicants will be appointed to posts where they demonstrate they fully meet the requirements of the job profile or would be likely to do so after a reasonable period of training. There will be no obligation to appoint where there are no suitable applicants.

4.13 Offers of appointment will initially be subject to a 5 working day standstill period during which unsuccessful interviewees have the opportunity to consider whether they have reasonable grounds to submit a Recruitment & Selection complaint. Recruitment & Selection complaints will be heard as an independent review by the Corporate Human Resources Manager or nominated officer. Independent reviews will be concluded within 10 working days of receipt of the employee's letter. The decision of the independent review is final although the employee has the right to appeal the decision to dismiss on grounds of redundancy. Offers of appointment will only be confirmed following expiry of the standstill period or confirmation of the outcome of any Recruitment & Selection complaint, whichever is applicable.

GENERAL RECRUITMENT

4.14 The recruitment process and approach will be relevant to the occupational group.

4.15 Remaining vacancies after a ring-fenced recruitment process will be advertised in the normal manner – internally within the Council and possibly also externally in accordance with the Recruitment and Selection Policy.

CHANGES IN WORKING ARRANGEMENTS OTHER THAN GRADE

4.16 Where the provisions of salary preservation do not apply but employee(s) accept a reduction in earnings as a result of a change to working arrangements (such as no longer being eligible to receive existing allowances for night working and shift allowance) the Chief Executive and Directors have delegated authority in exceptional circumstances to make a transitional payment of up to one year. This would apply where the change is significant, and the Council would wish to retain the skills and experience of the affected employees. The cost will be met from existing revenue budgets with a maximum payback period of two years. The amount will be agreed in consultation with relevant trade unions or individually affected employees, in line with the particular circumstances.

5 REDUNDANCY POLICY

INTRODUCTION

5.1 A variety of factors such as organisational requirements, the economic climate, service redesign or review, may require changes in the composition of our workforce including a reduction in the numbers of posts. In such circumstances, the Council will endeavor to avoid redundancies at the earliest possible stage through proactive measures such as re-skilling, vacancy management and a flexible approach to moving employees to alternative roles or service areas within the Council. Where this is not possible, the Council will seek voluntary redundancy and suitable alternative employment in consultation with relevant trade unions and affected employees.

5.2 Employees whose post falls within an area of reduction can expect to be offered support, advice and training to develop appropriate skills and identify a career pathway which would enable them to move within or outwith the Council.

5.3 This policy applies to all employees of the Council.

5.4 All references to length of continuous service with Perth and Kinross Council in this section are as defined within the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999.

DEFINITION

5.5 Redundancy is defined in law as a dismissal which arises when:

- The employer has ceased, or intends to cease, to carry on the business for the purposes of which the employees were employed; or
- The employer has ceased, or intends to cease, to carry on the business in the place where the employee was so employed; or
- The requirements for the business for employees to carry out work of a particular kind has ceased or diminished, or are expected to cease or diminish; or
- The requirements of the business for employees to carry out work of a particular kind in the place where they are so employed has ceased or diminished or are expected to cease or diminish.

5.6 The usual ways of identifying posts which are potentially at risk of redundancy include:

- Implementing a new structure through a matching or recruitment process, as outlined in this Framework – Options for Filling Posts;
- A cessation or reduction in activity or business closure; or
- Application of redundancy selection criteria where an overall reduction in the number of posts carrying out work of a particular kind is required.

REDUNDANCY CONSULTATION

5.7 At the outset, it is important to identify the posts and employees who are affected by the business decision, review or restructure. Not all posts affected will be at risk of redundancy. The posts which are potentially at risk may be known at the outset, or this may be established during the review process.

5.8 It is essential that the relevant trade unions are advised in writing of a business decision, review or restructure prior to formal meetings with employees whose posts may be at risk of redundancy.

5.9 It may be appropriate to meet with groups of employees to advise them of business decisions, reviews or restructures and involve them in the process. Normally these meetings would take place after advising the relevant trade unions that such a review is taking place.

Collective Consultation

5.10 A collective redundancy situation arises when it is proposed to make 20 or more employees redundant at one establishment within a 90-day period. The consultation process will begin as soon as practicable and be completed before any redundancy notices are issued. Consultation will comply with legal requirements relating to the inclusion of fixed term contracts when calculating the number of dismissals. Consultation will begin at least:

- 30 days before the first of the dismissals take effect where between 20 and 99 redundancy dismissals are proposed at one establishment within a period of 90 days or less; or
- 45 days before the first of the dismissals takes effect where 100 or more redundancy dismissals are proposed at one establishment within a period of 90 days or less.

5.11 The Department of Business, Energy & Industrial Strategy (BEIS) will be notified.

5.12 The following information will be provided, in writing, to the appropriate trade union representatives:

- Reasons for the proposed redundancies.
- Numbers and descriptions of employees it is proposed to dismiss as redundant.
- Total number of employees affected at the establishment in question
- Proposed method of selection.
- Proposed method of carrying out the dismissals, with due regard to any agreed procedure and over which period the dismissals are to take effect
- Proposed method of calculating redundancy payments.
- Numbers of agency workers undertaking activities carried out by the affected work group: location and type of work undertaken.

Individual Consultation

5.13 Employees who are at risk have a right to be consulted on an individual basis if their jobs are being considered for redundancy, including employees on long term leave associated with sickness, maternity, paternity, parental or adoption leave. This requirement occurs regardless of the proposed numbers of employees who may be made redundant.

Formal Meetings with Employees

5.14 Individual employees who are at risk of redundancy will be invited to a formal meeting with their manager, with HR support, to discuss the nature and impact of the changes, including an explanation of the arrangements for any search for suitable alternative employment or other measures and timescales.

5.15 Employees will be given 5 working days' notice of formal consultation meetings and have the right to be accompanied by a trade union representative or work colleague.

5.16 Further formal meetings will take place at key stages of the consultation period and/or implementation of a business decision, restructure or review, including as a minimum when an employee is given notice of dismissal on grounds of redundancy. The outcome of all formal meetings will be confirmed in writing to the employee.

EMPLOYEE SUPPORT AND ADVICE

5.17 Employees will be encouraged to seek confidential advice from the counselling service. Support and advice will be offered by the Council and will be aimed at helping individuals come to terms with the loss of employment as well as practical support in finding alternative employment either within or outwith the Council.

5.18 Employees at risk of redundancy will be granted reasonable paid time off to seek other work, irrespective of length of service.

REDUNDANCY SELECTION

5.19 In situations where an overall reduction in numbers of posts carrying out work of a particular kind is required, selection for redundancy may be via interview (e.g. ring fenced recruitment exercise or matching), the deletion of a unique post or selection criteria.

5.20 Where selection criteria is applied the matrix set out in Appendix 1 will be utilised in the first instance. Consultation will take place with the trade unions on the final selection criteria, how it will be applied and the weighting according to the specific circumstances of the review. Where agreement is not possible, the Council will make the final decision.

5.21 Where an employee in the selection pool is disabled, or is covered by the Equality Act (2010) in relation to any other protected characteristic, the Council will make reasonable adjustments to the selection procedure as appropriate to provide equality of opportunity for that employee.

5.22 A weighting will be applied to each employee's score in order to calculate a total score. Redundancy selection will be based on those with the lowest score.

5.23 Employees will be advised in writing of the outcome of the application of the selection criteria, including their own detailed scores, and have the right of appeal against the application of selection criteria.

5.24 An employee who wishes to challenge the application of selection criteria (or other selection for redundancy) in his/her own situation must submit their request in writing within 5 working days of receipt of the letter confirming this outcome. An independent review will be carried out by an appropriate Head of Service who has had no prior involvement in the application of selection criteria and be advised by the Corporate Human Resources Manager or nominated officer. Independent reviews will be concluded within 10 working days of receipt of the employee's letter. The decision of the independent review is final although the employee has the right to appeal the decision to dismiss on grounds of redundancy. An employee will not be entitled to submit a recruitment complaint in addition to requesting an independent review of selection for redundancy.

ARRANGEMENTS FOR IDENTIFYING SUITABLE ALTERNATIVE EMPLOYMENT

5.25 This part of the policy and procedure applies to all employee groups within the Council except teachers, subject to the qualifying service criteria defined below.

5.26 Employees who are selected for redundancy after the application of selection criteria or other selection process will be invited to a formal meeting to advise them of this outcome. The purpose of this meeting is to confirm the arrangements for searching for suitable alternative employment, trial periods, notice period, redundancy payment and pension implications, if appropriate, and to offer support, training and development.

5.27 The search for suitable alternative employment may be initiated at any stage in order to maximise opportunities for redeployment, subject to no eligible employees being within the defined redeployment period. Priority will be given in the first instance to those within the defined redeployment period.

5.28 If an employee unreasonably refuses an offer of alternative employment which the employer believes to be suitable, there is no entitlement to redundancy pay.

5.29 The search for suitable alternative employment will take place where the employee has two years' continuous local government service (as defined in 5.4 above). ***The search will take place over a defined redeployment period, which will comprise of ~~double~~ an employee's ~~notice period (and is the great of the employee's~~ contractual or statutory notice period~~)~~, whatever is greater. i.e. one week for every completed year of service. Employees who have 8 years or less will be given a minimum of 8 weeks search. (The defined redeployment period will run up to a maximum of ~~26 weeks~~ 12 weeks or 3 months depending on the individual employee's contract of employment).***

5.30 The defined redeployment period applies to redundancy situations resulting from workforce change and not to the ending of a fixed term contract. For the latter, the search for suitable alternative employment will take place during the contractual notice period.

5.31 The employee will retain their contractual terms throughout the defined redeployment period (and trial period) – i.e. no change to salary, grade and other benefits, unless any change is mutually agreed. They will remain an employee of their original employing Service during this time. The original employing Service will also continue to pay the employee's salary costs until such time as the employee moves to another funded post or leaves the Council.

5.32 Where a suitable alternative post is found a trial period will be undertaken and will normally last for a period of 4 weeks.

5.33 Employees with at least two years continuous service (as defined in 5.4 above) with Perth & Kinross Council who are redeployed to a lower graded post will be eligible for salary preservation at the higher salary placing of their substantive post.

5.34 The salary preservation period will run concurrently with the defined redeployment period. A maximum of 26 weeks salary preservation is available. An employee who is redeployed to a lower graded post within the defined redeployment period will have the balance of time, up to a maximum of 26 weeks, on salary preservation. For example, an employee entitled to ***~~24~~ 12 weeks*** of defined redeployment period is redeployed to a lower grade of post after ***~~10~~ 9 weeks***, will receive ***~~16~~ 17 weeks*** of salary preservation.

5.35 Where an employee is redeployed the employee will receive the salary for that post (with any remaining salary preservation) at the confirmed start date.

5.36 No salary preservation is available for employees with less than 2 years continuous service (as defined in 5.4 above) with Perth & Kinross Council who are redeployed to a lower graded post.

5.37 If action is taken, or required, under other Council policies and procedures, during the search for suitable alternative employment, this will not suspend the employee's notice period nor the search for suitable alternative employment.

5.38 Employee illness, whether short or long term, complaints, etc. will not normally suspend the additional redeployment or employee's notice period, nor prevent the search for suitable alternative employment.

5.39 There is a legal obligation for priority to be given to finding suitable alternative employment for employees on maternity leave, adoption leave or additional paternity leave when at risk of redundancy.

5.40 Employees with a disability will be considered for all posts where they are able to demonstrate they meet the essential criteria, as part of the Guaranteed Job Interview Scheme. In addition, for any employee covered by the Equality Act (2010) reasonable adjustments will be considered, as appropriate to provide equality of opportunity and enable the employee to fulfil the demands of the post.

5.41 If no suitable alternative employment is found within the defined redeployment period, the employee will be dismissed on grounds of redundancy.

REDUNDANCY NOTICE

5.42 An employee who is dismissed on the grounds of redundancy is entitled to receive contractual or statutory notice, whichever is the greater. Therefore, notice periods will be between ***~~one month~~ eight weeks*** and ***~~12~~ thirteen weeks*** during which time efforts will continue to find suitable alternative employment.

5.43 The redundancy dismissal takes effect at the end of the notice period.

5.44 Normally an employee will be required to work out their notice period. However, an employee under notice of redundancy may request to leave early e.g., to take up employment elsewhere. This may be acceptable to the Council, resulting in the employee leaving at an earlier date and retaining their entitlement to a redundancy payment. Each request will be assessed on its individual merits.

REDUNDANCY PAYMENTS

5.45 Employees need to have at least 2 years continuous local government service (as defined in 5.4 above) to be entitled to a redundancy payment. Employees volunteering for redundancy or at risk of redundancy will be managed in accordance with Section 6.

5.46 The Council has exercised its discretion to calculate any redundancy payment on the employee's actual week's pay rather than the statutory maximum. The maximum number of years of continuous local government (as defined in 5.4 above) service that can be counted for redundancy payment purposes is 20. The formula, which takes into account age and length of continuous service, is set out in the Statutory Redundancy Payment Scheme, as is shown in Appendix 2. This calculation is used for calculating redundancy payments for employees who qualify for a redundancy payment on expiry of a fixed term contract and those who are voluntarily or compulsorily redundant. Local government service is defined within the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999, as amended.

5.47 Employees who are members of the relevant occupational pension scheme may have access to their pension, subject to the detailed rules of that scheme.

5.48 Any other payments relating to voluntary severance or voluntary redundancy will be in accordance with the provisions of the relevant Council policy or procedure. ~~***However, under no circumstances will an employee receive both an award of added years and a redundancy payment.***~~

5.49 If an employee who leaves due to redundancy is re-engaged by Perth & Kinross Council it may result in restrictions being applied to their re-engagement.

APPEALS AGAINST DISMISSAL ON GROUNDS OF REDUNDANCY

5.50 An employee has the right of appeal against the decision to dismiss on grounds of redundancy.

5.51 All appeals must be submitted in writing to their Director within 10 working days of the effective termination date and should state the reasons for the appeal.

5.52 Appeals against dismissal on grounds of redundancy will be considered by an Appeals Sub-Committee comprising elected members. Appeals will take place after the effective termination date, without unreasonable delay.

5.53 There is no separate right of appeal under the Arrangements for Identifying Suitable Alternative Employment.

6 VOLUNTARY SEVERANCE/VOLUNTARY REDUNDANCY

6.1 One of the measures for avoiding compulsory redundancy is to seek volunteers for voluntary severance. This measure may be applied within the affected work group or across other parts of the Council. In certain circumstances, an employee identified as being at risk of redundancy and who has transferable skills, could be redeployed into a post vacated through voluntary severance, thus avoiding a compulsory redundancy. It is also recognised that at times of organisational change, an employee may decide they wish to apply for voluntary severance and leave the organisation.

6.2 Voluntary severance includes early retirement, where the employee is a member of the relevant pension scheme for their occupational group. ~~***In these circumstances an enhanced payment up to a maximum of 60 weeks' pay may apply as shown in Appendix 3.***~~ The provisions relating to retirement will be as set out in the relevant policy and in accordance with the provisions of the relevant pension scheme.

6.3 At all times the Council will consider whether it is able to release employees through a voluntary severance package based on a business case analysis. This will include affordability, retaining a balanced workforce with the necessary skills, competencies and experience, impact on service delivery, whether it is in the Council's interests to release the employee and individual employee circumstances. Voluntary severance will only be approved where there is demonstrable benefit to the Council.

6.4 Severance terms will be determined by whether the employee is in the relevant occupational pension scheme and whether they are eligible to access their pension through early retirement.

6.5 Employees who are not in the occupational pension scheme or are not eligible to access their pension through early retirement ***will receive an enhanced flat cash payment of £6,000 (pro-rated) in addition to the redundancy calculation based on age and length of Service as shown in Appendix 2***. In these circumstances Redundancy payments will be calculated on the basis of the Statutory Redundancy Payment Scheme and with reference to an actual week's pay. The terms are as set out in the Redundancy Policy.

6.6 A mutually agreed date of leaving will be required. Payments in lieu of notice and annual leave will not be applied.

6.7 The application of voluntary severance is at the discretion of the Council. There is no right of appeal against a decision not to approve an application for voluntary severance. The authority to approve voluntary severance rests with the Executive Leadership Team, except for those requests from Chief Officers which require approval from the Executive Sub-Committee of the Strategic Policy & Resources Committee.

6.8 An employee who leaves the Council under Voluntary Severance will not normally be re-engaged by Perth & Kinross Council. If in exceptional circumstances they are re-engaged restrictions may apply.

6.9 Voluntary severance is an option which is available for consideration for all employee groups within the Council.

7 MONITOR AND REVIEW

7.1 The Framework for Managing Workforce Changes will be monitored and reviewed on a regular basis to ensure it continues to meet the needs of the Council and to ensure compliance with relevant legislation.

8 GLOSSARY OF TERMS

Minor/No change:	Changes to a post are minor in terms of grade and responsibilities.
Re-grading:	Changes to an existing post result in a higher or lower grade.
Matching:	Where a post in a new or revised structure is predominantly the same as an existing post, irrespective of the grade.
Ring-fenced Recruitment:	Where applications for a vacancy are restricted to a specific group of employees whose existing posts are being reduced in number or deleted from the establishment.
Continuous Local Government Service:	In a redundancy situation this is defined by the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 and includes previous service with the organisations listed (e.g. other Councils, NHS)
Suitable alternative employment:	In a redundancy situation, a post found for an employee which is considered to be suitable by the employee and the Council that allows them to remain in continuous employment.
Defined redeployment Period:	The period of time during which a search for suitable alternative employment will be undertaken (in workforce change situations, ***~~up to 26~~ minimum 8 weeks ~~or double an employee's notice period~~ up to a maximum of 13 weeks*** for those with over two years).
Salary Preservation:	Where an employee accepts a lower graded post from their current post as a result of workforce change, they are entitled to up to 26 weeks of salary preservation (less any time taken from the defined redeployment period) at their current grade.

9 APPEALS

9.1 Appeals relating to the Framework for Managing Change and Transformation.

Type of appeal	Timescales	Heard by
Recruitment and Selection Complaint – independent review OR	Complaint to be submitted within 5 working days of offer. Review concluded within 10 working days of receipt of letter.	Corporate Human Resources Manager or nominated officer. No further appeal (Although employee has the right to appeal the dismissal on grounds of redundancy as in 3.8)
Independent review of application of redundancy selection criteria or other redundancy selection process *(Employees do not have the right for both a recruitment and selection complaint and application of redundancy criteria appeal)*	Request to be submitted in writing within 5 working days of receipt of letter confirming the outcome Review to be concluded within 10 working days of receipt of employee's letter	Head of Service, advised by Corporate HR Manager No further appeal (although employee has the right to appeal the dismissal on grounds of redundancy)
Appeal against dismissal on grounds of redundancy	Appeal to be submitted in writing to their Director within 10 working days of effective termination date. Appeal hearing to take place without unreasonable delay	Appeals Sub-Committee

10 APPENDICES

Appendix 1 – Redundancy Selection Criteria Matrix

Appendix 2 – Redundancy Payment Calculations

Appendix 3 – ~~***Voluntary Severance/Voluntary Redundancy Payment Table***~~ ***Organisational Change***

~~***Appendix 4 – Organisational Change***~~

REDUNDANCY SELECTION CRITERIA MATRIX

(These criteria will be the subject of consultation with the relevant trade unions when this method is being applied to select employees for redundancy. Consultation will take place on the application of the criteria and the weighting to be applied.)

CRITERIA	SCORE
Work Performance	
• Overall performance is outstanding and consistently exceeds the objectives of the role.	5
• Overall performance exceeds the objectives of the role.	4
• Overall performance meets all the objectives of the role.	3
• Overall performance meets most of the objectives of the role.	2
• Overall performance fails to meet the objectives of the role.	1
Skills, Competence and Experience	
• Displays full competence in current role, is multi-skilled, regularly providing support to others.	5
• Displays full competence in current role.	4
• Displays competence in most aspects of the role but requires some supervision.	3
• Displays some of the competencies required in the current role, requires regular supervision and support.	2
• Has insufficient skills in the current role and cannot operate without close supervision.	1
Disciplinary Record	
• No disciplinary or counselling record.	5
• Verbal warning.	3
• Written warning.	2
• Final written warning/other action short of dismissal.	1
Attendance Record	
• Excellent attendance, no instances of absence.	5
• Above average attendance, some examples of absence/lateness but less than the selection pool average (excludes maternity/paternity/sickness leave directly related to disability).	4
• Attendance/timekeeping equivalent to the selection pool average.	3
• Below average or poor attendance/timekeeping compared to the selection pool average.	2
• Unacceptable levels of attendance/lateness.	1
Length of Continuous Service with Perth & Kinross Council or Predecessor Councils	
30 years continuous service and above	5
20 but less than 30 years continuous service	4
10 but less than 20 years continuous service	3
2 but less than 10 years continuous service	2
Less than 2 years continuous service	1

STATUTORY REDUNDANCY PAYMENT CALCULATIONS (NO OF WEEKS PAY)

Redundancy Calculator (Continuous Service as defined in 5.4 above)																			
	2	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**
Age																			
17	1																		
18	1	1½																	
19	1	1½	2																
20	1	1½	2	2½															
21	1	1½	2	2½	3	-													
22	1	1½	2	2½	3	3½	-												
23	1½	2	2½	3	3½	4	4½	-											
24	2	2½	3	3½	4	4½	5	5½	-										
25	2	3	3½	4	4½	5	5½	6	6½	-									
26	2	3	4	4½	5	5½	6	6½	7	7½	-								
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-							
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-						
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-					
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-				
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-			
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-		
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-	
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61 +	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30

Appendix 3

Voluntary Severance/Voluntary Redundancy Payment Table (No of weeks' pay)

Redundancy Calculator (Service)																			
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Age																			
17	2																		
18	2	3																	
19	2	3	4																
20	2	3	4	5															
21	2	3	4	5	6														
22	2	3	4	5	6	7													
23	3	4	5	6	7	8	9												
24	4	5	6	7	8	9	10	11											
25	4	6	7	8	9	10	11	12	13										
26	4	6	8	9	10	11	12	13	14	15									
27	4	6	8	10	11	12	13	14	15	16	17								
28	4	6	8	10	12	13	14	15	16	17	18	19							
29	4	6	8	10	12	14	15	16	17	18	19	20	21						
30	4	6	8	10	12	14	16	17	18	19	20	21	22	23					
31	4	6	8	10	12	14	16	18	19	20	21	22	23	24	25				
32	4	6	8	10	12	14	16	18	20	21	22	23	24	25	26	27			
33	4	6	8	10	12	14	16	18	20	22	23	24	25	26	27	28	29		
34	4	6	8	10	12	14	16	18	20	22	24	25	26	27	28	29	30	31	
35	4	6	8	10	12	14	16	18	20	22	24	26	27	28	29	30	31	32	33
36	4	6	8	10	12	14	16	18	20	22	24	26	28	29	30	31	32	33	34
37	4	6	8	10	12	14	16	18	20	22	24	26	28	30	31	32	33	34	35
38	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	33	34	35	36
39	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	35	36	37
40	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	37	38
41	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	39
42	5	7	9	11	13	15	17	19	21	23	25	27	29	31	33	35	37	39	41
43	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42
44	6	9	11	13	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43
45	6	9	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44
46	6	9	12	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45
47	6	9	12	15	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46
48	6	9	12	15	18	21	23	25	27	29	31	33	35	37	39	41	43	45	47
49	6	9	12	15	18	21	24	26	28	30	32	34	36	38	40	42	44	46	48
50	6	9	12	15	18	21	24	27	29	31	33	35	37	39	41	43	45	47	49
51	6	9	12	15	18	21	24	27	30	32	34	36	38	40	42	44	46	48	50
52	6	9	12	15	18	21	24	27	30	33	35	37	39	41	43	45	47	49	51
53	6	9	12	15	18	21	24	27	30	33	36	38	40	42	44	46	48	50	52
54	6	9	12	15	18	21	24	27	30	33	36	39	41	43	45	47	49	51	53
55	6	9	12	15	18	21	24	27	30	33	36	39	42	44	46	48	50	52	54
56	6	9	12	15	18	21	24	27	30	33	36	39	42	45	47	49	51	53	55
57	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	50	52	54	56
58	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	53	55	57
59	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	56	58
60	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	59
61 +	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60

Service – only complete years' service at the date you leave can be counted. Please refer to your Statement of Employment Particulars for your continuous service date for redundancy purposes.

Age – as at date of leaving on grounds of voluntary redundancy/voluntary severance.

Appendix 3

Health and Social Care Integration

Angus Council, Dundee City Council, Perth and Kinross Council and NHS Tayside

Organisational Change

Principles to be adopted during organisational change arising within a partnership and which would affect employees from both employing partner bodies.

All HSCI employing bodies will retain their current policies in relation to organisational change and reference should be made to them for matters not covered in the principles.

All the HSCI employing bodies are committed to maximising the security of employment of staff during periods of organisational change. It is recognised that within a partnership there is the additional complexity relating to change which may directly affect staff from more than one employer. Communication and engagement with staff and their trade union/professional representatives will be a key element for successful organisational changes. The principles recognise that each employer will undertake change in accordance with their relevant structures and processes. In order to ensure a consistency of approach all the employing bodies across Tayside have agreed to adhere to the following principles should change related circumstance arise.

- A group led by management will be established which would include Trade Union/staff side representation to share information about the staff affected by any change and the extent of the effect. Information about the new structure, job descriptions and grades will be shared with this group. The employing bodies will seek to share relevant information regarding the staff e.g. current grade, hours, location etc., which will facilitate the change process. The staff side representation would be drawn from each employing body in line with existing arrangements.
- The group will take into account the nature of the service change when seeking to reach consensus about who is “in scope” i.e. affected, by any change.
- The Managers will communicate with staff and their representatives about the envisaged change and the process to be followed.
- There will be 1-1 interviews with the affected staff.

- The relevant group will seek to reach consensus if any suitable staff can be matched to a post within the new structure from the effected staff. Eligibility to be matched into a post will be as per the employing body's current criteria. Should the application of the criteria by either employer disadvantage staff
- from the other partner employer then the employer can alter their criteria in order to ensure fairness and equality across both employers.
- If more than one person is suitable then there will be ring fenced competition amongst the identified staff to determine who will be appointed.
- The preferences of staff will be sought where they could be appointed to more than one post.
- Staff who cannot be found a post within the new structure will be dealt with under the appropriate employer's redeployment process.
- The appropriate employers' protection arrangements will apply where required.
- Staff in the new structure will be appointed to the terms and conditions which apply to the new post and which are relevant to their employer.

These principles seek to provide a broad framework which, recognising that each employer will have its own particular policy in this area, facilitates a more common approach when addressing the complexity of issues which arise from organisational change.

APPENDIX 2

FRAMEWORK FOR WORKFORCE CHANGE PROVISIONS

CURRENT	PROPOSED CHANGE
Redundancy Calculation Eligible if you have been employed continuously for 2 years or more. Based on age and length of service. **<u>Voluntary</u>** For each full year worked: • up to age 22 - 1 week's pay • age 22 to 40 – 2 week's pay • age 41 and older - 3 week's pay The maximum payment is based on 20 years' service, giving **60 weeks'** pay. **<u>Compulsory</u>** For each full year worked: • up to age 22 - half a week's pay • age 22 to 40 - 1 week's pay • age 41 and older - 1.5 week's pay The maximum payment is based on 20 years' service, giving **30 weeks**. **Actual** rate of pay is used to calculate the payment for both voluntary and compulsory.	**CHANGES** Eligible if you have been employed continuously for 2 years or more. Based on age and length of service. **<u>Voluntary & Compulsory</u>** For each full year worked: • up to age 22 - half a week's pay • age 22 to 40 - 1 week's pay • age 41 and older - 1.5 week's pay The maximum payment is based on 20 years' service, giving **30 weeks for both categories**. **<u>Voluntary</u>** Flat rate one-off payment for volunteers who do not have access to their pension of ***£6K*** (pro-rated). **(Change*)*** The maximum payment is based on 20 years' service, giving **30 weeks**. **Actual** rate of pay **continues** to be used to calculate the payment for both voluntary and compulsory. (**No Change**)
The length of the search for alternative employment period. A maximum of 26 weeks (double the individual's contractual notice period) e.g. minimum search is 8 weeks.	**CHANGE** Search for the contractual notice period of up to a **maximum 3 months** in line with contractual and statutory requirements. The **minimum** search period would **remain at 8 weeks** to allow a longer and reasonable timeframe to find alternative employment.

PERTH AND KINROSS COUNCIL

Finance and Resources Committee
1 February 2023

DIGITAL PERTH AND KINROSS: DIGITAL STRATEGY 2023-27

Report by Head of Corporate IT and Revenues (Chief Digital Officer)
(Report No. 23/34)

1. PURPOSE

1.1 This report introduces **Digital Perth and Kinross**, the refreshed Digital Strategy for the period 2023 – 2027.

1.2 **Digital Perth and Kinross** (Appendix 1) demonstrates our ambition for using digital, information and technology over the next 5 years to make a positive difference for our people, communities and staff.

1.3 The Digital Strategy aligns with the Council's evolving Corporate Plan, the Financial Strategy and the Transformation & Change Programme. Importantly, digital transformation is a strategic enabler for how the Council wants to work in future, as described within the Perth & Kinross Offer Framework.

2. RECOMMENDATIONS

It is recommended that Committee:

2.1 Approves the Digital Strategy 2023 - 2027

2.2 Approves the nomination of an elected member as the Council's Digital Champion.

3. STRUCTURE OF REPORT

3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Digital Perth and Kinross – The Digital Strategy 2023-27
- Section 6: Conclusion

4. BACKGROUND

Progress towards becoming a Digital Council

4.1 The 2016 - 2020 Digital Strategy (Report No.16/533 refers) recognised the importance of ICT (Information and Communication Technology) as an enabler for organisational transformation. It articulated the Council's aims of growing a digital culture with the citizen at the centre of its service design and

exploiting digital technologies and information to deliver more efficient, personalised and integrated services.

4.2 The timeline for refreshing the last Digital Strategy was extended to ensure focus on pandemic responses, fit with the new Scottish Government Digital Strategy (March 2021) and alignment with the emerging Perth & Kinross Offer Framework and Transformation & Change Programme. During the intervening period, many of the 2016-2020 Strategy's core standards and themes have remained current, relevant and available as practical supports for anchoring digital decision-making. Progressive development of our ICT infrastructure has also continued apace, ensuring the organisation's ability to launch its next Strategy from sound digital foundations.

4.3 The Council has been successful in delivering its Digital Strategy 2016-2020. That Strategy sought to move the organisation away from historic perceptions of ICT as a cost, towards an appreciation of digital as an investment in, and enabler for, strategic business change and improvement. It set out aims and principles that ultimately matched the times, informed our evolving digital ambitions and added value for people, staff and communities.

The last Strategy underpinned a range of activities, many of which contributed to our COVID responses. These include:

- Significantly upscaling secure remote working capacity to enable 3,000+ staff to access the centrally stored resources (information and systems) they needed to work productively throughout lockdown. This now supports hybrid ways of working
- Accelerating our MS365 implementation: this included the rapid adoption of Teams which is now our core communication and collaboration platform and SharePoint Online, on which the corporate EDMS (electronic document management solution) now sits
- Perth and Kinross Council were the first local authority in Scotland to successfully use Teams Live Events to sustain the democratic process: this MS365 function is now being used to run a range of public access events, including Council meetings; Integrated Joint Board events; consultation exercises and staff conferences
- As well as up to date versions of key tools such as Outlook and Word, MS365 provides a growing suite of simple, business focussed applications, such as Bookings and Planner, which are being adopted creatively
- A key aspect of our MS365 implementation has been upskilling and supporting staff: the role of Digital Skills and Business Change resources remains central for growing confidence in these core tools
- Due to our well-established Online Services platform, and core team of IT resources experienced in its use, the Council was able to design and implement a number of online services at speed, to support emerging COVID demands including for hardship and relief funds; volunteering; and school transport consultation. Perth and Kinross Council now has more than 100 public and internal services online

- An early priority for the evolving Data and Analytics (DA) programme was support for Response and Recovery initiatives, including processing of data to support welfare (for example for people who were shielding); identify vulnerable people at risk; re-task staff into emergency response roles; and building a Covid cases dashboard and web map to provide early warning of local outbreaks / general trends. The DA programme has now made significant further progress, with the adoption of a standard analytics and intelligence platform, implementation of a standard mapping and spatial intelligence platform and development of a cloud-based corporate data store. The technical foundations required to deliver our strategic vision of being a data driven organisation with advanced intelligence capabilities, are now largely in place.

Assessing our Digital progress

4.4 The strategic impact of digital in the Council has been subject to considerable scrutiny over the last few years. Outputs from three key initiatives provided a mechanism for assessing our progress towards being a truly digital Council and for benchmarking ourselves against other Councils, national targets, standards and principles. Learning from each of these exercises has informed the Strategy refresh process.

These initiatives were:

- Local Government Digital Office (LGDO) Digital Maturity Assessment (DMA) [August 2020]
- Audit Scotland Digital Progress in Local Government report [January 2021]
- Digital Transformation Programme self-evaluation exercise to assess the performance against original business cases of the two digital workstreams (Online Services and MyAccount and Mobile Working and Scheduling) initiated in 2016 as part of the Council's Building Ambition Programme.

4.5 Outcomes from these reviews were all positive, with LGDO DMA scoring Perth and Kinross Council as 3 out of 5 (defined as "Defined and Systematic (data-centric)"). This put us in the top 10% of Scottish Local Authorities, at the date of the assessment. They recognised that the Council:

- is ambitious in its design of innovative digital services for customers, people, and businesses
- has invested in upskilling staff
- has made significant progress in establishing its Mobile Working and Online Services platforms
- is well placed as a result of its emerging Data and Analytics strategy, which is setting clear future direction
- designed / delivered an innovative infrastructure for Bertha Park HS
- uses multi-disciplinary teams effectively to deliver more customer-focused services: this approach also bridges the gap between IT and Services
- has developed a best in breed approach to Benefits Realisation.

4.6 Investment in our Online Services platform / capacity was recognised as being critical to the speed and agility with which the organisation was able to respond to COVID challenges.

4.7 Developing a more robust *outcome*-focused approach to transformation; promoting collaboration across Services; and moving from an “efficiency-first / savings” to an ”improving outcomes for citizens” agenda were highlighted as key steps for developing our digital culture and leadership.

5. DIGITAL PERTH AND KINROSS – THE DIGITAL STRATEGY 2023-27

5.1 To provide visible digital leadership, demonstrate collective ownership and articulate the Service perspective, an Executive Leaders Short Life Working group, chaired by the Chief Operating Officer, was convened to support the development of our 2023 - 2027 Digital Strategy. A key responsibility for this Group has been identifying the Council’s level of ambition for digital change.

5.2 The ambitions outlined in **Digital Perth and Kinross** are outward-looking, realistic, practical, achievable and aligned with organisational priorities.

5.3 Strategic priority areas are:

- **People, Partners and Place**: Placing communities and the citizen at the heart of how we work; Everyone connected; Tackling the climate challenge; Smart Perth and Kinross; Perth and Kinross Digital welcome; and Connected places
- **Organisation and Services**: Protecting and caring for our most vulnerable people; Digital Classroom: helping our children and young people to achieve their full potential; Smarter Working; Data and Analytics; and Securing and Accessing our Information Assets.

5.4 **Digital Perth and Kinross** indicates the outcomes we are ambitious to deliver in each of these areas, without touching on the technical approaches we will take to achieve them. This keeps our focus on desired outcomes, while making the Strategy accessible to a wider audience.

5.5 No single planning approach is practicable for such a complex environment: each outcome has the potential to require a specific programme for change, with multiple strands / activities ultimately contributing to its successful delivery. This is already the case, for example, with Data and Analytics; Smart City initiatives and the implementation of a new social care platform for adults and children services.

5.6 In addition, delivery over the next five years may be iterative / incremental and will need to be sufficiently flexible to take advantage of emerging technologies and opportunities. In being non-prescriptive about the “how”, we are signalling our appetite for digitally agile and transformational change and openness for adopting innovative, creative solutions as they become available.

5.7 If **Digital Perth and Kinross** outlines how the Council is going to use digital over the next five years to deliver its strategic ambitions, the Delivery Plan at Appendix 2 directs the headline actions being taken by Corporate IT to build

on our sound digital foundations and provide common building blocks on which new digital services and capabilities will be built.

5.8 The Digital Standards articulated in the Strategy provide a core set of digital "dos and don'ts": these effectively comprise the organisation's critical success factors for digital change and are key to influencing culture, attitudes to digital and behaviours. The Digital Board has a key role in exemplifying these standards and ensuring they are embedded and observed across the organisation. The evolving Leadership Competencies Framework will also be used to grow understanding around the role of leaders at all levels for embracing and promoting new digital ways of working.

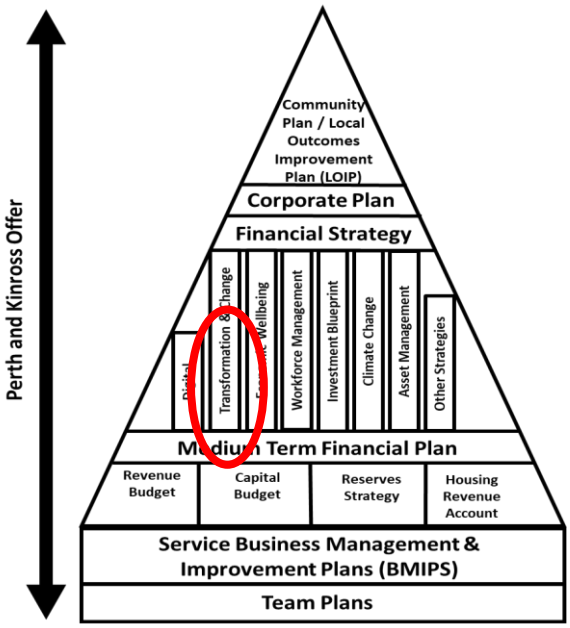
5.9 The Perth & Kinross Offer Framework 5-year plan (2022 to 2027) positioned the Digital Strategy as an enabler for how the Council will change how it works, developing new relationships with communities, businesses and people of Perth and Kinross, and designing services with customers at the centre.

Digital Perth and Kinross

Our refreshed Digital Strategy 2023-2027, will underpin the Perth & Kinross Offer by:

- taking a "One Council" approach to digital and IT, that prioritises value / benefit for citizens, learners, business and staff over local / Service change;
- enabling a Modern Digital Workplace in which our secure, integrated infrastructure allows us to deliver joined-up modern services from anywhere that can be accessed any time;
- ensuring our new Corporate Customer Service Strategy delivers high-standard digitally inclusive services for all;
- growing citizen and staff confidence in using new technologies for connecting, collaborating and communicating.

5.10 The Digital Strategy is a core component of the Council's strategic planning framework: digital is also clearly positioned as a core enabler for transformation and change, supporting the Financial Strategy and for tackling key Council challenges such as economic wellbeing and climate change.



5.11 Scrutiny and performance of this Strategy will take place via further Digital Maturity Assessments and external scrutiny, as well as through our existing performance management framework to Council and this Committee.

5.12 The Strategy gives a commitment to continue to collaborate and align closely with Heath, Community Planning and other public sector bodies, to share and / or join up systems and information whenever safe and appropriate to do so; and to work with our digital partners on codesign of local, regional and national digital services.

5.13 We recognise that the shape and structure of our organisation needs to change and we need to place a greater focus on delivery of the Perth & Kinross Offer to transform the experience of people who use our services. Continued investment in digital solutions and information technology is crucial as these are strategic enablers for change and will be used to transform the organisation and accelerate the pace and scale of these changes. Our Transformation & Change Strategy outlined our commitments to change and this is further underpinned and enabled through our Digital Strategy.

Transformation & Change commitments:

- Transforms our customers' experience
- Transforms the shape and structure of our organisation
- Transforms our systems and processes
- Transforms our spending and response to demand.

6. CONCLUSION

6.1 We are all digital leaders: we are all responsible for working collectively to ensure digital reform delivers positive impact and outcomes for the people

who rely on our services. **Digital Perth and Kinross** gives us an ambitious vision for using digital, information and technology to shape change during the next five years and a set of practical, realistic standards for achieving that vision. We should all continue to promote One Council ways of working that bring services together for more holistic, integrated responses shaped around communities, peoples' life events and the customer experience.

6.2 Digital reform is core to the Transformation & Change Programme: it will enable positive efficient change, new ways of working and provide leadership, challenge and support, both across the organisation and with partners and communities.

6.3 It is recommended that Committee approves **Digital Perth and Kinross**, our Digital Strategy 2023 – 2027, which sets out an accessible vision for how we can use digital, information and technology to put people at the centre of our services, and our services at the centre of our communities.

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Approved

Name	Designation	Date
Karen Donaldson	Chief Operating Officer	January 2023

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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan / Single Outcome Agreement

1.1 Digital and ICT are important enablers to facilitate the delivery of national and local outcomes.

Corporate Plan

1.2 Digital and ICT are important to the advancement of the Council's Corporate Plan objectives.

2. Resource Implications

Financial

2.1 There are no direct financial implications arising directly from this report. However, continued investment in our Digital capacity is recognised as being critical to the speed and agility with which the organisation as a whole will be able to progress the Digital Strategy and respond to future developments and emergent challenges.

Workforce

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

Asset Management (land, property, IT)

2.3 There are no Asset Management implications arising directly from this report.

3. Assessments

Equality Impact Assessment

3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

(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. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

3.3 n/a

4. Consultation

Internal

4.1 The Convenor, Finance and Resources Committee; Elected members, via a briefing session; Executive Leaders Team; Executive Leaders Short Life Working Group; the corporate Digital and the Education Establishment ICT Change and Digital Infrastructure Boards; Senior Management Teams; and IT Extended Management Team and staff.

External

4.2 A Local Government Digital Office Digital Maturity Assessment (DO DMA) [August 2020] and Audit Scotland Digital Progress in Local Government report [January 2021] both reviewed the Council's current state of digital readiness for transformation. Assessment workshops were attended by a cross-section of staff.

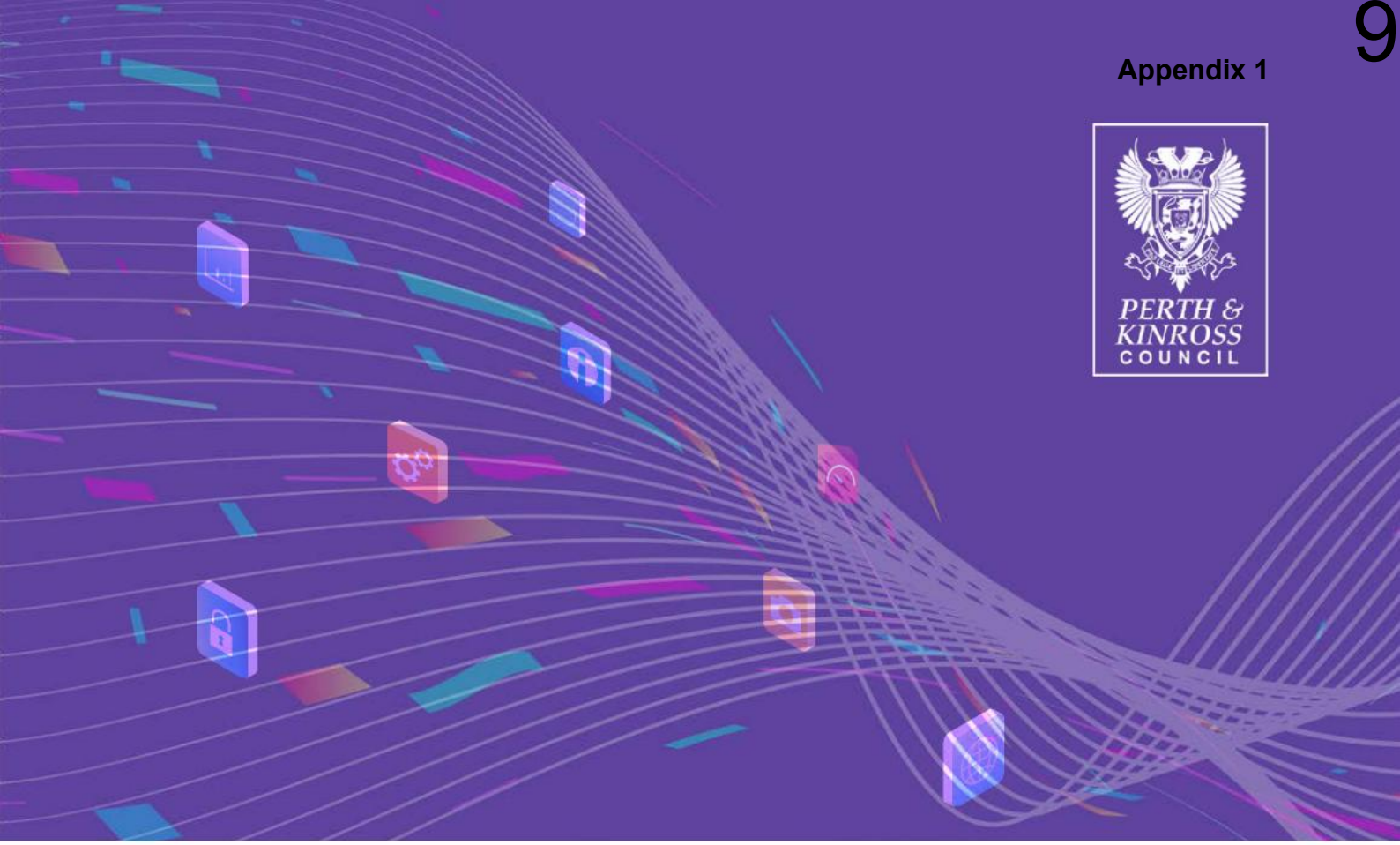
2. BACKGROUND PAPERS

- A Changing Nation: how Scotland will thrive in a Digital World Scotland's Digital Future – Delivery of Public Services [March 2021]
- Scottish Technology ecosystem: review (the Logan Review) [August 2020]
- Draft Perth and Kinross Council Corporate Plan [September 2022]
- The Perth & Kinross Offer
- Transformation & Change Strategy

3. APPENDICES

- Appendix 1: Digital Perth and Kinross
- Appendix 2: Digital Perth and Kinross 2023-2027 Delivery Plan to 31 Dec 2024

Appendix 1



Digital Perth and Kinross

2023-2027

Foreword

Our innovative and ethical digital thinking contributes to making Perth and Kinross the best place in Scotland to live life well, learn, work, do business and relax.

Digital is essential to prosperity and quality of life, for people and place: it is a fundamental enabler for a thriving, greener Perth and Kinross economy, connected people and communities; and ensuring high-quality Council services are available when and where they are needed.

Our reliance on technology has never been more visible than over the last few years. Since 2020, accelerated adoption of digital ways of working has helped us meet a unique succession of new and emerging customer, community and business demands. Increasingly, digital solutions are helping people engage with (and deliver) Council services; protect our vulnerable natural environment; stay connected; learn, work, do business and relax in Perth and Kinross.

Building on successes achieved in the last few years and working closely with our digital partners in Scottish Government, Health, Education Scotland and the public and voluntary sectors, we are ambitious to ensure our people and communities sit at the heart of a collaborative, digitally connected alliance of partners and organisations. In paving the way for more joined-up, accessible digital services, designed around the needs of service users, we are already aligned to key messages from the Scottish Government's 2021 Digital Strategy: How Scotland Will Thrive in a Digital World.

We know we can use digital to tackle current challenges: targeting limited resources to those in most need; making sure people across Perth and Kinross are digitally connected and confident; working towards net zero climate targets; attracting high-quality/high-wage, greener jobs into the area; becoming ever more efficient in the face of continuing financial pressures.

We also understand that even as our digital infrastructure and services become increasingly mature, we need to match the relentless pace of change by continuously evolving our digital and data skills, thinking, leadership, talent and capacity: standing still is now the equivalent of falling back. Prioritisation of our finite resources – people, skills and expertise, physical assets, time, money – will require compromise to achieve this successfully. The need for bold digital leadership that upholds 'One Council' values, consistently applies our digital standards and rallies behind the ambitions and objectives of Digital Perth and Kinross, has never been greater. However, with our sound digital foundations, growing digital expertise and experience, and streamlined governance we can look forward to the next 5 years with confidence.

Digital can deliver positive sustained change and better outcomes for our people and places: we are committed to redesigning our services with, for and around the people who use them. This is the digital 'Perth and Kinross Offer' in action.

The need for bold digital leadership has never been greater.

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Executive Summary

Digital Perth and Kinross – our Digital Strategy for 2023-27 demonstrates our level of ambition for using digital, information and technology over the next 5 years to encourage a vibrant, sustainable local economy and make our services more personal, accessible, available and efficient for the people, communities and businesses who rely on them.

Throughout this Strategy, we use:

- 'digital' to mean our wider culture and approaches for using new tools such as Internet of Things (IoT)[1] and technologies to change the way we deliver our services; this encompasses our thinking around leadership, platforms and shared solutions, partnership working, customers, services, skills and channels;
- 'information' to include the data we capture and use across the organisation, the business systems in which we store it, how we keep it secure; and share it; this encompasses the wider aims of the Council's Data and Analytics programme and the drive for using consistent accurate data and business intelligence to target services at those most in need;
- 'technology' to denote our core infrastructure including connectivity; datacentres; telephony; filtering and cyber security; our Microsoft 365 environment and computing devices; these are the foundations on which our digital ambitions are built.

[1] The Internet of Things (IoT) describes a network of physical objects – kitchen appliances; doors and wearable health monitors: 'things' – that are embedded with sensors, software and other technologies. These connect and exchange data with other devices and systems over the internet. The data collected via these sensors, cloud technologies and mobile technologies, can be combined and analysed to provide intelligence/inform better decision-making.

Key messages from this strategy are:

Growing a culture of One Council digital leadership:
recognising that digital transformation is as much about cultural and organisational change as it is about technical change

Securing and accessing our information assets:
prioritising safety of our information by investing to stay ahead of cyber-security threats

Redesigning services around life events:
listening to people and communities to better understand their needs and life experiences, and improving services to respond to that end to end customer journey

Automation driving design of fully end to end digital services:
simplifying the customer journey, encouraging self-service; streamlining and automating back-office processes, and removing systems, duplication and manual effort where we can to free up staff for higher-value tasks that need empathy and human insight

Building partnerships:
digital and data services are joined up horizontally, to give us common ground for partnering in meaningful ways across the Council, to tackle complex real-world issues

Digital is a driver for economic growth:
encouraging adoption of improvements in fibre and the rollout of superfast broadband to stimulate growth in local digital business and visitor footfall; and attract new investment in green, high-quality commerce and jobs

Digitally savvy talent incubator:
attracting, growing and retaining the talent and skills necessary for a sustainable, diverse local economy

People choose to use our digital services:
services are accessible, relevant and easy to use; however they know assistance and alternative channels are available if they choose not to engage with us online

One front door:
delivering a better customer experience, built on shared, data-driven knowledge of the customer and accessed via a single point of entry for all services

Better decision making/evolving services from reactive to proactive to prevention:
using joined up data, analytics and business intelligence, to generate insights that inform prevention, strategic policy and improvement; target support and services more accurately to those most in need; enhance efficiency; and enable citizen self-service

Here's the difference we can make

Bill: using technology to live independently

Bill is retired and lives alone. He has multiple health conditions including diabetes, a heart condition and early signs of dementia. As part of our Smart City Initiative, modern technology, including Internet of Things (IoT) sensors have been installed in his home. This is allowing his medical conditions to be monitored remotely, while enabling him to continue to live independently in a safe and secure environment at home. His cottage has been fitted with telecare sensors that warn of smoke or fire, if he wanders outside at odd times or if his heating is too high or too low. He already wears a sensor in case he falls in the home: these automatically trigger on-site help from a nearby or remote responder.

Tomas: nurturing tech talent/ developing local tech incubator

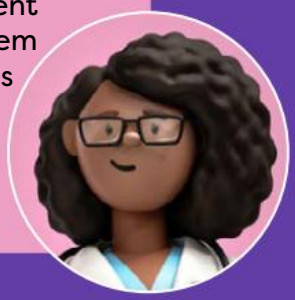
Tomas is 17 and wants to study at UHI, Perth before setting up his own games design business in Crieff.

He uses a loan laptop at school and at home for studying and online gaming with friends.

For his Gold Duke of Edinburgh Award, he runs essential digital skills classes for people who live alone and are at risk of isolation. His "students" have formed their own online friendship group.

Heather: using data for better outcomes

Heather is a Housing Officer. She needs accurate, up-to-date information on demand, to help her target resources to tenants most in need. Dynamic information feeds from new Internet of Things (IoT) and sensor technologies automatically update existing Housing and mobile working systems, helping her monitor temperature, humidity and CO2 across our social housing estate. She is able to use this data to better target help and sees real benefit to tenants, as this early intervention means she can prevent issues happening rather than only react to them after they have happened. These technologies are also helping the Council make informed decisions for managing its housing stock, including early identification of abandoned properties and fuel poverty initiatives.



Ben: making the most of his visit to Perth

Ben is visiting Perth for the first time with his family. Ben uses a mobility scooter so they like to plan ahead, online. When out in Perth, they use public Wi-Fi, to find out about accessible local attractions and places to eat, make bookings and leave feedback. They use public transport and buy a family e-ticket that covers all their journeys. Digital bus stops give them real-time updates about services.

Rebecca: protecting our most vulnerable people

Rebecca is a care assistant. The Service in which she works is implementing new technology to transform delivery of Care at Home services. The new ways of working make a big difference to Rebecca as it removes lots of manual processes and any need for recording information multiple times. This means she can spend more time ensuring her clients receive the care they need. Rebecca's managers and support team also benefit from the new technology: they are automatically provided with management information not previously available, allowing a greater focus on care delivery.

The new solution includes automated scheduling which optimises care at home resource needs, based on criteria such as location, skills and gender. When events such as new clients or staff absences occur, the system automatically replans the care assistant schedules to reflect the changed situation.

David: getting joined-up help when it really matters

David completes a single online form the day after he becomes unemployed. The information this captures is automatically flowed to all the relevant Council business areas that may be called upon to help. Within these business areas, staff have on demand access to both a single, consistent record about David and real-time information about what interventions are being delivered by other Council areas. Submission of his form systematically signposts the range of additional help available including free school meals for his children and loan digital equipment to help apply for jobs online. Council managers have access to comprehensive data, in one place, covering the organisation's end to end support for the newly unemployed to inform resourcing, target services and future demand management.

Frances: receiving a better end to end service

Frances logs a request on the Council's online services system to have a pothole filled in, uploading a picture of the pothole and location. She receives an automated acknowledgement via email that her request has been logged and is advised of next steps, including an estimated timescale for resolution. Frances's service request is automatically sent to our mobile working system which schedules the work. A roads maintenance engineer receives information about the job on his phone, telling him where the pothole is. He completes the work then updates the request on his phone to say the job has been completed. This triggers an automated email update to Frances, who appreciates being kept up-to-date at all stages through to successful resolution of her request.

Becoming Digital Perth and Kinross

Scotland's future will be forged in a digital world. It's a world in which data and digital technologies are transforming every element of our nation and our lives – people, place, economy and government.[2]

A Changing Nation: How Scotland will Thrive in a Digital World – Scottish Government Digital Strategy 2021

Being connected and increasing digital participation sits at the heart of becoming **Digital Perth and Kinross**.

We know that currently 87.9% of residential and business premises in Perth and Kinross have superfast broadband – just over 7% below the average for Scotland (95.1%). The cost and quality of connectivity and lack of confidence in using digital technologies are key challenges for people across Perth and Kinross getting online.

Perth and Kinross is also flagged as one of the areas of Scotland at particular risk of job losses through machine automation and use of Artificial Intelligence.[3] Fibre/superfast broadband and growing digital skills are increasingly important for attracting technology-based jobs to this area and tackling existing inequalities. **Digital Perth and Kinross** aligns with the aims of the Perth and Kinross Economic Wellbeing Plan for increasing access for all, to digital skills at all levels, and encouraging investment in new clean growth industries such as renewable energy.

As connectivity across Perth and Kinross continues to improve, we have demonstrated just how digital and innovative we can be: we have successfully designed new ways of working overnight; delivered these services safely at pace; and adapted and upskilled our people, all while continuing to meet the evolving needs of the most vulnerable in our communities.

[2] A Changing Nation: How Scotland will Thrive in a Digital World – Scottish Government Digital Strategy 2021

[3] The Fraser of Allander Institute (Scottish Cities Outlook, 2021)

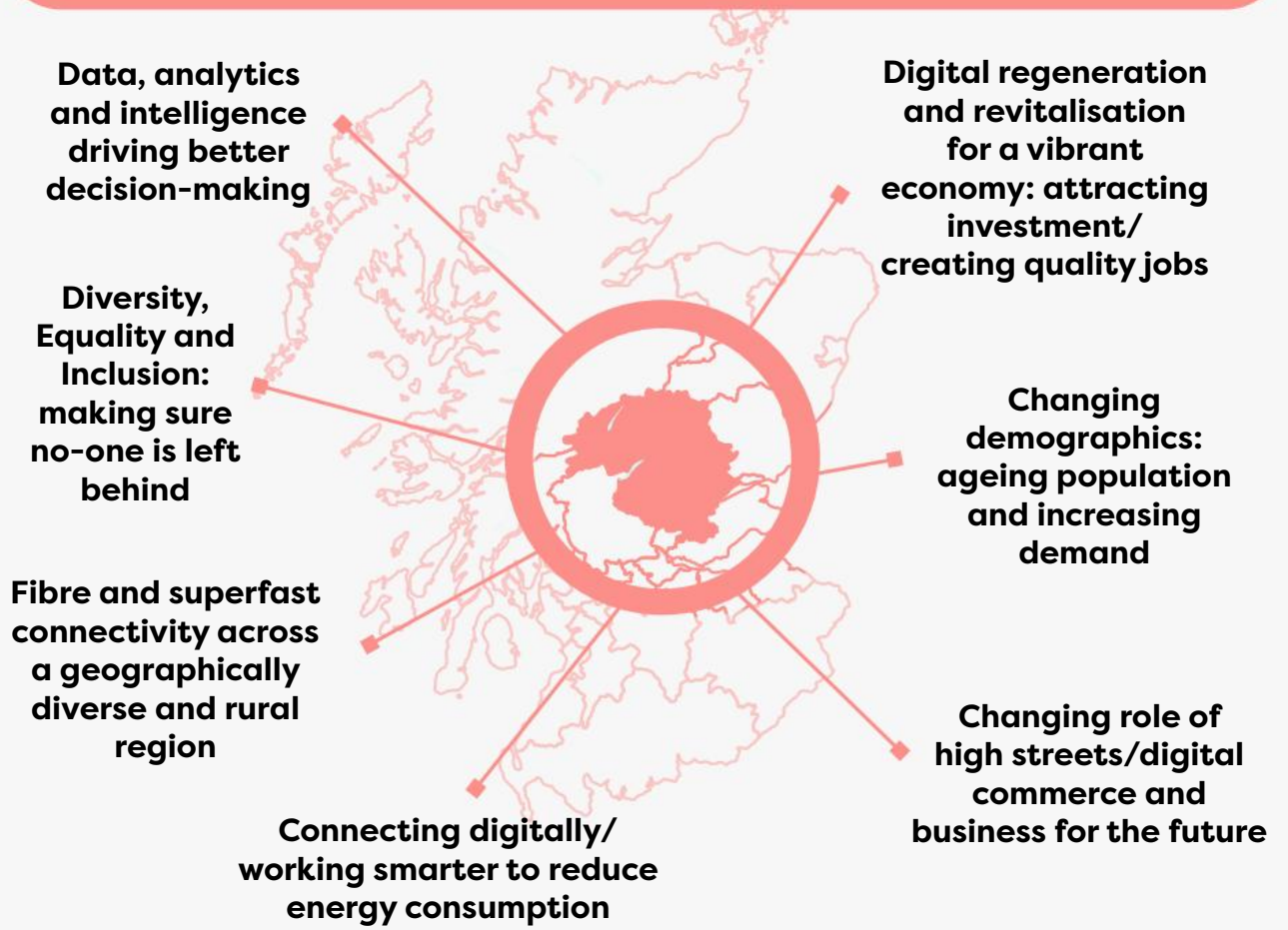
The Council's online service platform now provides more than 100 online services to people, communities, businesses and internally to employees. Our mobile working platform gives field workers, such as care at home staff and housing repairs officers, trusted, consistent access to the real-time information they need on the move.

We are building on these practical digital achievements; harnessing our evolving expertise and experience and igniting our digital curiosity to find ambitious new, joined up local responses to emerging challenges and opportunities. We don't use Digital to make things easy, we use it to make a real difference.

Digital offers us a dynamic combination of opportunity, challenge, change and solution. It embraces our culture, our approaches for adopting new technologies, and shapes our thinking around leadership, skills and different ways of working. If the life of the last Digital Strategy is typical, we will see seismic change over the next 5 years. Emerging local initiatives, such as the Council's Transformation and Change Programme, the Perth and Kinross Offer and a refreshed Corporate Plan, will redefine how we are organised; how we work and how we prioritise our key resources.

Within this complex context, our Strategy sets out our digital Ambitions - the key areas in which we will use digital and IT to make a difference over the next five years.

Doing it digitally makes a real difference across Perth and Kinross



Our Digital Ambitions

Perth and Kinross is ambitious about using digital to make a positive difference for our People, Partners and Place and our Organisation and Services.

These Digital Ambitions align with our Corporate Plan, Financial Strategy, and Transformation and Change Programme by identifying practical actions that contribute meaningfully towards the Council's comprehensive planning environment. They also reflect the spirit of the Perth and Kinross Offer for building an even better Perth and Kinross and the aims of the Council's Digital Learning and Teaching; Economic Wellbeing; and Climate Change agendas.

People, Partners and Place

Smart Perth and Kinross

- IoT is supporting better decision-making - enabling us to evolve services from reactive to proactive to prevention
- New 'wearable' technologies are supporting people to live independently and safely for longer at home

Placing communities and the citizen at the heart of how we work

- One front door: consolidation of customer services around a shared set of common tools and processes
- Online services platform used to move more services online for anytime/anywhere access
- Standard, secure approach in place for people to confirm their personal identity where required
- Service users and communities engaged meaningfully in co-design
- Accessibility and inclusion built in as standard to ensure everyone who wants to can access our online services
- Change shaped using the Scottish Approach to Service Design and Digital Scotland Service Standards

Tackling the climate challenge

- Impact on the environment and energy is incorporated into our planning around digital solutions and contributing to net zero targets
- IoT used meaningfully to monitor and reduce property and energy costs
- Remote access solutions are enabling productive hybrid and home working, reducing travel and informing choices around physical offices
- Energy efficiency is a core criterion when identifying digital device standards
- Sustainable procurement and shared systems are driving one Council approaches
- Remote switch on/off to reduce energy demand

Everyone connected

- Continuing participation in national schemes to deliver reliable fibre broadband and 4G/5G coverage for all in Perth and Kinross
- People/communities at risk of digital exclusion are identified and targeted for support
- Local Digital Inclusion Fund supporting community projects
- People have access, within easy to reach community spaces, to internet-enabled devices, connectivity and help to get online
- Digital Champions Network is providing meaningful support to people and communities keen to get online
- External sources of funding to tackle digital exclusion optimised

Connected places

- Fibre and superfast broadband: improved connectivity driving growth in digital business
- Tay Cities Deal delivering a better connected Perth and Kinross digital infrastructure
- Reaching 100% (R100) Programme improving connectivity/broadband speeds
- Open Data supporting digital business growth and development
- Vibrant Perth and Kinross digital marketplace: virtual and physical networks, incubators, and meet-ups for exchanging ideas, influencing change and making connections

Perth and Kinross digital welcome

- Opportunities for user generated signposting/content encouraging visitor footfall
- Visitor experiences are enriched via the creative use of sustainable digital technologies
- Visitors and residents know how/ where to access publicly available Wi-Fi services and information about Perth and Kinross attractions and events
- Diversity, equity and inclusion sit at the heart of the Council's website design

Organisation and Services

Data and analytics

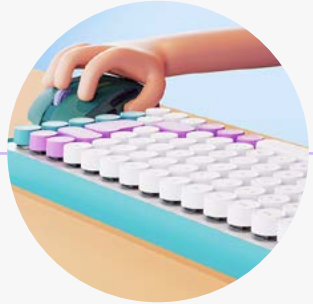
- Information is used confidently to inform decision-making and target services at those most in need
- A single source of the truth is created by safely joining our data sets up
- Information is made simple, accessible and easy to understand
- Customers tell us once: seamless data flows between systems
- Standard data roles, responsibilities and processes in place for improved governance
- Common identifiers/joined-up data being used across the Council: one view of place, organisation, budgets, employees, customer and incidents
- Certified data and analytics learning pathways aligned to roles
- Standard Power BI and ArcGIS analytic platforms used consistently for business intelligence
- Overall Data Literacy of Perth and Kinross Council is improved

Securing and Accessing our Information Assets

- Significantly enhanced security, flexibility and resilience through delivery of a fit for the future IT network model
- Preventative monitoring and intervention via a mature Cyber Security Operations Centre
- Increased staff cyber awareness and resilience
- Perth and Kinross Council Cloud Framework/Playbook positively influencing safe, consistent use of cloud solutions

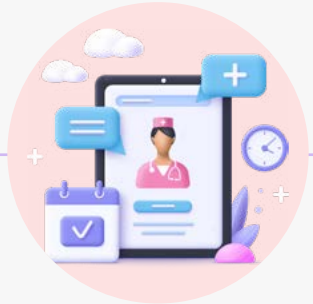
Smarter working

- Elected members are using digital technologies to engage with constituents to make the democratic process more open and visible
- Always learning culture: continuing, accessible support to grow digital skills and data literacy. Focus on growing staff's creative skills (low-code application development, process automation and business intelligence) rather than consumptive skills (finding and using applications/information) to encourage innovation, automation, streamlining and sharing
- Staff equipped appropriately to suit their workstyle; integrated telephony; Video Conferencing in hybrid meeting rooms and data secure in the cloud
- Microsoft 365 environment is optimised for all staff
- Staff's data, digital and technical skills are valued and targeted where they can make the greatest impact, regardless of Service boundaries; multi-disciplinary teams the norm for driving technology-enabled change initiatives



Digital Classroom: helping our children and young people to achieve their full potential

- Current digital workspace (including Wi-Fi/broadband) reviewed/ redesigned for a fit for the future digital learning environment
- Scottish Government's 'device per learner' initiative delivered



Protecting and caring for our most vulnerable people

- New social care platform implemented to improve health and social care self-serve choices/marketplace visibility
- Single shared electronic patient/care record
- Continuous collaboration/ closer alignment with Health, Community Planning partners and other public sector bodies: sharing/joining up systems and information whenever practical

These ambitions are our overarching vision for firmly establishing Perth and Kinross as a digital region. Underlying programmes and plans will be required to articulate specific operational actions for their delivery: however **Digital Perth and Kinross** stands as the anchor point, back to which our decision-making and digital activities must be tied. This ensures we are connected together as an organisation and able to connect meaningfully with communities and partners in the digital life of Perth and Kinross.

Perth and Kinross is ambitious about using digital to make a positive difference.

Organised to deliver

We recognise that to achieve our digital ambitions, we need standards and structures in place to give us a practical framework for driving consistency, providing sound governance and ensuring the Council is best placed for achieving positive digital change.

Our digital standards

Our Digital Standards are general 'rules of engagement'. They cut across all our transformation and change activities, sit at the core of our digital planning and are critical success factors for delivering fit for the future, customer-focused digital, information and technology. When consistently applied, they contribute to a lean, joined up digital environment, that is operated by skilled, digitally savvy staff and continuously evolving to meet the changing needs of customers.

One Council

The people who rely on us view the Council as a single service provider. Prioritising digital investment in shared platforms, including common solutions adopted across the public sector.

We:

- take a 'One Council' approach to platforms, systems, data and intelligence: standardising, rationalising and joining our systems up at key point of change;
- recognise that investment in digital enables strategic business change and improvement, the benefits and efficiencies from which are realised within our business functions;
- innovate, automate, streamline and share: this frees our people to do what they do best – work compassionately with the people who need our services;
- streamline business processes to increase efficiency, accuracy of information, reportability and auditability;
- understand that our digital and IT are shared resources: investment needs to be planned holistically on a whole-organisation basis to maximise improvements in outcomes and value added;
- build digital into our change planning at a sufficiently early stage to allow security, integration, data and cost avoidance to be assessed before resources are committed;
- think about our platforms and solutions as shared resources for delivering improved outcomes and experiences for customers, rather than tools we use to deliver services;
- design new customer-centric ways of working: using the tools we have to work more smartly rather than using new tools to continue old ways of working.

Digital employee experience

Using creative digital ways of working to help attract and retain staff with the skills needed to deliver Digital Perth and Kinross.

We:

- recognise that our people are the most important part of any technology-enabled change and support them to develop the digital and data skills they need to embrace change with confidence;
- we grow, embed and exemplify an 'always learning' mindset around digital and data literacy;
- ensure our employee systems are joined up wherever possible to provide a golden record for staff/a single view of the employee to drive efficiency; match skills to emerging demand/opportunities; target development and support; and remove duplication and overlap;
- give staff the tools to innovate, automate, streamline and share.

Digital Leadership

Growing our digital culture and building change around emerging digital opportunities. We are all Digital Leaders.

We:

- are ambitious about the difference digital can make to the lives of people of Perth and Kinross;
- invest in digital leadership for our senior leaders to improve awareness and understanding of digital transformation;
- appreciate the value technology adds for both the organisation and the communities we serve and think how new and emerging technologies can be used to make things better;
- recognise we cannot rely on our old ways of doing things and drive One Council ways for more successful change and improvement;
- continually look outwards to learn new digital and data skills;
- have the appetite, capacity and skills to manage people through disruption and change;
- understand that new technologies are fundamentally changing the skills we need and take responsibility for continuously developing the knowledge, insight, and behaviours we need for confident participation in a transforming digital organisation.

Improving customer choice and experience

Meeting and exceeding the expectations of our people, communities, visitors and employees: our digital services are optimised for the best customer experience.

Our services:

- are designed with and for the customers who use them; we engage with people and communities to co-design/co-produce the services they use;
- exploit opportunities for multi-disciplinary/cross-boundary sharing, for more seamless and efficient outcomes;
- use automation and IoT, where practical, for increased efficiency and to free up our people to focus on added value 'human' services;
- are streamlined to drive efficiency, and remove duplication and overlap;
- are accessible; always available; and straightforward to use;
- enable us to better target our finite resources to those most in need;
- have a standard look and feel to build user confidence and trust, and promote self-service;
- maximise safe and appropriate use of customers' data on a 'tell us once' basis.

Information safety first

Investing to stay ahead of cyber-security threats and minimise risk of disruption to Council business.

We:

- take a risk-based approach that prioritises security over improvement;
- ensure security is a key consideration in the acquisition of any new digital technologies, applications or hosted solutions;
- manage access; users and devices appropriately to ensure the right people have access to the right information at the right time;
- remove legacy and de-supported applications/equipment to reduce risk;
- support national cyber security goals by promoting/adopting best practice and professional standards.

Using data wisely

Becoming a data driven organisation with advanced intelligence capabilities.

We ensure our data is:

- safe, secure, accurate for its purpose; updated appropriately; and accessible to staff to perform their functions;
- used knowledgably to inform decision making; target services; and monitor and report on performance;
- stored, managed and joined up securely across the Council;
- joined up, where appropriate and safe, across the public sector and with partners;
- if non-sensitive, open, published and easy to find, for improved transparency and to stimulate local innovation.

Moving to the Cloud

Moving to the Cloud at points of change.

We:

- choose cloud first before on-premise wherever appropriate;
- do due diligence around cost, information security, accessibility, and availability before committing to cloud solutions;
- ensure robust business continuity planning is in place for our cloud solutions.

Building our infrastructure from strong digital foundations

Getting the IT foundations right to keep us connected, safe and productive: a stable infrastructure, well managed to minimise risk and impact of downtime, provides our launch pad for delivering our strategic digital aims.

Our digital infrastructure:

- is robust, resilient and secure from cyber attack;
- gives learners and staff equitable access to modern equipment appropriate to their role and workstyle;
- is underpinned by tested business continuity and professional user/ device support;
- is planned effectively to manage the beneficial and disruptive business change impacts of new technologies;
- has trusted asset management approaches in place for core technologies, with underperforming and legacy assets removed at points of change;
- is designed with flexibility in mind to support safe and secure changes to future ways of working/operating models.

Aligning with national digital strategies and initiatives

We:

- are committed to adopting common public sector platforms, implemented under the Scottish Government's Infrastructure Investment Programme, at points of change;
- design our digital systems to integrate with national solutions/ common platforms and the emerging national digital Identity programme.

Governance

The corporate Digital Board, chaired by the Chief Digital Officer, provides governance, monitoring and review to ensure our digital, information and technology effort and resources are aligned for delivering the aims and objectives of **Digital Perth and Kinross**. Scrutiny and performance monitoring is provided to the Finance and Resources Committee as part of our Performance Management framework. A Digital Champion from within the Elected Member's cohort has a key role for ensuring **Digital Perth and Kinross** continues to deliver for the communities we serve.

A number of digital initiatives, such as Data and Analytics; Mobile Working and Online Services; Social Care platform implementation and delivery of the Customer Services Strategy, already have established governance routes and planning approval/ monitoring routines in place. Beyond these live programmes, new digital initiatives that launch during the life of this Strategy will be agreed via the Digital Board.

Pragmatic meaningful bridges are being built between the Strategy and transformation and change initiatives, to ensure **Digital Perth and Kinross** continues to positively influence wider tactical decisions and deliver maximum sustained positive impact.

Whole organisational ownership of this Strategy is the starting point for shifting people's aims and understanding; replacing outdated habits with new ones; and making changes positive and sustainable.

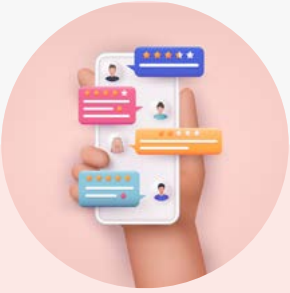
We will know we are making a difference when...

"In the digital age, information and technology must be a core part of that business. This also means that the measures of success for information and technology must be explicitly linked to business outcomes, rather than internal activities such as cost, project delivery or service levels." [4]

Digital Perth and Kinross underlines our ambitions for using digital, information and technology to enable positive change. Where there is no scope to radically re-imagine and transform services, we are optimising to make the very best of what we already have.

It is a mark of our growing digital maturity, that we accept such change will be best evidenced via 'softer' measures such as successful adoption of new ways of thinking and working, rather than 'harder', more traditional metrics and indicators. We will know we are making a difference when:

[4] Gartner



We are measuring success based on outcomes for citizens and communities, rather than productivity targets, savings or number of services moved online.

For example:

we will report on how citizens rate our online services rather than how many services are online; and how confident families feel about the safety of elderly residents whose homes are monitored by IoT sensors rather than how many sensors have been installed.

Digital is not just an IT thing: it is part of our culture and an essential enabler for making things better, as well as for solving problems.

For example:

we have already baselined our digital maturity via Local Government Digital Office and Audit Scotland assessments. We will continue to use external opportunities like these to measure our digital capacity, capabilities and readiness against objective standards, for assurance that we are continuing to keep pace with wider digital opportunities and trends.

We are using technology to do things differently rather than to do the same old things, only with different tools.

For example:

our new social care solution is introducing citizens' portals; new business processes that cut across service boundaries; and secure information sharing between a wider range of partners. We will demonstrate this change is successful by showing the extent to which our new approaches are delivering what citizens need and providing them with a positive experience, rather than by ticking off actions in an implementation plan.

Our first-choice approach is to share and co-operate in boundary-crossing multi-disciplinary teams, that use shared platforms, shaped around life events to streamline and improve the citizen experience.

For example:

consolidating around a single 'technology-enabled, multi-channel' customer contact centre will give citizens and local businesses more choices around when and how they contact us and reduce frustration resulting from unproductive calls. We will analyse a range of traditional indicators such as channel uptake, patterns of demand and customer feedback in combination to give us deeper insight for informing future demand management strategies, that maximise accessibility for citizens who need to contact us.

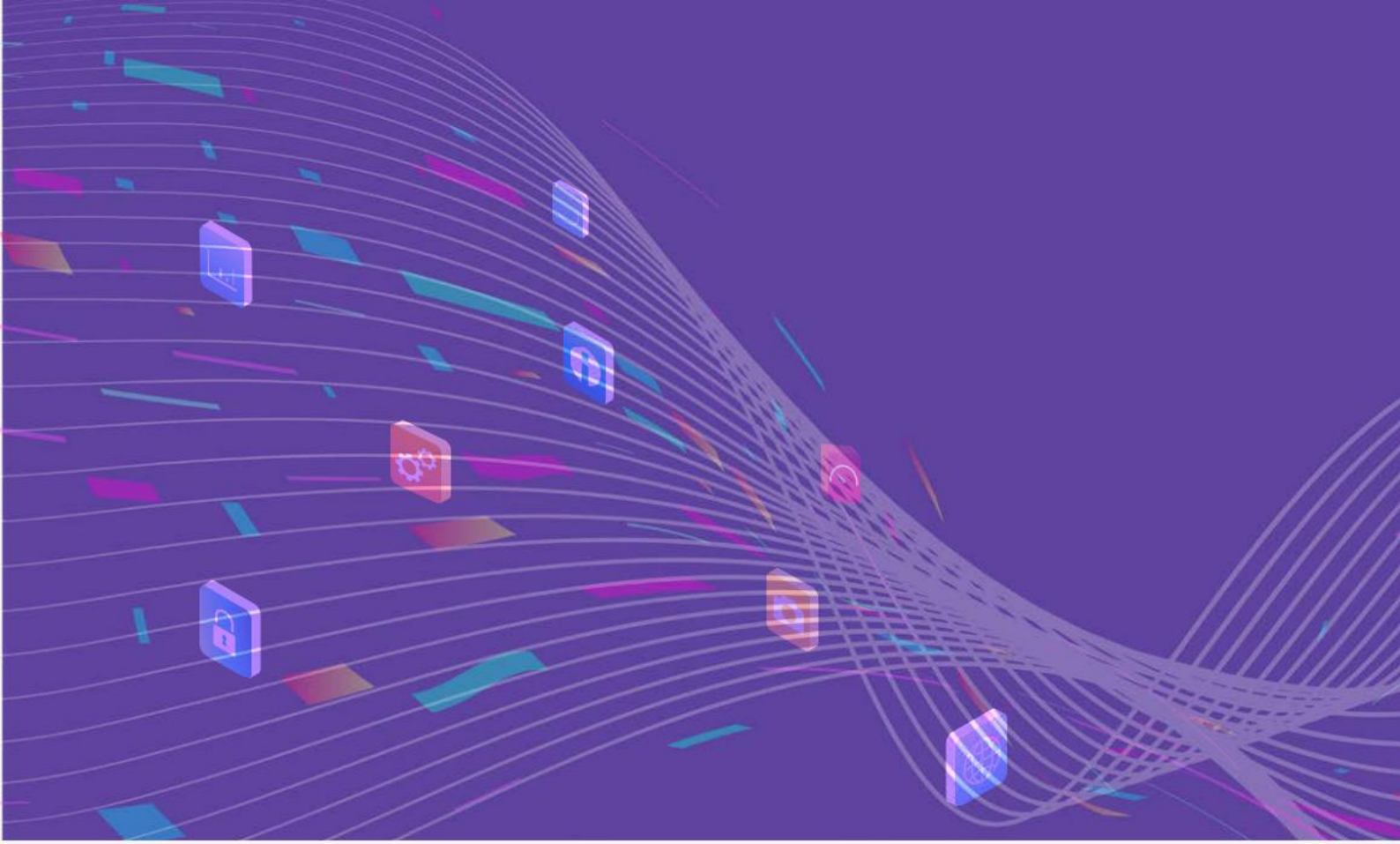
We continue to grow from sound digital foundations: the IT Capital/Asset Management Plan delivers, and continuously improves, our core infrastructure to deliver the robust, secure launch pad we need for digital change and innovation.

For example:

Zero Trust Networking is an approach for delivering more resilient, secure, anytime, anywhere, any device access to business applications and information, for improved workforce flexibility and mobility. When we implement this, we will measure success based on staff satisfaction levels, to understand its impact, and the extent to which it enables and enhances service delivery, rather than via conventional metrics such as time taken to implement or number of current users.

These can be nebulous measurements to pin down: clarity around benefits realisation can often emerge only over time and often retrospectively. How we demonstrate success will need to evolve in step with the implementation of individual strategic projects and the launch of new digital capabilities. Meanwhile, we will also continue to monitor operational indicators that together contribute to a general picture of the overall health of our digital operations and readiness for change. Cumulatively, these will add to the rich picture we want to build for demonstrating how we are delivering on our digital ambitions.

Digital is not just an IT thing: it is part of our culture and an essential enabler for doing things better.



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Appendix 2: Digital Perth and Kinross - Digital Strategy 2023-27

Delivery Plan to 31 December 2024

Our **Digital Strategy** signposts Perth & Kinross Council's digital ambitions for the next 5 years.

The Plan focusses on realistic headline actions we can take now to develop and maintain the sound digital foundations and common building blocks on which our new digital services and capabilities will be built.

Beyond our core infrastructure:

- the Council continues to operate a de-centralised model, with strategic responsibility for digital ways of working, change initiatives, direction and planning managed within individual Services' BMIPs: this includes investment in, and delivery of, business systems and applications
- planning approval and monitoring routines are already in place for active strategic workstreams such as Data and Analytics; Mobile Working and Online Services; Mosaic implementation and delivery of the Customer Services Strategy
- new digital initiatives that launch during the life of the Strategy will be agreed via the Digital Board, a key responsibility for which will be endorsing proposals for the governance, planning and scrutiny of related activities.

Indicative start times for planned activities are summarised as follows:

- **Now** indicates work has started or is planned to start within the next 6 months
- **Next** indicates work is planned to begin within the next 12 months
- **Later** indicates work is planned to begin before end December 2024.

This plan highlights the headline actions to enable delivery of this Strategy. Following approval of the Digital Strategy, further engagement and consultation with Services will take place, and together with ongoing alignment with the evolving Transformation and Change Programme, this will ensure the digital delivery plan remains relevant, aligned to Council priorities and current. The Plan will be approved, assured and overseen by the Digital Board.

STRATEGIC AREA	ACTIVITY	INDICATIVE START TIME		
		Now	Next	Later
Placing communities and the citizen at the heart of how we work	**One Front Door** Consolidation / standardisation of contact centres, tools and technologies; use of webchat functionality; streamlining of processes	X		
	Simple, standardised access to all services Implementing a standard, secure approach for citizens to confirm their personal identity			X
	Council Concessions: streamlining the application process Optimising the application process / flagging entitlement to other concessions / benefits / assistance)		X	
	E-billing for Council Tax and Non-Domestic Rates Avoiding costs (postage) / improving service efficiency by promoting Council Tax e-billing to citizens and businesses		X	
Everyone Connected	**Digital Ambassador Network** Creation of community of digital good practice to support citizens interacting with the Council online, reduce risk of digital exclusion and grow uptake in the Council's online services Continue to progress the Digital Exclusion Action Plan and work with partners on this through the Digital Participation Working Group	X		
Tackling the climate challenge	**Informed Climate Action Plan decision-making** Combining data & analytics capabilities with data gathered via new technologies such as IoT, sensors and drones to inform Climate Action Plan priorities and workstreams (e.g. monitoring / reducing property and energy costs)			X
P&K Digital welcome	**Consolidation / rebrand of Council websites** Modernisation / consolidation of the Council's external facing websites: reducing costs, securing content and keeping it accessible / up to date		X	

STRATEGIC AREA	ACTIVITY	INDICATIVE START TIME		
		Now	Next	Later
	Perth Museum digital infrastructure Deliver a fit for the future digital infrastructure for Perth Museum that enables an engaging, interactive visitor experience	X		
Smart P&K / Internet of Things	**Corporate IoT Roadmap** Investigate options for implementing an enterprise IoT platform: to encompass multi-disciplinary deployment of sensors / drones and tie in directly with corporate platforms such as Building Management; Data warehouse and Mobile Working platform		X	
Connected Places	**Open Data** Continuing to make more data available via the P&K Open data platform, to stimulate local digital business growth and development		X	
Protecting / caring for vulnerable people	**Enterprise social care platform for adults and children services: Mosaic Implementation** Technical implementation of enterprise social care: integration with Integra, Mobile Working platform and Community Health systems; and implementation of a secure Citizen self-service portal	Programme ongoing til 2025		
Digital Classroom: helping our children and young people to achieve their full potential	**Enabling digital classrooms** Evaluating emerging options for managing school based users and devices to optimise digital for learning and teaching		X	
	One to One devices Rethinking device provision in schools: supporting roll out of Scot Gov Device for Every Learner initiative: device standards; accessibility; security / all remote device management; repurposing existing classroom devices	Dependent on release of Scot Gov funding		
	Full Fibre Connectivity: schools Concluding LFFN programme; planning full fibre provision in all education establishments to meet growing demand for broadband from increasing use of digital and the number of devices in use	X		

STRATEGIC AREA	ACTIVITY	INDICATIVE START TIME		
		Now	Next	Later
	Wi-Fi in schools Improving Wi-Fi density as well as coverage in schools to support new ways of delivering learning and teaching / readiness for Scot Gov Device for Every Learner initiative	X		
	Infrastructure design for new school builds Planning / delivery of core infrastructure for school rebuilds / refurbishments (Riverside PS; Perth High School; Bertha Park PS; Rattray PS; Perth Academy and Perth Grammar School)	As per ECS delivery timelines		
Smarter Working	**"One Council" review / rationalisation of business systems** Reviewing business systems including mapping the existing application landscape; governance; technical and business fit; future development strategies; supplier engagement; contract management and opportunities for sharing and rationalisation (in alignment with the Transformation and Change programme) Review to include opportunities for strengthening the role of the Digital Board as governance group / strategic owner of PKC business systems		X	
	Growing our Digital Leadership Taking a collaborative approach to growing digital leadership and awareness across the organisation: embedding a "One Council" culture for digital planning, investment and change / redesigning services around life events, to respond to the end to end customer journey. Reinforcing the Digital Board's governance role / IT's role as the Council's trusted digital partner	Digital Board reviewed Now; Digital Leadership programme ongoing 2023-27		
	Delivering the IT Asset Management Plan Ensuring our digital foundations remain optimised, secure, maintained and fit for the future; delivering the IT Capital Programme to renew key assets, support Council priorities and put in place the building blocks needed for future digital change and improvement	Ongoing 2023 -27		
	Enabling hybrid working Ensuring fit for purpose infrastructure, including provision of video conferencing equipment to a limited number of meeting spaces within 2 High Street, Pullar House, Carpenter House and Secondary Schools / Campuses to support hybrid working and meet the needs of evolving workstyles	X		

STRATEGIC AREA	ACTIVITY	INDICATIVE START TIME		
		Now	Next	Later
	Mobile Working and Online Services Programmes Approved as part of 2015 Building Ambition Programme. Platform approaches in place to provide standard enterprise tools, approaches and development expertise / support. Programme Plan / methodology for prioritising development requests approved and monitored by the Digital Board	Ongoing 2023 -27		
	Microsoft Environment Develop sustainable support model for the Council's evolving MS Cloud environment (Azure) Investigate emerging MS analytics capabilities to inform corporate future licensing profile / target digital skills support Build capacity / standard approaches for optimising value from investment in Microsoft resources. To include actively seeking opportunities for using evolving MS tools to streamline, simplify and automate processes and working with Services to identity more efficient ways of working / collaborating with service users and colleagues	X		
	PKC / MS Teams telephony integration Moving from fixed provision to flexible anywhere calling / telephony communications. Integrating internal and external telephone calls into MS Teams to make softphone services available for up to 3000 PKC users. Removes requirement for physical handsets / supports hybrid working	X		
	Full Fibre Connectivity: corporate buildings Concluding LFFN programme / planning full fibre connectivity beyond LFFN to meet growing demand for gigabit internet speeds from increasing use of digital	X		
	Wi-Fi: corporate buildings Redesign of corporate workplaces / delivery of robust Wi-Fi for flexibility / to support hybrid working	X		

STRATEGIC AREA	ACTIVITY	INDICATIVE START TIME		
		Now	Next	Later
	New mobile device management solution / processes Implementing improved remote administration and maintenance for devices, to align with fit for the future network model and smarter ways of working	X		
	Migration of Business Systems to the Cloud Vendors increasingly nudging system owners towards cloud-based solutions: • embed a standard organisational approach for identifying opportunities / benefits of migrating business systems to the cloud. To include informed consideration of PKC business requirements; availability of alternative / existing solutions; fit with PKC digital architecture; information security and data protection; total cost of ownership; continuing ownership / availability of data; and vendor's roadmap and licensing model • develop a P&KC Cloud Framework / Playbook to positively influence safe, consistent use of cloud solutions	Ongoing		
Data and Analytics	**Strategic Data and Analytics (D&A) Programme** The Council's strategic vision for D&A, approved by EOT in 2020, is to ensure trusted data enables the Council to make information driven decisions and to innovate to deliver better services and value. Associated D&A work programme provides the roadmap for delivering: • New data and analytics tools, including visualisation and reporting capabilities (MS PowerBI and ESRI ArcGIS Enterprise) and cloud hosted data warehousing built in MS Azure • Improved data quality and consistency resulting in better intelligence and more efficient service delivery • An effective data and analytics organisation and operating model ensuring resources, skills, expertise and services are appropriately aligned with the needs of the Council • Proactive data sharing and re-use, breaking down information silos and maximising the value and intelligence gained	Ongoing 2023-27		

STRATEGIC AREA	ACTIVITY	INDICATIVE START TIME		
		Now	Next	Later
Securing and Accessing our Information Assets	**Fit for the future IT network model** Significantly enhanced security, flexibility and resilience through delivery of a fit for the future IT network model. Includes developing options and cost / benefit analysis for moving to a zero trust architecture model to provide secure, verified, personalised access to Council resources.	Initial foundations in place by end 2023		
	Optimising benefit from the Council's Cyber Security Operations Centre (CSOC) Extending the infrastructure monitored and embedding / enhancing CSOC processes, to provide expanded 24/7 security monitoring and increased protection	X		
	Enhanced MS365 Security features Implement enhanced security / compliance features available within the MS365 licensing environment		X	

PERTH AND KINROSS COUNCIL

Finance and Resources Committee - 1 February 2023

COMMUNITY INVESTMENT FUND 2022/23

Report by Head of Culture & Community Services
(Report No. 23/35)

1. PURPOSE

1.1 This report informs Committee of the funding commitments made for the 2022/23 Community Investment Fund (CIF) across the 10 ward panel areas (the three Perth City wards are combined into one for the purposes of CIF). £68,000 remains unallocated across the CIF as a whole for carry forward into 2023/24. This is the final CIF round under the current scheme. Future support for grassroots community initiatives will be considered within the current Council budget process.

2. RECOMMENDATIONS

2.1 It is recommended that the Committee:

(i) notes the funding decisions taken by Ward Panels for 2022/23 CIF
(ii) approves the carry forward of £68,000 for disbursal to community grassroots projects in 2023/24, for use in the wards where the underspends have arisen.

3. STRUCTURE OF REPORT

3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Funding Decisions
- Section 6: Conclusion

4. BACKGROUND

4.1 In 2018/19, the Council established a Community Investment Fund (CIF) as part of its commitment to devolve more decisions to local communities. Since then, a total of £1.6m has been distributed to approximately 300 community-led projects.

4.2 In February 2022, the Council approved a further £100,000 in addition to previously approved budget of £300,000 for a further round of Community Investment Fund in 2022/23. This included an additional funding criterion relating to supporting community groups facing significant financial challenges as a result of rising energy costs. Adding in the 2021/2022 underspend provided a total budget of £410,665.78 for Community Investment Fund 2022/23.

4.3 Report 22/212 set out the process for running CIF 2022/23, with the application process opening in mid-September and closing on 4 November 2022. Ward Panels had to meet by Friday 16 December and make decisions on funding, with the exception of Kinross-shire where the Local Area Committee has the decision-making function of CIF. In Kinross-shire, the four ward Councillors assessed the applications and sought input from the Local Action Partnership before finalising their commitments.

4.4 The number of applications received and funding requested is summarised below:

Ward	Funding Available	Number of Applications	Funding Requested
1 – Carse of Gowrie	£33,863.00	7	£43,672.80
2 – Strathmore	£40,024.00	7	£33,300.96
3 – Blairgowrie & The Glens	£31,167.00	10	£76,099.00
4 – Highland	£32,048.00	14	£58,546.64
5 – Strathtay	£33,267.00	13	£83,378.01
6 – Strathearn	£31,316.00	12	£46,265.80
7 – Strathallan	£32,167.00	5	£11,997.73
8 – Kinross-shire	£35,167.00	12	£68,508.49
9 – Almond & Earn	£29,117.00	3	£40,008.36
10/11/12 – Perth City	£112,529.78	28	£343,062.96
TOTALS	**£410,665.78**	**111**	**£804,840.75**

5. FUNDING DECISIONS

5.1 The following funding decisions were made in each ward area, with funding paid out to successful applicants in early January:

Ward 1 – Carse of Gowrie		
Group	Project	Funding
St Madoes Under 5s	Health & Wellbeing	£1,455
St Madoes & Kinfauns Parish Church	Madoch Centre Inclusive Spaces	£12,181.80
Inchture and Kinnaird Parish Church	Warm Spaces	£3,356
Tayside Upcycling & Craft Centre CIC	Educational Outreach	£3,667.50
Inchture Village Hall	Cost of Living	£2,200
West Carse Public Hall Trustees	Energy Costs	£3,000
TOTAL		**£25,860.30**

Ward 2 – Strathmore		
Group	Project	Funding
Robert Douglas Memorial Trust	Energy Costs	£5,330
Kettins Community Hub	Community Growing Space	£1,850
3rd Perthshire Scout Group	Scout Camp Aid	£4,500
Coupar Angus Youth Activities Group	Fun, Friends & Fitness	£2,556
Scone & District Community Counci	Heated Throw Project	£5,609.30
Kinrossie Public Hall	Cost of Living	£1,500
Cargill & Burrelton Community Hub	The Shepherds Hut	£1,591.46
TOTAL		**£22,936.76**

Ward 3 – Blairgowrie & The Glens		
Group	Project	Funding
Blairgowrie & District Seniors Outings	Cost of Living & Mobility Project	£2,000
Strathmore Screen		£2,350
Wisecraft Blairgowrie (PKAVS)	Wellbeing Blooms	£5,000
Perth Autism Support	Outreach Fund	£4,250
Blairgowrie and Rattray Community Football	Community Projects	£5,000
Blairgowrie and Rattray Development Trust	Activities for Supported Accommodation	£2,317
Nest Creative Spaces	Make, Mend and Upcycle	£250
Mantalk	Minibus	£10,000
TOTAL		**£31,167**

Group	Project	Funding
The Scottish Crannog Centre	Young People's Training Club	£3,000
Loch Tayside CIC	Cost of Living	£1,250
The Pitlochry Garden Share		£3,000
Killiecrankie, Fincastle & Tummel CC	Outdoor Visitor Map	£2,732
Aberfeldy Development Trust	Affordable Housing Project	£2,704
Atholl Centre	Repair & Replacement Project	£6,368
Killiecrankie Memorial Hall Trust	Broadband Provision	£2,530
Aberfeldy Tennis Club	Cost of Living	£170
Breathe Youth Work Project		£2,850
Pitlochry and Moulin Men's Shed	Shed Improvement Project	£1,039
Pitlochry Repair Café	Skill Sharing in Creative Ways	£1,955
Rannoch Community Trust	Bridge of Gaur Befriender Scheme	£4,450
TOTAL		**£32,048**

Ward 5 – Strathtay		
Group	Project	Funding
Almondbank Church Youth Group	Almondbank Youth Space	£500
Chapelhill Hall Community Association	Cost of Living Project	£1,456
Dunkeld and Birnam Sports and Leisure Hub	Covered Multi Use Games Area (MUGA)	£1,550
Stanley Development Trust	Public Access Defibrillator	£580
Loch of Clunie Preservation Group	Educational & Information Signage	£3,200
Luncarty Football Club	Integration & Expansion Project	£3,000
Amulree Village Hall Trust Fund	Extension Project	£10,509
DAB Hands Men's Shed	DAB Hands	£4,222
Bridgeton United Amateur Football Club	Re-establishment Project	£7,750
Chapelhill Hall Community Association	Play & Coffee Project	£500
TOTAL		**£33,267**

Ward 6 – Strathearn		
Group	Project	Funding
Perth & Kinross Disability Sport	Rural Perthshire Sport Project	£3,571
D of E Award Perth & Kinross Association	The Starfish Way	£5,500
Remake Scotland	Repair Cafes	£4,568
Friends of Crieff Cemetery	Fountain Refurbishment	£637
Crieff Connexions	Crieff Connexions Hub	£3,365
Perth Autism Support	Outreach Fund	£4,250
Logos Youth Project	Soup-a Saturdays	£2,705
Nature Connects Perthshire	The Nature Wellbeing Project	£3,180
Strathearn Welcome		£1,040
St Fillans Community Trust	The Pebble Patch – The Beithir's Lair Play Park	£2,500
TOTAL		**£31,316**

Ward 7 – Strathallan		
Group	Project	Funding
Aberuthven Village Hall Trust	Aberuthven Heritage Trail	£1,040
Aberuthven Village Hall Trust	Youth Warm Space	£2,880
Dunning Scouts	Gear Bank	£2,130
Neuro Central	Improving Wellbeing	£5,400
Strathallan Safe Swim	Summer Holiday Swimming Programme	£2,438.53
TOTAL		**£13,888.53**

Group	Project	Funding
Kinross Colts FC Juniors	Pitch Maintenance & Enhancement	£7,000
Fossoway & District Community Council	Community Speedwatch	£4,030.50
Cleish Village Hall Association	Audio Visual Upgrade	£2,860
Kinross-shire Partnership	Better Place to Live Fair	£630
Glenfarg Community Transport Group	Minibus	£5,000
Portmoak Babies & Toddlers	Outdoor Play Equipment	£1,000
Kinross Primary Parent Council	Arts & Culture Programme	£2,000
Milnathort Core Paths Group	Core Path Benches	£2,635
Crook of Devon Village Hall	Digital Equipment	£1,227.99
Perth Autism Support	Outreach Fund	£2,125
Broke not Broken	Family Resilience Project	£10,000
TOTAL		**£38,508.49***

*There is a funding gap of £3,341.49 which the Kinross-shire Local Action Partnership have agreed to fund from their core budget.

Ward 9 – Almond & Earn		
Group	Project	Funding
Oudenarde Community Group	Community Garden	£3,500
66th Perthshire (Abernethy) Scout Group	Pavilion Renovations	£12,117
Dunbarney & Forgandenny Parish Church	The Big Brig Youth Project	£13,500
TOTAL		**£29,117**

Ward 10/11/12 – Perth City		
Group	Project	Funding
The Walled Garden (PKAVS MH&WH)	Room for Recovery	£7,500
Perth Autism Support	Outreach Fund	£4,250
Perth CAB	Community Bridges	£8,992.50
Holiday @ Home project		£2,000
Perth Ukrainian Weekend Club		£6,000
Anchor House	The Neuk – Cost of Living Emotional Support	£14,000
Giraffe Trading	The Cooking Giraffe	£5,000
Perth & Kinross Gymnastics Development Group	Youth Leadership Programme	£4,143.59
Perth City Junior Netball Club		£4,734.96
PLUS Perth	Ropemakers Close & Horners Lane	£3,994
Perthshire Welfare Society	Bridging the Gap	£5,400
Social Flock		£17,205.50
Buttons and Bows		£4,000
TOTAL		**£87,220.55**

5.2 The table below summarises the overall spend and highlights underspend in four ward areas:

Ward	Funding Available	Funding Awarded	Underspend
1 – Carse of Gowrie	£33,863.00	£25,860.30	£8,002.70
2 – Strathmore	£40,024.00	£22,936.76	£17,087.24
3 – Blairgowrie & The Glens	£31,167.00	£31,167.00	-
4 – Highland	£32,048.00	£32,048.00	-
5 – Strathtay	£33,267.00	£33,267.00	-
6 – Strathearn	£31,316.00	£31,316.00	-
7 – Strathallan	£32,167.00	£13,888.53	£18,278.47
8 – Kinross-shire	£35,167.00	£35,167.00	-
9 – Almond & Earn	£29,117.00	£29,117.00	-
10/11/12 – Perth City	£112,529.78	£87,220.55	£25,309.23
TOTALS	**£410,665.78**	**£341,988.14**	**£68,677.64**

5.3 It is recommended that the total underspend of just over £68,000 is carried forward for disbursal to grassroots community projects in 2023/24, for use in the wards where the underspends have arisen. The current Transformation Review of community engagement is considering ways to make the grant

application and monitoring process across various Council grant schemes including any future version of CIF more streamlined, for applicants and cost-efficient to administer.

6. CONCLUSION

6.1 Community Investment Fund supports new and innovative community projects that tackle inequalities and improve quality of life. This round of CIF has seen £342,000 committed to support 85 separate projects across Perth and Kinross.

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Approved

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- **APPENDICES – NONE**

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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan/Single Outcome Agreement

1.1 Supporting and investing in community-led solutions to locally identified issues contributes to the delivery of the Perth and Kinross Community Plan / LOIP in terms of the following priorities*:*

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

Corporate Plan

1.2 Supporting and investing in community-led solutions to locally identified issues contributes to the delivery of the Perth and Kinross Council Corporate Plan in terms of the following priorities*:*

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

2. Resource Implications

Financial

2.1 Community Investment Fund has a budget of £410,000 for 2022/23 and funding decisions of £342,588.14 have been made, leaving an underspend of £68,077.64.

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. Under the Climate Change (Scotland) Act 2009 the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

4.1 There has been consultation with the Finance Department, Communities and the Executive Leadership Team.

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 a material extent in preparing the above report.