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Council Building
2 High Street
Perth
PH1 5PH

16 April 2019

A Meeting of the **Strategic Policy and Resources Committee** will be held in the **Council Chamber, 2 High Street, Perth, PH1 5PH** on **Wednesday, 17 April 2019** at **09:30**.

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

KAREN REID
Chief Executive

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

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

Members:

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

Strategic Policy and Resources Committee

Wednesday, 17 April 2019

AGENDA

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

- 1 WELCOME AND APOLOGIES/SUBSTITUTES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES**
 - 3(i) MINUTE OF MEETING OF THE STRATEGIC POLICY AND RESOURCES COMMITTEE OF 6 FEBRUARY 2019 FOR APPROVAL AND SIGNATURE** **7 - 10**
(copy herewith)
 - 3(ii) MINUTE OF MEETING OF THE PROPERTY SUB-COMMITTEE OF 22 OCTOBER 2018 FOR NOTING** **11 - 12**
(copy herewith)
 - 3(iii) MINUTE OF SPECIAL MEETING OF THE PROPERTY SUB-COMMITTEE OF 18 DECEMBER 2018 FOR NOTING** **13 - 14**
(copy herewith)
 - 3(iv) MINUTE OF MEETING OF PERTH AND KINROSS INTEGRATION JOINT BOARD OF 30 NOVEMBER 2018 FOR NOTING** **15 - 22**
(copy herewith)
 - 3(v) MINUTE OF MEETING OF THE CORPORATE HEALTH, SAFETY AND WELLBEING CONSULTATIVE COMMITTEE OF 10 DECEMBER 2018 FOR NOTING** **23 - 26**
(copy herewith)
 - 3(vi) MINUTE OF MEETING OF THE EMPLOYEES JOINT CONSULTATIVE COMMITTEE OF 22 NOVEMBER 2018 FOR NOTING** **27 - 38**
(copy herewith)
 - 3(vii) MINUTE OF MEETING OF TAY CITIES REGION JOINT COMMITTEE OF 9 NOVEMBER 2018 FOR NOTING** **39 - 40**
(copy herewith)

4	REVENUE BUDGET 2018/19 - MONITORING REPORT NUMBER 4 Report by Head of Finance (copy herewith 19/110)	41 - 82
5	COMPOSITE CAPITAL BUDGET 2018/28 & HRA CAPITAL INVESTMENT PROGRAMME 2018/23 - MONITORING REPORT NUMBER 4 Report by Head of Finance (copy herewith 19/111)	83 - 118
6	UPDATE ON PROGRESS WITH THE PREPARATION OF SUPPLEMENTARY GUIDANCE TO SUPPORT THE LOCAL DEVELOPMENT PLAN Report by Executive Director (Housing and Environment) (copy herewith 19/112)	119 - 136
7	CULTURAL TRUSTS TRANSFORMATION PROJECT: FINDINGS AND RECOMMENDATIONS Report by Depute Chief Executive, Chief Operating Officer (copy herewith 19/118)	137 - 160
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10	MANAGING UNREASONABLE DEMANDS POLICY Report by Depute Chief Executive, Chief Operating Officer (copy herewith 19/114)	193 - 204
11	PROPOSED HEALTH AND WELLBEING FRAMEWORK Report by Depute Chief Executive, Chief Operating Officer (copy herewith 19/115)	205 - 230
12	RETIREMENT SCHEME Report by Depute Chief Executive, Chief Operating Officer (copy herewith 19/116)	231 - 246
13	POLICY AND FRAMEWORK FOR DELIVERY OF SUCCESSFUL ENGAGEMENT IN HOUSING AND ENVIRONMENT Report by Depute Director (Housing and Environment) (copy herewith 19/117)	247 - 274

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PERTH AND KINROSS COUNCIL
STRATEGIC POLICY AND RESOURCES COMMITTEE
6 FEBRUARY 2019

STRATEGIC POLICY AND RESOURCES COMMITTEE

Minute of meeting of the Strategic Policy and Resources Committee held in the Council Chamber, Council Building, 2 High Street, Perth on Wednesday 6 February 2019 at 9.30am.

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

In Attendance: K Reid, Chief Executive; J Valentine, Depute Chief Executive and Chief Operating Officer; K Fraser, S Mackenzie, C Mackie, L Simpson, E Sturgeon, S Walker and C Irons (all Corporate and Democratic Services); S Devlin and G Boland (Education and Children's Services); B Renton, N Copland, S Coyle, F Crofts, D Fraser and J McCrone (all Housing and Environment) and R Packham, Perth and Kinross Health and Social Care Partnership.

Apologies: Provost D Melloy and Councillor M Lyle.

Councillor P Barrett, Vice-Convener, Presiding.

59. WELCOME AND APOLOGIES

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

60. DECLARATIONS OF INTEREST

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

61. MINUTES OF PREVIOUS MEETINGS

(i) Strategic Policy and Resources Committee

The minute of meeting of the Strategic Policy and Resources Committee of 28 November 2018 (Arts.674-687) was submitted, approved as a correct record and authorised for signature.

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

The minute of meeting of the Appeals Sub-Committee of 10 December 2018 was submitted and noted. (*Appendix I*)

(iii) Corporate Health, Safety and Wellbeing Consultative Committee

The minute of meeting of the Corporate Health, Safety and Wellbeing Consultative Committee of 17 September 2018 was submitted and noted. **(Appendix II)**

(iv) Employees Joint Consultative Committee

The minute of meeting of the Employees Joint Consultative Committee of 27 September 2018 was submitted and noted. **(Appendix III)**

(v) Perth and Kinross Integration Joint Board

The minute of meeting of the Integration Joint Board of 28 September 2018 was submitted and noted. **(Appendix IV)**

(vi) Perth City Development Board

The minute of meeting of the Perth City Development Board of 14 November 2017 was submitted and noted. **(Appendix V)**

62. REVENUE BUDGET 2018/19 – MONITORING REPORT NUMBER 3

There was submitted a report by the Head of Finance (19/36), providing an update (1) on progress with the 2018/19 General Fund Revenue Budget based on the November 2018 ledger, updated for subsequent known material movements; and (2) on the projected financial position of the Housing Revenue Account.

Resolved:

- (i) The contents of Report 19/36 be noted.
- (ii) The adjustments to the 2018/19 Management Revenue Budget, as detailed in Appendices 1 to 6 to and Sections 2, 3 and 4 of Report 19/36, be approved.
- (iii) The 2018/19 service virements, as summarised in Appendices 2, 5 and 6 to Report 19/36, be approved.
- (iv) The Health and Social Care projected outturn, as summarised in Paragraphs 3.1 to 3.8 of and Appendix 5 to Report 19/36, be noted.
- (v) The Housing Revenue Account projected outturn summarised in Section 4 of and Appendix 6 to Report 19/36, be noted.

63. COMPOSITE CAPITAL BUDGET 2018/28 AND HOUSING REVENUE ACCOUNT CAPITAL INVESTMENT PROGRAMME 2018/23 – MONITORING REPORT NUMBER 3

There was submitted a report by the Head of Finance (19/37) (1) providing a summary position to date for the 10 year Composite Capital Programme for 2018/19 to 2027/28 and the 5 year Housing Revenue Account (HRA) Capital Investment Programme 2018/19 to 2022/23; and (2) seeking approval for adjustments to the programmes.

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Resolved:

- (i) The contents of Report 19/37, be noted.
- (ii) The proposed budget adjustments to the 10 year Composite Capital Budget 2018/19 to 2027/28, as set out in sections 2 and 3 of and summarised at Appendices I and II to Report 19/37, be approved.
- (iii) The proposed budget adjustments to the HRA Capital Investment Programme Budget 2018/19 to 2022/23, as set out in section 4 of and summarised at Appendix III to Report 19/37, be approved.
- (iv) The position for individual projects reported in sections 3 and 4 of and summarised in Appendix IV to Report 19/37, be noted.

64. TRANSFORMATION PROGRAMME 2015-2020

There was submitted a report by the Depute Chief Executive and Chief Operating Officer (19/38) providing (1) an update on phase four of the Transformation Programme approved by Council on 1 July 2015; (2) providing an overview of the projects transferred to the Health and Social Care Partnership; and (3) providing an update of progress through the Can Do Challenge process.

Resolved:

- (i) The progress related to the Transformation Programme, as detailed in Appendices 1 and 2 to Report 19/38, be noted.
- (ii) The progress with the Can Do Challenge Fund Project for Perth and Kinross Smart Energy Network project, be noted.

COUNCILLOR D DOOGAN REQUESTED THE DISSENT OF THE SNP GROUP BE RECORDED IN RELATION TO PROCEEDING WITH THE CENTRAL PROCESSING UNIT FOR SCHOOL MEALS.

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

65. UPDATE ON ASSISTANCE TO SUPPORT FOR BUSINESS OCCUPATION OF KEY VACANT PROPERTY IN PERTH AND KINROSS THROUGH NON-DOMESTIC RATES RELIEF

There was submitted a report by the Depute Chief Executive and Chief Operating Officer (19/39) providing an update on support for business occupation of key vacant property in Perth and Kinross through non-domestic rates relief.

THERE FOLLOWED A 10 MINUTE RECESS AND THE MEETING RECONVENED AT 10.35AM.

Motion (Councillors D Doogan and G Laing)

- (i) The outcome of support provided via previous targeted non-domestic rates relief assistance to key vacant properties in Perth and Kinross, be noted.

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6 FEBRUARY 2019

- (ii) The provision of national schemes for rates relief assistance primarily via the Fresh Start Scheme to provide adequate support which negates the need for the Council's policy and assistance to be extended or continued at a local level, be approved.

Amendment (Councillors C Stewart and C Shiers)

- (i) **The outcome of support provided via previous targeted non-domestic rates relief assistance to key vacant properties in Perth and Kinross, be noted.**
- (ii) **The provision of national schemes for rates relief assistance primarily via the Fresh Start Scheme to provide adequate support which negates the need for the Council's policy and assistance to be extended or continued at a local level, be approved.**
- (iii) **With the end of the scheme, £38,000 within the earmarked reserve for the discretionary non-domestic rates relief scheme, referred to in paragraphs 3.13 and 3.14 of the Revenue Budget 2018/19 – Monitoring Report Number 3 (19/36) be transferred to the Rural Perth and Kinross Micro Enterprise Fund in 2018/19 which would have no impact on the level of reserves.**

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

7 members voted for the Motion as follows:

Councillors A Bailey, B Band, S Donaldson, D Doogan, G Laing, S McCole and A Parrott.

8 members voted for the Amendment as follows:

Councillors K Baird, P Barrett, J Duff, A Forbes, R McCall, C Purves, C Shiers and C Stewart.

Resolved:

In accordance with the Amendment.

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## PROPERTY SUB-COMMITTEE

Minute of meeting of the Property Sub-Committee of the Strategic Policy and Resources Committee held in the Council Chambers, Ground Floor, Council Building, 2 High Street, Perth on Monday 22 October 2018 at 10.00am.

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

In Attendance: S Crawford, K Lear and M McCaskie (all Housing and Environment); G Boland (Education and Children's Services); G Taylor, G Fogg and C Irons (all Corporate and Democratic Services).

Apologies: Councillors M Lyle and R McCall.

Vice-Convenor Councillor P Barrett, presiding.

### 1. WELCOME AND APOLOGIES/SUBSTITUTES

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

### 2. DECLARATIONS OF INTEREST

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

### 3. MINUTE

The minute of meeting of the Property Sub-Committee of 16 April 2018 was submitted and approved as a correct record.

### 4. SCHOOL ESTATE PROGRAMME PROGRESS REPORT

There was submitted a report by the Executive Director (Education and Children's Services) (18/333) (1) providing an update on the progress and proposals for delivering the current school projects within the Education and Children's Services School Estate Programme; (2) detailing key milestones which had been achieved; and (3) detailing future projects.

#### **Resolved:**

- (i) The significant milestones achieved since the previous report to this Sub-Committee on 16 April 2018, be noted.
- (ii) Funding of £49.4m for the School Estate Programme, under the new 2018/2028 Composite Capital Budget approved by the Council in June 2018, and an additional budget for the replacement of Perth High School of £50m, be noted.

**IT WAS AGREED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM IN ORDER TO AVOID**

**THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF  
SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973**

**P1. SCHEDULE OF PROPERTY MATTERS APPROVED UNDER DELEGATED  
POWERS**

There was submitted a report by the Executive Director (Housing and Environment) (18/334) on property transactions undertaken by the Estates and Commercial Investment Team and approved under delegated powers in the period June 2017 to June 2018.

**Resolved:**

The contents of Report 18/334 be noted.

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PROPERTY SUB-COMMITTEE

Minute of special meeting of the Property Sub-Committee of the Strategic Policy and Resources Committee held in the Council Chambers, Council Building, 2 High Street, Perth on Tuesday 18 December 2018 at 9.15am.

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

In Attendance: J McCrone and S Merone (both Housing and Environment); C Flynn, G Fogg and C Irons (all Corporate and Democratic Services).

Councillor M Lyle, Presiding.

1. WELCOME AND APOLOGIES/SUBSTITUTES

The Convener welcomed all those present to the meeting.

2. DECLARATIONS OF INTEREST

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

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

P1. PERTH, LOWER CITY MILL – LEASE DISPOSAL TO HERITAGE TRUST

There was submitted a report by the Executive Director (Housing and Environment) (18/409) seeking approval to granting a 30 year lease of the Lower City Mill A-Listed building.

Resolved:

- (i) The lease of the Lower City Mills to Perth and Kinross Heritage Trust for a nominal £1 per annum, be approved.
- (ii) Authority be delegated to the Head of Legal and Governance and the Head of Planning and Development to agree the terms and conditions of a full repairing and insurance lease for the Lower City Mills as a centre for architectural conservation, traditional building skills training and other heritage-based outreach activities.
- (iii) It be noted that Report 18/409 would be submitted to the Perth Common Good Fund Committee on 19 December 2018 to secure support in relation to the Council's obligations in respect of the management of common good properties.

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## PERTH AND KINROSS INTEGRATION JOINT BOARD

Minute of Meeting of the Perth and Kinross Integration Joint Board (IJB) held in the Council Chamber, Ground Floor, Council Building, 2 High Street, Perth on Friday 30 November 2018 at 10.55am.

### **Present:**

#### **Voting Members**

Dr R Peat, Tayside NHS Board (Chair)  
Councillor C Stewart, Perth and Kinross Council (Vice-Chair)  
Councillor E Drysdale, Perth and Kinross Council  
Councillor X McDade, Perth and Kinross Council  
Councillor C Purves, Perth and Kinross Council  
Professor N Beech, Tayside NHS Board (from Item 4 onwards)  
Ms L Birse-Stewart, Tayside NHS Board

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

Mr J Foulis, NHS Tayside  
Mr R Packham, Chief Officer  
Ms J Pepper, Chief Social Work Officer, Perth and Kinross Council  
Dr D Lowden, NHS Tayside  
Ms J Smith, Chief Financial Officer

#### **Additional Members**

Dr A Noble, External Adviser to Board  
Dr D Walker, NHS Tayside

#### **Stakeholder Members**

Ms M Summers, Carer Public Partner (on behalf of B Campbell)  
Mr A Drummond, Staff Representative, NHS Tayside  
Ms C Gallagher, Independent Advocacy Perth and Kinross  
Ms L Lennie, Service User Public Partner

### **In Attendance:**

K Reid, Chief Executive, Perth and Kinross Council; S Hendry (Clerk) and A Taylor (both Perth and Kinross Council); V Aitken, C Jolly, R Duarte, D Fraser, M Rapley, E Devine and P Jerrard (all Perth and Kinross Health and Social Care Partnership); K Wilson, D Huband and L Denver (all NHS Tayside).

### **Apologies:**

Ms G Costello, Tayside NHS Board  
Dr D Carey, Independent Contractor  
Ms B Campbell, Carer Public Partner  
Ms F Fraser, Staff Representative, Perth and Kinross Council

## **1. WELCOME AND APOLOGIES**

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

## **2. DECLARATIONS OF INTEREST**

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

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

The minute of meeting of the Perth and Kinross Integration Joint Board of 28 September 2018 was submitted and approved as a correct record, subject to the date in section 3.7 (iii) being amended to 28 September 2019.

*N BEECH ENTERED THE MEETING AT THIS POINT.*

## **4. ACTION POINT UPDATE**

There was submitted and noted the action point update for the Perth and Kinross Integration Joint Board as at 30 November 2018 (G/18/186).

## **5. MATTERS ARISING**

There were no matters arising from the previous minute.

## **6. BOARD MEMBERSHIP UPDATE**

There was submitted a report by the Clerk to the Board (G/18/187) updating the Board on a number of recent appointments to the voting members of the Board. The report also made a proposal in terms of the appointment of a non-voting member to the Board.

### **Resolved:**

- (i) The appointment of Dr Robert Peat as Chair of the Integration Joint Board, by NHS Tayside Board, be noted.
- (ii) The appointment of Ms Gillian Costello as a voting member of the Integration Joint Board until the end of March 2019, by NHS Tayside Board, be noted.
- (iii) The reappointment of Mr Jim Foulis as the Registered Nurse Representative on the Integration Joint Board until 31 May 2019 be agreed.

## **7. FINANCE AND GOVERNANCE**

### **7.1 2018/19 FINANCIAL POSITION**

There was submitted a report by the Chief Financial Officer (G/18/188) providing an update on the year-end financial forecast for 2018/19 based on the 6 months to 30 September 2018.

### **Resolved:**

- (i) The overall projected overspend of £4.035m for the Perth & Kinross Integration Joint Board for 2018/19 be noted, including:
  - a. The forecast overspend of £2.009m on adult social care, an increase of £0.596m from the last report.

- b. The forecast overspend of £1.495m on GP prescribing, an increase of £0.669m from the last report.
- c. The forecast overspend of £0.755m on Tayside hosted services.
- (ii) The progress with 2018/19 savings delivery, as set out in Report G/18/188, be noted.
- (iii) The update regarding Integration Joint Board reserves, as set out in Report G/18/188, be noted.
- (iv) It be noted that Perth and Kinross Council would not support the use of slippage funds to manage any financial overspend, noting that monies are allocated for specific purposes and are recorded as restricted funds within the annual accounts.
- (v) It be noted that a Financial Recovery Plan had been prepared in line with the Integration Scheme and had been submitted to the Chief Executives of Perth & Kinross Council and NHS Tayside for approval at the earliest opportunity. The plan would then be submitted to the IJB and the both partners' relevant committee / board.
- (vi) The Chief Officer to bring a report to a future meeting of the Board on the impact of the Carers (Scotland) Act 2016.
- (vii) It be noted that the figure in paragraph 4 of section 3.4 of the report should read £142k.

## **7.2 AUDIT AND PERFORMANCE COMMITTEE**

### **(i) Verbal Update by Chair of Audit and Performance Committee**

Councillor Purves, Chair of the Audit and Performance Committee, provided the board with an update from the committee meeting that had taken place earlier in the day.

The committee had considered revised terms of reference prior to consideration by the IJB. A risk management progress update had been provided, and an update had been noted on the recent inspection by HM Inspectorate of Prisons for Scotland of Perth Prison with the resultant improvement plan approved for submission to Health Improvement Scotland.

The Board noted the position.

### **(ii) Revised Terms of Reference**

There was submitted a report by the Chief Financial Officer (G/18/189) seeking approval of the revised Terms of Reference for the Audit and Performance Committee of the Integration Joint Board.

#### **Resolved:**

- (i) The revised Audit and Performance Committee Terms of Reference, as detailed in Appendix 1 to Report G/18/189, be approved.

- (ii) It be agreed that Ms Lorna Birse-Stewart be appointed as a replacement member for Dr Robert Peat on the Audit and Performance Committee.

### **7.3 STANDING ORDERS ANNUAL REVIEW**

There was submitted a revised version of the Board's Standing Orders (G/18/190) for approval following feedback from the previous Board meeting of 28 September 2018.

**Resolved:**

The revised Standing Orders be approved subject to the following amendments:

- Sections 7.2 and 7.4 be amended to avoid any duplication;
- Section 2.12 be amended to clarify proxy member arrangements for both voting and non-voting members.

*MR A DRUMMOND LEFT THE MEETING AT THIS POINT.*

*THERE FOLLOWED A RECESS AND THE MEETING RECONVENED AT 1.00PM.*

*IT WAS AGREED TO VARY THE ORDER OF BUSINESS ON THE AGENDA AT THIS POINT*

### **7.4 DEVELOPMENT OF TAYSIDE PUBLIC HEALTH STRATEGY**

There was submitted a report by the Director of Public Health, NHS Tayside (G/18/201) seeking contributions from partner organisations in the development of the Tayside Public Health Strategy.

**Resolved:**

The contents of Report G/18/201 be noted, with partners invited to submit any further comments on the final draft plan, participate in the development and implementation of an action plan and assist in the evaluation of the impact of the strategy.

## **8. PROGRAMMES OF CARE**

**Note:** It was agreed that in relation to Items 8.1 – 8.4, all of the terms of reference for the programme boards were to be resubmitted to the Board for approval and that any references to individual posts should not include staff names.

### **8.1 PROGRESS MADE BY THE PERTH AND KINROSS PRIMARY CARE BOARD**

There was submitted a report by the Associate Medical Director (G/18/196) updating the IJB on progress made to date by the Perth and Kinross Primary Care Board

**Resolved:**

- (i) The progress made in setting up the Primary Care Board be noted;
- (ii) Updates on the work of the Board to be provided at each meeting of the IJB.

**8.2 PROGRESS MADE BY THE MENTAL HEALTH & WELLBEING CARE PROGRAMME**

There was submitted a report by the Head of Health (G/18/197) providing an update on the establishment and progress of the Mental Health and Wellbeing Care Programme.

**Resolved:**

- (i) The progress made in setting up the Mental Health and Wellbeing Programme be noted;
- (ii) Updates on the work of the Board to be provided at each meeting of the IJB;
- (iii) The proposed spend for the Action 15 monies, allocated to the Health and Social Care Partnership by the Scottish Government to support the implementation of the Mental Health Strategy 2017-2027, by recruiting more dedicated mental health professionals, as set out in Annex 3 of Report G/18/197, be endorsed;
- (iv) The proposed spend for the Alcohol and Drug Partnership monies, allocated to the Health and Social Care Partnership by the Scottish Government to reduce problem drug and alcohol use, as set out in Annex 4 of Report G/18/197, be endorsed.

**8.3 PROGRESS MADE BY THE OLDER PEOPLE & UNSCHEDULED CARE PROGRAMME BOARD**

There was submitted a report by the Associate Medical Director (G/18/198) providing and update on the establishment and progress by the Older People and Unscheduled Care Programme.

**Resolved:**

- (i) The progress made in the development of the Older People and Unscheduled Care Programme Board be noted;
- (ii) Updates on the work of the Board to be provided at each meeting of the IJB;
- (iii) The Board to provide the Older People and Unscheduled Care Section of the overarching Perth and Kinross Health and Social Care Strategic Commissioning Plan by March 2019.

**8.4 PROGRESS MADE BY THE CARERS PROGRAMME BOARD**

There was submitted a report by the Head of Adult Social Work and Social Care (G/18/199) updating the Board on the work and challenges of the Carers' Programme Board.

**Resolved:**

- (i) The progress made in the development of the Carers' Programme Board be noted;
- (ii) Updates on the work of the Board to be provided at each meeting of the IJB;

- (iii) The Board to provide a section on the Carers' Programme for the overarching Perth and Kinross Health and Social Care Strategic Commissioning Plan by March 2019.

## **9.1 CLINICAL, CARE & PROFESSIONAL GOVERNANCE COMMITTEE TERMS OF REFERENCE**

There was submitted a report by the Chief Officer (G/18/191) seeking (1) approval to establish an Integration Joint Board Clinical, Care & Professional Governance Committee; and (2) agreement of the Terms of Reference for the proposed Committee.

### **Resolved:**

- (i) The establishment of an Integration Joint Board Clinical, Care & Professional Governance Committee and Terms of Reference for the proposed Committee, as set out in Appendix 1 to Report G/18/191, be approved.
- (ii) It be agreed that Councillor C Stewart be appointed as Chair, with Councillor X McDade, Mr R Peat, and Ms L Birse-Stewart appointed as voting members.
- (iii) Nominations for the two non-voting members on the Committee to be submitted to the Clerk.
- (iv) The appointment of professional advisers to the committee from pharmacy, social work and social care to be further investigated.

## **9.2 NATIONAL JOINT REVIEW OF LOCAL GOVERNANCE**

There was submitted a report by the Chief Officer (G/18/192) seeking approval of the Integration Joint Board's response to the Scottish Governance/COSLA joint National Review of Local Governance.

### **Resolved:**

The item be withdrawn for further discussion.

*DR D WALKER LEFT THE MEETING AT THIS POINT.*

## **9.3 INTEGRATION JOINT BOARD DATA PROTECTION POLICY**

There was submitted a report by the Chief Officer (G/18/193) seeking approval of the Integration Joint Board Data Protection Policy.

### **Resolved:**

The Integration Joint Board Data Protection Policy and outline action plan, as set out in Report G/18/193, be approved.

## **9.4 APPOINTMENT COMMITTEE FOR CHIEF OFFICER – HEALTH & SOCIAL CARE**

There was submitted a joint report (G/18/194) by the Corporate Human Resources Manager, Perth and Kinross Council and Head of Human Resources, NHS Tayside seeking to confirm the two elected members and two non-executive committee members who would be on the Appointment Committee for the post of



Chief Officer – Health and Social Care for the Perth and Kinross Health and Social Care Partnership.

**Resolved:**

- (i) The proposals set out in section 2 of Report G/18/194 be approved;
- (ii) Dr R Peat (Chair), Councillor C Stewart, Councillor E Drysdale, Ms L Birse-Stewart and the Chief Executives of Perth and Kinross Council and NHS Tayside be appointed to the Appointment Committee;
- (iii) The job title for the advert to be Chief Officer (Equivalent to Director – Integrated Health and Social Care).

## **10. DEVELOPING STRATEGIC OBJECTIVES**

### **10.1 CHIEF OFFICER STRATEGIC UPDATE**

There was submitted a report by the Chief Officer (G/18/195) updating Board members on progress against tasks outlined in the rolling actions list.

**Resolved:**

- The contents of Report G/18/195 and the following updates be noted:
- (i) Development of a Joint Workforce plan;
  - (ii) The NHS Tayside Winter Plan;
  - (iii) Joint inspection of Adult Services by Care Inspectorate and Health Improvement Scotland to be carried out during the first quarter of 2019;
  - (iv) The update on the Strategic Plan refresh.

## **11. INFORMATION**

There were submitted and noted the following reports for information:

### **11.1 PERTH AND KINROSS CHILD PROTECTION COMMITTEE (CPC) STANDARDS AND QUALITY REPORT 2017/18 (G/18/200)**

### **11.2 HEALTH AND SOCIAL CARE INTEGRATION – UPDATE ON PROGRESS – REPORT BY ADULT SCOTLAND**

**Note** – the above report to be considered further at the next meeting of the Board.

## **12 REVISED 2019 MEETING DATES**

January 2019 (Special Meeting – date to be confirmed)  
Friday 15 February 2019, 9.30am  
Wednesday 1 May 2019, 2.00pm  
Wednesday 26 June 2019, 2.00pm  
Friday 27 September 2019, 9.30am  
Wednesday 4 December 2019, 2.00pm



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

Minute of meeting of the Corporate Health, Safety and Wellbeing Consultative Committee held in the Council Chamber, Ground Floor, Council Building, 2 High Street, Perth on Monday 10 December 2018 at 10.00am.

**Present:**                   **Representing Perth and Kinross Council**  
Councillor P Barrett  
Councillor K Baird  
Councillor S McCole  
Councillor M Williamson (Substituting for Councillor E Drysdale)  
G Boland (on behalf of Executive Director (Education and Children's Services))  
P Johnstone (on behalf of Corporate Human Resources Manager)  
R Lyle, Regulatory Services Manager, Housing and Environment

**Trade Union Safety Representatives and Elected Representatives of Employee Safety Committees**  
M Blacklaws (SSTA)  
M Swan (EIS)  
S Hope (Unison) (From item 4 onwards)

**In attendance:**       S Crawford, Head of Property Services, Housing and Environment  
R Turner, Senior Health and Safety Advisor, Housing and Environment  
L McGeorge, Property Compliance Team Leader, Housing and Environment  
J Walker, Information Compliance Officer, Corporate and Democratic Services  
K Molley, Professional Trainee, Corporate and Democratic Services

**Apologies:**           Councillor E Drysdale and C Flynn (on behalf of the Chief Executive), Corporate and Democratic Services.

Councillor S McCole in the Chair

**1. APPOINTMENT OF VICE-CONVENER**

It was agreed to defer the item of Appointment of Vice-Convener to the next meeting as not all trade union representatives were present.

## **2. DECLARATIONS OF INTEREST**

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

## **3. MINUTES**

The minute of the meeting of the Corporate Health, Safety and Wellbeing Consultative Committee of 17 September 2018 was submitted and approved for signature subject to the following amendment:-

Under item 5, the reason for the decrease in defibrillator training is due to the fact that defibrillators are becoming personalised and community based.

In response to a query from Councillor P Barrett on an update of sharps in households, S Crawford advised the Committee that each incident is processed and dealt with individually.

## **4. HEALTH AND SAFETY PERFORMANCE QUARTERLY REPORT**

There was submitted a report by the Health, Safety and Wellbeing Manager (Housing and Environment) (G/18/184) (1) preparing to inform and assist the Corporate Health, Safety and Wellbeing Consultative Committee in monitoring health and safety performance across Perth and Kinross Council. This report asks for progress to be noted.

S HOPE ENTERED THE MEETING AT THIS POINT.

In response to a query from Councillor M Williamson regarding the number of road accidents and whether this is linked to tiredness and exhaustion, R Turner explained that road collisions are usually due to human error instead of tiredness and exhaustion.

Councillor S McCole raised concerns that there has not been significant movement in reducing the number of outstanding actions throughout health and safety reports and suggested going back to the service departments to find out more information.

### **Resolved:**

The contents of the report, be noted.

## **5. FIRE SAFETY QUARTERLY REPORT**

There was submitted a report by the Health, Safety and Wellbeing Manager (G/18/185) informing and assisting the Corporate Health, Safety and Wellbeing Consultative Committee in monitoring fire safety performance across Perth and Kinross Council; and (2) providing the Committee with the Fire Safety Key Performance indicators for Quarter 2 of 2018/19 for noting.

In response to a query from Councillor S McCole on the outstanding work at Parkdale, L McGeorge confirmed that fire safety checks have not yet taken place as construction on the building is waiting to commence first.

**Resolved:**

The contents of the report, be noted.

**6. CUSTOMER CONTACT – UNACCEPTABLE ACTIONS POLICY**

There was submitted a report by the Head of Legal and Governance Services (G/18/206) presenting a policy on dealing with unacceptable actions by the Council's customers.

In response to a query from M Blacklaws on who 'we' stands for (Appendix 1, paragraph 3.3) when taking necessary action in dealing with an unacceptable action, J Walker confirmed that the corporate complaints team seek guidance from the legal team or their line manager when dealing with a customer complaint.

In response to a query from Councillor S McCole regarding how the public will be made aware of the unacceptable actions policy, J Walker explained that a copy of this document will be made available on the Perth and Kinross Council website, displayed in all public offices and will be present in public leaflets so that employees and the public are aware of the policy.

**Resolved:**

The Unacceptable Actions Policy, be noted.

**7. TIMETABLE OF MEETINGS FOR 2019**

Monday 11 March  
Monday 10 June  
Monday 9 September  
Monday 9 December

All meetings commence at 10am.

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

Minute of meeting of the Employees Joint Consultative Committee, held in the Council Chamber, 2 High Street, Perth on Thursday 22 November 2018 at 10.00am.

Present: Representing Perth and Kinross Council:

Councillors H Anderson; D Illingworth (on behalf of Councillor M Lyle), R McCall and S McCole (all Perth and Kinross Council); K Robertson (on behalf of Executive Director (Education and Children Services)).

Present: Representing Trade Unions:

S Hope, F Fraser and T Maric (all UNISON) and H Meldrum (GMB).

In Attendance: K Donaldson (Corporate Human Resources Manager); S Flanigan, G Reeves and Z Robertson (all Housing & Environment); P Johnstone, S Munro, K Ridley and L Brown (all Corporate and Democratic Services).

Apologies: Councillor M Lyle (Perth and Kinross Council); M Dickson, and B Nichol (all UNISON); S Robertson (Unite the Union).

S Hope in the Chair

1. DECLARATIONS OF INTEREST

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

2. MINUTE OF PREVIOUS MEETING

The minute of meeting of the Employees Joint Consultative Committee of 27 September 2018 was submitted and approved as a correct record subject to the inclusion of the word "contingency" before the word plan in paragraph 8 of Item 5.

3. MATTERS ARISING

(i) Brexit Workforce Implications – (Item 5 refers)

Z Robertson reported that the Commissioning Team within the Health & Social Care Partnership are regularly monitoring any Brexit impact on commissioned services following a recent survey. Brexit will have a very limited impact on our Care At Home provision with only one provider employing a number of EU nationals. Independent care home providers are reporting relatively low numbers of staff from the EU, with

larger organisations appearing to be more at risk. However, these organisations are supporting staff and providing guidance in line with Scottish Care and Scottish Government's updates. The Council is also working in partnership with Perth College UHI on the setting up of a new Health and Social Care Academy.

In response to a question from members on staff turnover, Z Robertson confirmed that retention levels are monitored. She advised that the Council is a signatory of the Ethical Care Charter and ensured people complied with the Charter.

K Donaldson advised that as an organisation the Council was striving to influence the overall supply of people in to social care. Indeed this was a reason why the Council had increased the number of modern apprentices. There had also been local and national campaigns regarding jobs in early learning and childcare raising the profile of social care although this might result in some people moving from adult care into jobs in early learning and childcare.

K Robertson advised that no major workforce implications had been identified within schools. Tayside Contracts had also advised they had no Brexit workforce implications.

The Committee noted the position.

(ii) Job Families - (Item 3(i) refers)

K Ridley provided an update on progress with the implementation of Job Families. He advised that the Community and Operational Job Family had been implemented in October 2018 and that the Regulatory, Technical and Property Job Family would be implemented in January 2019. The final job family profile for Senior Leadership jobs was nearing completion.

4. JOINT SECRETARY FOR TRADE UNIONS

The Committee was advised that no nominations had been received as yet from the Trade Unions to fill a vacancy for a Joint Secretary for the Trade Union side following the retirement of Lindsay McLaren from the Committee.

The Committee agreed to defer the appointment of a Joint Secretary for the Trade Union side to the next meeting.

5. EMPLOYEE ENGAGEMENT SURVEY – SEPTEMBER 2018 FULL COUNCIL SUMMARY

There was submitted a paper (G/18/169) summarising the council-wide results of the employee engagement survey undertaken in September 2018.

G Reeves advised that the response rate had increased slightly on that of the previous year although there had been a slight dip in some topic areas.

During discussion some members noted that the response rate had been less than 50% and asked what could be done to encourage greater participation. In responding S Flanigan advised that participation in the survey was voluntary. The survey was only one of a number of mechanisms used to engage with employees and was regarded as a means of encouraging staff to share ideas and make suggestions for improvement. Employee engagement officers were actively speaking to teams whose response rate had been low to see what could be done to encourage greater engagement in future. K Donaldson added that the true value of the survey was at team level with every member of the team being involved in the discussion of their team results whether they had participated in the survey or not.

In responding to further comments made regarding responses received in relation to leadership, skills and employee mental health and wellbeing, K Donaldson advised that a number of programmes were currently in development. These included an induction programme for both new and existing managers, a health and wellbeing strategy which would place particular emphasis on mental health and financial wellbeing, and a talent strategy to attract people in to the organisation and retain and develop the talent within the current workforce. K Donaldson further advised that councillors will receive a copy of the annual workforce report once published. It was noted that the report would also be shared with the Trade Unions.

The Committee noted the council-wide summary results of the Employee Engagement Survey undertaken in September 2018.

6. EMPLOYEE WELLBEING – ENHANCING CAPACITY AND IMPROVING PERFORMANCE

There was submitted a report by the Corporate Human Resources Manager G/18/170 providing an update on the Sickness Absence Statutory Performance Indicator (SPI) for 2017/18 and Employee Health and Wellbeing.

S Munro reported that the mid-year results for 2018 had shown a slight improvement in sickness rates although there was still an overall deterioration when compared to 2016/17. Mental health issues, other and musculoskeletal were the top three reasons given for sickness absence with mental health accounting for 27% of all sickness absence.

During discussion of the report and in response to questions S Munro advised that a holistic approach to health and wellbeing was being developed to replace the existing maximising attendance policy and the health and attendance policy for teachers.

The Committee:

- (i) Noted the Statutory Performance Indicator (SPI) results for 2017/18.
- (ii) Noted that the service management teams will continue to promote a culture of employee wellbeing, maintain a focus on proactively managing sickness absence, and seeking advice from Human Resources and Occupational Health where appropriate.

7. EMPLOYEE EQUALITIES

The Committee heard a presentation from S Munro on equalities and diversity in employment. The speaker advised that high level data for the period 2017/18 was being shared on the equal pay audit and the workforce profile. A fuller report would be shared with the members of the Committee once available. A copy of the presentation slides are attached as Appendix 1 to the minute of meeting.

8. TIMETABLE OF MEETINGS

It was noted that the Employees Joint Negotiating Committee would meet at 10am on the following dates in 2019:

28 February
23 May
26 September
28 November

9. OTHER COMPETENT BUSINESS

(i) Council Budget

K Donaldson advised that an invitation would be extended to full time union officers to meet with the Chief Executive and the Head of Finance on the Council Budget.

10. DATE OF NEXT MEETING

28 February 2019 at 10.00am.



Equalities & Diversity in Employment

Sheila Munro

22 November 2018



**PERTH &
KINROSS
COUNCIL**

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

Equal Pay Audit 2017/2018

- Previously based on average **full time equivalent (FTE)**
- Now based on average **Hourly Rate**
- Basic Pay 0.7%
Compares favourably with Scotland 14.9%
- Total Pay 6.8%
Impact of overtime

Basic Pay Gap - Other Protected Characteristics

- Age - Typically older age bands in higher salaries. This is due to experience and length of service in grade.
- Age/Gender - No cause for concern.
- Disability – Reduction from 8.8% in 16/17 to 5.3% in 17/18. Low number of employees who have self-identified makes meaningful analysis difficult.
- Ethnicity – Reduction from 1.4% in 16/17 to 0.8% in 17/18. Low numbers of minority ethnic employees makes meaningful analysis difficult



Equal Pay Audit 17/18 – Conclusion

- Results remain positive
- Reasons for change are understood
- Occupational segregation
- Overtime working



Workforce Profile

	Number	Percentage
Males	1504	27.2%
Females	4030	72.8%
Part Time Males	190	3.4%
Part Time Females	1914	34.6%
Age Under Age 20	58	1.0%
Age 20-29	624	11.3%
Age 30-39	1114	20.1%
Age 40-49	1552	28.0%
Age 50-59	1728	31.2%
Age 60-64	392	7.1%
Age 65+	66	1.2%
Minority Ethnic Employees	223	4.0%
Disability	74	1.3%
Maternity Returners	105	96%

Workforce Update

- Age
- Disability
- Gender
- LGBTI+ Staff Network
- Carer Positive Scheme
- Veterans
- Brexit



Next Steps (new)

- Equally Safe
- Gender neutral language in policies
- Disability Confident scheme – Level 3
- Transgender guidance
- Transitioning guidance
- Disclosure of sensitive equality information
- Horizontal & vertical segregation
- Further analysis on overtime (gender)

Any Questions?



At a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** held at Dundee on 9th November, 2018.

Present:-

Angus Council

Councillor Bill DUFF

Councillor Bob MYLES

Councillor Angus MACMILLAN DOUGLAS

Dundee City Council

Councillor John ALEXANDER

Councillor Lynne SHORT

Councillor Richard McCREADY

Elle Council

Councillor Karen MARJORAM

Councillor David ROSS

Perth & Kinross Council

Councillor Murray LYLE

Councillor Dave DOOGAN

Councillor Colin STEWART

Non-Elected Members

Gordon McGUINNESS, Skills Development Scotland

Ellis WATSON, Tay Cities Enterprise Forum

Professor Sir Pete DOWNES, Principal, University of Dundee Regional HE/FE Forum

Julie FARR, Social Enterprise Network, Third Sector

Jim REID, Scottish Enterprise

Co-opted Member

Councillor Brian GORDON, Tactran (Item VI onwards)

I APOLOGIES

Apologies were intimated from Councillor Tim Brett.

II DECLARATION OF INTEREST

Councillors Myles and Stewart declared a non-financial interest by virtue of their membership of NHS Tayside Board.

III MINUTE OF MEETING OF 18TH MAY, 2018

The minute of meeting of 18th May, 2018 was submitted and approved.

IV MATTERS ARISING

Reference was made to the recent announcement that Michelin Group were intending to close their Dundee factory.

The Executive Director of City Development, Dundee City Council outlined steps being taken in conjunction with Scottish Ministers and neighbouring authorities to try and reverse the decision taken to close Michelin, including an Action Group established in this regard. A re-purposing strategy was also being drafted which would seek to identify alternative uses for the site. Lastly, in the event of closure, a brief was being prepared to ensure alternative employment paths/training would be available for employees affected.

The Joint Committee expressed concern at the news of the potential closure but welcomed the proactive approach being taken by elected members and officers.

V CO-OPTED MEMBER

In terms of Clause Three of the Minute of Agreement among Angus Council, Dundee City Council, Perth and Kinross Council and Fife Council, the Leadership Group recommended that Councillor Brian Gordon, Chair of Tactran, be co-opted for a period not exceeding two years as an additional non-voting member of the Joint Committee.

The Joint Committee approved the recommendation as detailed.

A query was also raised regarding the possibility of appointing further co-opted members, particularly from the Federation of Small Businesses. Following discussion it was agreed that there was a more appropriate forum within which they could be more effectively represented.

VI TAY CITIES DEAL GOVERNANCE ARRANGEMENTS

There was submitted Report No 2-2018 by the Clerk to Tay Cities Region Joint Committee outlining the details of the proposed Tay Cities Region governance arrangements as detailed in Appendix 1 to the Report.

The Joint Committee adopted the Governance Agreement and Standing Orders as detailed in Appendix I subject to the amendment that the provision relating to a Council being able to withdraw on two years written notice be deleted, and that the Heads of Legal and Democratic Services from the four constituent authorities are content with the revised wording.

Councillor Stewart requested that his dissent be recorded from the foregoing decision.

It was further agreed that whilst administrative arrangements would continue to be undertaken by Dundee City Council, future venues for meetings would rotate.

VII VERBAL UPDATE ON TAY CITIES DEAL INCLUDING HEADS OF TERMS

A verbal update was given by the Executive Director of City Development, Dundee City Council. It was reported that due to the unforeseen announcement regarding the closure of Michelin, the Heads of Terms had still to be finalised.

However, there was a clear understanding from the Scottish Government that they would prefer to support fewer, more strategic projects, with a strong balance between rural and urban initiatives. A new date for signing was still to be identified, however, this was likely to be before the end of November.

The Joint Committee noted that a strong relationship had been built with the Scottish Government and that robust representation to ensure the best deal was achieved for the region was paramount.

VIII DATE OF NEXT MEETING

To be confirmed.

Bob MYLES, Chair.

PERTH & KINROSS COUNCIL
STRATEGIC POLICY & RESOURCES COMMITTEE

17 April 2019

REVENUE BUDGET 2018/19 – MONITORING REPORT NUMBER 4

Report by Head of Finance (Report No. 19/110)

PURPOSE OF REPORT

This report provides an update on progress with the 2018/19 General Fund Revenue Budget based upon the January 2019 ledger, updated for any subsequent known material movements, and the projected financial position of the Housing Revenue Account.

The total net projected under spend on the 2018/19 General Fund Management Budget is £3,455,000 (see Appendix 1).

The report also proposes a number of adjustments to the 2019/20 Final Revenue Budget (see Appendix 7).

1. BACKGROUND / MAIN ISSUES

- 1.1. This is the fourth report updating the Committee on progress with the 2018/19 Revenue Budget. Appendix 1 to this report summarises the current projected year end (outturn) position for each Service based upon the January 2019 ledger, updated for any subsequent known material movements.
- 1.2. The budget total reflected in Column 1 of Appendix 1 to this report is that approved by the Council in setting the Final Revenue Budget for 2018/19 on 22 February 2018 (Report No. 18/47 refers). In addition, adjustments that were approved by the Council on 20 June 2018 (Report No 18/213 refers) and the Strategic Policy and Resources Committee on 18 April, 12 September, 28 November 2018 and 7 February 2019 (Report Nos. 18/133, 18/284, 18/384 and 19/36 refer) are reflected in Appendix 1 (Column 2).
- 1.3. The Council's Financial Regulations allow Executive Directors to vire budgets up to £100,000 within their Service. Any virements between Services or in excess of £100,000 are either included in the body of the revenue monitoring report or in the appendices for approval.
- 1.4. This report details the latest projected outturns and proposed adjustments to the 2018/19 General Fund and Housing Revenue Account budgets.

2. PROPOSALS

2.1 Service Budgets

2.1.1 Details of variances against Service budgets are shown in Appendix 2 to this report with the most significant variances summarised below. The total net projected under spend on Service budgets, as set out in Appendix 1 to this report, is £3,682,000 which represents 1.36% of total net Service expenditure. (In the corresponding report in April 2018, the projected under spend was £2,355,000 which represented 0.88% of total net Service expenditure).

2.1.2 The utilisation of these Service under spends is considered throughout the financial year and may also be considered as part of the Revenue Budget strategy for future years. Specific proposals to utilise many of the projected under spends identified in Appendix 2 were approved by the Council on 20 February 2019 (Report No. 19/46 refers).

2.1.3 **Education & Children's Services:** The projected outturn (excluding the Devolved School Management (DSM) and Pupil Equity Fund (PEF) budgets) is currently anticipated to be £1,450,000 less than budget – a movement of £77,000 from the position last reported to Committee.

2.1.4 The movement in the projected net under spend is made up as follows -

- Staff costs (reduction in projected under spend of £228,000) based on the latest analysis of staff slippage levels across the Service.
- Property Costs (increase in projected over spend of £33,000) due, primarily, to works on the Breadalbane Community Campus biomass boiler which will facilitate the delivery of renewable heat incentive income.
- Transport costs (increase in projected under spend of £26,000) due to projected savings on staff travel costs.
- Third Party Payments (increase in projected under spend of £61,000) due, in the main, to savings on the Scottish Association for the Care and Rehabilitation of Offenders Service level agreement, partner provider payments and advocacy support.
- Residential Schools / Foster Care & Kinship Care (net increase in projected under spend of £33,000) due primarily, to changes in activity (including the number and type of placements) and the number of foster carers.
- Income (reduction in projected shortfall of £64,000) due, primarily, to increased income from foster care / additional support placements.

2.1.5 There is a projected under spend of £758,000 on Devolved School Management budgets (DSM) due, mainly, to staff slippage, lower than anticipated expenditure on educational materials and additional income. It is anticipated that, in line with the approved DSM scheme, the eventual over and under spends will be carried forward into 2019/20.

2.1.6 The projected carry forward of £758,000 represents 0.84% of the overall DSM budget.

2.1.7 At this stage of the academic year, expenditure from the Pupil Equity Fund is projected to be £522,000 less than the current year allocation from the Scottish Government of £1,661,520 and the approved carry forward of £720,000 from 2017/18. In line with the terms of this funding, it is anticipated that this under spend will be carried forward to 2019/20 to meet commitments in the current academic year.

2.1.8 **Housing & Environment:** The projected outturn is currently anticipated to be £1,819,000 less than budget – a movement of £61,000 from the position last reported to Committee.

2.1.9 The movement in the projected net under spend is made up as follows –

- Planning & Development (reduction in projected under spend of £44,000) due to the rephasing of expenditure on projects relating to Tactran (see para 2.3.5 below) partially offset by an under spend on TAYPlan as no payments is required to TAYPlan.
- Bereavement Services (projected over spend of £150,000) which reflects reduced income at Perth Crematorium while the mercury abatement and building works took place earlier this year.
- Property (increase in projected under spend of £100,000) due to further savings on energy.
- Housing (increase in projected under spend of £33,000) due to a reduction in the level of recharges from the Housing Revenue Account.

2.1.10 **Corporate and Democratic Services:** The projected outturn is currently anticipated to be £380,000 less than budget – the same position as reported to the Committee in February.

Pay Award Update

2.1.11 On 1 March 2019 the Scottish Joint Council agreed to a pay award of 3.5%, 3% and 3% for financial years 2018/19, 2019/20 and 2020/21 respectively for Local Government Employees, Craft Workers and Chief Officers (in 2018/19 officers earning in excess of £80,000 were awarded £1,600).

2.1.12 On 29 March 2019 a pay award with teaching unions was agreed as follows, 3% in 2018/19, 7% in 2019/20 and 3% in 2020/21.

2.2 Movements in Funding

2.2.1 Since Revenue Monitoring Report No. 3 was approved by the Committee in February 2019 (Report No. 19/36 refers), notification has been received of additional resources in the current financial year from a number of sources as set out below and in Appendix 3.

Scottish Government - Revenue Support Grant: £12,000

- Seat Belts: £7,000 (Education & Children's Services)
- Child Poverty Action Reports: £5,000 (Corporate & Democratic Services)

2.2.2 The Scottish Government has advised that the increase in Revenue Support Grant identified at 2.2.1 of £12,000 has been made through a redetermination of the Council's Revenue Support Grant. It is therefore necessary to adjust the net Revenue Budgets for Education & Children's Services, Corporate & Democratic Services; and Revenue Support Grant.

2.2.3 **ACTION:** The Committee is asked to approve the adjustments set out at 2.2.1 above. These adjustments are reflected in Appendix 1 (Column 3) to this report.

Other Grant Funding from the Scottish Government and other sources: (£811,645)

2.2.4 Other funding amounting to £811,645 has been paid outside the Revenue Support Grant mechanism as Other Grant income and is, therefore, cost neutral in terms of the budget summary. Details of this other funding are set out in Appendix 3.

2.2.5 **ACTION:** The Committee is asked to note the receipt of £811,645 of additional resources, with this funding being reflected within Education & Children's Services, Housing & Environment and Corporate & Democratic Services as additional grant income. The current projected outturn assumes that all of these additional resources were either fully expended in 2018/19 or will be carried forward under the terms of the grant award.

2.3 Virements

Contribution to/from Capital Fund

2.3.1 In line with the strategy for managing the Council's Capital Programme over the medium term (as reported to Council on 20 February 2019 – Report No. 19/47 refers) it is recommended that the eventual over or under spend on Capital Financing Costs and Interest on Revenue Balances be transferred from or to the Capital Fund.

2.3.2 The latest monitoring indicates an increase in the projected outturn for capital financing costs (loan charges) of £8,000 which reflects the latest treasury management activity.

2.3.3 There is also an increase in the projected level of income from Interest on Revenue Balances of £12,000. These projections reflect the financial implications of treasury management activity in the year to date.

2.3.4 **ACTION:** The Committee is requested to approve the virement of £8,000 to the Capital Financing Costs (Loan Charges) Budget and £12,000 from

Interest on Revenue Balances with a net increase of £4,000 in the projected contribution to the Capital Fund. These adjustments have been reflected in Appendix 1 (Column 4) to this report.

Service Virements

2.3.5 In order to ensure that the 2018/19 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements are proposed –

- Housing & Environment to Corporate & Democratic Services – £24,000 – funding for the provision of sanitary products in public places.
- Housing & Environment to Capital Grant - £109,000 – to reflect a rephasing of expenditure on Tactran capital projects. This funding will be reinstated in 2019/20.
- Corporate & Democratic Services to Renewal & Repair Fund (£20,000) – to reflect a rephasing of expenditure on the Integrated Human Resources & Payroll system (Report No 19/47 refers).

2.3.6 **ACTION:** The Committee is asked to approve the adjustment to Service Revenue Budgets listed in 2.3.5 above. This adjustment is reflected in Appendix 1 (Column 4) to this report.

2.4 Movements in Reserves

Transformation Programme (including Workforce Management and Organisational Change)

2.4.1 Approval is sought to adjust the budgets in 2018/19 for a number of transformation projects as set out in Appendix 4 to reflect changes in the phasing of expenditure.

2.4.2 **ACTION:** The Committee is asked to transfer £67,000 from Education & Children's Services, £80,000 from Housing & Environment, £104,000 from Corporate & Democratic Services and £25,000 from Health & Social Care to the earmarked Reserve for the Transformation Programme (including Workforce Management and Organisational Change) as set out in Appendix 4 to reflect revised expenditure profiles. These adjustments are reflected in Appendix 1 (Column 5) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

Community Investment Fund

2.4.3 At its meeting on 20 March 2019, the Executive Sub-Committee of the Strategic Policy & Resources Committee considered a number of funding applications from the Community Investment Fund (Report No. 19/90 refers). The Sub-Committee agreed to provide funding of £579,312 across the Council's 12 wards based on recommendations from individual ward panels which were established through Local Action Partnerships.

- 2.4.4 **ACTION:** The Committee is asked to note the transfer of £579,312 to Corporate & Democratic Services from the earmarked Reserve for the Community Investment Fund. This adjustment is reflected in Appendix 1 (Column 5) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

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

- 2.4.5 The Strategic Policy & Resources Committee of 18 April 2018 (Report No. 18/133 refers) transferred £1,100,000 from the earmarked Reserve for Affordable Housing (Council Tax Discounts) to Housing & Environment. Due to the revised programme for the delivery of affordable housing, £960,000 is required in 2018/19. Approval is, therefore, sought to return the balance of £140,000 from Housing & Environment to the earmarked Reserve for Affordable Housing (Council Tax Discounts).

- 2.4.6 **ACTION:** The Committee is asked to approve the transfer of £140,000 from Housing & Environment to the earmarked Reserve for Affordable Housing (Council Tax Discounts). This adjustment is reflected in Appendix 1 (Column 5) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

Culture Earmarked Reserve

- 2.4.7 Due to a rephrasing of expenditure it is proposed to transfer the projected under spend on Cultural projects of £101,000 in 2018/19 to the earmarked Reserve for Culture.

- 2.4.8 **ACTION:** The Committee is asked to approve the transfer of £101,000 from Corporate & Democratic Services to the earmarked Reserve for Culture. This adjustment is reflected in Appendix 1 (Column 5) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

Voluntary Severance

- 2.4.9 The Voluntary Severance Scheme was introduced, as far as possible, to avoid compulsory redundancies and to facilitate significant levels of recurring savings to the Council. Under delegated authority the Executive Officer Team has approved seven voluntary severance scheme applications during 2018/19 at a total cost of approximately £258,000 in order to generate significant levels of recurring savings.

- 2.4.10 Approval is now sought to transfer the funding from Reserves to individual Services to meet the cost of the scheme, which will be accounted for in 2018/19. This comprises strain on the fund and, where eligible, added year lump sum payments.

2.4.11 The costs for the General Fund to be met from the earmarked Reserve for Transformation and Workforce Management are as follows –

- Housing & Environment - £162,000
- Health & Social Care - £96,000

2.4.12 **ACTION:** The Committee is asked to approve the transfer of £162,000 to Housing & Environment and £96,000 to Health & Social Care from the earmarked Reserve for Workforce Management (including Transformation and Organisational Development). This adjustment is reflected in Appendix 1 (Column 5) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

Communities and Area Action Partnerships

2.4.13 The projected outturns for Communities & Area Action Partnerships have been updated to show a projected under spend of £52,000 in the current financial year. This projected under spend is a consequence of a rephasing of LEADER funding and Area Action Partnership initiatives to support community and digital engagement and will be required in future financial years.

2.4.14 **ACTION:** The Committee is asked to approve the transfer of £52,000 from Corporate & Democratic Services to the earmarked Reserve to support future expenditure on Community Action Partnerships. This adjustment is reflected in Appendix 1 (Column 5) to the report.

3. CORPORATE BUDGETS

Health & Social Care - Perth & Kinross Integration Joint Board

3.1 The projected outturn for Health & Social Care is split between that which is delegated to Perth & Kinross Integration Joint Board and that which remains with the Council. Full details of the projected outturn for Health & Social Care are set out in Appendix 5.

3.2 The next meeting of Perth & Kinross Integration Joint Board will consider a financial update from the Board's Chief Finance Officer. At this time there is a projected net over spend of £836,000 – a net movement of £221,000 from the position last reported this Committee.

3.3 The movement in the projected net over spend is made up as follows –

- Older People (reduction in projected over spend of £7,000) based on latest client activity.
- Adult Support & Wellbeing (increase in projected over spend of £193,000) due, primarily to slippage on the delivery of the Financial Recovery Plan.
- Localities and Early Intervention & Prevention (reduction in projected over spend of £19,000).

- Management & Commissioned Services (reduction in projected under spend of £55,000) due to updated assumptions on bad debt provisions.
- Savings Delivery (reduction in projected over spend of £1,000).

- 3.4 There are a number of functions which are not devolved to Perth & Kinross Integration Joint Board and, therefore, remain with the Council. In respect of these non-devolved functions there is a projected under spend of £33,000 – an increase of £1,000 from the position last reported to Committee.
- 3.5 The total projected over spend on Health & Social Care is £803,000 (a movement of £220,000 from the position last reported to Committee) which is set out in Appendix 5.

Contribution to Tayside Valuation Joint Board

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

Unfunded Pension Costs

- 3.7 The latest projected outturn, based on current recharges from the Tayside Pension Fund, indicates an under spend of £35,000 which is reflected in Appendix 1. This is £15,000 less than previous reports and reflects the decision of Council on 19 December 2018 to pay the Real Living Wage to Council staff from 5 November 2018 through utilising part of the projected under spend on this budget.

Apprenticeship Levy

- 3.8 The latest projected outturn, based on current levels of remittance to HM Revenue & Customs, indicates an under spend of £4,000 which is reflected in Appendix 1.

Council Tax Reduction Scheme

- 3.9 The latest monitoring indicates a projected under spend of £299,000 on the Council Tax Reduction Scheme. This is based on the latest activity in this area.

Discretionary Non-Domestic Rates Relief Scheme

- 3.10 On 13 September 2017 the Strategic Policy & Resources Committee approved a package of “Assistance to Business Occupation of Key Vacant Property in Perth & Kinross through Non-Domestic Rates Relief” (Report No. 17/281 refers). The maximum cost of this non-recurring proposal was estimated at £100,000 and this amount was earmarked in Reserves.
- 3.11 To date, financial support from this discretionary scheme has been awarded at a cost of £62,000 which is reflected in Appendix 1 to the report. This discretionary scheme is now closed following the decision of the Strategic

Policy & Resources Committee on 6 February 2019 to transfer the remaining funding to the Rural Perth and Kinross Micro Enterprise Fund (Report No. 19/39 refers).

Council Tax Income

- 3.12 The monitoring of Council Tax Income as at 31 January 2019 indicates that additional income in excess of budget in the order of £300,000 will be generated in the current year. The primary reasons for this additional income are anticipated favourable movements in the provisions for bad debts and a net increase in the Council Tax base in excess of budget assumptions.
- 3.13 These projections are indicative at this stage and will be confirmed in the 2018/19 Annual Accounts. This additional income is reflected in Appendix 1.

4. HOUSING REVENUE ACCOUNT (HRA)

- 4.1 The Executive Director (Housing & Environment) is currently projecting a break even position on the Housing Revenue Account. Within this projection there are a number of variances which are set out below.
- Repairs and Improvement (increase in projected over spend of £110,000) due, primarily, to an increase in stock purchases.
 - Letham, North & South (reduction in projected under spend of £4,000) due primarily to updated staff cost projections.
 - Perth City and Specialist (increase in projected under spend of £15,000) due to updated staff cost forecasts.
 - Housing Management (reduction in projected under spend of £3,000) due to updated projections.
 - Administration (reduction in projected under spend of £10,000) due to reduced recharges as a result of staff slippage.
 - Income (projected reduction of £15,000) due to void rent loss
- 4.2 The net projected over spend described above results in a reduction of £127,000 in the projected contribution to Capital Financed from Current Revenue (CFCR) available for the HRA Capital Programme.
- 4.3 Full details of the movement against the HRA Revenue Budget are set out in Appendix 6.

5. 2019/20 FINAL REVENUE BUDGET

- 5.1 The 2019/20 Final Revenue Budget approved by Council on 20 February 2019 is set out in Appendix 7 (Report No. 19/46 refers). There are a number of proposed adjustments to the 2019/20 Final Revenue Budget which are set out below.

2019/20 Movements in Funding

- 5.2 The funding detailed below refers to the 2019/20 financial year. This funding will be paid both through the Revenue Support Grant mechanism and as Other Grant Funding.

Scottish Government - Revenue Support Grant: £1,545,000

- Discretionary Housing Payments: £597,000 (Corporate & Democratic Services)
 - 1 + 2 Languages: £78,000 (Education & Children's Services)
 - Free Personal Care Under 65's: £778,000 (Health & Social Care (H&SC))
 - Change in Carers Act Extension: £15,000 (H&SC)
 - Scottish Assessors Barclay Implementation: £77,000 (Contribution to Valuation Joint Board)
- 5.3 The Scottish Government has advised that the increase in Revenue Support Grant for 2019/20 of £1,545,000 identified at 5.2 will be made through a redetermination of the Council's Revenue Support Grant. It is therefore necessary to adjust the net Revenue Budgets for Education & Children's Services, Corporate & Democratic Services, Health & Social Care; the Contribution to the Valuation Joint Board and Revenue Support Grant.
- 5.4 **ACTION:** The Committee is asked to approve the following adjustments to the net Revenue Budgets for Education & Children's Services (£78,000); Corporate & Democratic Services (£597,000), Health & Social Care (£793,000), Contribution to Valuation Joint Board (£77,000) and Revenue Support Grant to reflect the revised allocation of resources in 2019/20. These adjustments are reflected in Appendix 7 (Column 2) to this report.

Other Grant Funding from the Scottish Government and other sources: (£231,025)

- 5.5 Other funding amounting to £231,025 will be paid outside the Revenue Support Grant mechanism as Other Grant income and is therefore cost neutral in terms of the budget summary. Details of this other funding are set out in Appendix 8.
- 5.6 **ACTION:** The Committee is asked to note the receipt of £231,025 of additional resources, with this funding being reflected within Education & Children's Services and Housing & Environment as additional grant income. It is assumed that all of these additional resources will be fully expended in 2019/20.

2019/20 Virements

- 5.7 In order to ensure that the 2019/20 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements are required –

- Capital Grant to Housing & Environment - £109,000 – to reflect a rephrasing of expenditure as set out in paragraph 2.3.5 and Appendix 7.
- Housing & Environment to Health & Social Care - £150,000 – reallocation of transformation funding for the Review of Care Packages.
- Housing Revenue Account – Capital Financed from Current Revenue to Supplies & Services - £150,000 – to fund the five year stock condition survey.
- Building Ambition – transfer of budgets from Housing & Environment to:
 - Education & Children’s Services (£560,000) for Criminal Justice Services and Learning & Development,
 - Corporate & Democratic Services (£480,000) for the Charging and Assessment Team Equalities and support functions, and
 - Health & Social Care (£2,006,000) for Forensic Social Work, Mental Health, Planning & Commissioning and various support functions.

5.8 **ACTION:** The Committee is asked to approve the adjustments to Service Revenue Budgets listed in 5.7 above.

2019/20 Movements in Reserves

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

- 5.9 The Housing & Communities Committee of 31 October 2018 (Report No. 18/348 refers) approved a contribution of £360,000 in 2019/20 from the earmarked Reserve for Affordable Housing (Council Tax Discounts). This investment will fund an additional 18 affordable housing units at Milne Street, Perth and Stanley.
- 5.10 In addition approval is sought to transfer a further £200,000 in 2019/20 to continue to take forward the Empty Homes Initiative project which brings unused properties back into use.
- 5.11 **ACTION:** The Committee is asked to approve the transfer of £560,000 to Housing & Environment from the earmarked Reserve for Affordable Housing (Council Tax Discounts). This adjustment is reflected in Appendix 1 (Column 5) to this report.

North Muirton Flood Storage Reservoir

- 5.12 Inspection work around the North Muirton Flood Storage Reservoir has identified that, in the event of a significant weather event, there is a potential risk of some localised flooding in the Bute Drive area of Perth. To mitigate this risk it is proposed to carry out engineering works along the 500m length of the embankment. The work is scheduled to commence in May 2019 and be complete by the end of June 2019. Approval is sought to draw down £1,250,000 from the earmarked Reserve for Works Maintenance to fund these works.

- 5.13 **ACTION:** The Committee is asked to approve the transfer of £1,250,000 to Housing & Environment from the earmarked Reserve for Works Maintenance. This adjustment is reflected in Appendix 1 (Column 5) to this report and has no impact on the level of unearmarked Reserves.

Future Grounds Maintenance Works

- 5.14 Approval is sought to transfer £225,000 from Housing & Environment to an earmarked Reserve for grounds maintenance works around the A9/A85 project. This transfer follows the capitalisation of Road Safety Measures set out in the Capital Monitoring report to this Committee (Report No. 19/111 refers).
- 5.15 **ACTION:** The Committee is asked to approve the transfer of £225,000 from Housing & Environment to an earmarked Reserve for Grounds Maintenance which will be drawn down over following next three years. This adjustment is reflected in Appendix 1 (Column 5).

Transformation Programme (including Workforce Management and Organisational Change)

- 5.16 Approval is sought to adjust the budget in 2019/20 for a number of approved transformation projects as set out in Appendix 9 to reflect changes in the phasing of expenditure.
- 5.17 **ACTION:** The Committee is asked to transfer £127,000 to Education & Children's Services, £191,000 to Housing & Environment and £191,000 to Corporate & Democratic Services from the earmarked Reserve for the Transformation Programme (including Workforce Management and Organisational Change) as set out in Appendix 9 to reflect revised expenditure profiles. These adjustments are reflected in Appendix 1 (Column 5) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

Employers' Superannuation Contributions - Teachers

- 5.18 On 20 February 2019 the Council was advised of an anticipated increase in the employers' contribution to the teachers' pension scheme (Report No. 19/46 refers). At that time it was anticipated that the increase would be implemented from 1 April 2019 with 79% of the funding being provided by the UK Treasury following the UK Government's Spring Statement.
- 5.19 The Spring Statement did not contain any information on additional funding. Furthermore, on 18 March 2019 the Council was formally advised that the increase would now not take effect until 1 September 2019 when the rate would increase from the current 17.2% to 23%. Further updates on this issue will be provided to future meetings of the Strategic Policy and Resources Committee.

Perth & Kinross Integration Joint Board

5.20 At the meeting of Perth & Kinross Integration Joint Board on 22 March 2019, the Board agreed the following (Report No. G/19/54 refers) –

- Approve the 2019/20 Financial Plan and the associated 2019/20 Transformation and Efficiency Proposals.
- Approve the indicative 2020/21 and 2021/22 Financial Plan and the associated Transformation and Efficiency Proposals.

6. CONCLUSION AND RECOMMENDATIONS

- 6.1. The total net projected under spend on the 2018/19 General Fund, as set out in Appendix 1 to this report, is £3,455,000.
- 6.2. Additionally, the projected under spend on the Devolved School Management Budget currently stands at £758,000 and £522,000 on the Pupil Equity Fund.
- 6.3. There is a projected net over spend on Health & Social Care of £803,000.
- 6.4. The Executive Director (Housing & Environment) is currently projecting a break even position on the Housing Revenue Account in 2018/19.
- 6.5. The Committee is requested to:
- Note the contents of the report;
 - Approve the adjustments to the 2018/19 Management Revenue Budget detailed in Appendices 1 to 4 & 6 and Section 2, 3 & 4 above;
 - Approve 2018/19 Service virements summarised in Appendices 2, 5 and 6;
 - Note the Health & Social Care projected outturn summarised in Paragraphs 3.1 to 3.5 and Appendix 5;
 - Note the Housing Revenue Account projected outturn summarised in Section 4 above and Appendix 6.
 - Approve the adjustments to the 2019/20 Revenue Budget detailed in Appendices 7, 8 and 9.

Author(s)

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

Approved

Name	Designation	Date
Stewart Mackenzie	Head of Finance	2 April 2019
Jim Valentine	Depute Chief Executive and Chief Operating Officer	4 April 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Corporate Plan

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

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

1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

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

Workforce

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

Asset Management (land, property, IT)

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

3 Assessments

Equality Impact Assessment

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

Strategic Environmental Assessment

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

Sustainability

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

4. Consultation

Internal

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

2. BACKGROUND PAPERS

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

3. APPENDICES

- Appendix 1 – General Fund 2018/19 Revenue Budget - Summary
- Appendix 2 – General Fund 2018/19 Projected Outturn – Service Analysis
- Appendix 3 – Other 2018/19 Funding
- Appendix 4 – Corporate Transformation Funding 2018/19
- Appendix 5 – Health & Social Care 2018/19 Projected Outturn
- Appendix 6 – Housing Revenue Account 2018/19 Projected Outturn
- Appendix 7 – General Fund 2019/20 Revenue Budget – Update
- Appendix 8 – Other 2019/20 Funding
- Appendix 9 – Corporate Transformation Funding 2019/20

PERTH & KINROSS COUNCIL GENERAL FUND
2018/19 REVENUE BUDGET - SUMMARY

APPENDIX 1

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2018/19 Council Approved Budget Feb-18	Previously Approved Adjustments (Net)	Movements in Funding	Virements	Movements in Reserves	2018/19 Revised Mgt Budget	Projected Outturn	Variance to Revised Mgt Budget	Variance to Revised Mgt Budget
<i>Reference: Section in Report</i>									
SERVICE	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Education & Children's Services	162,855	3,907	7		(67)	166,702	165,252	(1,450)	(0.87%)
Housing & Environment	71,746	906		(133)	(58)	72,461	70,609	(1,852)	(2.56%)
Corporate & Democratic Services	25,310	5,977	5	4	322	31,618	31,238	(380)	(1.20%)
Sub - Total: Service Budgets	259,911	10,790	12	(129)	197	270,781	267,099	(3,682)	(1.36%)
Corporate Budgets									
Health & Social Care	49,175	1,678			71	50,924	51,727	803	1.58%
Contribution to Valuation Joint Board	1,145					1,145	1,145	0	0.00%
Capital Financing Costs	17,651	(3,678)		8		13,981	13,981	0	0.00%
Interest on Revenue Balances	(200)	(71)		(12)		(283)	(283)	0	0.00%
Net Contribution to/(from) Capital Fund	1,626	3,823		4		5,453	5,453	0	0.00%
Contribution to/(from) Insurance Fund	200					200	200	0	0.00%
Contribution from Renewal and Repair Fund	0	(20)		20		0	0	0	0.00%
Trading Operations Surplus	(350)					(350)	(350)	0	0.00%
Support Service External Income	(1,888)					(1,888)	(1,888)	0	0.00%
Un-Funded Pension Costs	1,595					1,595	1,560	(35)	(2.19%)
Apprenticeship Levy	680					680	676	(4)	(0.59%)
Council Tax Reduction Scheme	6,499					6,499	6,200	(299)	(4.60%)
Discretionary Relief	150					150	212	62	41.33%
Net Expenditure (General Fund)	336,194	12,522	12	(109)	268	348,887	345,732	(3,155)	(0.90%)
Financed By:									
Revenue Support Grant	(190,744)	(898)	(12)			(191,654)	(191,654)	0	0.00%
Ring Fenced Grant	(1,775)	(2,716)				(4,491)	(4,491)	0	0.00%
Non Domestic Rate Income	(51,953)					(51,953)	(51,953)	0	0.00%
Council Tax Income	(85,300)	(74)				(85,374)	(85,674)	(300)	(0.35%)
Capital Grant	(1,400)	(480)		109		(1,771)	(1,771)	0	0.00%
Total Financing	(331,172)	(4,168)	(12)	109	0	(335,243)	(335,543)	(300)	(0.09%)
Financed from/(returned to) Reserves including use of Budget Flexibility (£3.738m)	5,022	8,354	0	0	268	13,644	10,189	(3,455)	

PERTH & KINROSS COUNCIL - GENERAL FUND 20018/19 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 31 January 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Education & Children's Services			
Total	(1,450)		
		(440)	Devolved School Management (DSM)
			Staff Costs Teachers salaries are projected to under spend by £1,716,000 due to staff turnover. Single Status staff are projected to under spend by £423,000 also due to staff turnover. This is offset by a slippage target for 2017/2018 of £1,699,000. These projections will be updated once head teachers confirm their spending plans for the 2018/19 academic year.
		(220)	Supplies & Services Projected under spend on educational materials which will be carried forward into the 2018/19 academic school year.
		(98)	Income Projected additional income which offsets expenditure on staff costs included above for secondments and Scottish Qualifications Agency work.
		758	The projected DSM carry forward for 2018/19 is £758,000 which is a reduction of £447,000 on the balance brought forward from 2017/18. This level of carry forward represents approximately 0.84% of the overall DSM budget.
		(522)	Pupil Equity Fund The majority of schools within Perth and Kinross Council have been allocated a share of £1,661,520 of Pupil Equity Funding from the Scottish Government as a ring fenced grant as well as £720,000 that has been carried forward from financial year 2017/18. The funding covers the school academic year (i.e. 1 July 2018 to 30 June 2019) and at this stage in the academic year (based on November ledger), it is projected that £522,000 will be carried forward to 2019/20.
		522	Projected carry forward of Pupil Equity Funding.
		(892)	Other Education & Children's Services Sectors:
			Staff Costs This projected under spend is made up of movements across all sectors and cost centres and is after recognising a slippage target of £865,000.
		165	Property Costs Projected over spend within Criminal Justice Services in respect of service charge and dilapidation costs at St Martin's House, maintenance work at West Mill Street and adaptations to Breadalbane Community Campus biomass boiler to enable renewable heat initiative income to be achieved.
		(685)	Supplies and Services Under spend from approved Revenue Budget flexibility brought forward from 2017/18 amounting to (£440,000) that is no longer required in 2018/19 (E2S - £300,000, as this has now been mainstreamed and School Estate £140,000). In addition there are projected under spends on the Virtual Campus (£38,000), Digital Learning Strategy (£222,000), Safe Starts (£20,000), GIRFEC (£77,000), Advocacy (£19,000), Young Carers (£50,000), Wider Achievement (£15,000) and IMS Promoting Access (£26,000) which are partially offset by projected over spends within Children Young People & Families on Through Care/Aftercare (£16,000), School Meals (£74,000), utility connections at Berth Park High School (£50,000) and legal fees (£90,000).
		(46)	Transport Costs Projected under spend on car allowances and travel (£58,000) partially offset by a projected over spend on client travel within Children, Young People and Families. (£12,000).
		539	Home to School Transport Projected over spend due to contract variations, the partial omission of taxi contract values from the anticipated pressure and additional demand on Additional Support Need and Looked after Children provision e.g. young people transferring to external placements due to increased demand.
		(62)	Third Party Payments There is a projected under spend due to savings on the Continuing Care budget (£21,000), the facilities management contract (£10,000), the Scottish Association for the Care and Rehabilitation of Offenders Service level agreement (£44,000), partner provider payments (£17,000) and advocacy support (£19,000). These projected under spends are partially offset by projected over spends within Children Young People and Families, Supporting Young People (£28,000) and Unaccompanied Asylum Seeking Children (£21,000) (which is offset by income).

PERTH & KINROSS COUNCIL - GENERAL FUND 20018/19 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 31 January 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
			<p>Residential Schools/Foster Care and Kinship Care:</p> <p>155 The budget for young people with Additional Support Needs (ASN) who are educated outwith the Council's mainstream school provision is projected to over spend in the current financial year based on the number of known placements at this time.</p> <p>(164) The budget for young people with complex behavioural issues which includes a number of pupils placed within residential schools is projected to under spend based on current activity levels.</p> <p>29 Support in the Community is projected to over spend based on the existing number of placements.</p> <p>(244) There is a projected under spend on foster care due to fewer external placements (£245,000) partially offset by a projected over spend on the kinship care budget due to additional kinship carers (£1,000).</p> <p>(222) Loan Charges Projected under spend on prudential borrowing costs due to changes in the debt repayment periods.</p> <p>(23) Income Projected additional income from recharging other authorities for fostercarer / additional support placements (£81,000), grant income in relation to unaccompanied asylum seeking children (£32,000) and Out of School Kids Clubs (£25,000). This is partially offset by a shortfall in income from Breakfast Clubs (£61,000) and the Renewable Heat Incentive Programme due to alterations in the Breadalbane Community Campus biomass boiler (£54,000).</p>

PERTH & KINROSS COUNCIL - GENERAL FUND 20018/19 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 31 January 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<u>Housing & Environment</u>			
Total	(1,852)		
			<u>Service-Wide Budgets</u>
		340	Non-achievement of third year procurement saving. Limited scope for further savings, however £1,085,000 of savings have already been generated from targeted reductions in price across a range of supplies, services and commodities.
		300	Projected non- achievement of Service staff slippage target.
		50	Projected under-achievement of sponsorship of Council assets income target.
			<u>Planning & Development</u>
		(150)	Projected additional commercial rental income arising from annual rent reviews and higher occupancy levels.
		50	Projected consultancy and legal costs relating to the examination stage of the Local Development Plan.
		(80)	Projected under spend on match-funding towards European Social Fund projects due to lower than anticipated demand for employability initiatives.
		(86)	Slippage on providing rural business expansion feasibility funding support.
		(60)	Carry forward of grant funding for Creative Exchange project.
		(50)	Slippage on providing funding for Perthshire & Kinross-shire routes.
		(136)	Rephasing of rural broadband funding to align with Scottish Government R100 scheme.
		(100)	Delay in progressing Town Centre Management initiative.
		(100)	Delay in progressing Small Town Retail Façade project.
		(150)	Projected additional income from planning applications and building warrants.
		40	Cost of procuring an external valuer to review property valuations as recommended by the Council's external auditors.
		(60)	No contribution to TAYPlan operating costs is required in the current financial year while the Planning Bill progresses through parliament.
			<u>Roads & Transport</u>
		100	Operating expenditure for public transport tendered services higher than budget.
		(150)	Slippage on delivery of new 20mph limits and zones.
		(150)	Slippage on the development and expansion of rural footpaths and cycle networks.
		(50)	Slippage on providing financial assistance for the adoption of unadopted roads.
		(40)	Slippage on traffic staff budget to provide match-funding with Sustrans for a joint Project Officer post from 2019/20.
		(35)	Saving on reinstatement works at River Ericht.
		(150)	Projected saving in street lighting energy and carbon reduction commitment (CRC) payments due to impact of LED replacement programme.
		(255)	Carry forward of flood studies budget to realign with planned programme of Local Flood Risk Management Plans to be completed by SEPA deadline of December 2019.
		(120)	Rephasing of CCTV City Operations Centre project expenditure in line with ERDF funding
			<u>Operations, Waste Strategy & Fleet Management</u>
		150	Projected increase in fuel costs arising from increased oil price.
		(250)	Projected additional income from the sale of recyclates and commercial waste.
		(200)	Projected saving on the waste disposal contract.
			<u>Community Greenspace</u>
		(25)	Projected under spend on the Community Environmental Challenge Fund which promotes and supports community initiatives .
			<u>Bereavement Services</u>
		150	Projected shortfall in income due to partial closure of Perth Crematorium earlier this year to facilitate the mercury abatement and building improvement works.
			<u>Car Parking</u>
		(330)	Projected additional income from on and off street parking.
		330	Contribution to Car Park Reserve.

PERTH & KINROSS COUNCIL - GENERAL FUND 20018/19 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 31 January 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
			<p><u>Property</u></p> <p>(350) Projected saving on energy costs and CRC payments due to reduced energy consumption.</p> <p>(50) Projected saving on water costs.</p> <p>600 Projected costs relating to unforeseen emergency ground works at Kinnoull Primary School.</p> <p>(170) Saving due to the actual settlement of invoices from 2017/18 being lower than the provision in the final accounts.</p> <p>(30) Saving on revenue budget provision for feasibility study at Perth High School.</p> <p>(200) Transfer from earmarked Reserve to part fund unforeseen emergency ground works at Kinnoull Primary School.</p> <p>(200) Further transfer from General Fund Reserves</p> <p>150 Projected costs relating to demolition works at Fairfield Community Neighbourhood Centre.</p> <p>(25) Delay in progressing feasibility study for Tulloch Community Centre.</p> <p>(16) Rephasing of energy conservation budget to complete Waste Water Recycling Project at Friarton.</p> <p><u>Housing</u></p> <p>(70) Projected under spend in relation to recharges from the HRA due to staff slippage on General Fund posts. This is partly offset by a projected over spend as a result of reduced budgets for property and capital costs for RIO which is on the market for sale and over spends across all teams on property, supplies & services, and transport costs.</p> <p><u>Safer Communities</u></p> <p>(16) Projected under spend on staff and property costs.</p> <p><u>Business & Resources</u></p> <p>(258) Projected under spend on staff costs and the accelerated delivery of approved 2019/20 savings.</p>

PERTH & KINROSS COUNCIL - GENERAL FUND 20018/19 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 31 January 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<u>Corporate and Democratic Services</u>			
Total	(380)		
		(20)	<u>Core Costs</u> Projected net under spend on staff costs due to slippage.
		(38)	<u>Legal Services</u> Projected net under spend on staff costs.
		29	Projected net over spend on other costs across the Division.
		(12)	Projected additional income from Licensing.
		(81)	<u>Finance</u> Projected net under spend primarily due to staff slippage in excess of budgeted levels.
		42	<u>Democratic Services</u> Projected net over spend on staff costs and supplies and services across the Division.
		(38)	Projected additional income across a number of functions including the Registration Service.
		(3)	<u>Human Resources</u> Various net projected under spends across staff costs, supplies and services, third party payments and transport costs.
		(12)	<u>IT</u> Various net projected under spends across staff costs, supplies and services, third party payments and transport costs.
		(36)	<u>Strategic Commissioning & Organisational Development</u> Projected net under spend primarily due to staff slippage in excess of budgeted levels.
		13	<u>Cultural and Community Services</u> Various net projected over spends across staff costs, supplies and services, third party payments and transport costs.
		(179)	<u>Revenues & Benefits</u> Improved performance in the administration of housing benefit claims.
		(41)	Projected net under spend on staff costs.
		(4)	<u>Customer Service Centre</u> Staff slippage in excess of targets.
TOTAL	(3,682)		

APPENDIX 3

Other 2018/19 Funding

Education & Children's Services	
Scottish Government – Early Learning and Childcare: Additional Graduate Commitment	£150,774
Scottish Government – Transitional Support Arrangements 2018/19	£150,000
Scottish Government – Early Learning and Childcare: Realising Change Funding	£105,070
Housing & Environment	
Charge Place Scotland Network 2018/19 (Part 2)	£395,000
Scottish Government – Emergency Funding for Private Water Supplies Sufficiency Issues	£3,722
Sustrans – School Cycle and Scooter Parking	£3,057
Corporate & Democratic Services	
Department of Work & Pensions – Verify Earnings and Pensions Alert Real Time Information	£4,022
TOTAL	£811,645

APPENDIX 4

Corporate Transformation Projects

Education & Children's Services	
Review of Facility Management (FM) Service arrangements, Review of Community Campuses Contract Arrangements and Review of Catering Services	£(16,000)
ECS Transformation Support	£(51,000)
Housing & Environment	
Income Generation	£(30,000)
Low Carbon Project	£(20,000)
Communities First	£(41,000)
Fleet Optimisation and Utilisation Review (from 2019/20)	£11,000
Corporate & Democratic Services	
Digital Skills	£(67,000)
Strategic Commissioning	£(12,000)
Intent Based Leadership	£(25,000)
Health & Social Care Partnership	
Review of Community Care Packages	£(25,000)
TOTAL	£(276,000)

HEALTH AND SOCIAL CARE - 2018/19 PROJECTED OUTTURN
(Based on Expenditure to 31 January 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Perth & Kinross Health & Social Care Partnership			
Older People			
Total	647		
		746	Care at Home - Demand There is a projected over spend on external care at home services (£345,000) due to higher demand than anticipated, and the cost of interim care home placements (£401,000) whilst clients await a care at home service following their discharge from hospital. These projections include a projected sum (£20,000) for the cost of the provider retainer fee project as the Service attempts to address delayed discharge from hospitals.
		(516)	Care at Home - Under Spend There are projected under spends in the internal teams (£219,000) due to delays in recruitment and staff turnover, in Direct Payments (£36,000) and slippage on the implementation of the revised model of Intermediate Care Services (£261,000).
		191	Joint Equipment Loan Store/Occupational Therapy/Telecare There are projected over spends on staff costs (£92,000) due to all posts being filled and therefore not meeting the slippage target, plus the approval additional temporary staff including the Control Room to meet growing demand. In addition there is a projected over spend on Occupational Therapy Adaptations (£112,000) due to increased demand. which is partially offset by additional income (£13,000).
		557	External Residential & Nursing Home Placements Physical disability placements are projecting an over spend (£264,000) based on current client numbers and their assessed needs. Older People Placements are projecting an over spend (£293,000) based on client numbers in placement. This is after offsetting the non-recurring balance of carers monies in the current year under the Shifting the Balance of Care project. This projection also includes a projected cost for 14 crisis placements for which there is no budget. There are currently 934 permanent placements against a budget available to fund 925 - this represents an over spend of 9 placements as the Service moves to full implementation of the Shifting the Balance of Care project.
		(26)	Local Authority Residential Homes Additional income is being generated across the two local authority residential homes due to the financial profile of individual residents and increased occupancy levels which is partially offset by over spends on staff costs and supplies & services.
		(144)	Services to Carers There is a projected in year under spend on the investment monies for New Carers Services due to the part year implementation (£108,000) plus small under spends on other grants paid to carers groups (£36,000).
		(182)	Uncommitted Budgets These are uncommitted recurring budgets (£152,000) and non-recurring budgets (£30,000).
		21	Other There is a projected over spend within Self Directed Support (£38,000) due to individual approved care packages and short breaks (£11,000) which is partially offset by projected under spends in day care (£28,000).

HEALTH AND SOCIAL CARE - 2018/19 PROJECTED OUTTURN
(Based on Expenditure to 31 January 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Adult Support & Wellbeing			
Total	538	1,565	<p>Learning Disability - Demand There is a projected over spend on learning disability placements (£503,000) due to the number of clients in placement and an increase in their care needs. This projection includes the full year effect of placement activity changes during 2017/18 plus new activity in the current financial year. In addition, there is a projected over spend on learning disability community support packages (£781,000) based on approved care packages that reflect growing client numbers and the costs of individual care packages. There is also a projected over spend on learning disability direct payments (£170,000) due to an increase in the number of clients receiving a Direct Payment and the costs of their individual assessed care packages. An analysis of the individual packages is being undertaken. Further, learning disability day care services are projecting a further net over spend (£111,000).</p> <p>243 Mental Health - Demand There is a projected over spend on Mental Health placements (£193,000) due to the number of clients in placement and an increase in their care needs. This projection includes the full year effect of placements activity changes during 2017/18 plus new activity in the current financial year. There are also projected over spends on Supported Tenancies (£50,000).</p> <p>(1,199) Learning Disability & Mental Health - Underspends There is additional staff slippage in learning disability services as a consequence of vacancies (£15,000), slippage on the Invergowrie project (£385,000) due to delays in the building works, a reduction in monies paid to providers as prior years' surpluses have been recovered (£618,000), a reduction in the current year payments to projects (£142,000) to reflect lower occupancy levels, an under spend across providers (£26,000) pending the final settlement of sleepover rates to be paid (awaiting Scottish Government guidance) and additional miscellaneous income (£13,000).</p> <p>(71) Other There is a projected net under spend due to additional staff slippage and additional income.</p>
Localities and Early Intervention & Prevention			
Total	(17)	(17)	<p>Early Intervention & Prevention There is a projected under spends on transport and third party costs (£58,000) which is partially offset by a projected over spend on staff costs due to not achieving slippage targets (£18,000) and supplies and services (£23,000) .</p>
Management & Commissioned Services			
Total	(828)	(12)	<p>Management There is a projected under spend due to an over-recovery of contributions policy income based on the most recent analysis, partially offset by over spends on staff costs due to the non-achievement of slippage and an increased provision for bad debts.</p> <p>(188) Commissioned Services The underspend reflects the latest projected position in relation to grant payments and the accelerated delivery of approved savings.</p> <p>Financial Recovery Plan (518) Drawdown from earmarked Reserve towards Financial Recovery Plan (£518,000). (110) Allocation of in year slippage in Partnership Funds towards the agreed Financial Recovery Plan.</p>

HEALTH AND SOCIAL CARE - 2018/19 PROJECTED OUTTURN
(Based on Expenditure to 31 January 2019)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Savings Delivery			
Total	496	496	Savings Delivery There is a projected in-year over spend at Beechgrove (£202,000) due to delays in achieving the closure (now complete). There are also projected over spends due to not meeting approved savings relating to procurement (£266,000) and IT/Workforce Productivity (£28,000).
TOTAL (Perth & Kinross Health & Social Care Partnership)	836		
Adult Social Care (Non Perth & Kinross Health & Social Care Partnership)			
Total	(33)	7	Mental Health Officers Projected over spend on staff costs due to non- achievement of slippage target at this time.
		(40)	Forensic Team Projected under spend on staff costs.
TOTAL (Health & Social Care)	803		

PERTH & KINROSS COUNCIL - HOUSING REVENUE ACCOUNT 2018/19 PROJECTED OUTTURN
(Based on Expenditure to 31 January 2019)

£'000	Summary of Service Variances
288	<p>Repairs & Improvements</p> <p>There is a projected over spend on external voids (£250,000), stock purchases (£160,000) and disturbance payments (£9,000). This projected over spend is due to an increase in the number of voids the Service has had to manage this year due to the proactive approach of making best use of its housing stock to meet need. This is as a result of the success of Home First, increased supply of properties due to new builds and the buy back programme. This position is partially offset by a projected under spend on staff costs due to additional staff slippage (£46,000), within garages and lock-ups (£23,000), social work adaptations (£55,000) and on supplies and services (£7,000).</p>
(67)	<p>Letham, North & South</p> <p>There is a projected under spend on staff costs due to additional staff slippage (£17,000), a projected over-recovery of court expenses based on the income levels to date (£19,000) and an under spend on the Garden Maintenance contract (£33,000). These projected under spends are partially offset by over spends on non-staff budgets (£2,000).</p>
(10)	<p>Perth City and Specialist</p> <p>Staff slippage in excess of the budgeted target.</p>
1	<p>Housing Management</p> <p>There is a projected over spend on supplies and services (£18,000) partially offset by a projected under spend on the Innovation Fund (£12,000) and on staff costs (£5,000).</p>
(275)	<p>Administration</p> <p>Projected under spend on loan charges due to changes in repayment periods for historic debt and reduced recharges due to staff slippage.</p>
(321)	<p>Income</p> <p>Projected increase in income from rents (£47,000), a reduction in the level of bad debt provision required following the write offs in June 2018 (£463,000) and sales ledger provisions (£13,000) partially offset by reduced interest on revenue balances (£37,000) and increased void rent loss (£165,000).</p>
384	<p>Capital Financed from Current Revenue</p> <p>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.</p>
0	

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

APPENDIX 7

	(1)	(2)	(3)	(4)	(5)
	2019/20 Council Approved Budget Feb-19	Movements in Funding	Virements	Movements in Reserves	2019/20 Revised Mgt Budget
<i>Reference: Section in Report</i>		5.2	5.3	5.4	
SERVICE	£'000	£'000	£'000	£'000	£'000
Education & Children's Services	179,962	78	560	127	180,727
Housing & Environment	68,449		(3,087)	1,776	67,138
Corporate & Democratic Services	31,666	597	480	191	32,934
Sub - Total: Service Budgets	280,077	675	(2,047)	2,094	280,799
Corporate Budgets					
Health & Social Care	51,804	793	2,156		54,753
Contribution to Valuation Joint Board	1,171	77			1,248
Capital Financing Costs	12,725				12,725
Interest on Revenue Balances	(200)				(200)
Net Contribution to/(from) Capital Fund	1,626				1,626
Contribution to/(from) Insurance Fund	200				200
Contribution from Renewal and Repair Fund	0				0
Trading Operations Surplus	(350)				(350)
Support Service External Income	(1,888)				(1,888)
Un-Funded Pension Costs	1,595				1,595
Apprenticeship Levy	680				680
Council Tax Reduction Scheme	6,200				6,200
Discretionary Relief	150				150
Net Expenditure (General Fund)	353,790	1,545	109	2,094	357,538
Financed By:					
Revenue Support Grant	(186,275)	(1,545)			(187,820)
Ring Fenced Grant	(10,531)				(10,531)
Non Domestic Rate Income	(56,590)				(56,590)
Council Tax Income	(89,468)				(89,468)
Capital Grant	(1,600)		(109)		(1,709)
Total Financing	(344,464)	(1,545)	(109)	0	(346,118)
Financed from/(returned to) Reserves including use of Budget Flexibility (£3.232m)	9,326	0	0	2,094	11,420

APPENDIX 8

Other 2019/20 Funding

Education & Children's Services	
The Gannochy Trust – The Universal Youth Service Partnership	£153,402
Scottish Government – Early Learning and Childcare: Realising Change Funding	£15,010
Housing & Environment	
Scottish Government - Employability Innovation & Integration Fund	£62,613
TOTAL	£231,025

APPENDIX 9

Corporate Transformation Projects

Education & Children's Services	
Review of Facility Management (FM) Service arrangements, Review of Community Campuses Contract Arrangements and Review of Catering Services	£16,000
ECS Transformation Support	£51,000
Learn to Teach	£60,000
Housing & Environment	
Communities First	£41,000
Property Asset Management Review (funding previously allocated to Collaboration)	£110,000
Income Generation	£30,000
Fleet Optimisation and Utilisation Review (to 2018/19)	£(11,000)
Fleet Optimisation and Utilisation Review	£21,000
Corporate & Democratic	
Additional Organisation Development Support	£87,000
Digital Skills	£67,000
Strategic Commissioning	£12,000
Intent Based Leadership	£25,000
TOTAL	£509,000

PERTH AND KINROSS COUNCIL

STRATEGIC POLICY AND RESOURCES COMMITTEE

17 April 2019

**COMPOSITE CAPITAL BUDGET 2018/28 & HRA CAPITAL INVESTMENT
PROGRAMME 2018/23 – MONITORING REPORT NUMBER 4**

Report by Head of Finance(Report No. 19/111)

PURPOSE OF REPORT

This report provides a summary position to date for the 10 year Composite Capital Programme for 2018/19 to 2027/28 and the 5 year HRA Capital Investment Programme 2018/19 to 2022/23, and seeks approval for adjustments to the programmes.

1. BACKGROUND / MAIN ISSUES

- 1.1 At its meeting on 6 February 2019, the Committee approved a revised ten-year Gross Composite Capital Budget for 2018/19 to 2027/28 totalling £648,125,000 (report 19/37 refers). The Committee also approved a revised five year HRA Capital Investment Programme for 2018/19 to 2022/23 totalling £58,672,000. In addition, at its meeting on 20 February 2019, the Council approved a new 10 year Composite Capital Budget to 2028/29 (report 19/47 refers). This included some amendments to the current 10 year programme to 2027/28 which are relected within this report. Monitoring of the 2028/29 approved budget will be included in subsequent reports to this Committee.
- 1.2 This report advises on expenditure to 28 February 2019 and the latest estimate of the projected outturn for each of the years to 2027/28 for the Composite Programme and to 2022/23 for the HRA Capital Investment Programme.
- 1.3 The Capital Programme Exceptions Report (Appendix IV) provides summary information on the latest position for individual projects reported within Sections 3 and 4 of this report.

2. COMPOSITE CAPITAL PROGRAMME – CAPITAL RESOURCES

- 2.1 The budget approved by the Council on 20 February 2019 included various amendments to the resources within the current programme. These are now included in the Approved Budget Adjustment Column for each year to 2027/28, shown at Appendix II. These amendments can be summarised as follows.
 - Creative Exchange – the assumed Third Party Contribution of £1,000,000 from the Tay City Deal in 2018/19 has been removed.
 - General Capital Grant – the total amount of grant included from the Scottish Government across all years has increased by £1,308,000 overall, of which £1,180,000 relates to the Flood Protection schemes and £128,000 is for the general programme.
 - Ring Fenced Grant – an additional £5,000 has been included for the Cycling Walking & Safer Street programme

- As a result of all the adjustments relating to the budget approved by the Council on 20 February 2019, borrowing has increased by £10,220,000 in the current programme. Of this, £2,497,000 is Prudential Borrowing on the Street Lighting LED & Column Replacement Programme, £1,400,000 was included as additional borrowing as part of the Budget Motion and the balance of £6,323,000 was accelerated from 2028/29 to earlier years.

2.2 The current estimated total gross capital resources available over the ten years 2018/19 to 2027/28 amount to £660,766,000. Movements from the revised Budget approved on 6 and 20 February 2019 are summarised in the table below, and the constituent elements for each year are shown at Appendix I.

Total Composite Capital Resources				
	Approved 6 Feb 2019	Approved Adjustments 20 Feb 2019	Current Estimate	Movements per this Report
	£'000	£'000	£'000	£'000
2018/19	63,656	168	57,516	(6,308)
2019/20	73,701	670	78,536	4,165
2020/21	117,787	3,487	120,337	(937)
2021/22	128,678	3,705	137,916	5,533
2022/23	111,857	361	111,962	(256)
2023/24	47,008	185	46,744	(449)
2024/25	27,570	190	27,786	26
2025/26	26,827	575	27,456	54
2026/27	26,450	589	27,277	238
2027/28	24,591	603	25,236	42
Total	648,125	10,533	660,766	2,108

2.3 The movement in the Gross Resources at Section 2.2 above which relate to this report can be summarised as follows:

	£'000
Increase in Third Party Contributions (Section 2.4)	11
Increase in Ring Fenced Capital Grant (Section 2.4)	1,983
Increase in General Capital Grant (Section 2.4)	43
Increase in Capital Receipts (Section 2.5)	96
Increase in Resources c/f to future years (Section 2.5)	(6)
Decrease in Borrowing Requirement (Section 2.6)	(19)
Increase in Gross Capital Resources (Section 2.2)	2,108

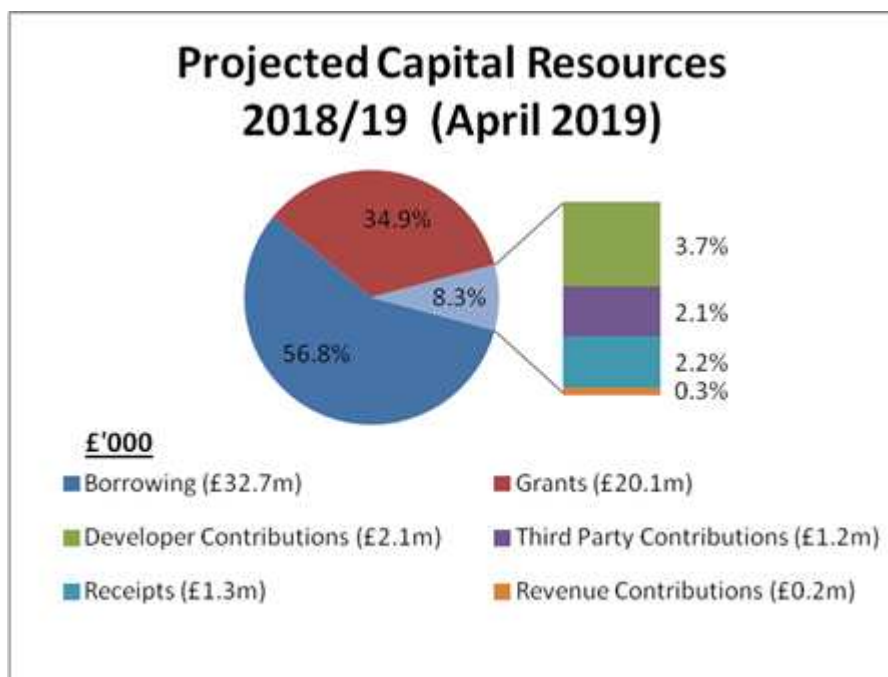
2.4 The Increase in **Third Party Contributions** relates to an extra Contribution of £11,000 from the Forestry Commission within Structural Maintenance (Section 3.4.3). The increase in **Capital Grants** relates to the allocation of **ring-fenced grant** of £1,983,000 from the Town Centre Fund awarded by the Scottish Government for 2019/20 (Section 3.4.9) whilst the **General Capital Grant** allocated by the Scottish Government in the final settlement for 2019/20 received on 7 March 2019 has increased by £43,000. In addition, there is a proposed movement of £109,000 in Grant applied to the Revenue Budget relating to TACTRAN between 2018/19 and 2019/20.

2.5 Following a review of **Commercial Property Receipts**, there has been some rephasing of anticipated receipts across the years, together with an increase of £96,000 in the estimated value of receipts. In addition, due to the increase in proposed Commercial Property expenditure of £90,000 (Section 3.4.12) the level of **receipts carried forward** to future years on the Commercial Property Investment Programme has increased by £6,000.

2.6 The projected **Borrowing Requirement** in 2018/19, which is effectively the balancing item for resources, is £32,672,000, which is £6,062,000 lower than the Borrowing Requirement approved on 6 and 20 February 2019. The total Borrowing Requirement in the subsequent years 2019/20 to 2027/28 has increased by £6,043,000 to £357,250,000, resulting in an overall **decrease** of £19,000 across the whole ten year programme. This is after allowing for the proposed accelerated borrowing of £100,000 to be brought forward from the approved budget for 2028/29 on 20 February 2019. All movements in the Borrowing Requirement are shown in the Proposed Budget Adjustment column within Appendix II, and summarised in the table below:

	2018/19	2019/20	2020/21	Later Years	Total
	£'000	£'000	£'000	£'000	£'000
(Increase)/Reduction in General Capital Grant (Section 2.4)	(109)	66	0	0	(43)
Accelerated Borrowing on the Traffic Signal Renewal programme from 2028/29 (Section 3.4.3)	32	173	(18)	(87)	100
(Reduction) in Borrowing on The Housing & Environment Services Prudential Borrowing Programme (Section 3.4.13)	(76)	0	0	0	(76)
Net Movements arising from re-phasing of other expenditure and receipts (Appendix II)	(5,909)	1,553	(919)	5,275	0
Increase/(Decrease) in Borrowing Requirement	(6,062)	1,792	(937)	5,188	(19)

2.7 The chart below shows the projected Capital Resources required to fund the 2018/19 Composite Capital Programme following the proposed budget adjustments detailed throughout this report.



3. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

3.1 Budget Adjustments to the Current Programme

3.1.1 The budget approved by the Council on 20 February 2019 includes some amendments to budgeted expenditure in the current programme. These are included in the Approved Budget Adjustment Column for each year to 2027/28 shown at Appendix II and can be summarised as follows:

- Blairgowrie Recreation Centre – the budget has increased by £400,000 in order to provide a six lane swimming pool and additional multi gym facilities.
- Schools Road Safety Measures - £1,000,000 phased over the three years 2019/20, 2020/21 and 2021/22.
- Perth Bridges - £5,204,000 phased over the years 2019/20, 2020/21 and 2021/22, for strengthening the Old Perth Bridge (£2,575,000) and the Queens Bridge (£2,629,000).
- Flood Protection Schemes – an additional £427,000 in total for the 4 approved schemes to meet the latest projected costs. In addition, a further £1,000,000 was approved for the Comrie Flood Protection scheme.
- LED Street Lighting & Column replacements – a total of £2,497,000 was allocated over the years 2021/22 to 2027/28, funded by Prudential Borrowing.

3.2 Total Expenditure to 28 February 2019 on the Current Programme

3.2.1 For the current year, actual expenditure to date (net of grants and contributions) to 28 February 2019 on the Composite Capital Programme amounts to £34,297,000, which is detailed at Appendix II and can be summarised as follows:

	Gross Expenditure to 28 Feb 2019	Ring Fenced Grants & Contributions to 28 Feb 2019	Net Expenditure to 28 Feb 2019
	£'000	£'000	£'000
Education and Children's Services	5,533	(4,881)	652
Housing & Environment	31,885	(961)	30,924
Health and Social Care	348	0	348
Corporate & Democratic Services	2,373	0	2,373
Total	40,139	(5,842)	34,297

3.2.2 Net Expenditure to date for Education and Children's Services in the current year is distorted by the inclusion of £4,800,000 of grant funding received in August 2018 from the Scottish Government for Early Learning & Childcare expansion.

3.2.3 General Capital Grant received to 28 February 2019 amounts to £15,428,000 and capital receipts amount to £2,326,000. Therefore, the borrowing requirement to 28 February 2019, after allowing for the movement in receipts brought forward of £776,000 and carried forward of £2,222,000 (Appendix II), totals £17,989,000.

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

3.3 Education and Children's Services

- 3.3.1 The Executive Director (Education & Children's Services) has reviewed the programme for their Service and proposes the following budget adjustments.
- 3.3.2 Within the Early Learning & Childcare expansion programme, the projects remain on course for commencing in 2019/20, however, there are proposed movements between 2018/19 and 2019/20. Accordingly, it is proposed to rephase the budgets in line with the latest profile of expenditure. As part of the St. Ninians Primary School Upgrade project there is to be a further investment of £647,000 in the project in 2019/20 as a result of taking the opportunity to undertake additional infrastructure works. It is proposed that this is funded by drawing-down funds from the Investment in Learning Estate budget in 2019/20.
- 3.3.3 The Education & Children's Services programme includes 2 projects for works at Perth Academy, relating to the new sports facilities and school refurbishments. In order to streamline the procurement process and the planning of the works, it is proposed that the budgets for both these projects are combined into a single budget. These movements have been included in Appendix II.
- 3.3.4 For the Perth High School New Build project, it is proposed to bring forward £151,000 to 2018/19 and £1,500,000 to 2019/20 from future years to meet fees and investigations works on the new school project. There are costs of £368,000 for the existing Perth High School building in the current year which are budgeted in the Revenue Budget. As the costs relate to capital expenditure it is proposed that they are transferred to the capital budget and met from the Investment in Learning Estate in 2019/20. These works are essential to ensure the continued safe operation of the school building until the replacement school has been completed.
- 3.3.5 After the completion of upgrade projects at Alyth, Kinross and Tulloch primary schools, underspends have been identified from the projects in 2018/19 of £43,000, £140,000 and £400,000 respectively. It is proposed that these underspends are returned to the Investment in the Learning Estate budget in 2021/22.
- 3.3.6 In addition, there are various other small adjustments between years to match the current anticipated expenditure. All of these adjustments have been included at Appendix II.

3.4 Housing & Environment

- 3.4.1 The Executive Director (Housing & Environment) has reviewed the programme for their Service and proposes various budget adjustments, the most significant of which are described below.
- 3.4.2 Within the Traffic and Road Safety programme, there are some proposed movements in budgets between years. These include £91,000 on the Car Parking Investment project in Auchterarder moving from 2018/19 to 2019/20 as a result of delays in concluding land negotiations, whilst it is proposed to accelerate £100,000 for the Strathmore Cycle Network from 2020/21 to 2019/20 to co-ordinate with the works being undertaken by the Community Development Trust.

- 3.4.3 Within Structural Maintenance, there is an increase in Third Party Contributions due to additional grant funding of £11,000 received in 2018/19 from the Forestry Commission for the continued enhancement of strategic timber routes. It is, therefore, proposed to increase the amount available under the programme by £11,000. In addition, due to the additional funds allocated to Structural Maintenance in June 2018, the full programme of works has not been able to be progressed and, therefore, it is proposed to rephase £1,016,000 from 2018/19 to 2019/20. There are also delays in progressing with the works within the Road Safety Barriers programme as a result of the requirement to coordinate the works with Network Rail. Therefore, it is proposed to move £56,000 of expenditure and £18,000 of Contributions from 2018/19 to 2019/20. However, within the Traffic Signal Renewals programme it is proposed to accelerate £32,000 to 2018/19 and £173,000 to 2019/20 to progress the current planned programme of works. It is further proposed that these resources are brought forward from 2020/21 (£18,000), 2027/28 (£87,000) and 2028/29 (£100,000). As this report doesn't include 2028/29, this proposed adjustment will be incorporated into future monitoring reports later this year.
- 3.4.4 Within the Bridges programme there are adjustments proposed to the Dalhenzean and Dunkeld Golf Course Culverts due to rephasing of ground investigation works. It is, therefore, proposed to rephase £30,000 and £31,000 of the expenditure respectively, from 2018/19 to 2019/20. In addition, Pitcur and West of Fearnan Culverts works have been concluded and there are small adjustments reflecting the estimated final costs of the schemes included within Appendix II.
- 3.4.5 Within the A9/A85 Road Improvements Scheme, £300,000 of maintenance expenditure has been identified which requires to be charged to Revenue in accordance with proper accounting practice. It is, therefore, proposed to transfer this to the Revenue Budget in 2018/19, with a corresponding transfer of £300,000 from the Revenue Budget relating to capital expenditure on Road Safety Projects to the Capital Budget in 2019/20.
- 3.4.6 Also within the Improvement Schemes programme, it is proposed to accelerate £25,000 to 2018/19 for the Perth Transport Futures project. In addition, it is proposed to rephase £77,000 of the budget for the Brioch Road Realignment, together with the Developer Contribution of £82,000, from 2018/19 to 2019/20, whilst consultations with the community are ongoing.
- 3.4.7 The Almondbank Flood Protection scheme is now operational and the Council is in the final stages of negotiations with landowners. The potential impact of these negotiations will be reflected in the 2018/19 Annual Accounts. Any adjustment to the final cost of the Scheme will be reported to a future meeting of the Strategic Policy & Resources Committee. It is also proposed to realign the budgets on the other schemes within the Rural Flood Mitigation programme in line with the most recent expenditure estimates received from the schemes consultant.
- 3.4.8 The works at St. Pauls Church within the Place-making programme are progressing in line with the programme of works and it is proposed to move £1,191,000 from 2018/19 to 2019/20. In addition, a review of the Lighting Action Plan has resulted in a proportion of expenditure being rephased to future years, as a result of planning requirements, consultation and linking the phasing to other projects. It is also proposed to move £40,000 from 2018/19 to 2019/20 on the City Greening project which is due to be delivered early in the new financial year.

- 3.4.9 On 1 March 2019, the Scottish Government announced the allocation of the ring-fenced £50,000,000 Town Centre Fund, of which Perth & Kinross Council will receive £1,983,000 in 2019/20. The purpose of the Fund is to stimulate economic activity and improvements in town centres, supporting diverse and sustainable growth to make town centres more vibrant and accessible. The grant and related expenditure by the Council have been included in Appendix I and II of this report. The detail of the proposed expenditure is, however, still to be developed and specific proposals will be reported to the Environment and Infrastructure Committee, with any budget implications reported to this Committee. It is also proposed to accelerate £292,000 from 2019/20 to 2018/19 on the Creative Exchange project to meet the updated expenditure profile in the current year as the project progresses.
- 3.4.10 As a result of the limited number of contractors to undertake the works on Play Area Improvements, it is proposed to transfer £155,000 from 2018/19 to 2019/20. This represents only a small delay, with much of the work expected to be undertaken early in the new financial year. Similarly, there has been a delay on concluding land transactions within the Cemetery Extensions programme, and it is proposed to transfer £112,000 from 2018/19 to 2019/20.
- 3.4.11 It is proposed to move a proportion of the budgeted expenditure within the Property Services programme from 2018/19 to 2019/20. This relates to DDA Adaptation Works (£35,000), Capital Improvements (£432,000) due to the rephasing of various projects including boiler installations, and the rephasing of works at Pitlochry High school (£251,000) to allow the works to be scheduled after exam time.
- 3.4.12 Within the Commercial Property Investment Programme (CPIP), additional works to the road at North Muirton Industrial Estate at an estimated cost of £80,000 are required in order for the Council to adopt the road. In addition, a further £10,000 is required in order to adopt the road at Western Edge, Kinross. These costs will be funded from the receipts generated within the Commercial Property programme. There are also some further proposed movements between years which are reflected in Appendix II.
- 3.4.13 Within the Prudential Borrowing programme, it is proposed to reduce the Energy Conservation & Carbon Reduction Programme by £76,000 in 2018/19, leaving a budget of £142,000. The budget in future years is £150,000 each year, which represents the level of energy conservation works achievable which meet the required pay-back periods. This, therefore, reduces the amount of borrowing required within the programme. There are also various other proposed movements between years within the Prudential Borrowing programme including a proposed movement of £883,000 from 2018/19 to 2019/20 in respect of the Vehicle Replacement Programme as a result of specialised vehicles and equipment now expected to be delivered early in 2019/20.
- 3.4.14 All the above proposed adjustments, together with other smaller movements between financial years, have been reflected in Appendices I and II.

3.5 Health & Social Care

- 3.5.1 As a result of additional works undertaken at New Rannoch Road to accommodate clients who formerly attended Lewis Place, it is proposed to increase the budget by £51,000. In addition, there has been an increase in costs in the Gypsy Travellers Sites budget of £15,000 as a result of additional work being undertaken. It is proposed that both these costs are funded by transferring a total of £66,000 from the Housing with Care budget in 2018/19. It is also proposed to move the remaining £297,000 within Housing with Care from 2018/19 into 2019/20 in line with the latest schedule of works.
- 3.5.2 As a result of the new structure implemented within Housing and Environment and a revised schedule of works, it is proposed to rephase £229,000 from 2018/19 within Developing Supported Tenancies to 2019/20.

3.6 Corporate & Democratic Services

- 3.6.1 The Deputy Chief Executive (Chief Operating Officer) has reviewed the programme for Corporate & Democratic Services and proposes the budget adjustments described below.

Cultural Attractions

- 3.6.2 Following the latest estimates received from the contractor, it is proposed to accelerate £180,000 from 2019/20 to 2018/19 on the City Hall project to reflect the proposed timing of works, particularly in relation to additional public realm surveys, service installations and diversions. In addition, future year's planned expenditure has been reviewed and it is proposed to smooth the expenditure profile in line with the latest estimates. These movements between future years are reflected in Appendix II.

Information Systems & Technology

- 3.6.3 Within the Council Contact Centre, it is proposed to accelerate £19,000 from 2019/20 into 2018/19 to fund the purchase of new call-centre telephone hardware and the development of existing auto-attendant software.
- 3.6.4 A review of the IT Infrastructure programme has been undertaken with a view to more accurately reflect the expenditure profile within future years. This has resulted in various small movements across the programme in future years which are reflected in Appendix II.
- 3.6.5 All the above proposed adjustments have been reflected in Appendices I and II.

4. HRA CAPITAL INVESTMENT PROGRAMME

- 4.1 The current estimated expenditure, net of contributions, for the HRA Capital Investment Programme over the 5 years 2018/19 to 2022/23 amounts to £58,672,000. Movements from the previous estimates approved by this committee on 6 February 2019 are as follows, and are detailed in Appendix III:

	Approved 6 Feb 2018	Current Estimate	Movement
	£'000	£'000	£'000
2018/19	19,096	17,638	(1,458)
2019/20	12,555	14,013	1,458
2020/21	9,552	9,552	0
2021/22	7,148	7,148	0
2022/23	10,321	10,321	0
Total	58,672	58,672	0

- 4.2 In addition, a further £28,256,000 of net expenditure has been approved for 2023/24 by the Housing & Communities Committee at its meeting on 23 January 2019 (report 19/12 refers). Monitoring of the 2023/24 budget will be incorporated into reports for 2019/20 as part of the overall monitoring of the HRA Capital Investment Programme for 2019/20 to 2023/24.

Total Expenditure to 28 February 2019 (HRA Capital Investment Programme)

- 4.3 Net expenditure for 2018/19 to 28 February 2019 amounts to £13,989,000 and receipts amount to £1,983,000, giving a borrowing requirement of £12,006,000 for the year to date.

	Gross Expenditure to 28 Feb 2019	Ring Fenced Grants & Contributions to 28 Feb 2019	Net Expenditure to 28 Feb 2019
	£'000	£'000	£'000
HRA Capital Investment Programme	17,689	(3,700)	13,989

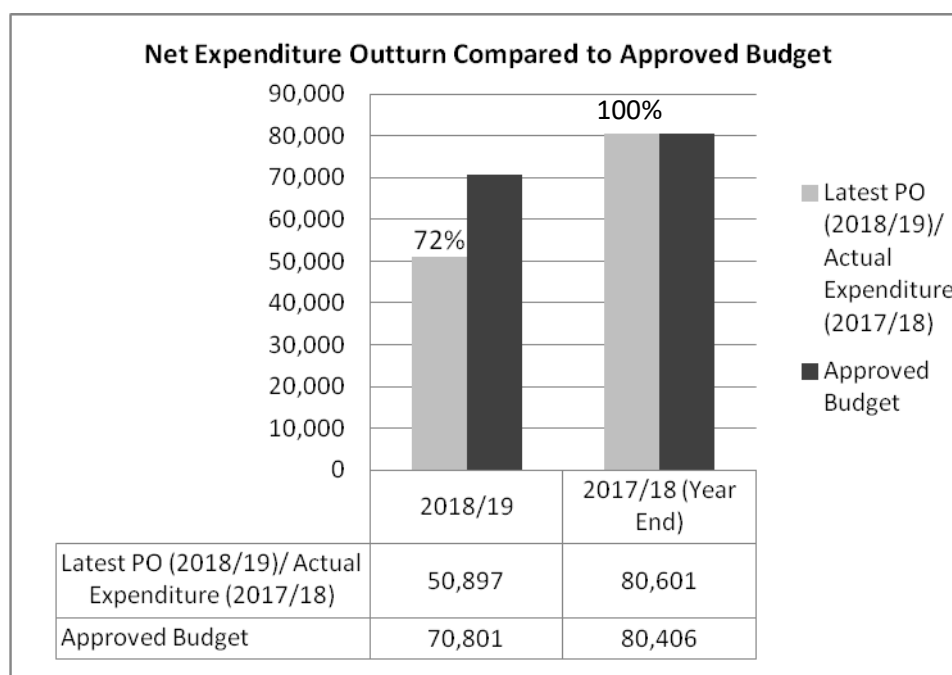
- 4.4 The Executive Director (Housing & Environment) has reviewed the HRA Capital Investment Programme and proposes the following budget adjustments which are included at Appendix III.
- 4.5 Within the New Build Developments programme, it is proposed not to progress the Invergowrie New Build project at the earmarked site at Main Street, Invergowrie. This reflects an ongoing review by the Health and Social Care Partnership into the needs and demands for specialised housing accommodation, as well as a rising cost per unit at this particular site. Consequentially, the following movements are proposed :-
- £740,000 of expenditure budgeted in 2018/19 to be rephased to 2019/20, of which £400,000 to be moved to the Future Developments New Build budget.
 - £100,000 of Council Tax Second Home income budgeted to be applied in 2018/19 to be rephased to 2019/20.
 - £295,000 of Scottish Government grant income in 2018/19 to be rephased to 2019/20.

- 4.6 Following the completion of the first phase of Council House New Builds at Linn Road, Stanley in March 2018, construction of Phase 2 of the development will commence in 2018/19. Total estimated Gross Expenditure on Phase 2 is £1,383,000 (£434,000 in 2018/19 and £949,000 in 2019/20), which is partially offset by Scottish Government Grant Income of £646,000 (£434,000 in 2018/19 and £212,000 in 2019/20) and Council Tax Second Home Income of £200,000 in 2019/20. It is, therefore, proposed to include the above budgets by moving £537,000 from Future Developments in 2018/19 to Linn Road, Stanley Phase 2 in 2019/20 in order to fund the balance of expenditure.
- 4.7 Further funding is also required at the New Build Development at Birch Avenue, Scone in order to fund additional electrically operated door openers in wheelchair adapted flats. It is proposed to fund these additional costs by moving £8,000 from the Future Developments budget to the Birch Avenue, Scone project in 2018/19. In addition, professional fees totalling £158,000 to date have been incurred in relation to the New Build Development on the site of the former Glebe Primary School in Scone. It is proposed to fund this expenditure by moving the balance of the Future Developments New Build budget in 2018/19 of £123,000 and a further £35,000 from the Future Developments budget in 2019/20.
- 4.8 Within the Future Developments New Build budget, it is proposed to move a further £41,000 from 2019/20 to the New Build, Milne Street, Perth development in 2018/19. This is due to additional professional fees in relation to planning, design and site investigations, as well as higher than anticipated land purchase fees.
- 4.9 As a result of continuing progress in purchasing ex-Council House homes to support affordable housing under the Council's Buy Back scheme, additional Scottish Government Grant Income of £70,000 will be received in 2018/19. In line with the current programme of Council House Buy Backs, it is proposed to increase the expenditure budget in 2019/20 by a corresponding amount.
- 4.10 The works have now been completed on the Garages and Lockups programme, and the outstanding contractor claim has been settled for less than budgeted. As a result, it is proposed to move £93,000 from Garages and Lockups to the Central Heating & Rewirings Works in 2018/19 in order to fund additional heating installation works identified within the programme.
- 4.11 Following a review of the Multi Storey Flats programme, it is proposed to move £150,000 from 2018/19 to 2019/20 to reflect the revised schedule of works and current priorities and demands. Works are continuing in 2018/19 in relation to the upgrading of the heating plant at Milne Court, Market Court and Lickely Court, Perth as well as controlled door entry replacements at Pomarium Flats, Perth with various smoke detector installations. In addition, due to delays in the anticipated start date of the redevelopment of Anchor House, Rannoch Road, Perth, it is proposed to rephase £120,000 from 2018/19 into 2019/20. This is mainly due to delays surrounding the design of the proposed roofing works.
- 4.12 Within the Major Adaptation to Council Stock programme, it is proposed to move £164,000 from 2018/19 to 2019/20 due to a review of the procurement strategy in relation to higher value adaptations. In addition, following a delay in the rollout of the Northgate Planned Maintenance model within the ICT expenditure programme, it is proposed to rephase £128,000 from 2018/19 into 2019/20 to reflect the revised programme of works.

- 4.13 In respect of budgeted Capital Receipts, as a result of continued progress on the sale of plots at the New Build Development at Muirton, it is proposed to accelerate £240,000 in expected receipts to 2018/19 from future years. A further sale under the New Shared Home Equity Scheme at Blackthorn Place, Blairgowrie has also concluded with proceeds of £98,000 received in this financial year rather than 2019/20.
- 4.14 The total Housing Investment Programme borrowing requirement as a result of all the above proposed adjustments over the five year period to 31 March 2023 remains unchanged from the position approved by this committee on 6 February 2019 (report 19/37 refers).

5. BUDGET OVERVIEW

- 5.1 The Composite Capital Budget approved on 6 and 20 February 2019 has been reviewed and updated to reflect the latest monitoring.
- 5.2 The latest projected 2018/19 net expenditure outturn for the Composite Capital Programme represents 72% of the 2018/19 budget approved on 20 June 2018:

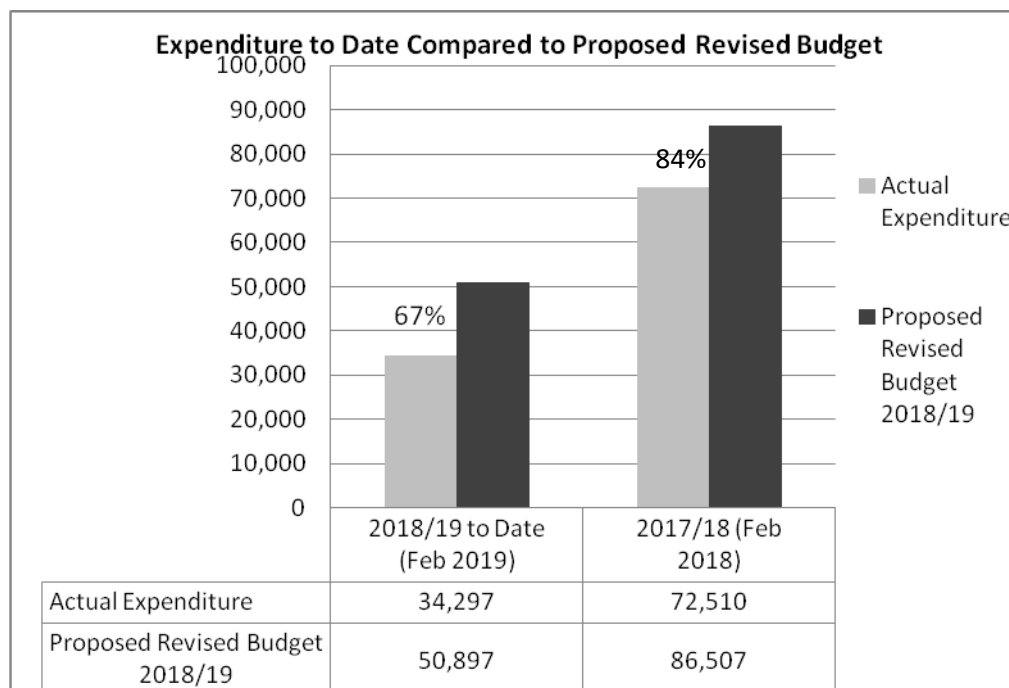


- 5.3 This difference is a result of the proposed budget adjustments included within this report, together with the movements previously approved by this committee since 20 June 2018. The most significant adjustments within this report relate to the re-phasing of budgets between financial years and are listed below :
- St Pauls Church, proposed to rephase £1,191,000 from 2018/19 to 2019/20 (Section 3.4.8)
 - Structural Maintenance, proposed to rephase £1,016,000 from 2018/19 to 2019/20 (Section 3.4.3)
 - Vehicle Replacement Programme, proposed to rephase £883,000 from 2018/19 to 2019/20 (Section 3.4.13)
 - Tulloch Primary School, anticipated reduction in costs and proposed to rephase £400,000 into 2021/22 (Section 3.3.5)

5.4 Movements from 2018/19 into future years have been approved in previous reports to this Committee throughout 2018/19, with the most significant adjustments detailed below :

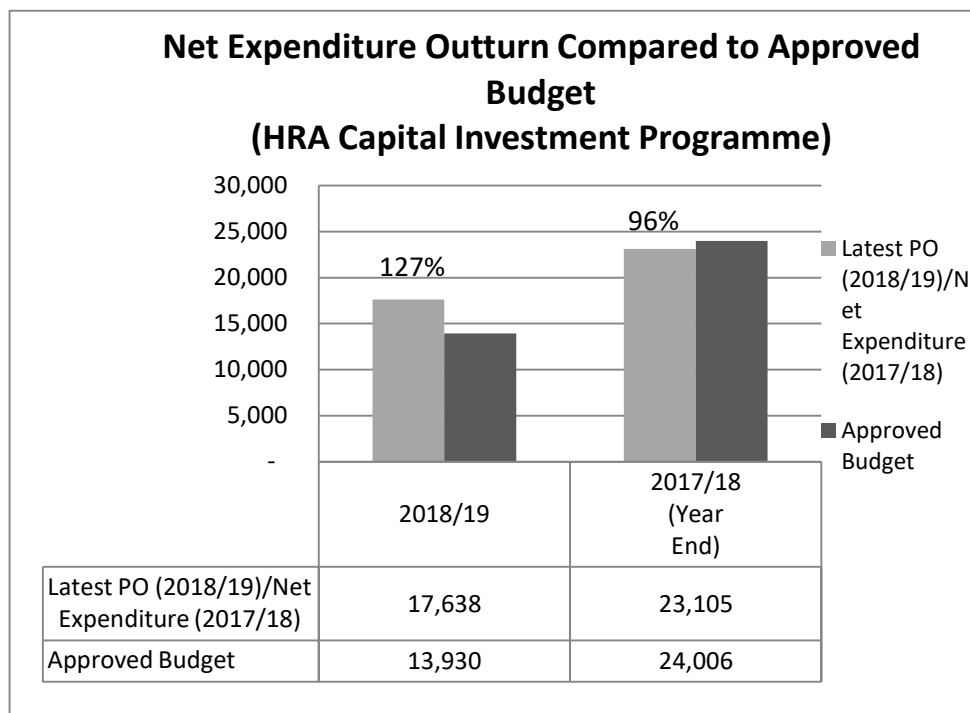
- The Conservation of Built Heritage (£602,000), Creative Exchange (£2,219,000), Place-making and Lighting Action Plans (£844,000) (Report 19/37, Section 3.3.8)
- The Cultural Attraction projects, £3,337,000 (Report 19/37, Section 3.4.2)
- Technology and Innovation Incubator Units, £1,000,000 (Report 18/385, Section 3.3.11)
- Perth Academy New Sports Hall project, £1,300,000 (Report 18/385, Section 3.2.7)
- Early Learning & Childcare – 1140 Hours Expansion project, £2,380,000 (Report 18/285, Section 3.2.2)

5.5 Movements in proposed net expenditure on the Composite Capital Programme and the subsequent impact upon the Council's Borrowing Requirement will continue to be managed through the Council's Treasury function. Actual net expenditure to 28 February 2019 on the programme represents 67% of the proposed revised 2018/19 budget:



5.6 Expenditure to date in the current year is distorted by the inclusion of £4,800,000 of grant funding received from the Scottish Government for Early Learning & Childcare in August 2018. Excluding this, actual net expenditure to date would be 84% of the proposed revised budget. Significant expenditure in relation to the A9/A5 Upgrade and IT Licences are projected to be incurred before 31st March 2019 as well as the purchase of various vehicles through the ongoing Vehicle Replacement Programme.

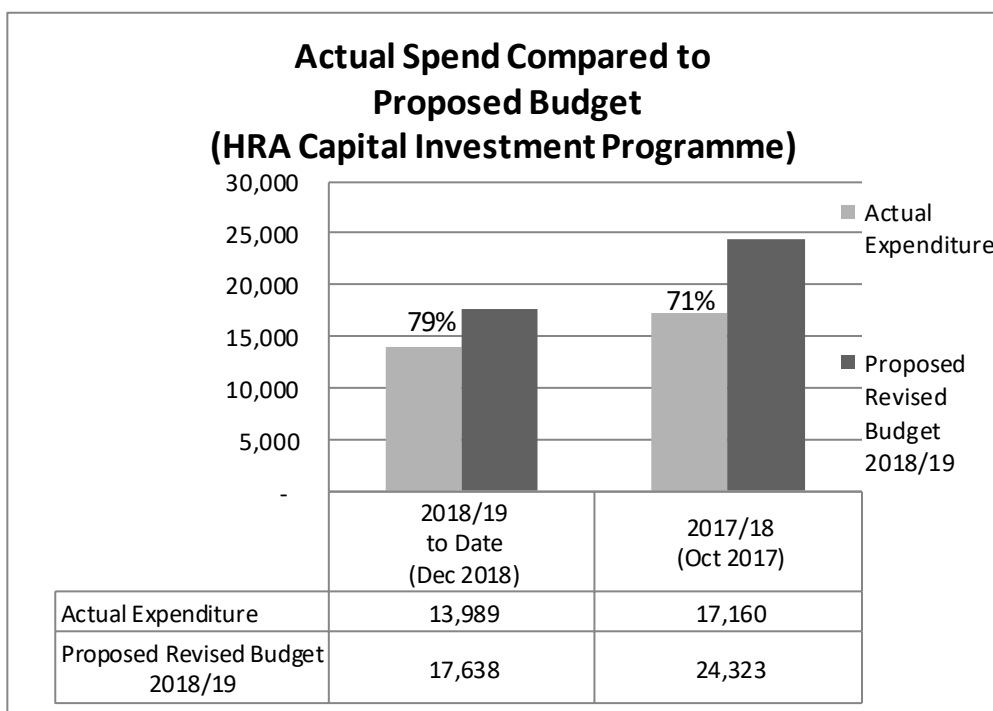
5.7 The latest projected net expenditure outturn for the HRA Capital Investment Programme represents 127% of the 2018/19 budget approved this Committee on 18 April 2018 (Report 18/134 refers).



5.8 This difference is a result of the proposed budget adjustments included within this report, together with previously approved movements by this committee since 18 April 2018 (Report 18/134). The most significant adjustments within this report relate to the re-phasing of budgets and are listed below :

- Council House New Build programme, a total of £806,000 proposed to rephase from 2018/19 to 2019/20
- Major Adaptations to Council House Stock, proposed to rephase £164,000 from 2018/19 to 2019/20 (Section 4.13)
- ICT Expenditure, proposed to rephase £128,000 from 2018/29 to 2019/20 (Section 4.15)

5.9 Actual net expenditure at 28 February 2019 on the HRA Capital Investment Programme represents 79% of the proposed revised 2018/19 budget:



- 5.10 This report identifies revised projected expenditure and proposed budget movements on a number of Capital projects and programmes. As detailed in Section 2.6, the proposed borrowing requirement on the 10 year Composite Programme has reduced by £19,000. Proposed movements on the HRA Capital Investment Programme are detailed at Section 4. As detailed in Section 4.14, the borrowing requirement for the HRA Programme over the 5 year budget has remained the same as the position approved by this committee on 6 February 2019.

6. RECOMMENDATIONS

6.1 It is recommended that the Committee:

- (i) Notes the contents of this report.
- (ii) Approves the proposed budget adjustments to the ten year Composite Capital Budget 2018/19 to 2027/28 set out in Sections 2 and 3 of this report and summarised at Appendices I and II.
- (iii) Approves the proposed budget adjustments to the HRA Capital Investment Programme Budget 2018/19 to 2022/23 set out in Section 4 of this report and summarised at Appendix III.
- (iv) Notes the position for individual projects reported within Sections 3 and 4 of this report, as summarised at Appendix IV.

Author(s)

Name	Designation	Contact Details
John Jennings	Senior Accountant	CHXFinance@pkc.gov.uk

Approved

Name	Designation	Date
Stewart MacKenzie	Head of Finance	3 April 2019
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	5 April 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Corporate Plan

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

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

1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

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

Workforce

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

Asset Management (land, property, IT)

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

3 Assessments

Equality Impact Assessment

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

Strategic Environmental Assessment

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

Sustainability

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

4. Consultation

Internal

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

2. BACKGROUND PAPERS

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

3. APPENDICES

- Appendix I – Composite Capital Programme - Estimated Capital Resources 2018/19 to 2027/28
- Appendix II – Composite Capital Programme - Summary of Capital Resources and Expenditure 2018/19 to 2027/28
- Appendix III – HRA Capital Investment Programme – Summary of Capital Resources and Expenditure 2018/19 to 2022/23
- Appendix IV – Capital Programme Exceptions Report 2018/19

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
Estimated Capital Resources 2018/19 to 2027/28

	Capital Resources 2018/19 (£'000) Revised Budget	Capital Resources 2019/20 (£'000) Revised Budget	Capital Resources 2020/21 (£'000) Revised Budget	Capital Resources 2021/22 (£'000) Revised Budget	Capital Resources 2022/23 (£'000) Revised Budget	Capital Resources 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 Streets (CWSS)	205	247	200	200	200	200	200	200	200	200	2,052
Early Learning & Childcare	4,800	5,600	3,800	0	0	0	0	0	0	0	14,200
Town Centre Fund	0	1,983	0	0	0	0	0	0	0	0	1,983
General Capital Grant	15,060	26,775	25,638	17,483	14,452	14,000	14,000	14,000	14,000	14,000	169,408
Total Capital Grants	20,065	34,605	29,638	17,683	14,652	14,200	14,200	14,200	14,200	14,200	187,643
General Capital Receipts											
General Fund - Capital Receipts	710	720	487	93	550	250	250	250	250	250	3,810
General Fund - Housing Receipts	4	3	3	4	4	0	0	0	0	0	18
General Fund - Ring Fenced Receipts	233	479	256	221	354	300	300	300	300	300	3,043
Total General Capital Receipts	947	1,202	746	318	908	550	550	550	550	550	6,871
Commercial Property Receipts											
Capital Receipts brought-forward	776	2,227	2,261	1,795	1,684	2,114	1,919	2,019	2,019	2,019	776
Commercial Property Capital Receipts	1,779	1,267	854	184	725	100	100	0	0	0	5,009
Capital Receipts carried-forward	(2,227)	(2,261)	(1,795)	(1,684)	(2,114)	(1,919)	(2,019)	(2,019)	(2,019)	(2,019)	(2,019)
Total Commercial Property Receipts Applied	328	1,233	1,320	295	295	295	0	0	0	0	3,766
Contributions											
Third Party Contributions	1,225	5,646	16,000	29,000	0	0	0	0	0	0	51,871
Developer Contributions	2,123	1,810	1,810	2,010	2,020	2,100	2,100	2,100	2,100	2,100	20,273
Revenue Budget Contributions	156	264	0	0	0	0	0	0	0	0	420
Total Contributions	3,504	7,720	17,810	31,010	2,020	2,100	2,100	2,100	2,100	2,100	72,564
Capital Borrowing Requirement	32,672	33,776	70,823	88,610	94,087	29,599	10,936	10,606	10,427	8,386	389,922
TOTAL CAPITAL RESOURCES/ GROSS BUDGET EXPENDITURE	57,516	78,536	120,337	137,916	111,962	46,744	27,786	27,456	27,277	25,236	660,766

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
Estimated Capital Resources 2018/19 to 2027/28

APPENDIX I

Movements in Resources from Approved Budget - 6 February 2019

	Revised Budget 2018/19 £'000	Revised Budget 2019/20 £'000	Revised Budget 2020/21 £'000	Revised Budget 2021/22 £'000	Revised Budget 2022/23 £'000	Revised Budget 2023/24 £'000	Revised Budget 2024/25 £'000	Revised Budget 2025/26 £'000	Revised Budget 2026/27 £'000	Revised Budget 2027/28 £'000	Revised Budget TOTAL £'000
Increase/(Decrease) in:											
Capital Receipts - General Fund	(81)	81	0	0	0	0	0	0	0	0	0
Capital Receipts - Commercial Property	41	(289)	344	0	0	0	0	0	0	0	96
Capital Receipts - Ring Fenced	(107)	107	0	0	0	0	0	0	0	0	0
Capital Grants:											
Town Centre Fund	0	1,983	0	0	0	0	0	0	0	0	1,983
General Capital Grant	109	(66)	0	0	0	0	0	0	0	0	43
Third Party Contributions	(109)	120	0	0	0	0	0	0	0	0	11
Resources b/f	0	99	(338)	6	6	6	6	6	6	6	0
Resources c/f to future years	(99)	338	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Borrowing Requirement	(6,062)	1,792	(937)	5,533	(256)	(449)	26	54	238	42	(19)
Total Increase/(Decrease) in Resources	(6,308)	4,165	(937)	5,533	(256)	(449)	26	54	238	42	2,108
Approved Resources 6 February 2019	63,656	73,701	117,787	128,678	111,857	47,008	27,570	26,827	26,450	24,591	648,125
Approved Adjustments 20 February 2019	168	670	3,487	3,705	361	185	190	575	589	603	10,533
Revised Resources	57,516	78,536	120,337	137,916	111,962	46,744	27,786	27,456	27,277	25,236	660,766

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2027/28

	Approved Budget 06-Feb-19 Report 3 2018/19 (£'000)	Proposed Budget Adjustment Report 4 2018/19 (£'000)	Revised Budget Report 4 2018/19 (£'000)	Actuals to 28-Feb-19 Report 3 2018/19 (£'000)	Projected Outturn 2018/19 (£'000)	Approved Budget 06-Feb-19 Report 3 2019/20 (£'000)	Proposed Budget Adjustment Report 4 2019/20 (£'000)	Revised Budget Report 4 2019/20 (£'000)	Approved Budget 06-Feb-19 Report 3 2020/21 (£'000)	Proposed Budget Adjustment Report 4 2020/21 (£'000)	Revised Budget Report 4 2020/21 (£'000)
EDUCATION AND CHILDREN'S SERVICES	3,216	(390)	2,826	652	2,826	16,795	1,458	18,253	43,237	(151)	43,086
HOUSING & ENVIRONMENT	47,781	(4,555)	43,226	30,924	43,226	34,416	6,103	40,519	37,736	2,370	40,106
HEALTH AND SOCIAL CARE	572	(178)	394	348	394	340	229	569	340	0	340
CORPORATE AND DEMOCRATIC SERVICES	4,252	199	4,451	2,373	4,451	10,146	(5,170)	4,976	16,218	331	16,549
TOTAL NET EXPENDITURE	55,821	(4,924)	50,897	34,297	50,897	61,697	2,620	64,317	97,531	2,550	100,081
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)											
GENERAL CAPITAL GRANT	(14,951)	(109)	(15,060)	(15,428)	(15,060)	(17,354)	(9,421)	(26,775)	(25,341)	(297)	(25,638)
DEVELOPER CONTRIBUTIONS	(2,123)	0	(2,123)	(0)	(2,123)	(1,810)	0	(1,810)	(1,810)	0	(1,810)
CAPITAL RECEIPTS	(2,533)	40	(2,493)	(2,326)	(2,493)	(2,198)	208	(1,990)	(1,000)	(344)	(1,344)
ANNUAL BORROWING REQUIREMENT	36,214	(4,993)	31,221	16,543	31,221	40,335	(6,593)	33,742	69,380	1,909	71,289
CAPITAL RECEIPTS BROUGHT FORWARD	(776)	0	(776)	(776)	(776)	(2,128)	(99)	(2,227)	(2,599)	338	(2,261)
CAPITAL RECEIPTS CARRIED FORWARD	2,128	99	2,227	2,222	2,227	2,599	(338)	2,261	1,789	6	1,795
TOTAL NET BORROWING REQUIREMENT	37,566	(4,894)	32,672	17,989	32,672	40,806	(7,030)	33,776	68,570	2,253	70,823

**PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2027/28**

APPENDIX II

	Approved Budget 06-Feb-19 Report 3 2021/22 (£'000)	Proposed Budget Adjustment Report 4 2021/22 (£'000)	Revised Budget Report 4 2021/22 (£'000)	Approved Budget 06-Feb-19 Report 3 2022/23 (£'000)	Proposed Budget Adjustment Report 4 2022/23 (£'000)	Revised Budget Report 4 2022/23 (£'000)	Approved Budget 06-Feb-19 Report 3 2023/24 (£'000)	Proposed Budget Adjustment Report 4 2023/24 (£'000)	Revised Budget Report 4 2023/24 (£'000)	Approved Budget 06-Feb-19 Report 3 2024/25 (£'000)	Proposed Budget Adjustment Report 4 2024/25 (£'000)	Revised Budget Report 4 2024/25 (£'000)
EDUCATION AND CHILDREN'S SERVICES	51,980	483	52,463	27,260	(500)	26,760	13,450	(500)	12,950	4,650	0	4,650
HOUSING & ENVIRONMENT	40,335	4,662	44,997	79,594	556	80,150	28,939	185	29,124	18,811	190	19,001
HEALTH AND SOCIAL CARE	370	0	370	320	0	320	320	0	320	320	0	320
CORPORATE AND DEMOCRATIC SERVICES	6,572	4,093	10,665	4,129	49	4,178	3,799	51	3,850	3,289	26	3,315
TOTAL NET EXPENDITURE	99,257	9,238	108,495	111,303	105	111,408	46,508	(264)	46,244	27,070	216	27,286
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)												
GENERAL CAPITAL GRANT	(25,220)	7,737	(17,483)	(15,191)	739	(14,452)	(14,000)	0	(14,000)	(14,000)	0	(14,000)
DEVELOPER CONTRIBUTIONS	(2,010)	0	(2,010)	(2,020)	0	(2,020)	(2,100)	0	(2,100)	(2,100)	0	(2,100)
CAPITAL RECEIPTS	(281)	0	(281)	(1,279)	0	(1,279)	(350)	0	(350)	(350)	0	(350)
ANNUAL BORROWING REQUIREMENT	71,746	16,975	88,721	92,813	844	93,657	30,058	(264)	29,794	10,620	216	10,836
CAPITAL RECEIPTS BROUGHT FORWARD	(1,789)	(6)	(1,795)	(1,678)	(6)	(1,684)	(2,108)	(6)	(2,114)	(1,913)	(6)	(1,919)
CAPITAL RECEIPTS CARRIED FORWARD	1,678	6	1,684	2,108	6	2,114	1,913	6	1,919	2,013	6	2,019
TOTAL NET BORROWING REQUIREMENT	71,635	16,975	88,610	93,243	844	94,087	29,863	(264)	29,599	10,720	216	10,936

**PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2017/18 to 2027/28**

APPENDIX II

	Approved Budget 06-Feb-19 Report 3 2025/26 (£'000)	Proposed Budget Adjustment Report 4 2025/26 (£'000)	Revised Budget Report 4 2025/26 (£'000)	Approved Budget 06-Feb-19 Report 3 2026/27 (£'000)	Proposed Budget Adjustment Report 4 2026/27 (£'000)	Revised Budget Report 4 2026/27 (£'000)	Approved Budget 06-Feb-19 Report 3 2027/28 (£'000)	Proposed Budget Adjustment Report 4 2027/28 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 4 TOTAL (£'000)
EDUCATION AND CHILDREN'S SERVICES	4,650	0	4,650	4,650	0	4,650	4,823	0	4,823	175,111
HOUSING & ENVIRONMENT	17,950	575	18,525	17,950	589	18,539	15,650	516	16,166	350,353
HEALTH AND SOCIAL CARE	320	0	320	320	0	320	320	0	320	3,593
CORPORATE AND DEMOCRATIC SERVICES	3,407	54	3,461	3,030	238	3,268	3,298	129	3,427	58,140
TOTAL NET EXPENDITURE	26,327	629	26,956	25,950	827	26,777	24,091	645	24,736	587,197
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)										
GENERAL CAPITAL GRANT	(14,000)	0	(14,000)	(14,000)	0	(14,000)	(14,000)	0	(14,000)	(169,408)
DEVELOPER CONTRIBUTIONS	(2,100)	0	(2,100)	(2,100)	0	(2,100)	(2,100)	0	(2,100)	(20,273)
CAPITAL RECEIPTS	(250)	0	(250)	(250)	0	(250)	(250)	0	(250)	(8,837)
ANNUAL BORROWING REQUIREMENT	9,977	629	10,606	9,600	827	10,427	7,741	645	8,386	388,679
CAPITAL RECEIPTS BROUGHT FORWARD	(2,013)	(6)	(2,019)	(2,013)	(6)	(2,019)	(2,013)	(6)	(2,019)	(776)
CAPITAL RECEIPTS CARRIED FORWARD	2,013	6	2,019	2,013	6	2,019	2,013	6	2,019	2,019
TOTAL NET BORROWING REQUIREMENT	9,977	629	10,606	9,600	827	10,427	7,741	645	8,386	389,922

EDUCATION AND CHILDREN'S SERVICES

Arts Strategy Phase 1 - Redevelopment of Perth Theatre
MIS - Procurement & Integration
Almondbank Cottages - REACH Project
Blairgowrie Recreation Centre - Replacement

Schools Modernisation Programme

Investment in the Learning Estate	
Third Party Contribution	
Pitcairn Primary School Upgrade Project	
Longforgan Primary School Upgrade Project	
Early Learning & Childcare	
Scottish Government Grant	
- Letham Primary School Upgrade Project	
- Oakbank Primary School Upgrade Project	
- St.Ninians Primary School Upgrade Project	
- Rattray Primary School Upgrade Project	
- Inchture Primary School Upgrade Project	
Alyth Primary School Upgrade Project	
Blackford Primary School (Developer Contribution)	
Kinross Primary School Upgrade Project	
Tulloch Primary School Upgrade Project	
North/West Perth - New Primary School	
Replacement of North Muirton/Balhouse Primary Schools	
Technology Upgrades	
Perth Academy - New Sports Facilities	
Perth Academy - Refurbishments & Sports Facilities	
Perth Grammar School - Upgrade Programme Phase 3	
Perth High School - Internal Services & Refurbishment	
Perth High School - New School Investment	
TOTAL: EDUCATION AND CHILDREN'S SERVICES	

HOUSING & ENVIRONMENT

Traffic & Road Safety

Road Safety Initiatives (20mph Zones etc..)	165		165	144	165	493			493	150		150	150		150			
Road Safety Initiatives	215	(55)		76	160	692		55	747	0		0	0		0			
Schools Road Safety Measures	0		0	0	0	0	300		300	0	350	350	0	350	350			
Vehicle Activation Signs	39		39	24	39	0		300	300	0		0	0		0			
Cycling Walking & Safer Streets (CWSS)	225		225	93	225	242	5		247	200		200	200		200			
Scottish Government Grant - CWSS	(205)		(205)		(205)	(242)	(5)		(247)	(200)		(200)	(200)		(200)			
Third Party Contribution	(20)		(20)	(20)	(20)	0			0	0		0	0		0			
Car Parking Investment	148	(91)	57	51	57	354		91	445	0		0	0		0			
Revenue Contribution	(18)		(18)		(18)	(84)			(84)	0		0	0		0			
Car Parking Investment - Pillichry	0		0	0	0	150			150	0		0	0		0			
Strathmore Cycle Network	0		0	0	0	0	100		100	100	(100)	0	0		0			
Sub-Total	549	0	(146)	403	368	403	1,605	300	546	2,451	250	350	(100)	500	150	350	0	500

Asset Management - Roads & Lighting

Structural Maintenance	10,656	(1,016)	9,640	7,701	9,640	10,933	1,027	11,960	10,058	10,058	10,058	10,058	10,058				
Third Party Contribution	(255)	(11)	(266)	(153)	(266)	0		0	0	0	0	0	0				
Street Lighting Renewals - Upgrading/Unlit Areas	158		158	106	158	161		161	150	0	150	0	0				
Traffic Signal Renewals - Upgrading	98	32	130	87	130	97	173	270	65	(18)	47	65	65				
Unadopted Roads & Footways (Match Funding)	33		33	17	33	70		70	0		0	0	0				
Third Party Contributions	(9)		(9)	(9)	(9)	(6)		(6)	0		0	0	0				
Footways	587	(56)	531	323	531	435	56	491	435		435	435	435				
Investment in Local Footpaths	0		0		0	0		0	100		100	100	100				
Road Safety Barriers	92	(56)	36	19	36	45	56	101	40		40	0	0				
Third Party Contribution	(32)	18	(14)	(14)	(14)	0	(18)	(18)	0		0	0	0				
Pedestrian Gritters	20		20	19	20	30		30	0		0	0	0				
Sub-Total	11,348	0	(1,089)	10,259	8,110	11,765	0	1,294	13,059	10,848	0	(18)	10,830	10,658	0	0	10,658

Asset Management - Bridges

Bridge Refurbishment Programme	0		0		0	162	(3)		159	690		690	690		690
West of Fearnan Culvert	42		8	50	24	50			0	0		0	0		0
Pitcur Culvert	15		(5)	10	8	10			0	0		0	0		0
Dalhenzean Culvert	37		(30)	7		7		30	291	0		0	0		0
Dunkeld Golf Course	36		(31)	5		195		31	226	0		0	0		0
Vehicular Bridge Parapets Programme - Assess & Upgrade	36			36		36		50	50	35		35	38		38
Old Perth Bridge - Strengthening	0			0		0		166	166	0	2,386	2,386	0	23	23
Perth Queens Bridge - Strengthening	0			0		0		377	377	0	76	76	0	2,176	2,176
Sub-Total	166	0	(58)	108	32	108		668	543	58	1,269	725	2,462	0	3,187
														728	2,199
														0	2,927

Improvement Schemes

New Rural Footways	21		21	21	21	0			0	0		0	0		0
A9/A85 Road Junction Improvements	12,548	(422)	12,126	8,725	12,126	0		122	122	0		0	0		0
Third Party Contribution	(5)		(5)	(5)	(5)	0			0	0		0	0		0
Perth Transport Futures	2,862		2,862	2,247	2,862	1,325			1,325	11,075		11,075	35,190		35,190
Third Party Contribution - Tay Cities Deal	0		0	0	0	0			0	(11,000)		(11,000)	(29,000)		(29,000)
A977 Upgrades	368		368	197	368	161			161	0		0	0		0

	Revised Budget	Approved Budget Adjustment	Proposed Budget Adjustment	Revised Budget	Actual to 28-Feb-19	Projected Outturn		Revised Budget	Approved Budget Adjustment	Proposed Budget Adjustment	Revised Budget		Revised Budget	Approved Budget Adjustment	Proposed Budget Adjustment	Revised Budget		Revised Budget	Approved Budget Adjustment	Proposed Budget Adjustment	Revised Budget
	Report 3 2018/19 (£'000)	20-Feb-19 2018/19 (£'000)	Report 4 2018/19 (£'000)	Report 4 2018/19 (£'000)	2018/19 (£'000)	2018/19 (£'000)		Report 3 2019/20 (£'000)	20-Feb-19 2019/20 (£'000)	Report 4 2019/20 (£'000)	Report 4 2019/20 (£'000)		Report 3 2020/21 (£'000)	20-Feb-19 2020/21 (£'000)	Report 4 2020/21 (£'000)	Report 4 2020/21 (£'000)		Report 3 2021/22 (£'000)	20-Feb-19 2021/22 (£'000)	Report 4 2021/22 (£'000)	Report 4 2021/22 (£'000)
Brioch Road, Crieff - Road Realignment & Safety Measures	82		(77)	5	6	5		238		77	315		0			0		0			0
Third Party Contribution (Developers)	(82)		82	0		0		(113)		(82)	(195)		0			0		0			0
Third Party Contribution (SUSTRANS)	0			0		0		(60)			(60)		0			0		0			0
Sub-Total	15,794	0	(392)	15,402	11,170	15,402		1,551	0	117	1,668		75	0	0	75		6,190	0	0	6,190
Rural Flood Mitigation Schemes																					
Almondbank Flood Protection Scheme	4,488			4,488	3,680	4,488		0			0		0			0		0			0
Third Party Contribution	(11)			(11)	(11)	(11)		0			0		0			0		0			0
Cornie Flood Prevention Scheme	604			604	436	604		962			962		11,111	500		11,611		11,427	581		12,008
Minlathort Flood Prevention Scheme	70	37	(44)	63	15	63		131	(47)	69	153		1,562	97	(954)	705		10		929	939
South Kinross Flood Prevention	125	45	(150)	20		20		177	(45)	150	282		188			188		1,888			1,888
Scone Flood Prevention	10	86	(86)	10		10		159	(86)	86	159		446	78		524		30			30
Sub-Total	5,286	168	(280)	5,174	4,120	5,174		1,429	(178)	305	1,556		13,307	675	(954)	13,028		13,355	581	929	14,865
Rural Initiatives																					
Conservation of Built Heritage	14			14	10	14		1,002			1,002		0			0		0			0
Third Party Contribution	0			0		0		(100)			(100)		0			0		0			0
Sub-Total	14	0	0	14	10	14		902	0	0	902		0	0	0	0		0	0	0	0
Perth & Kinross Place-making																					
Mill Street Environmental Improvements	146			146	5	146		0			0		0			0		0			0
St Paul's Church	1,597		(1,191)	406	270	406		562		1,191	1,753		0			0		0			0
Perth City Centre Golden Route (Rail Station)	10			10		10		487			487		0			0		0			0
Green Network Routes	9			9		9		114			114		0			0		0			0
City Greening	90		(40)	50	1	50		0		40	40		0			0		0			0
Tay Street, Perth	0			0		0		170			170		500			500		1,200			1,200
Mill St, Perth (Phase 3) - Shared Space at Bus Station	0			0		0		50			50		550			550		0			0
South Street, Perth - Transport Hub	0			0		0		0			0		0			0		200			200
Perth & Kinross Lighting Action Plan	616		(378)	238	148	238		1,316		(225)	1,091		1,075		(45)	1,030		649		428	1,077
Sub-Total	2,468	0	(1,609)	859	424	859		2,699	0	1,006	3,705		2,125	0	(45)	2,080		2,049	0	428	2,477
Other Planning Projects																					
Creative Exchange (former St. John's Primary School)	1,821		292	2,113	1,082	2,113		2,226		(292)	1,934		0			0		0			0
Third Party Contribution	(1,395)	1,000		(395)	(435)	(395)		(230)			(230)		0			0		0			0
Town Centre - Regeneration & Economic Improvements	0			0		0		0		1,983	1,983		0			0		0			0
Scottish Government Grant	0			0		0		0		(1,983)	(1,983)		0			0		0			0
Sub-Total	426	1,000	292	1,718	647	1,718		1,996	0	(292)	1,704		0	0	0	0		0	0	0	0
Community Greenspace																					
Play Areas - Improvements Implementation Strategy	928		(155)	773	280	773		368		155	523		150			150		150			150
Third Party Contribution	(172)		20	(152)	(52)	(152)		0		(20)	(20)		0			0		0			0
3G Pitch, Blairgowrie	0			0		0		0			0		0			0		0			0
Countryside Sites	9			9	1	9		156			156		0			0		0			0
Community Greenspace Sites	0			0		0		715			715		784			784		0			0
Small Parks	30			30	9	30		0			0		0			0		0			0
Community Greenspace Bridges	31			31	32	31		0			0		0			0		0			0
Core Path Implementation	85			85	10	85		0			0		0			0		0			0
Third Party Contribution	(45)			(45)		(45)		0			0		0			0		0			0
Pitlochry Recreation Park	6			6		6		0			0		0			0		0			0
Alyth Environmental Improvements	524			524	431	524		0			0		0			0		0			0
Third Party Contributions	(19)			(19)		(19)		0			0		0			0		0			0
Revenue Contribution	(20)			(20)		(20)		0			0		0			0		0			0
Air Quality Improvements	0			0		0		0			0		100			100		0			0
Premier Parks	75		(40)	35		35		0		40	40		0			0		0			0
The Knock	9			9		9		85			85		0			0		0			0
Kinnoull Hill	9			9		9		105			105		0			0		0			0
Countryside Access	10			10	6	10		0			0		0			0		0			0
Cemetery Extensions	147		(112)	35	16	35		145		112	257		100			100		100			100
Sub-Total	1,607	0	(287)	1,320	733	1,320		1,574	0	287	1,861		1,134	0	0	1,134		250	0	0	250
Support Services																					
PC Replacement & IT Upgrades																					
Hardware	20		(7)	13	2	13		20		7	27		20			20		20			20
Licenses	239			239		239		44			44		30			30		30			30
Corporate Programme Management System	43			43	43	43		0			0		0			0		0			0
Third Party Contribution (HRA)	(3)			(3)	(3)	(3)		0			0		0			0		0			0
Sub-Total	299	0	(7)	292	42	292		64	0	7	71		50	0	0	50		50	0	0	50
Property Services																					
DDA Adaptation & Alteration Works Programme	234		(35)	199	125	199		245		35	280		200			200		200			200
Property Compliance Works Programme	804			804	487	804		680			680		680			680		680			680
Capital Improvement Projects Programme	1,761		(432)	1,329	907	1,329		1,622		432	2,054		2,000			2,000		2,000			2,000
Fire Audit Works - Robert Douglas Memorial school	369			369	278	369		0			0		0			0		0			0
Pitlochry High School - Upgrade Programme	672		(251)	421	103	421		636		251	887		502			502		502			502
Salix Energy Efficiency Programme	40			40		40		0			0		0			0		0			0
Third Party Contribution (Salix)	(12)			(12)		(12)		0			0		0			0		0			0
Revenue Contribution (CEEFF)	(28)			(28)		(28)		0			0		0			0		0			0
Sub Total	3,840	0	(718)	3,122	1,900	3,122		3,183	0	718	3,901		3,382	0	0	3,382		3,382	0	0	3,382
Commercial Property Investment Programme																					
North Muirton Industrial Estate - Site Servicing & Provision of Units	316		(15)	301	144	301		468		95	563		1,023			1,023		0			0
Western Edge, Kinross - Site Servicing	20			20	10	20		0		10	10		0			0		0			0
Additional Infrastructure Investment - Brodren	50		(43)	7		7		0		43	43		0			0		0			0

	Revised Budget Report 3 2018/19 (£'000)	Approved Budget Adjustment 20-Feb-19 2018/19 (£'000)	Proposed Budget Adjustment Report 4 2018/19 (£'000)	Revised Budget Report 4 2018/19 (£'000)	Actual to 28-Feb-19 2018/19 (£'000)	Projected Outturn 2018/19 (£'000)	Revised Budget Report 3 2019/20 (£'000)	Approved Budget Adjustment 20-Feb-19 2019/20 (£'000)	Proposed Budget Adjustment Report 4 2019/20 (£'000)	Revised Budget Report 4 2019/20 (£'000)	Revised Budget Report 3 2020/21 (£'000)	Approved Budget Adjustment 20-Feb-19 2020/21 (£'000)	Proposed Budget Adjustment Report 4 2020/21 (£'000)	Revised Budget Report 4 2020/21 (£'000)	Revised Budget Report 3 2021/22 (£'000)	Approved Budget Adjustment 20-Feb-19 2021/22 (£'000)	Proposed Budget Adjustment Report 4 2021/22 (£'000)	Revised Budget Report 4 2021/22 (£'000)
Creative Industries Land/Advance Units	0			0		0	250			250	0			0	0			0
Rural Business Units Programme	0			0		0	367			367	297			297	295			295
Sub-Total	386	0	(58)	328	154	328	1,085	0	148	1,233	1,320	0	0	1,320	295	0	0	295
Prudential Borrowing Projects																		
Wheeled Bin Replacement Programme - Domestic Bins	199		(33)	166	137	166	200		33	233	200			200	200			200
Wheeled Bin Replacement Programme - Commercial Bins	8		(2)	6		6	7		2	9	12			12	12			12
Recycling Containers, Oil Banks & Battery Banks Replacement Pro	75		(31)	44	41	44	76		31	107	56			56	60			60
Capital Receipts - Disposals	0			0	(2)	0	0			0	0			0	0			0
Litter Bins	25			25	25	25	25			25	25			25	25			25
Smart Cities - Smart Waste	105			105	74	105	50			50	0			0	0			0
Third Party Contribution (EDRF)	(46)			(46)	(37)	(46)	(17)			(17)	0			0	0			0
Vehicle Replacement Programme	3,517		(883)	2,634	1,906	2,634	3,301		883	4,184	2,559			2,559	2,206			2,206
Capital Receipts - Vehicle Disposals	(340)			(233)	(183)	(233)	(372)		(107)	(479)	(256)			(256)	(221)			(221)
Energy Conservation & Carbon Reduction Programme	218		(76)	142	80	142	150			150	150			150	150			150
Canal Street Car Park Improvements	(35)			(35)	(36)	(35)	0			0	0			0	0			0
Crematorium - Memorial Garden Enhancement	39		(10)	29	17	29	15		10	25	0			0	0			0
Crematorium - Abatement Works	479		(10)	469	346	469	0		10	10	0			0	0			0
Street Lighting Renewal - LED & Column Replacement	730		(85)	645	497	645	752		85	837	774			774	796	175		971
Smart Cities - Intelligent Street Lighting	327			327	272	327	0			0	0			0	0			0
Third Party Contribution (EDRF)	(132)			(132)		(132)	0			0	0			0	0			0
Third Party Contribution (CIF)	(15)			(15)	(15)	(15)	0			0	0			0	0			0
Perth Harbour - Dredging	20			20	16	20	708			708	0			0	0			0
Land Purchase & Development	0			0	0	0	0			0	1,000			1,000	0			0
Technology & Innovation Incubator Units	0			0	0	0	1,000			1,000	0			0	0			0
Sub Total	5,174	0	(1,023)	4,151	3,138	4,151	5,895	0	947	6,842	4,520	0	0	4,520	3,228	175	0	3,403
Housing Projects																		
Gypsy Travellers Site Improvement Works	61		15	76	76	76	0			0	0			0	0			0
Housing with Care - Communal Facilities	363		(363)	0	0	0	0		297	297	0			0	0			0
Sub Total	424	0	(348)	76	76	76	0	0	297	297	0	0	0	0	0	0	0	0
TOTAL: HOUSING & ENVIRONMENT	47,781	1,168	(5,723)	43,226	30,924	43,226	34,416	665	5,438	40,519	37,736	3,487	(1,117)	40,106	40,335	3,305	1,357	44,997
Health & Social Care																		
Occupational Therapy Equipment	250			250	234	250	250			250	250			250	250			250
Software Licences	85			85	72	85	90			90	90			90	120			120
Developing Supported Tenancies	229		(229)	0	0	0	0		229	229	0			0	0			0
Refurbish & Extend Lewis Place Day Care Centre for Older People	8		51	59	42	59	0			0	0			0	0			0
TOTAL: HEALTH & SOCIAL CARE	572	0	(178)	394	348	394	340	0	229	569	340	0	0	340	370	0	0	370
CORPORATE AND DEMOCRATIC SERVICES																		
<u>City Centre Developments - Cultural Attractions</u>																		
Perth City Hall	1,096		180	1,276	1,084	1,276	10,151		(4,851)	5,500	10,753			10,753	500		4,471	4,971
Revenue Contribution	(90)			(90)		(90)	(180)			(180)	0			0	0			0
Perth Museum & Art Gallery (PMAG)	15			15	6	15	25			25	200			200	2,614			2,614
Collections Centre	23			23	2	23	525			525	5,939			5,939	0			0
Third Party Contribution	0			0	0	0	(5,000)			(5,000)	(5,000)			(5,000)	0			0
<u>Community Planning</u>																		
Letham Wellbeing Hub	14			14	14	14	1,236			1,236	0			0	0			0
<u>Information Systems & Technology</u>																		
ICT Infrastructure & Replacement and Upgrade Programme	3,074			3,074	1,260	3,074	1,894		(500)	1,394	2,161		331	2,492	2,958		(378)	2,580
School Audio-Visual (AV) Equipment Replacement Programme	100			100		100	335			335	425			425	425			425
Swift Social Work System Replacement	0			0		0	1,000			1,000	1,700			1,700	0			0
Council Contact Centre	20		19	39	7	39	160		(19)	141	40			40	75			75
TOTAL: CORPORATE AND DEMOCRATIC SERVICES	4,252	0	199	4,451	2,373	4,451	10,146	0	(5,170)	4,976	16,218	0	331	16,549	6,572	0	4,093	10,665
TOTAL COMPOSITE NET EXPENDITURE	55,821	1,168	(6,092)	50,897	34,297	50,897	61,697	665	1,955	64,317	97,531	3,487	(937)	100,081	99,257	3,705	5,533	108,495
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)																		
CAPITAL RECEIPTS																		
General Capital Grant - Scottish Government	(14,951)		(109)	(15,060)	(15,428)	(15,060)	(17,354)	(9,487)	66	(26,775)	(25,341)	(297)		(25,638)	(25,220)	7,737		(17,483)
Developer Contributions	(2,123)			(2,123)	(0)	(2,123)	(1,810)			(1,810)	(1,810)			(1,810)	(2,010)			(2,010)
General Fund - Capital Receipts/Disposal	(791)		81	(710)	(724)	(710)	(639)		(81)	(720)	0			(487)	(93)	0		(93)
Commercial Property - Capital Receipts/Disposal	(1,738)		(41)	(1,779)	(1,600)	(1,779)	(1,556)		289	(1,267)	(510)		(344)	(854)	(184)	0		(184)
General Fund Housing Receipts	(4)			(4)	(2)	(4)	(3)			(3)	(3)			(3)	(4)			(4)
Total: Capital Receipts	(19,607)	0	(69)	(19,676)	(17,754)	(19,676)	(21,362)	(9,487)	274	(30,575)	(28,151)	(297)	(344)	(28,792)	(27,511)	7,737	0	(19,774)
Annual Composite Borrowing Requirement	36,214	1,168	(6,161)	31,221	16,543	31,221	40,335	(8,822)	2,229	33,742	69,380	3,190	(1,281)	71,289	71,746	11,442	5,533	88,721
CAPITAL RECEIPTS BROUGHT FORWARD	(776)	0	(776)	(776)	(776)	(776)	(2,128)	(99)	(2,227)	(2,227)	(2,599)	338	(2,261)	(1,789)	(1,789)	(6)	(1,795)	(1,795)
CAPITAL RECEIPTS CARRIED FORWARD	2,128	99	2,227	2,222	2,227	2,227	2,599	(338)	2,261	2,261	1,789	6	1,795	1,678	1,678	6	1,684	1,684
TOTAL NET COMPOSITE BORROWING REQUIREMENT	37,566	1,168	(6,062)	32,672	17,989	32,672	40,806	(8,822)	1,792	33,776	68,570	3,190	(937)	70,823	71,635	11,442	5,533	88,610

A977 Upgrades

	Revised Budget Report 3 2022/23 (£'000)	Approved Budget Adjustment 20-Feb-19 2022/23 (£'000)	Proposed Budget Adjustment Report 4 2022/23 (£'000)	Revised Budget Report 4 2023/24 (£'000)		Revised Budget Report 3 2023/24 (£'000)	Approved Budget Adjustment 20-Feb-19 2023/24 (£'000)	Proposed Budget Adjustment Report 4 2023/24 (£'000)	Revised Budget Report 4 2023/24 (£'000)		Revised Budget Report 3 2024/25 (£'000)	Approved Budget Adjustment 20-Feb-19 2024/25 (£'000)	Proposed Budget Adjustment Report 4 2024/25 (£'000)	Revised Budget Report 4 2024/25 (£'000)		Revised Budget Report 3 2025/26 (£'000)	Approved Budget Adjustment 20-Feb-19 2025/26 (£'000)	Proposed Budget Adjustment Report 4 2025/26 (£'000)	Revised Budget Report 4 2025/26 (£'000)
Brioch Road, Crieff - Road Realignment & Safety Measures	0			0		0			0		0			0		0			0
Third Party Contribution (Developers)	0			0		0			0		0			0		0			0
Third Party Contribution (SUSTRANS)	0			0		0			0		0			0		0			0
Sub-Total	57,480	0	(25)	57,455		9,000	0	0	9,000		0	0	0	0		0	0	0	0
Rural Flood Mitigation Schemes																			
Almondbank Flood Protection Scheme	0			0		0			0		0			0		0			0
Third Party Contribution	0			0		0			0		0			0		0			0
Comrie Flood Prevention Scheme	0			0		0			0		0			0		0			0
Milnathort Flood Prevention Scheme	0			0		0			0		0			0		0			0
South Kinross Flood Prevention	784	181		965		0			0		0			0		0			0
Scone Flood Prevention	0			0		0			0		0			0		0			0
Sub-Total	784	181	0	965		0	0	0	0		0	0	0	0		0	0	0	0
Rural Initiatives																			
Conservation of Built Heritage	0			0		0			0		0			0		0			0
Third Party Contribution	0			0		0			0		0			0		0			0
Sub-Total	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0
Perth & Kinross Place-making																			
Mill Street Environmental Improvements	0			0		0			0		0			0		0			0
St Paul's Church	0			0		0			0		0			0		0			0
Perth City Centre Golden Route (Rail Station)	0			0		0			0		0			0		0			0
Green Network Routes	0			0		0			0		0			0		0			0
City Greening	0			0		0			0		0			0		0			0
Tay Street, Perth	0			0		0			0		0			0		0			0
Mill St, Perth (Phase 3) - Shared Space at Bus Station	0			0		0			0		0			0		0			0
South Street, Perth - Transport Hub	740			740		0			0		0			0		0			0
Perth & Kinross Lighting Action Plan	453		220	673		0			0		0			0		0			0
Sub-Total	1,193	0	220	1,413		0	0	0	0		0	0	0	0		0	0	0	0
Other Planning Projects																			
Creative Exchange (former St. John's Primary School)	0			0		0			0		0			0		0			0
Third Party Contribution	0			0		0			0		0			0		0			0
Town Centre - Regeneration & Economic Improvements	0			0		0			0		0			0		0			0
Scottish Government Grant	0			0		0			0		0			0		0			0
Sub-Total	0	0	0	0		0	0	0	0		0	0	0	0		0	0	0	0
Community Greenspace																			
Play Areas - Improvements Implementation Strategy	150			150		150			150		150			150		150			150
Third Party Contribution	0			0		0			0		0			0		0			0
3G Pitch, Blairgowrie	0			0		500			500		0			0		0			0
Countryside Sites	0			0		0			0		0			0		0			0
Community Greenspace Sites	0			0		300			300		300			300		300			300
Small Parks	0			0		0			0		0			0		0			0
Community Greenspace Bridges	0			0		0			0		0			0		0			0
Core Path Implementation	0			0		0			0		0			0		0			0
Third Party Contribution	0			0		0			0		0			0		0			0
Pitlochry Recreation Park	0			0		0			0		0			0		0			0
Alyth Environmental Improvements	0			0		0			0		0			0		0			0
Third Party Contributions	0			0		0			0		0			0		0			0
Revenue Contribution	0			0		0			0		0			0		0			0
Air Quality Improvements	0			0		0			0		0			0		0			0
Premier Parks	0			0		0			0		0			0		0			0
The Knock	0			0		0			0		0			0		0			0
Kinnoull Hill	0			0		0			0		0			0		0			0
Countryside Access	0			0		0			0		0			0		0			0
Cemetery Extensions	100			100		100			100		100			100		100			100
Sub-Total	250	0	0	250		1,050	0	0	1,050		550	0	0	550		550	0	0	550
Support Services																			
PC Replacement & IT Upgrades																			
Hardware	20			20		20			20		20			20		20			20
Licenses	32			32		120			120		120			120		120			120
Corporate Programme Management System	0			0		0			0		0			0		0			0
Third Party Contribution (HRA)	0			0		0			0		0			0		0			0
Sub-Total	52	0	0	52		140	0	0	140		140	0	0	140		140	0	0	140
Property Services																			
DDA Adaptation & Alteration Works Programme	200			200		200			200		200			200		200			200
Property Compliance Works Programme	692			692		650			650		650			650		650			650
Capital Improvement Projects Programme	2,000			2,000		2,000			2,000		2,000			2,000		2,000			2,000
Fire Audit Works - Robert Douglas Memorial school	0			0		0			0		0			0		0			0
Pitlochry High School - Upgrade Programme	502			502		0			0		0			0		0			0
Salix Energy Efficiency Programme	0			0		0			0		0			0		0			0
Third Party Contribution (Salix)	0			0		0			0		0			0		0			0
Revenue Contribution (CEEFF)	0			0		0			0		0			0		0			0
Sub Total	3,394	0	0	3,394		2,850	0	0	2,850		2,850	0	0	2,850		2,850	0	0	2,850
Commercial Property Investment Programme																			
North Muirton Industrial Estate - Site Servicing & Provision of Units	0			0		0			0		0			0		0			0
Western Edge, Kinross - Site Servicing	0			0		0			0		0			0		0			0
Additional Infrastructure Investment - Broxden	0			0		0			0		0			0		0			0

	Revised Budget Report 3 2022/23 (£'000)	Approved Budget Adjustment 20-Feb-19 2022/23 (£'000)	Proposed Budget Adjustment Report 4 2022/23 (£'000)	Revised Budget Report 4 2022/23 (£'000)	Revised Budget Report 3 2023/24 (£'000)	Approved Budget Adjustment 20-Feb-19 2023/24 (£'000)	Proposed Budget Adjustment Report 4 2023/24 (£'000)	Revised Budget Report 4 2023/24 (£'000)	Revised Budget Report 3 2024/25 (£'000)	Approved Budget Adjustment 20-Feb-19 2024/25 (£'000)	Proposed Budget Adjustment Report 4 2024/25 (£'000)	Revised Budget Report 4 2024/25 (£'000)	Revised Budget Report 3 2025/26 (£'000)	Approved Budget Adjustment 20-Feb-19 2025/26 (£'000)	Proposed Budget Adjustment Report 4 2025/26 (£'000)	Revised Budget Report 4 2025/26 (£'000)
Creative Industries Land/Advance Units	0			0	0			0	0			0	0			0
Rural Business Units Programme	295			295	295			295	0			0	0			0
Sub-Total	295	0	0	295	295	0	0	295	0	0	0	0	0	0	0	0
Prudential Borrowing Projects																
Wheeled Bin Replacement Programme - Domestic Bins	200			200	200			200	200			200	200			200
Wheeled Bin Replacement Programme - Commercial Bins	18			18	20			20	20			20	20			20
Recycling Containers, Oil Banks & Battery Banks Replacement Pro	62			62	65			65	65			65	65			65
Capital Receipts - Disposals	0			0	0			0	0			0	0			0
Litter Bins	25			25	25			25	50			50	50			50
Smart Cities - Smart Waste	0			0	0			0	0			0	0			0
Third Party Contribution (EDRF)	0			0	0			0	0			0	0			0
Vehicle Replacement Programme	3,543			3,543	3,000			3,000	3,000			3,000	3,000			3,000
Capital Receipts - Vehicle Disposals	(354)			(354)	(300)			(300)	(300)			(300)	(300)			(300)
Energy Conservation & Carbon Reduction Programme	150			150	150			150	150			150	150			150
Canal Street Car Park Improvements	0			0	0			0	0			0	0			0
Crematorium - Memorial Garden Enhancement	0			0	0			0	0			0	0			0
Crematorium - Abatement Works	0			0	0			0	0			0	0			0
Street Lighting Renewal - LED & Column Replacement	818	180		998	839	185		1,024	861	190		1,051	0	575		575
Smart Cities - Intelligent Street Lighting	0			0	0			0	0			0	0			0
Third Party Contribution (EDRF)	0			0	0			0	0			0	0			0
Third Party Contribution (CIF)	0			0	0			0	0			0	0			0
Perth Harbour - Dredging	0			0	0			0	0			0	0			0
Land Purchase & Development	0			0	0			0	0			0	0			0
Technology & Innovation Incubator Units	0			0	0			0	0			0	0			0
Sub Total	4,462	180	0	4,642	3,999	185	0	4,184	4,046	190	0	4,236	3,185	575	0	3,760
Housing Projects																
Gypsy Travellers Site Improvement Works	0			0	0			0	0			0	0			0
Housing with Care - Communal Facilities	0			0	0			0	0			0	0			0
Sub Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL: HOUSING & ENVIRONMENT	79,594	361	195	80,150	28,939	185	0	29,124	18,811	190	0	19,001	17,950	575	0	18,525
Health & Social Care																
Occupational Therapy Equipment	250			250	250			250	250			250	250			250
Software Licences	70			70	70			70	70			70	70			70
Developing Supported Tenancies	0			0	0			0	0			0	0			0
Refurbish & Extend Lewis Place Day Care Centre for Older People	0			0	0			0	0			0	0			0
TOTAL: HEALTH & SOCIAL CARE	320	0	0	320	320	0	0	320	320	0	0	320	320	0	0	320
CORPORATE AND DEMOCRATIC SERVICES																
<u>City Centre Developments - Cultural Attractions</u>																
Perth City Hall	0			0	0			0	0			0	0			0
Revenue Contribution	0			0	0			0	0			0	0			0
Perth Museum & Art Gallery (PMAG)	504			504	0			0	0			0	0			0
Collections Centre	0			0	0			0	0			0	0			0
Third Party Contribution	0			0	0			0	0			0	0			0
<u>Community Planning</u>																
Letham Wellbeing Hub	0			0	0			0	0			0	0			0
<u>Information Systems & Technology</u>																
ICT Infrastructure & Replacement and Upgrade Programme	3,160		49	3,209	3,334		51	3,385	2,824		26	2,850	2,942		54	2,996
School Audio-Visual (AV) Equipment Replacement Programme	425			425	425			425	425			425	425			425
Swift Social Work System Replacement	0			0	0			0	0			0	0			0
Council Contact Centre	40			40	40			40	40			40	40			40
TOTAL: CORPORATE AND DEMOCRATIC SERVICES	4,129	0	49	4,178	3,799	0	51	3,850	3,289	0	26	3,315	3,407	0	54	3,461
TOTAL COMPOSITE NET EXPENDITURE	111,303	361	(256)	111,408	46,508	185	(449)	46,244	27,070	190	26	27,286	26,327	575	54	26,956
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RE																
CAPITAL RECEIPTS																
General Capital Grant - Scottish Government	(15,191)	739		(14,452)	(14,000)			(14,000)	(14,000)			(14,000)	(14,000)			(14,000)
Developer Contributions	(2,020)			(2,020)	(2,100)			(2,100)	(2,100)			(2,100)	(2,100)			(2,100)
General Fund - Capital Receipts/Disposal	(550)		0	(550)	(250)		0	(250)	(250)		0	(250)	(250)		0	(250)
Commercial Property - Capital Receipts/Disposal	(725)		0	(725)	(100)		0	(100)	(100)		0	(100)	0		0	0
General Fund Housing Receipts	(4)			(4)	0			0	0			0	0			0
Total: Capital Receipts	(18,490)	739	0	(17,751)	(16,450)	0	0	(16,450)	(16,450)	0	0	(16,450)	(16,350)	0	0	(16,350)
Annual Composite Borrowing Requirement	92,813	1,100	(256)	93,657	30,058	185	(449)	29,794	10,620	190	26	10,836	9,977	575	54	10,606
CAPITAL RECEIPTS BROUGHT FORWARD	(1,678)		(6)	(1,684)	(2,108)		(6)	(2,114)	(1,913)		(6)	(1,919)	(2,013)		(6)	(2,019)
CAPITAL RECEIPTS CARRIED FORWARD	2,108		6	2,114	1,913		6	1,919	2,013		6	2,019	2,013		6	2,019
TOTAL NET COMPOSITE BORROWING REQUIREMEN	93,243	1,100	(256)	94,087	29,863	185	(449)	29,599	10,720	190	26	10,936	9,977	575	54	10,606

EDUCATION AND CHILDREN'S SERVICES

	Revised Budget Report 3 2026/27 (£'000)	Approved Budget Adjustment 20-Feb-19 2026/27 (£'000)	Proposed Budget Adjustment Report 4 2026/27 (£'000)	Revised Budget Report 4 2026/27 (£'000)	Revised Budget Report 3 2027/28 (£'000)	Approved Budget Adjustment 20-Feb-19 2027/28 (£'000)	Proposed Budget Adjustment Report 4 2027/28 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 4 TOTAL (£'000)
Arts Strategy Phase 1 - Redevelopment of Perth Theatre	0			0	0			0	107
MIS - Procurement & Integration	0			0	0			0	679
Almondbank Cottages - REACH Project	0			0	0			0	100
Blairgowrie Recreation Centre - Replacement	0			0	0			0	15,083
Schools Modernisation Programme									
Investment in the Learning Estate	4,650			4,650	4,650			4,650	42,031
Third Party Contribution	0			0	0			0	(81)
Pitcairn Primary School Upgrade Project	0			0	0			0	1,600
Longforgan Primary School Upgrade Project	0			0	0			0	6,000
Early Learning & Childcare	0			0	0			0	3,502
Scottish Government Grant	0			0	0			0	(14,200)
- Letham Primary School Upgrade Project	0			0	0			0	5,774
- Oakbank Primary School Upgrade Project	0			0	0			0	651
- St.Ninians Primary School Upgrade Project	0			0	0			0	1,347
- Rattray Primary School Upgrade Project	0			0	0			0	3,581
- Inchture Primary School Upgrade Project	0			0	0			0	1,800
Alyth Primary School Upgrade Project	0			0	0			0	13
Blackford Primary School (Developer Contribution)	0			0	173			173	173
Kinross Primary School Upgrade Project	0			0	0			0	649
Tulloch Primary School Upgrade Project	0			0	0			0	928
North/West Perth - New Primary School	0			0	0			0	14,350
Replacement of North Muirton/Balhouse Primary Schools	0			0	0			0	16,000
Technology Upgrades	0			0	0			0	1,855
Perth Academy - New Sports Facilities	0			0	0			0	0
Perth Academy - Refurbishments & Sports Facilities	0			0	0			0	15,495
Perth Grammar School - Upgrade Programme Phase 3	0			0	0			0	6,876
Perth High School - Internal Services & Refurbishment	0			0	0			0	798
Perth High School - New School Investment	0			0	0			0	50,000
TOTAL: EDUCATION AND CHILDREN'S SERVICES	4,650	0	0	4,650	4,823	0	0	4,823	175,111

HOUSING & ENVIRONMENT

Traffic & Road Safety									
Road Safety Initiatives (20mph Zones etc..)	200			200	200			200	2,108
Road Safety Initiatives	0			0	0			0	907
Schools Road Safety Measures	0			0	0			0	1,000
Vehicle Activation Signs	0			0	0			0	339
Cycling Walking & Safer Streets (CWSS)	200			200	200			200	2,072
Scottish Government Grant - CWSS	(200)			(200)	(200)			(200)	(2,052)
Third Party Contribution	0			0	0			0	(20)
Car Parking Investment	0			0	0			0	502
Revenue Contribution	0			0	0			0	(102)
Car Parking Investment - Pilliochry	0			0	0			0	150
Strathmore Cycle Network	0			0	0			0	100
Sub-Total	200	0	0	200	200	0	0	200	5,004
Asset Management - Roads & Lighting									
Structural Maintenance	9,800			9,800	7,500			7,500	99,138
Third Party Contribution	0			0	0			0	(266)
Street Lighting Renewals - Upgrading/Unlit Areas	0			0	0			0	469
Traffic Signal Renewals - Upgrading	100			100	100		(87)	13	992
Unadopted Roads & Footways (Match Funding)	0			0	0			0	103
Third Party Contributions	0			0	0			0	(15)
Footways	435			435	435			435	4,502
Investment in Local Footpaths	0			0	0			0	200
Road Safety Barriers	0			0	0			0	177
Third Party Contribution	0			0	0			0	(32)
Pedestrian Gritters	0			0	0			0	50
Sub-Total	10,335	0	0	10,335	8,035	0	(87)	7,948	105,318
Asset Management - Bridges									
Bridge Refurbishment Programme	690			690	690			690	5,679
West of Feaman Culvert	0			0	0			0	50
Pitcur Culvert	0			0	0			0	10
Dalhenzean Culvert	0			0	0			0	298
Dunkeld Golf Course	0			0	0			0	231
Vehicular Bridge Parapets Programme - Assess & Upgrade	0			0	0			0	159
Old Perth Bridge - Strengthening	0			0	0			0	2,575
Perth Queens Bridge - Strengthening	0			0	0			0	2,629
Sub-Total	690	0	0	690	690	0	0	690	11,631
Improvement Schemes									
New Rural Footways	0			0	0			0	21
A9/A85 Road Junction Improvements	0			0	0			0	12,248
Third Party Contribution	0			0	0			0	(5)
Perth Transport Futures	0			0	0			0	116,932
Third Party Contribution - Tay Cities Deal	0			0	0			0	(40,000)
A977 Upgrades	0			0	0			0	529

	Revised Budget Report 3 2026/27 (£'000)	Approved Budget Adjustment 20-Feb-19 2026/27 (£'000)	Proposed Budget Adjustment Report 4 2026/27 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 3 2027/28 (£'000)	Approved Budget Adjustment 20-Feb-19 2027/28 (£'000)	Proposed Budget Adjustment Report 4 2027/28 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 4 TOTAL (£'000)
Brioch Road, Crieff - Road Realignment & Safety Measures	0			0	0			0	320
Third Party Contribution (Developers)	0			0	0			0	(195)
Third Party Contribution (Sustrans)	0			0	0			0	(60)
Sub-Total	0	0	0	0	0	0	0	0	89,790
Rural Flood Mitigation Schemes									
Almondbank Flood Protection Scheme	0			0	0			0	4,488
Third Party Contribution	0			0	0			0	(11)
Comrie Flood Prevention Scheme	0			0	0			0	25,185
Milnathort Flood Prevention Scheme	0			0	0			0	1,860
South Kinross Flood Prevention	0			0	0			0	3,343
Scone Flood Prevention	0			0	0			0	723
Sub-Total	0	0	0	0	0	0	0	0	35,588
Rural Initiatives									
Conservation of Built Heritage	0			0	0			0	1,016
Third Party Contribution	0			0	0			0	(100)
Sub-Total	0	0	0	0	0	0	0	0	916
Perth & Kinross Place-making									
Mill Street Environmental Improvements	0			0	0			0	146
St Paul's Church	0			0	0			0	2,159
Perth City Centre Golden Route (Rail Station)	0			0	0			0	497
Green Network Routes	0			0	0			0	123
City Greening	0			0	0			0	90
Tay Street, Perth	0			0	0			0	1,870
Mill St, Perth (Phase 3) - Shared Space at Bus Station	0			0	0			0	600
South Street, Perth - Transport Hub	0			0	0			0	940
Perth & Kinross Lighting Action Plan	0			0	0			0	4,109
Sub-Total	0	0	0	0	0	0	0	0	10,534
Other Planning Projects									
Creative Exchange (former St. John's Primary School)	0			0	0			0	4,047
Third Party Contribution	0			0	0			0	(625)
Town Centre - Regeneration & Economic Improvements	0			0	0			0	1,983
Scottish Government Grant	0			0	0			0	(1,983)
Sub-Total	0	0	0	0	0	0	0	0	3,422
Community Greenspace									
Play Areas - Improvements Implementation Strategy	150			150	150			150	2,496
Third Party Contribution	0			0	0			0	(172)
3G Pitch, Blairgowrie	0			0	0			0	500
Countryside Sites	0			0	0			0	165
Community Greenspace Sites	300			300	300			300	2,999
Small Parks	0			0	0			0	30
Community Greenspace Bridges	0			0	0			0	31
Core Path Implementation	0			0	0			0	85
Third Party Contribution	0			0	0			0	(45)
Pitlochry Recreation Park	0			0	0			0	6
Alyth Environmental Improvements	0			0	0			0	524
Third Party Contributions	0			0	0			0	(19)
Revenue Contribution	0			0	0			0	(20)
Air Quality Improvements	0			0	0			0	100
Premier Parks	0			0	0			0	75
The Knock	0			0	0			0	94
Kinnoull Hill	0			0	0			0	114
Countryside Access	0			0	0			0	10
Cemetery Extensions	100			100	100			100	1,092
Sub-Total	550	0	0	550	550	0	0	550	8,065
Support Services									
PC Replacement & IT Upgrades									
Hardware	20			20	20			20	200
Licenses	120			120	120			120	975
Corporate Programme Management System	0			0	0			0	43
Third Party Contribution (HRA)	0			0	0			0	(3)
Sub-Total	140	0	0	140	140	0	0	140	1,215
Property Services									
DDA Adaptation & Alteration Works Programme	200			200	200			200	2,079
Property Compliance Works Programme	650			650	650			650	6,786
Capital Improvement Projects Programme	2,000			2,000	2,000			2,000	19,383
Fire Audit Works - Robert Douglas Memorial school	0			0	0			0	369
Pitlochry High School - Upgrade Programme	0			0	0			0	2,814
Salix Energy Efficiency Programme	0			0	0			0	40
Third Party Contribution (Salix)	0			0	0			0	(12)
Revenue Contribution (CEEF)	0			0	0			0	(28)
Sub Total	2,850	0	0	2,850	2,850	0	0	2,850	31,431
Commercial Property Investment Programme									
North Muition Industrial Estate - Site Servicing & Provision of Units	0			0	0			0	1,887
Western Edge, Kinross - Site Servicing	0			0	0			0	30
Additional Infrastructure Investment - Broxden	0			0	0			0	50

	Revised Budget Report 3 2026/27 (£'000)	Approved Budget Adjustment 20-Feb-19 2026/27 (£'000)	Proposed Budget Adjustment Report 4 2026/27 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 3 2027/28 (£'000)	Approved Budget Adjustment 20-Feb-19 2027/28 (£'000)	Proposed Budget Adjustment Report 4 2027/28 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 4 TOTAL (£'000)
Creative Industries Land/Advance Units	0			0	0			0	250
Rural Business Units Programme	0			0	0			0	1,549
Sub-Total	0	0	0	0	0	0	0	0	3,766
Prudential Borrowing Projects									
Wheeled Bin Replacement Programme - Domestic Bins	200			200	200			200	1,999
Wheeled Bin Replacement Programme - Commercial Bins	20			20	20			20	157
Recycling Containers, Oil Banks & Battery Banks Replacement Pro	65			65	65			65	654
Capital Receipts - Disposals	0			0	0			0	0
Litter Bins	50			50	50			50	350
Smart Cities - Smart Waste	0			0	0			0	155
Third Party Contribution (EDRF)	0			0	0			0	(63)
Vehicle Replacement Programme	3,000			3,000	3,000			3,000	30,126
Capital Receipts - Vehicle Disposals	(300)			(300)	(300)			(300)	(3,043)
Energy Conservation & Carbon Reduction Programme	150			150	150			150	1,492
Canal Street Car Park Improvements	0			0	0			0	(35)
Crematorium - Memorial Garden Enhancement	0			0	0			0	54
Crematorium - Abatement Works	0			0	0			0	479
Street Lighting Renewal - LED & Column Replacement	0	589		589	0	603		603	8,067
Smart Cities - Intelligent Street Lighting	0			0	0			0	327
Third Party Contribution (EDRF)	0			0	0			0	(132)
Third Party Contribution (CIF)	0			0	0			0	(15)
Perth Harbour - Dredging	0			0	0			0	728
Land Purchase & Development	0			0	0			0	1,000
Technology & Innovation Incubator Units	0			0	0			0	1,000
Sub Total	3,185	589	0	3,774	3,185	603	0	3,788	43,300
Housing Projects									
Gypsy Travellers Site Improvement Works	0			0	0			0	76
Housing with Care - Communal Facilities	0			0	0			0	297
Sub Total	0	0	0	0	0	0	0	0	373
TOTAL: HOUSING & ENVIRONMENT	17,950	589	0	18,539	15,650	603	(87)	16,166	350,353
Health & Social Care									
Occupational Therapy Equipment	250			250	250			250	2,500
Software Licences	70			70	70			70	805
Developing Supported Tenancies	0			0	0			0	229
Refurbish & Extend Lewis Place Day Care Centre for Older People	0			0	0			0	59
TOTAL: HEALTH & SOCIAL CARE	320	0	0	320	320	0	0	320	3,593
CORPORATE AND DEMOCRATIC SERVICES									
<u>City Centre Developments - Cultural Attractions</u>									
Perth City Hall	0			0	0			0	22,500
Revenue Contribution	0			0	0			0	(270)
Perth Museum & Art Gallery (PMAG)	0			0	0			0	3,358
Collections Centre	0			0	0			0	6,487
Third Party Contribution	0			0	0			0	(10,000)
<u>Community Planning</u>									
Letham Wellbeing Hub	0			0	0			0	1,250
<u>Information Systems & Technology</u>									
ICT Infrastructure & Replacement and Upgrade Programme	2,565		238	2,803	2,833		129	2,962	27,745
School Audio-Visual (AV) Equipment Replacement Programme	425			425	425			425	3,835
Swift Social Work System Replacement	0			0	0			0	2,700
Council Contact Centre	40			40	40			40	535
TOTAL: CORPORATE AND DEMOCRATIC SERVICES	3,030	0	238	3,268	3,298	0	129	3,427	58,140
TOTAL COMPOSITE NET EXPENDITURE	25,950	589	238	26,777	24,091	603	42	24,736	587,197
(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RE									
CAPITAL RECEIPTS									
General Capital Grant - Scottish Government	(14,000)			(14,000)	(14,000)			(14,000)	(169,408)
Developer Contributions	(2,100)			(2,100)	(2,100)			(2,100)	(20,273)
General Fund - Capital Receipts/Disposal	(250)		0	(250)	(250)		0	(250)	(3,810)
Commercial Property - Capital Receipts/Disposal	0		0	0	0		0	0	(5,009)
General Fund Housing Receipts	0			0	0			0	(18)
Total: Capital Receipts	(16,350)	0	0	(16,350)	(16,350)	0	0	(16,350)	(198,518)
Annual Composite Borrowing Requirement	9,600	589	238	10,427	7,741	603	42	8,386	388,679
CAPITAL RECEIPTS BROUGHT FORWARD	(2,013)		(6)	(2,019)	(2,013)		(6)	(2,019)	(776)
CAPITAL RECEIPTS CARRIED FORWARD	2,013		6	2,019	2,013		6	2,019	2,019
TOTAL NET COMPOSITE BORROWING REQUIREMEN	9,600	589	238	10,427	7,741	603	42	8,386	389,922

PERTH AND KINROSS COUNCIL
HRA CAPITAL INVESTMENT PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2018/19 to 2022/23

	Approved Budget 06-Feb-19 2018/19 £'000	Proposed Budget Adjustment Report 4 2018/19 £'000	Revised Budget Report 4 2018/19 £'000	Actual to 28-Feb-19 2018/19 £'000	Projected Outturn Report 4 2018/19 £'000	Approved Budget 06-Feb-19 2019/20 £'000	Proposed Budget Adjustment Report 4 2019/20 £'000	Revised Budget Report 4 2019/20 £'000	Approved Budget 06-Feb-19 2020/21 £'000	Proposed Budget Adjustment Report 4 2020/21 £'000	Revised Budget Report 4 2020/21 £'000	Approved Budget 06-Feb-19 2021/22 £'000	Proposed Budget Adjustment Report 4 2021/22 £'000	Revised Budget Report 4 2021/22 £'000	Approved Budget 06-Feb-19 2022/23 £'000	Proposed Budget Adjustment Report 4 2022/23 £'000	Revised Budget Report 4 2022/23 £'000	Revised Budget Report 4 TOTAL £'000
<u>Council House New Build Programme</u>																		
Invergowrie, Main street - 5 Units	797	(740)	57	25	57	400	340	740	0		0	0		0	0		0	797
Council Tax (Second Income)	(100)	100	0	0	0	0	(100)	(100)	0		0	0		0	0		0	(100)
Scottish Government Subsidy	(295)	295	0	0	0	0	(295)	(295)	0		0	0		0	0		0	(295)
	402	(345)	57	25	57	400	(55)	345	0	0	0	0	0	0	0	0	0	402
Glenearn Road - 8 Units	0		0	1	0	0		0	0		0	0		0	0		0	0
Council Tax (Second Income)	0		0	0	0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0	0	0	0		0	0		0	0		0	0		0	0
	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Birch Avenue, Scone - 20 Units	1,072	8	1,080	1,038	1,080	0		0	0		0	0		0	0		0	1,080
Council Tax (Second Income)	0		0	0	0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0	0	0	0		0	0		0	0		0	0		0	0
	1,072	8	1,080	1,038	1,080	0	0	0	0	0	0	0	0	0	0	0	0	1,080
Linn Road, Stanley (Phase 2) - 10 Units	0	434	434	2	434	0	949	949	0		0	0		0	0		0	1,383
Council Tax (Second Income)	0		0	0	0	0	(200)	(200)	0		0	0		0	0		0	(200)
Scottish Government Subsidy	0	(434)	(434)	0	(434)	0	(212)	(212)	0		0	0		0	0		0	(646)
	0	0	0	2	0	0	537	537	0	0	0	0	0	0	0	0	0	537
Cairns Crescent, Perth - 8 Units	0		0	0	0	0		0	0		0	0		0	0		0	0
Council Tax (Second Income)	0		0	0	0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0	0	0	0		0	0		0	0		0	0		0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
208, Crieff Road, Perth	2,707		2,707	2,668	2,707	0		0	0		0	0		0	0		0	2,707
Council Tax (Second Income)	(480)		(480)	(480)	(480)	0		0	0		0	0		0	0		0	(480)
Scottish Government Subsidy	(1,092)		(1,092)	(1,092)	(1,092)	0		0	0		0	0		0	0		0	(1,092)
	1,135	0	1,135	1,096	1,135	0	0	0	0	0	0	0	0	0	0	0	0	1,135
New Build - Glebe, Scone - 65 Units	0	158	158	0	158	0		0	0		0	0		0	0		0	158
Council Tax (Second Income)	0		0	0	0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0	0	0	0		0	0		0	0		0	0		0	0
	0	158	158	0	158	0	0	0	0	0	0	0	0	0	0	0	0	158
New Build - Blackthorn Place, Blairgowrie	2,900		2,900	2,593	2,900	0		0	0		0	0		0	0		0	2,900
Council Tax (Second Income)	(480)		(480)	(480)	(480)	0		0	0		0	0		0	0		0	(480)
Scottish Government Subsidy	(812)		(812)	(710)	(812)	0		0	0		0	0		0	0		0	(812)
	1,608	0	1,608	1,403	1,608	0	0	0	0	0	0	0	0	0	0	0	0	1,608
Milne Street, Perth	55	41	96	77	96	1,235		1,235	0		0	0		0	0		0	1,331
Council Tax (Second Income)	0		0	0	0	(456)		(456)	0		0	0		0	0		0	(456)
Scottish Government Subsidy	0		0	0	0	(160)		(160)	0		0	0		0	0		0	(160)
	55	41	96	77	96	619	0	619	0	0	0	0	0	0	0	0	0	715
Future Developments	668	(668)	0	0	0	3,076	324	3,400	3,158		3,158	3,241		3,241	3,367		3,367	13,166
Council Tax (Second Income)	0		0	0	0	0		0	0		0	0		0	0		0	0
Scottish Government Subsidy	0		0	0	0	0		0	0		0	0		0	0		0	0
	668	(668)	0	0	0	3,076	324	3,400	3,158	0	3,158	3,241	0	3,241	3,367	0	3,367	13,166
Total Council House New Build	4,940	(806)	4,134	3,642	4,134	4,095	806	4,901	3,158	0	3,158	3,241	0	3,241	3,367	0	3,367	18,801
<u>Increase in Council House Stock</u>																		
Council House Buy-Backs	3,318		3,318	3,224	3,318	2,000	70	2,070	2,000		2,000	0		0	0		0	7,388
Scottish Government Subsidy	(840)	(70)	(910)	(840)	(910)	0		0	0		0	0		0	0		0	(910)
	2,478	(70)	2,408	2,384	2,408	2,000	70	2,070	2,000	0	2,000	0	0	0	0	0	0	6,478
Lock-ups and Garage Sites	262	(113)	149	149	149	0	20	20	0		0	0		0	0		0	169

Standard Delivery Plan

Central Heating and Rewiring Works

Rewiring/Infrastructure

Triple Glazing

Controlled Door Entry
- less Third Party Contribution

Kitchen Moderisation Programme

Bathroom Moderisation Programme

External Fabric
- less Third Party Contribution

Energy Efficiency
- less Third Party Contribution

Multi Storey Flats

Environmental Improvements

Fire Precaution Measures

Sound Insulation

Structural

Total Standard Delivery Plan

Other Investment in Council House Stock

Muirton Shops Development

Total Major Adaptations to Council House Stock

Balmoral Road, Rattray, Refurbishment (3 Units)

Anchor House Conversion, Perth, 5 Units

149-151 Dunkeld Road, Perth

Shops & Offices

Greyfriars and Satellites

Sheltered Housing

Sheltered Housing - Housing Add'l Support

General Capital Works

Upgrade and Replacements to Lifts Programme

ICT Expenditure

Mortgage to Rent

Total Other Investment in Council House Stock

Total Net Expenditure

CAPITAL RECEIPTS (Muirton)

OTHER INCOME

CFCR

TOTAL BORROWING REQUIREMENT

	Approved Budget 06-Feb-19 2018/19 £'000	Proposed Budget Adjustment Report 4 2018/19 £'000	Revised Budget Report 4 2018/19 £'000	Actual to 28-Feb-19 2018/19 £'000	Projected Outturn Report 4 2018/19 £'000	Approved Budget 06-Feb-19 2019/20 £'000	Proposed Budget Adjustment Report 4 2019/20 £'000	Revised Budget Report 4 2019/20 £'000	Approved Budget 06-Feb-19 2020/21 £'000	Proposed Budget Adjustment Report 4 2020/21 £'000	Revised Budget Report 4 2020/21 £'000	Approved Budget 06-Feb-19 2021/22 £'000	Proposed Budget Adjustment Report 4 2021/22 £'000	Revised Budget Report 4 2021/22 £'000	Approved Budget 06-Feb-19 2022/23 £'000	Proposed Budget Adjustment Report 4 2022/23 £'000	Revised Budget Report 4 2022/23 £'000	Revised Budget Report 4 TOTAL £'000
Central Heating and Rewiring Works	1,602	93	1,695	1,527	1,695	500		500	1,300		1,300	1,000		1,000	750		750	5,245
Rewiring/Infrastructure	0		0	0	0	0		0	0		0	0		0	1,000		1,000	1,000
Triple Glazing	1,670		1,670	1,338	1,670	0		0	400		400	200		200	0		0	2,270
Controlled Door Entry - less Third Party Contribution	344 (100)		344 (100)	324 (60)	344 (100)	10 0		10 0	10 0		10 0	10 0		10 0	10 0		10 0	384 (100)
Kitchen Moderisation Programme	290		290	223	290	25		25	74		74	667		667	1,083		1,083	2,139
Bathroom Moderisation Programme	1,278		1,278	1,105	1,278	627		627	65		65	25		25	0		0	1,995
External Fabric - less Third Party Contribution	2,462 (14)		2,462 (14)	1,844 (9)	2,462 (14)	950 0		950 0	1,200 0		1,200 0	1,270 0		1,270 0	2,250 0		2,250 0	8,132 (14)
Energy Efficiency - less Third Party Contribution	963 (7)		963 (7)	369 (29)	963 (7)	1,046 0		1,046 0	700 0		700 0	200 0		200 0	0 0		0 0	2,909 (7)
Multi Storey Flats	476	(150)	326	14	326	2,146	150	2,296	100		100	50		50	0		0	2,772
Environmental Improvements	630		630	478	630	100		100	145		145	200		200	176		176	1,251
Fire Precaution Measures	185		185	67	185	249		249	50		50	50		50	400		400	934
Sound Insulation	0		0	0	0	0		0	0		0	0		0	250		250	250
Structural	0		0	0	0	0		0	0		0	0		0	750		750	750
Total Standard Delivery Plan	9,779	(57)	9,722	7,191	9,722	5,653	150	5,803	4,044	0	4,044	3,672	0	3,672	6,669	0	6,669	29,910
Other Investment in Council House Stock																		
Muirton Shops Development	1		1	1	1	0		0	0		0	0		0	0		0	1
Total Major Adaptations to Council House Stock	364	(164)	200	162	200	250	164	414	80		80	0		0	0		0	694
Balmoral Road, Rattray, Refurbishment (3 Units)	150		150	0	150	125		125	0		0	0		0	0		0	275
Anchor House Conversion, Perth, 5 Units	200	(120)	80	17	80	0	120	120	0		0	0		0	0		0	200
149-151 Dunkeld Road, Perth	155		155	135	155	40		40	0		0	0		0	0		0	195
Shops & Offices	68	(40)	28	0	28	50		50	70		70	50		50	70		70	268
Greyfriars and Satellites	40		40	0	40	0		0	0		0	50		50	0		0	90
Sheltered Housing	155		155	28	155	25		25	0		0	25		25	0		0	205
Sheltered Housing - Housing Add'l Support	222	20	242	195	242	0		0	0		0	0		0	0		0	242
General Capital Works	50	20	70	59	70	70		70	100		100	10		10	115		115	365
Upgrade and Replacements to Lifts Programme	0		0	0	0	147		147	0		0	0		0	0		0	147
ICT Expenditure	182	(128)	54	26	54	50	128	178	50		50	50		50	50		50	382
Mortgage to Rent	50		50	0	50	50		50	50		50	50		50	50		50	250
Total Other Investment in Council House Stock	1,637	(412)	1,225	623	1,225	807	412	1,219	350	0	350	235	0	235	285	0	285	3,314
Total Net Expenditure	19,096	(1,458)	17,638	13,989	17,638	12,555	1,458	14,013	9,552	0	9,552	7,148	0	7,148	10,321	0	10,321	58,672
CAPITAL RECEIPTS (Muirton)	(393)	(207)	(600)	(581)	(600)	(141)	(59)	(200)	(220)	120	(100)	(220)	146	(74)	0		0	(974)
OTHER INCOME	(1,429)	(98)	(1,527)	(1,402)	(1,527)	(98)	98	0	0		0	0		0	0		0	(1,527)
CFCR	(3,375)		(3,375)	0	(3,375)	(2,293)		(2,293)	(2,787)		(2,787)	(3,010)		(3,010)	(3,467)		(3,467)	(14,932)
TOTAL BORROWING REQUIREMENT	13,899	(1,763)	12,136	12,006	12,136	10,023	1,497	11,520	6,545	120	6,665	3,918	146	4,064	6,854	0	6,854	41,239

Service	Total No of projects	Number on track	Number slipping	Number accelerating	Total %age spend	General Fund	HRA
ECS	25	23	1	1	Projected Outturn as percentage of 2018/19 Budget approved 18 April 2018	72%	127%
CDS	8	7	0	1	Net Expenditure at 28 February 2019 as percentage of Revised 2018/19 Budget	67%	79%
HE - HRA	38	34	3	1			
HE	88	80	8	0			
HSC	4	2	2	0			
TOTAL	163	146	14	3			

Service	Project Name	Target Date for Completion	Project Delivery on Target	Budget Adjustment	Comments	Corrective Actions
Accelerated Projects				Reflected in narrative in Main report paragraph:		
ECS	Perth High School New Build Project	TBC	TBC	3.3.4	The Project Manager reports it has been possible to accelerate investigation works in relation to the new school build. This has also incurred fee costs earlier than anticipated.	Budget to be accelerated and rephased
CADS	Cultural Attractions Programme	June 2021	Yes	3.6.2	Following the latest estimates received from the external contractor, it is proposed to accelerate £180,000 from 2019/20 to 2018/19 on the City Hall project to reflect the proposed timing of works, particularly in relation to additional public realm surveys, service installations and diversions.	Budget to be accelerated and rephased
HE - HRA	Milne Street New Build Project	September 2020	Yes	4.8	The Project Manager reports excellent progress has been made during the design stage. Costs have been accelerated in relation to site investigations which have been possible to carry out pre-demolition, with borehole ground investigations carried out mid-February. All findings are informing the development of the cost plan.	Budget to be accelerated and rephased
Slipping Projects						
ECS	Pitcairn Primary School Upgrade Project	September 2019	Yes	3.3.2	A revised programme of works has been received from the contractor and works now scheduled for the April school holidays has amended the original spend profile. The project remains on schedule and excellent progress has been made on site.	Budget to be accelerated and rephased
HE	Structural Maintenance	Ongoing programme of works	No	3.4.3	The Project Manager reports a lack of staff resource available to deliver the additional 2018/19 budget allocation, approved June 2018, has resulted in a projected underspend.	Budget to be rephased
HE	Rural Flood Mitigation programme	Ongoing programme of works	No	3.4.7	The Project Manager reports that the financial spend profile has been revised due to a delay in appointing consultants, through Scotland Excel, to develop the scheme. The works required on consultants brief was delayed due to other workload/lack of staff resources.	Budget to be rephased
HE	St. Pauls Church	November 2019	Yes	3.4.8	A new programme of works and spend profile has been received from the contractor.	Budget to be rephased
HE	Lighting Action Plan	Ongoing programme of works	Yes	3.4.8	A protracted legal process to allow installation of lighting at St. Matthews Church and the installation works for Rodney Gardens slipping into April have impacted on the original spend profile.	Budget to be rephased
HE	Play Area improvements	Ongoing programme of works	No	3.4.10	The Project Manager reports a lack of local market supply of play area contractors has impacted on the works projected outturn.	Budget to be rephased
HE	Cemetery Extensions Programme	Ongoing programme of works	No	3.4.10	The programme is experiencing protracted land purchase processes which are impacting on the spend profile.	Budget to be rephased
HE	Property Programme - DDA Adaptations	Ongoing programme of works	No	3.4.11	A delays in the supply of doors has pushed the installation date back from March 19 to April 19, which only represents a minor delay to the programme.	Budget to be rephased

Service	Project Name	Target Date for Completion	Project Delivery on Target	Budget Adjustment	Comments	Corrective Actions
HE	Property Programme - Pitlochry High School	Ongoing programme of works	No	3.4.11	The Project Manager reports that discussions have been held with the school and with the roofing contractor with regards to the phasing - phasing has had to be reworked to eliminate risks round working on the secondary school roof over the exam period and therefore the overall start date for the works has been slipped to March 2019. This has impacted on the original spend profile.	Budget to be rephased
HE	Property Programme - Capital Improvements	Ongoing programme of works	No	3.4.11	A combination of minor delays across the programme have impacted on the final outturn for 2018/19.	Budget to be rephased
HE	Vehicle Replacement Programme	Ongoing programme of works	No	3.4.13	Due to the extension to the lead in time for specialised equipment, and also the imminent availability of a new procurement framework which will expand the choice of equipment, some delivery dates have been moved from 2018/19 to 2019/20.	Budget to be rephased
HSC	Housing with Care	Ongoing programme of works	No	3.5.1	A revised programme of works has been developed.	
HSC	Developing Supported Tenancies	Ongoing programme of works	No	3.5.2	A revised programme of works has been developed.	
HE-HRA	New Build Housing Programme	Ongoing programme of works	No	4.5	After an extensive consultation and design process it has been concluded that the Invergowrie New Build project is no longer viable at the identified site due to both the cost per unit and the outcome of a wider review of the needs analysis for specialised housing accommodation.	Budget to be rephased
HE-HRA	Major Adaptations	Ongoing programme of works	No	4.12	After a review of the overall programme of works for larger value adaptations the revised programme has rephased elements of work from 2018/19 to 2019/20 due to resourcing and procurement considerations.	Budget to be rephased

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee

17 April 2019

Update on Progress with the Preparation of Supplementary Guidance to Support the Local Development Plan

Report by Executive Director (Housing & Environment) (Report No. 19/112)

This report seeks approval for the proposed programme and priorities for preparing supplementary guidance to support the Local Development Plan review process currently under way. It also provides an update in respect of progress made on the preparation of the Statutory Supplementary Guidance (SG) and the non-statutory guidance work programme.

1. BACKGROUND / MAIN ISSUES

- 1.1 A report seeking approval for the publication of, and consultation on, the Main Issues Report was considered at the Special Council meeting on 18 December 2015 (Report No. 15/534 refers). In line with the recommendations of this report, it was agreed that an annual report on the proposed programme and priorities for preparing Supplementary Guidance would be submitted to Committee (Report No 16/2 refers). This report provides the fourth update on progress on both statutory and non-statutory guidance and outlines the work priorities for 2019/2020 (Appendix 1).
- 1.2 In last year's report to the Strategic Policy and Resources Committee (Report 18/44 refers), the main priorities for statutory and non-statutory guidance were:-
 - placemaking (new guidance)
 - Renewable and low carbon energy - including a spatial strategy for wind (new guidance)
 - open space provision and developer contributions (new guidance)
 - sustainable heating and cooling (new guidance)
 - air quality (new guidance)
 - non-statutory guidance for delivery of development sites (new guidance)
 - non-statutory guidance for Gypsy/Travellers' sites (new guidance)
- 1.3 As highlighted in last year's report, work on the Supplementary Guidance was to be carried out in tandem with the Local Development Plan review, with progress being dependent on the volume of responses received to LDP 2 and the timing of the submission of the Plan to Scottish Ministers. As members will be aware, a significant volume of representations was received by the close of consultation in February 2018. As such, the focus of the team's work until September 2018 was on analysing the comments and preparing the Council's responses for submission to Scottish Ministers for Examination. Despite this, good progress has been made as highlighted below.

1.4 **Statutory Supplementary Guidance drafted and currently out to consultation** – of the 14 pieces of statutory guidance required to support LDP 2, the following 5 have been drafted and are currently out to consultation from 31 January to 14 March 2019. Placemaking, air quality and open space were all priorities for 2018.

- **Placemaking and accompanying Technical Notes (new)** - develops the placemaking criteria and gives further guidance on how to achieve the policy requirements provided in the LDP. It also provides clear explanations as to how to achieve high quality development that responds to the unique setting of the Perth and Kinross Council area.
- **Air Quality and Planning (new)** - sets out a summary of where to find relevant national and local policy, describes officer understanding of the existing and future air quality issues in our area. It also describes how air quality will be considered for planning applications, including when the need for an air quality assessment is likely to be triggered. It also provides advice on mitigation, along with a technical guide with more detail for applicants.
- **Open Space Provision for New Development (new)** – new guidance covering standards for open space in new developments, the types of open space which are required, whether the open space provision should be on-site or off-site, and the mechanisms for the maintenance of open space.
- **Flood Risk and Flood Risk Assessments (revised)** - provides more guidance relating to LDP 2 Policy 50: New Development and Flooding, and Policy 51: Water Environment and Drainage, and once adopted, will be used in the assessment of planning applications.
- **Housing in the Countryside (revised)** - seeks to advise applicants on when and where it is appropriate to build or create, through conversion, new houses in the countryside.

1.5 Of the remaining 9 pieces of statutory guidance to be prepared to support LDP2, two were identified as priorities for 2018 - Renewable & Low Carbon Energy and Sustainable Heating and Cooling. Progress with these and the other remaining guidance is detailed below.

- **Renewable and Low Carbon Energy - including a spatial strategy for wind (new)** – draft guidance was prepared and consulted on in summer 2017. This was generally well received. Revised guidance, incorporating changes in response to consultation was to be presented to the SP&R Committee in June 2018. However, due to the short timescale between this, and the requirement to review, re-consult and adopt the guidance in relation to LDP2, and the potential confusion this could cause, it was decided not to report at this time. Consultation on the Guidance to be adopted alongside LDP2 will take place in September 2019.
- **Sustainable Heating and Cooling (new)** – drafting of the guidance was subject to progress with the Local Heat and Energy Efficiency Strategy, which offers a potential methodology for identifying Heat Network Zones. Further research is being undertaken, including an appraisal of the approaches adopted by other local authorities before finalising the

methodology. Consultation on the Guidance will take place in September 2019.

- **Airfield Safeguarding** – guidance drafted and Strategic Environmental Assessment (SEA) progressing. Consultation on the guidance will take place in May 2019.
- **Delivering Zero Waste** - guidance drafted and SEA progressing. Consultation on the guidance will take place in May 2019.
- **Green Infrastructure** – guidance drafted and SEA progressing. Consultation on the guidance will take place in September 2019.
- **Forest and Woodland Strategy** – awaiting input from Forestry Commission Scotland on extent of changes required. Consultation on the Guidance will take place in September 2019.
- **Developer Contributions and Affordable Housing** – following a report to Scrutiny Committee in November 2018 (Report No. 18/397 refers), potential changes were reported to the Planning Policy, Practice and Improvement Member/Officer Working Group on 25 March 2019. It is considered appropriate to report the revised Draft Guidance to this Committee before going out to consultation. It is intended this will take place in June 2019 with consultation taking place in September 2019.
- **Landscape Guidance** – awaiting the LDP Examination Report, as a substantive change in the wording of the Policy regarding Wild Land Areas has been proposed. The published Guidance will need to reflect the Reporter's recommendation on the policy. Consultation on the guidance will take place by June 2020.
- **West/North West Perth Strategic Development Framework** – awaiting LDP Examination Report to inform future development of framework. Consultation on the Guidance will take place during the first half of 2020.

1.6 Progress with non-statutory guidance

- **Non-statutory guidance for delivery of development sites (new guidance)** - awaiting LDP Examination Report in respect of Policy 23. Delivery of development sites as any changes to the policy may impact on the form and content of the Guidance. Consultation on the Guidance will take place by June 2019.
- **Non-statutory guidance for Gypsy/Travellers' sites (new guidance)** Progress with this guidance has been delayed due to the re-focusing of officer time. With the increased available money from Scottish Government for affordable housing, officer time has been taken up finding appropriate sites.

2. PROPOSALS

Proposed programme and priorities for Supplementary Guidance during 2019/2020

- 2.1 Legislation requires that all Statutory Supplementary Guidance to be used with LDP 2 is referred to in the Plan, formally consulted upon and submitted to Scottish Ministers. This applies even where no change is proposed. It had been thought that to avoid consultation fatigue, it would be sensible to consult on all the guidance to be carried forward, together with the new guidance, at the same time. However, in response to feedback received in relation to the volume of information being consulted on, it is proposed this takes place in three stages with 2 further rounds of consultation in May and September 2019. It should be noted that for non-statutory guidance, there is no need to reconsult. However, where changes are proposed, it is good practice to conduct a similar consultation process. Where possible, these will be combined with the consultation on the Statutory Supplementary Guidance, although it is proposed to focus on completion of the Statutory Guidance before progressing the non-statutory. Where only minor technical changes are required to non-statutory guidance, it is proposed that authority to approve them as Council policy is delegated to the Executive Director (Housing & Environment).
- 2.2 The following areas of guidance have been identified as priorities in the 2019 work stream:

Priorities for Consultation			
January - March 2019	May 2019	September 2019	Before June 2020
Placemaking Guide Air Quality and Planning Open Space Provision for New Developments Flood Risk and Flood Risk Assessments Housing in the Countryside Guide	Airfield Safeguarding Delivering Zero Waste	Developer Contributions and Affordable Housing Renewable and Low-Carbon Energy Perth and Kinross Forest and Woodland Strategy Sustainable Heating and Cooling Green Infrastructure	Landscape West/North West Perth Strategic Development framework

- Report the statutory guidance referred to under paragraph 1.4 to Committee for approval and subsequent submission to Scottish Ministers for adoption, after the adoption of LDP2.
- Airfield Safeguarding, Delivering Zero Waste, Green Infrastructure – Consultation May 2019 and report to Committee for approval and subsequent submission to Scottish Ministers for adoption, after the adoption of LDP2.

- Developer Contributions and Affordable Housing – Report to SP&R on draft guidance in June 2019 before consultation in September 2019. Report back to SP&R for approval and subsequent submission to Scottish Ministers for adoption, post adoption of LDP2.
- Renewable and Low Carbon Energy, Forest and Woodland Strategy, Sustainable Heating and Cooling – Consultation September 2019 and report to Committee for approval and subsequent submission to Scottish Ministers for adoption, after the adoption of LDP2.
- Landscape – Review following publication of the LDP Examination Report. Consultation on the guidance will take place before June 2020.
- West/North West Perth Strategic Development Framework – Review following publication of the LDP Examination Report. Consultation on the guidance will take place before June 2020.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report and associated appendix provide an update on the work done to date in respect of the Supplementary Guidance required to support LDP2. It also outlines the work that is programmed to take place during 2019/2020. Implementation of the priorities set out in the programme will ensure that the planning policy framework is in place to support the Local Development Plan.
- 3.2 It is recommended that the Committee:
- i) notes the progress made on the programme for the planning policy framework (Appendix 1)
 - ii) agrees the priorities for preparing the LDP Supplementary Guidance as set out in this report.
 - iii) Requests the Executive Director (Housing & Environment) holds briefing sessions for elected members prior to any consultation, where substantial changes are proposed
 - iv) requests that the Executive Director (Housing & Environment) continues to report annually to the Strategic Policy & Resources Committee on progress with the preparation of Supplementary Guidance to support the Local Development Plan.
 - v) delegates authority to the Executive Director (Housing & Environment) to approve non-statutory guidance where only minor technical changes are required.

Author

Name	Designation	Contact Details
Brenda Murray	Team Leader Development Plans	01738 475000 HECommitteeReports@pkc.gov.uk

Approved

Name	Designation	Date
B Renton	Executive Director (Housing & Environment)	2 April 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan

- 1.1 This report supports the Community Plan/Single Outcome Agreement strategic objectives of promoting a prosperous, inclusive and sustainable economy; and creating a safe and sustainable place for future generations.

Corporate Plan

- 1.2 The Council's Corporate Plan 2018 – 2023 sets out five outcome-focused strategic objectives that provide clear strategic direction, inform decisions at a corporate and service level, and shape resources allocation. They are as follows:
- i) Giving every child the best start in life;
 - ii) Developing educated, responsible and informed citizens;
 - iii) Promoting a prosperous, inclusive and sustainable economy;
 - iv) Supporting people to lead independent, healthy and active lives; and
 - v) Creating a safe and sustainable place for future generations.
- 1.3 This report relates to all of the above.

2. Resource Implications

Financial

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

Workforce

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

Asset Management (land, property, IT)

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

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The supplementary guidance referred to in the Committee Report has been or will be considered under the Corporate Equalities Impact Assessment process (EqIA) and where necessary, assessments have been undertaken.

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 supplementary guidance referred to in the Committee Report has been or will be considered under the Act and where necessary, Screening Reports and Environmental Reports have been undertaken.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- in the way best calculated to delivery of the Act's emissions reduction targets;
 - in the way best calculated to deliver any statutory adaptation programmes; and
 - in a way that it considers most sustainable.

- 3.6 The proposals have been considered under the provisions of the Acts using the Integrated Appraisal Toolkit.
- 3.7 The supplementary guidance referred to in the Committee Report has been or will be considered under the Acts where necessary. It supports the policy framework set out in the Local Development Plan, which seeks to achieve sustainable development and reduce the impact of climate change through its vision, strategies, policies and proposals, and will therefore contribute to the delivery of a more sustainable Perth and Kinross.

Legal and Governance

- 3.8 None

Risk

- 3.9 There are no specific risks associated with the proposals outlined within the Committee Report.

4. Consultation

Internal

- 4.1 Officers in Community Greenspace and Environmental Health have been consulted in the preparation of this Committee Report.

External

- 4.2 None.

5. Communication

- 5.1 None.

2. BACKGROUND PAPERS

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

- Perth and Kinross Local Development Plan (Adopted February 2014)
- Perth and Kinross Local Development Plan 2 Proposed Plan
- LDP1 Monitoring Statement
- LDP2 Main Issues Report

3. APPENDICES

- 3.1 Appendix 1 – Supplementary Guidance update April 2019.

APPENDIX 1

SUPPLEMENTARY GUIDANCE UPDATE APRIL 2019

Preparation of Statutory Supplementary Guidance to support LDP 2					
Name	Action	Responsible Officer	Performance Measure	Target	Progress
Air Quality and Planning	Publish Draft Guidance for Consultation (31 Jan – 14 March)and adoption alongside LDP2 (Jan 2020)	AF	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2019	Draft consulted on in first quarter of 2019
Flood Risk and Flood Risk Assessments	Publish Draft Guidance for Consultation (31 Jan – 14 March)and adoption alongside LDP2 (Jan 2020)	KB/ Flooding Team	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2019	Draft consulted on in first quarter of 2019
Housing in the Countryside Guide	Publish Draft Guidance for Consultation (31 Jan – 14 March)and adoption alongside LDP2 (Jan 2020)	KW	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2019	Draft consulted on in first quarter of 2019
Open Space Provision for New Developments	Publish Draft Guidance for Consultation (31 Jan – 14 March)and adoption alongside LDP2 (Jan 2020)	HB	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2019	Draft consulted on in first quarter of 2019
Placemaking Guide	Publish Draft Guidance for Consultation (31 Jan – 14 March)and adoption alongside LDP2 (Jan 2020)	BN	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2019	Draft consulted on in first quarter of 2019
Airfield Safeguarding	Publish Draft Guidance for Consultation May 2019 and adoption alongside LDP2 (Jan 2020)	AF	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2019	Progressing SEA

Name	Action	Responsible Officer	Performance Measure	Target	Progress
Delivering Zero Waste	Publish Draft Guidance for Consultation May 2019 and adoption alongside LDP2 (Jan 2020)	AF	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2019	Progressing SEA
Renewable and Low-Carbon Energy	Publish Draft Guidance for Consultation Sept 2019 and adoption alongside LDP2 (Jan 2020)	AB / RW	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	Late 2019 / early 2020	Draft SG for LDP1 consulted on June-August 2017, new SG for LDP2 being progressed including SEA
Perth and Kinross Forest and Woodland Strategy	Publish Draft Guidance for Consultation Sept 2019 and adoption alongside LDP2 (Jan 2020)	AB	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	Late 2019 / early 2020	Awaiting confirmation from FCS on extent of changes required
Green Infrastructure	Publish Draft Guidance for Consultation September 2019 and adoption alongside LDP2 (Jan 2020)	HB/RW	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2019	Guidance drafted and SEA progressing
Developer Contributions and Affordable Housing	Publish Draft Guidance for Consultation August/September 2019 and adoption alongside LDP2 (Jan 2020)	E McL	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	November 2019	Following Scrutiny committee, proposed changes reported to EOT on 26 February, and MOWG after that.

Name	Action	Responsible Officer	Performance Measure	Target	Progress
Sustainable Heating and Cooling	Publish Draft Guidance for Consultation September 2019 and adoption alongside LDP2 (Jan 2020). Still unclear if SEA will be required.	AB	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	Late 2019 / early 2020	Further research is being undertaken including an appraisal of the approaches adopted by other Local Authorities before finalising the methodology. Consultation on the Guidance will take place in September 2019.
Landscape	Publish Draft Guidance for Consultation first half of 2020 if changes required.	RW	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2020	Awaiting LDP Examination Report in relation to wild land issue
West/North West Perth Strategic Development framework	Publish Draft Guidance for Consultation first half of 2020	KW/KB	Report to SP&R seeking approval of final Guidance for submitting to Scottish Ministers	2020	Awaiting LDP Examination Report in relation to Strategic sites within West/North West Perth SDA

Preparation of Non-Statutory Guidance to support LDP 2					
Name	Action	Responsible Officer	Performance Measure	Target	Progress
Conservation Area Appraisals for: Aberfeldy; Abernethy; Blair Atholl; Blairgowrie; Cleish; Comrie; Coupar Angus; Dunkeld; Dunning; Errol; Grandtully & Strathtay; Kenmore; Kinnoull; Kinross; Longforgan; Muthill; Perth Central; Pitlochry; Rait and Scotlandwell	To be updated	DM	To be updated	To be updated	To be updated
Conservation Area Appraisal for Birnam	Preparation of guidance underway, however, currently on hold due to lack of resources.	DM	N/A	N/A	N/A
Auchterarder Expansion Townhead and North East Development Framework March 2008	No requirement to review	AF	N/A	N/A	N/A
Oudenarde Masterplan May 2001	No requirement to review	AB	N/A	N/A	N/A
River Tay SAC Advice for Developers	No requirement to review	HB	N/A	N/A	N/A
Planning for Nature: Development Management and Wildlife Guide (2017)	Draft for consultation May 2019	RW	Report to SP&R seeking approval of final Guidance	2019	Draft currently being finalised

Name	Action	Responsible Officer	Performance Measure	Target	Progress
Transport Standards guide	No current requirement to review. However, if the Council introduces any significant future variations, it may be considered appropriate to revisit the guide with a view to adopting it as Statutory Supplementary Guidance.	AF	N/A	N/A	N/A
Householders Guide to Biodiversity	Minor technical updates required	RW	Agreement of other parties to update	2020	Required amendments identified
Development Briefs and Masterplans: Berthapark; Almond Valley Village; Perth West; Tulloch Marshalling Yards; Newton Farm; Broxden, Perth; James Hutton Institute, Invergowrie; Ruthvenfield Road, Perth; Stanley; Scone North; Binn Farm; Borlick, Aberfeldy; Lathro Farm, Kinross; Gartwhinzean, Powmill; Auchterarder; Broich Road, Crieff; Welton Road, Blairgowrie; West Blairgowrie; Forfar Road, Meigle; Friarton Quarry; Blairgowrie Eastern Expansion	These are in the main progressed by the landowners/developers through the planning application process and as such they are non-statutory. The existing documents will be reviewed to ensure any necessary requirements are incorporated into the next LDP. Give consideration to progression of major masterplans by Council Officers.	N/A	N/A	N/A	N/A

Name	Action	Responsible Officer	Performance Measure	Target	Progress
Loch Leven SPA and Ramsar Site Advice; Dunkeld-Blairgowrie Lochs SAC;	Review in consultation with SNH & SEPA, the effectiveness of the guidance with particular regard to retrospective applications and enforcement. Report to Committee late 2019.	RW HB	Report to SP&R Early 2020	2020	none
Gypsy/Travellers' Sites	Guidance to be developed to support the existing policy criteria and provide greater clarity.	RW/CH	Report to SP&R Early 2020	2020	Progress has been delayed due to the re-focusing of officer time. With the increased available money from Scottish Government for affordable housing officer time has been taken up finding appropriate sites.
Delivery of Development Sites	Prepare, consult and adopt non-statutory guidance on Delivery of Development Sites to support Policy 23 of the Proposed Local Development Plan.	EMcL	Report to SP&R Early 2020	2020	Awaiting LDP Examination Report in respect of Policy 23 Delivery of development Sites as any changes to the policy may impact on the form and content of the Guidance. Consultation on the Guidance will take place during the first half of 2019.

Name	Action	Responsible Officer	Performance Measure	Target	Progress
Perth Cycle Network	Preparation of Guidance underway	MM	20km of cycle lanes	2024	Cycling masterplan completed March 2018. Funding to develop Stage 3 Business Case to Sustrans secured June 2018. Final deadline for Stage 3 submission to Sustrans is April 2019.

STRATEGIC POLICY AND RESOURCES COMMITTEE

17 April 2019

CULTURAL TRUSTS TRANSFORMATION PROJECT: FINDINGS AND RECOMMENDATIONS

Report by Depute Chief Executive, Chief Operating Officer (Report No. 19/118)

PURPOSE OF REPORT

This report recommends key steps to put in place a new delivery model for culture to make services sustainable in the long term and maximise economic, social and tourism benefits from culture for Perth and Kinross.

1. BACKGROUND/KEY ISSUES

- 1.1. In June 2018 Committee approved the scope of a Transformation Review for culture services funded by the Council and delivered by our Arm's Length External Organisations Horsecross Arts (HX) and Culture Perth and Kinross (CPK). [Report 18/194](#) refers. The review **aim** was to identify and implement a future delivery model for culture which maximises social, economic and tourism benefits for Perth and Kinross and protects frontline Council investment.
- 1.2. At the heart of this Review is the Council's **£47M** existing or planned investment since 2005 in five city centre venues: Perth Concert Hall and Theatre, City Hall (opening in 2021), Perth Museum (due for refurbishment) and the AK Bell Library (which will be extended to create a new museum collections centre). Collectively these 5 venues need to be marketed and operated as a strong, joined up visitor 'offer' In particular £10M UK Government funding is now confirmed for City Hall from the Tay Cities Deal, in recognition of the project's international significance. The Full Business Case for City Hall will be scrutinised by the UK Department for Culture, Media and Sport. We need to demonstrate we have the right capacity in place to operate this major new venue and to do so cost effectively:
- 1.3. Whilst expectations grow for the cultural offer, these services also face significant revenue pressures. We need to create a sustainable delivery model culture in future which can:
 - **Maximise economic return on investment.** By 2023 we are projecting an additional 240-280,000 visitors per year to Perth once City Hall and other projects are open;
 - **Respond to market opportunity** for cultural tourism given growth elsewhere in the Tay Cities Region/elsewhere in Scotland and the UK, including relation to mass participation events and festivals such as UK City of Culture and new/planned developments in Dundee and Aberdeen
 - **Maintain confidence from the Tay Cities Deal** that City Hall will generate the expected economic impacts;
 - **Get Best Value from Council funding** by joint resourcing including stronger collaboration than currently exists on staffing, cultural programming, marketing, property and other assets;

- **Deal with external pressures** including National Living Wage and rising utilities costs

1.4. Services in scope of this review were:

- Operation of Perth Concert Hall and Perth Theatre and delivery of performing arts programmes – Horsecross Arts Limited (HX, established 2005);
- Operation of public library, archives, local studies, museum and gallery services – Culture Perth and Kinross (CPK, established 2016);
- Perth city centre cultural events funded by the Council.

1.5. This work follows a 2015 review of our culture and sport delivery models to identify £542,000 savings from April 2016 onwards. Report 15/295 refers. The Council approved a move to 100% commissioning from ALEOs with the bulk of savings from business rates relief. A single Culture and Sport Trust emerged as the strongest option but the cost and complexity of change ruled it out and it was not re-examined as part of this Review. A single Culture Trust alongside Live Active Leisure emerged as the second strongest option. This was ruled out in 2015 because of the significant risks associated with major change for HX at that time. CPK was therefore set up in April 2016 and the Council directed a further review should take place in 2017/18.

1.6. HX and CPK are independent charities and Sole Member Companies (SMC) with the Council as sole member. This is the most common ALEO model in Scotland. Services delivered by SMC ALEOs do not have to be tendered by the Council¹ and they are eligible for business rates relief on venues they occupy. The 2017 Barclay Review has now effectively capped rates relief– for Perth and Kinross the cap is £600,000 for the cultural venues operated by HX and CPK.

1.7 City Hall will not be eligible for business rates relief when it opens even if it is operated by an ALEO. The implications of this are explained in para 2.4.

1.8 There were originally 5 options to be appraised but, at the request of the ALEOs, the Project Team included a further option - retention of both Trusts with a move from SMC status to full independence from the Council bringing the total number of options appraised to 6. The options appraised by the Review Team were as follows and the criteria and consolidated scores from the options appraisal are at **Appendix 1**:

- Status quo/no change from 2 sole member company ALEOs (Option 1)
- Single Culture Trust – sole member company (Option 2)
- Single Culture Trust – fully independent (Option 3)
- Single Culture Trust – Scottish Charitable Incorporated Organisation (SCIO) or other constitutional status eg mutual (Option 4)
- Hybrid delivery model – Trust plus in-house Council delivery plus community-led delivery (Option 5)
- Two fully independent Trusts (Option 6)

¹ A key assumption of the review was that risks of tendering services outweigh the potential benefits. The market response is uncertain and there are also risks to the cost and time taken to tender (estimated 14-18 months).

2. REVIEW FINDINGS

- 2.1. The review was carried out June-November 2018 by a Project Team chaired by the Head of Culture & Community Services with Finance, HR, IT, Property Services and Communications input, reporting to a Project Board chaired by the Depute Chief Executive. Both Arm's Length External Organisations' (ALEOs) Chief Executives were members of the Project Team. Workshops were held with ALEO Board members over summer/early autumn 2018 to gather wider input to the Review. [Report 18/238](#) provides further detail of the review process.
- 2.2. The Review Team gathered information, summarised at **Appendix 2**, to inform the options appraisal on:
- **Customers** - the audience profile for culture and key trends;
 - **Staff** - the workforce profile for each ALEO plus staff terms and conditions and potential costs of change in moving to a new structure;
 - **Tax implications of the options** under review, especially ability to generate business rates relief;
 - **Indirect/additional costs to the Council** of supporting ALEOs;
 - **Income generation by the ALEOs** to supplement Council/other public funding;
 - **Longer term opportunities and pressures** for these services;
 - **Legal implications of each of the options** under review (**Appendix 3**);
 - **What works elsewhere**.
- 2.3. The Review Team then carried out a detailed scoring exercise for the 6 options. After an initial scoring stage, 4 options were ruled out leaving Option 1 (status quo) and Option 2 (single Culture Trust, SMC model). As Appendix 1 shows, these options scored the highest and very closely with Option 2 achieving the highest score.
- 2.4. A further options appraisal stage was therefore proposed whereby the two ALEOs were asked to provide more specific, quantifiable evidence of how Option 1 would deliver the Review aim and objectives. The questions to which the ALEOs were asked to respond are at **Appendix 4** and they were asked to respond by mid-October 2018. The ALEO response was not specific or quantifiable enough to enable further scoring of the 2 options as it mainly focused on the risks attached to Option 2 rather than the quantifiable benefits of Option 1.
- 2.5. By November 2018 a number of key material factors had emerged:
- **Tay Cities Deal funding was confirmed for City Hall** enabling the full £30M cultural transformation programme (City Hall, Perth Museum, AK Bell) to go ahead. The funding is from UK Government, signalling the international importance of City Hall and the need to demonstrate we have sufficient capacity to deliver and operate the new venue.
 - **Changing patterns of library use** confirm the need to review the property portfolio for Libraries as the current number of buildings may be unsustainable in the longer term as footfall declines (in line with UK trends). Alternatives (co-location in other public buildings and community self-access) are being examined to ensure a level of service is maintained in localities across Perth and Kinross.

- **City Hall was initiated prior to the 2017 Barclay Review of business rates.** Discussions with Scottish Government have now confirmed it will not be eligible for rates relief at an estimated £200,000 pa. This is being factored into the Outline and Full Business Cases for City Hall which are required as part of the Tay Cities Deal process as well as for the Council's own governance. Together with a potentially smaller property portfolio operated by CPK in future, this may change the overall balance of benefit between delivering all culture services via ALEOs or delivering some services in-house.
- **Concerns about the financial sustainability of HX.** This is explained further in para 2.6.

- 2.6. Separately there is significant concern about governance and financial management/control in HX. The interim Chief Executive at HX has been able to implement some improvements but governance and oversight by the HX Board and Finance Committee has not been sufficient despite concerns being repeatedly raised by the Council and Scrutiny Committee. Improvements in governance, organisational culture and business systems are now urgently needed in HX. In March 2019 the Council Chief Executive accordingly exercised the Council's Sole Member Company powers to issue a direction to the HX Board requiring change and improvement. An Advisory Group drawing together skills from the Council, HX, CPK and Live Active Leisure has been established to oversee improvements over the next 12 months. The Group will be chaired by the Council's Depute Chief Executive, with the Head of Culture and Community Services leading the detailed work. These arrangements have been discussed and agreed with Creative Scotland as the other core funder of HX.
- 2.7. Key review findings are summarised below and are drawn from evidence gathered by the Project Team and informed by the factors summarised in para 2.2:

Maximising economic, social and tourism impact from culture

- A joined-up, coherent and distinctive cultural offer is fundamental for us to grow tourism market share and connect with local audiences. We are operating in an increasingly competitive market. The Review identified that planning, marketing and delivery of the whole cultural offer, including services delivered by the ALEOs and events delivered by the Council, is not sufficiently integrated. Stronger collaboration is essential, as is regional collaboration where appropriate across the Tay Cities Region such as through the Tay Country campaign; and joined-up work with Visit and Events Scotland.
- The Review examined well established evidence that digital investment is key to attracting and retaining new audiences within Scotland and globally, for example immersive Apps offering bespoke visitor itineraries. The Review identified that neither ALEO currently has the specialist skills set required to do this. Collaboration (including with Live Active Leisure, which is currently developing its digital offer) would make better use of existing skills.

Making culture sustainable and reducing financial risk

- **Both ALEOs are highly reliant on Council core funding** to run their current operations and this presents financial risk to them and to the Council. Public funding will always be an essential funding component but the Review found neither ALEO had a clear long term strategy for growing and diversifying new income streams including sponsorship and commercialisation of services where appropriate.
- External funding has been regularly raised by both ALEOs from Trusts and Foundations but increasingly **the same limited funds are being applied for separately** when a joined-up approach is more likely to be credible to funders.
- **Joint programming, marketing and integrated visitor facilities** are central to providing a joined-up customer offer and to a sustainable business model. The Review found that both ALEOs were in some cases competing for the same markets (notably the family market). It also identified questions about whether the venues are currently maximised to raise income and reduce operating costs by better planning and integration of customer services such as catering and front of house.
- **Pricing policy and price incentives** are key to attracting new customers, particularly for more niche events which require strong promotion to persuade people to give them a try. They also require strong relationships with accommodation and travel providers. For example Live Active Leisure runs a promotion with local hotels to promote joint admission/accommodation deals which also promote subsidised LAL membership for hotel staff. The Review found that pricing policy for cultural events requires systematic review across the ALEOs and the Council. Other cities such as Newcastle and Gateshead have successfully introduced small charges for major events with minimal impact on attendances and wider footfall/expenditure in city centres whilst events are running.
- **There are key pressures in relation to IT, digital and property** facing these services in the next 10 years, as well as further proposed Council savings. These underline the need to find a sustainable future business model.

Other finding/considerations

- As para 2.6 explains, the Council will be working directly with HX over the next 12 months to implement change and improvement which is urgently required to safeguard the long term future of the performing arts services which HX delivers. CPK senior staff will be contributing to this work which is expected to strengthen joint working, hitherto limited, between both ALEOs. It is also expected to identify wider potential solutions, to how all 5 major cultural venues in Perth can be managed sustainably in the future.
- The Review identified key skills and/or capacity gaps in both ALEOs in relation to curatorial expertise given the scale of City Hall and the wider city centre museums offer; venue management; fundraising; and marketing including digital marketing. The ALEOs themselves are aware of these gaps but have limited resources and time to address them or build deep relationships with relevant regional and national agencies which can help, for example Visit Scotland on events promotion.

- The Review found currently limited potential to establish community-managed culture services. However this model is emerging particularly in library services elsewhere in the UK and there is scope to do so with some aspects of the library service operated by CPK.
- Drama can be an expensive and risky programme strand, albeit one where HX has a strong national reputation and there is an ongoing desire from the Council to support cultural excellence. The Review identified collaboration opportunity for example between Perth Theatre, Pitlochry Festival Theatre and Dundee Rep to share costs and risk. This requires further exploration with all parties.
- There are one-off costs of change if a single delivery model (option 2) is pursued. These would include cost of IT systems integration to create a single customer portal and staffing costs associated with restructuring. These are estimated at £200-300,000. They could be met through non-recurring underspend on previous culture projects and Transformation funds. But they need full quantification by developing a Full Business Case for Option 2 to enable the Committee to make an informed decision on whether to proceed with this option.

3. CONCLUSIONS

- 3.1. The Review has concluded that Option 1 (maintaining the status quo) is a viable short term option for delivering culture services. It would delay one-off costs of change and other business continuity risks associated with bringing both organisations together.
- 3.2. Para 1.3 sets out the external drivers for change. The Review has concluded that given these status quo is not sustainable longer-term. The rapidly increasing scale of our cultural offer, the economic impact which the Tay Cities Deal commits us to deliver and our ongoing budget pressures mean that status quo will have to be revisited in the next 2-3 years.
- 3.3. Not all the costs of change could be quantified in detail during the Review, particularly in relation to staffing and IT. Work is required over the next 12 months to develop Full Business Case for a longer term delivery model which:
 - Ensures we have the right delivery model in place prior to the opening of City Hall in mid-2021 when we will have 5 major culture venues operating in Perth.
 - Satisfies Tay Cities Deal funding requirements.
 - Finds a long term sustainable business model for culture which is more resilient to new pressures over the next decade.
- 3.4. Meanwhile there is an immediate requirement to make change and improvement to the performing arts services delivered by HX, as outlined in **para 2.5**. This is also expected to take 12 months. The Council has exercised its Sole Member Company powers to effect improvement. If it had not done so the Council risked breaching its statutory Best Value and Following the Public Pound responsibilities.

3.5. The Committee is asked to:

- i. **Note** the Council Chief Executive has put recovery measures in place for HX Arts, by exercising Sole Member Company powers as set out in the Articles of Association and Memorandum of Understanding between HX Arts and the Council.
- ii. **Direct** officers to commission an independent business assessment of Perth city centre culture venues and proposed operating model to maximise the economic impact and minimise operating costs of all 5 venues.
- iii. **Direct** officers to complete full business case and timeline for a single delivery model for further consideration by the Council.
- iv. **Direct** the Depute Chief Executive (Chief Operating Officer) to bring a further report and recommendations to Council in April 2020.

Author

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	4 April 2019

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IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan / Single Outcome Agreement

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

- Promoting a prosperous, inclusive and sustainable economy
- Creating a safe and sustainable place for future generations.

Corporate Plan

- 1.2. This report relates to the achievement of the Council's Corporate Plan Priorities:

- Promoting a prosperous, inclusive and sustainable economy;
- Creating a safe and sustainable place for future generations.

2. Resource Implications

Financial

- 2.1. There are resource implications to this report. A fixed term Graduate Trainee post has been appointed to support delivery of the project. This will be funded from underspend in the 2017/18 Transformation Programme.

Workforce

- 2.2. There are no direct workforce implications arising from this report but there may be workforce implications for the ALEOs and relevant Council staff which arise from the next stage of work. These will be examined and reported to the Committee as part of the review recommendations/conclusions.

Asset Management (land, property, IT)

- 2.3. There are no direct asset management issues arising from this report but there may be asset management implications for the Council which arise from the next stage of work. These will be reported to the Committee as part of the recommendations/conclusions.

3. Assessments

- 3.1. This report has 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.

Assessed as not relevant for the purposes of Strategic Environmental Assessment

Sustainability

- 3.3. None.

Legal and Governance

- 3.4. There are no direct legal and governance implications to this report but there will be governance implications which arise from any new delivery model for culture services. These will be examined and reported to the Council as part of the next stage of work.

Risk

- 3.5. A risk profile will be completed for the next stage of work and specifically risks relating to creation of a single delivery body and determined by the scope and scale of the new body.

4. Consultation

Internal

- 4.1. The following have been consulted in the preparation of this report:

Internal

- Chief Executive
- Executive Director (Housing and Environment)
- Head of Legal and Governance
- Head of Corporate Finance
- Corporate Human Resources Manager
- Head of Property Services

External

- Creative Scotland
- Chair and Chief Executive, Culture Perth and Kinross
- Chair and Chief Executive, Horsecross Arts

5. Communication

- 5.1 A Communications Plan to support internal and external communications will be prepared and monitored/updated by the Project Team.

2. BACKGROUND PAPERS

None.

3. APPENDICES

- Appendix 1 – scoring criteria for Options Appraisal and consolidated scores
- Appendix 2 – summary of evidence examined by the Review Team
- Appendix 3 – legal advice on options
- Appendix 4 – further evidence requested from ALEOs for options appraisal

Appendix 1

Scoring Criteria for Options Appraisal and Consolidated Scores

Criterion	Score (max. total 150)
1. Customers Opportunity to improve services and the customer experience	30
2. Strategic alignment Ability to deliver the Council's strategic priorities for culture in respect of tourism, education, creative excellence and investing in cultural infrastructure	30
3. Financial savings and wider efficiencies 3a Ability to deliver required £150,000 recurring saving within the required timescale (1 April 2019) 3b Ability to generate increased income and deliver wider financial/other efficiencies by 2020/21	15 15 TOTAL 30
4. Sustainability 4a Long-term viability of the proposed option 4b Ability to maintain business continuity during implementation	20 10 TOTAL 30
5. Acceptability 5a Acceptability of change to current ALEO funders 5b Acceptability of change to current ALEO Boards	15 15 TOTAL 30
TOTAL MAXIMUM SCORE	150

Scoring Scale

33% - Poor below requirements

50% - Below expectations but meets some requirements

67% - Meets requirements

83% - Exceeds requirements and adds some value in areas

100% - Exceeds requirements and adds some value in most areas

Criteria	Option 1: Status quo/no change from 2 sole member company ALEOs	Option 2: Single Culture Trust – sole member company	Option 3: Single Culture Trust – fully independent from the Council	Option 4: Single Culture Trust – SCIO/other constitutional status	Option 5: Hybrid delivery model – Trust plus Council in-house delivery plus community-led delivery	Option 6: Two Trusts – fully independent from the Council
Criteria 1 (maximum score: 30)	17.8	22.8	15.2	16.8	13	12.9
Criteria 2 (maximum score: 30)	18.5	22.5	14.5	17.1	15.7	13.6
Criteria 3a (maximum score: 15)	9.35	7.6	4.5	5.95	5.25	6.5
Criteria 3b (maximum score: 15)	8.15	10.25	6.35	8	6.35	6.35
Criteria 4a (maximum score: 20)	10.25	11.44	8.5	8.42	7.92	7.5
Criteria 4b (maximum score: 10)	8.97	6.94	4.16	4.26	3.93	4.83
Criteria 5a (maximum score: 15)	11.65	9.75	7.7	7.45	6.2	7.6
Criteria 5b (maximum score: 15)	12.45	7.2	5.85	6.7	6.5	7.65
TOTAL SCORES	97.12	98.48	66.76	74.68	64.85	66.93

Appendix 2

Summary of Evidence Examined by the Review Team

Current customers and participation in culture services

- In 2015/16 the total number of in person attendances at key cultural attractions across Perth and Kinross was around 994,000¹ HX and CPK contribute about 20% of this total (excluding library use – see below):
 - 79,849 in person attendances at museums and galleries (2017/18)
 - 112,000 at Perth Concert Hall and Perth Theatre (2017/18 figures).
- Council funded and/or managed major events in Perth city centre attracted just under 130,000 visits in 2017/18. This figure includes the Winter Festival (117,000) operated by the Council and Perth Festival of the Arts (11,500) delivered by an independent charity with seed-funding from the Council.
- Libraries, a free universal statutory service, are operated by CPK on behalf of the Council across 13 community libraries and 3 mobile libraries:
 - In-person uses totalled 596,000 in 2017/18,
 - Online use of library services totalled 848,653.²
 - In-person use has fallen by 26% since 2013/14
 - Online use has increased by 67% in the same period
 - 85% of users are Perth and Kinross Council residents
 - 18% of the Perth and Kinross population are active library members
 - The largest user group (33%) is aged 60+
 - The smallest user group (6%) is aged 19-30.
 - The People's Network, a lifeline for people without personal internet access, has on average 7,700 uses per year.
- Museums and galleries (Perth Museum and Art Gallery, the Fergusson Gallery and Alyth Museum) are operated by CPK on behalf of the Council:
 - There has been a 21% increase in attendances since 2015/16, largely resulting from improvements to programme quality.
 - Total in person attendances were 79,849 in 2017/18
 - Total online uses were 159,240
 - 20% of users are from Perth city, 60% from Perth and Kinross/Tayside/Stirling and 20% are from elsewhere in Scotland/UK/overseas.
 - The largest customer group (32%) is aged 45-60
 - The smallest (5%) is aged 19-30.

¹ Data from Council and non-Council funded key venues comprising: Scone Palace, Black Watch Museum, Stanley Mills, Huntingtower, the Hermitage, Birnam Arts, Killiecrankie Visitor Centre, Pitlochry Festival Theatre, Perth Concert Hall, Perth Museum and Art Gallery, Fergusson Gallery and Alyth Museum. [Source: Visit Scotland, *Tourism in Scotland's Regions*, 2016 and Council performance data 2015/16.](#)

²Online use includes online loan reservations and renewals from libraries, downloaded e-Books and magazines.

- Archives and local studies are operated by CPK from the AK Bell Library in Perth. Usage has remained in a broadly steady state in the last 3 years with 3,600 usages in 2017/18.
- Performing arts programmes are delivered by HX on behalf of the Council from Perth Concert Hall and Perth Theatre. Data for the past 3 years includes the period when Perth Theatre was closed so overall trends are not yet clear since the Theatre re-opened in November 2017:
 - In 2015/16 113,000 tickets were sold compared with 112,000 in 2017/18.
 - The most popular programme type is music (classical and contemporary), which makes up 41% of all tickets sold
 - Family events total 17%.
 - 80% of audiences come from a 30 minute travel time from Perth city and 20% from elsewhere in Perth and Kinross, Tayside, Scotland and the rest of the UK/overseas.
 - The largest user group (24%) is aged 45-54
 - The smallest (6%) is aged 18-24.
- Both ALEOs deliver creative learning programmes to children, young people and adults. CPK also delivers early years and parenting activities including those supported by Scottish Government (Bookbug, RhymeTime). In 2017/18 HX had 21,577 creative learning participants and CPK had 60,700.
- Both ALEOs offer volunteering opportunities and support volunteer groups including the Friends of Perth and Kinross Archive and Horsecross Voices. In 2017/18 CPK had 190 volunteers and HX had 6.

Key findings from customer/participation data:

- Both ALEOs have limited customer 'reach' with audiences beyond the local area (i.e. beyond 30 minute travel time from Perth). Market appraisals used to inform the business case for City Hall have evidenced significant potential to grow domestic and overseas tourism market share.
- Both ALEOs have low participation by young people (5-6%). Historically this has been one of the hardest groups to engage with for culture organisations.
- Under-representation in cultural audiences amongst the 20% most deprived communities in Perth and Kinross, including some city centre residents. Participation amongst these communities is difficult to measure but is estimated at less than 8%, largely in line with national/UK averages.
- Good examples exist of work done by the ALEOs to engage minority communities, for example heritage work with the Polish community by CPK and inclusive dance delivered by HX. There are also good examples of community engagement, for example during the construction of Perth Theatre and CPK's biannual 'Big Listen' exercise.
- Programming decisions are not systematically informed by customer views and insight and there is no routine joint programming across the ALEOs – for example to attract the family market to activities offered by both.

Core costs and income sources

Total investment by Perth and Kinross Council in culture services is shown in **Table 1** below. This includes direct investment via the contract fee to both ALEOs and wider costs of service delivery.

Table 1: Core costs

Perth and Kinross Council expenditure 2017/18		
Contract fees	3,379,116 – CPK 1,156,480 - HX	
Contract monitoring and compliance	50,000	Service commissioning and contract monitoring, legal and financial advice to PKC, Health and Safety and Property Services advice to ALEOS
City Centre events	417,000	
Property costs	944,000	Includes planned and unplanned repair and maintenance, rates, insurance, cleaning, security & caretaking – average expenditure for last 3 years
TOTAL	5,946,596	

- As charities ALEOs can access business rates relief, apply for other tax relief including Gift Aid and some VAT reclaim; and apply for grants from Trusts and Foundations for which Councils may not be eligible. **Table 2** shows the main revenue sources for the ALEOs apart from Council funding. Non-recurring small grants are not included as they are not guaranteed income. Both ALEOs have had varied fundraising/sponsorship success, generating around £140,000 each in 2017/18 although HX has had more success in 2018/19. Arts fundraising is highly competitive, requiring experienced, highly networked people who are hard to source.

Table 2: Revenue sources for culture in addition to Council contract fee

Income sources		
Business rates relief	600,000 ³	Capped at 600,000 from November 2017 following the Barclay Review – ALEOs can apply for more but this will be deducted from the Council block grant
Creative Scotland Regular Funding (HX)	533,000	Restricted funding awarded for cultural programme - 1.6M total over 3 yrs
Crockhart Foundation (CPK)	50,000	Restricted funding for book purchase
TOTAL	1,183,000	
TOTAL NET REVENUE COST OF SERVICES	4,763,596	

- To keep ALEOs charitable status commercial activities cannot outweigh their charitable ones. In 2017/18 CPK generated £207,300 and HX £682,902 in commercial income, HX mostly from ticket sales and CPK mostly from room hire and retail. A large part of CPK business is delivering a free universal library service so its ability to raise income is more limited.
- City centre events funded by the Council, with the exception of Perth Festival of the Arts, are free of charge. Other cities have successfully raised sponsorship or introducing small charges for some events without major impact on visitors. In general economic impact assessments of culture suggest that for every £1 spent on culture a return on investment of £4-5 is generated for the local economy. The Council's programme is estimated to generate £1.8M wider economic benefits for the area.
- Successful business models for culture elsewhere include the Newcastle-Gateshead Initiative (NGI), Hull 2017 and Plymouth Culture. All emerged from bids for European or UK City of Culture. Their focus is destination marketing to generate economic growth through events and outstanding cultural programmes which promote quality of life. Boards include private sector, Universities, third sector and local authority expertise. Plymouth Culture also provides business development support for creative industries and local artists. Operational responsibility for Council-funded venues sits elsewhere. In Hull a sole member company runs museums and public libraries but does not have primary fundraising, destination marketing and programming functions.

³ Following the 2017 Barclay Review of business rates a capped total of rate relief will apply calculated by the baseline amount which ALEOs were receiving on 28 November 2017. For CPK and HX this figure is £600,000. Any additional will be deducted from the Scottish Government grant to the Council.

- NGI is the largest example. It is a good example of collaboration between two Councils for mutual benefit including successful bids to host London 2012 events and the Great Exhibition of the North. It also delivers the regional inward investment and business relocation service. It has a trading arm, NGI Solutions, which provides commercial marketing, digital and other services with 75% of clients based in NE England and 25% from elsewhere in the UK.

Staff resource and deployment

- The total staff resource in the ALEOs is currently 168 FTE mostly working in Perth Museum, AK Bell Library, Perth Concert Hall and the Theatre. Key specialist skills include systems librarians, curatorial skills, theatre production and creative programming. Key issues identified by the review were:
 - Significant savings were taken from the Library Service in 2012/13 leaving a very lean structure. This is challenging for maintaining services particularly in small rural libraries when there are staff shortages.
 - HX creative programmers with one exception are freelance. This minimises employment costs but there is a lack of shared accountability for meeting income targets and developing an overall programme strategy.
 - Historically there have been separate technical production teams in place at the Concert Hall and Theatre which has become unsustainable and a more flexible model to support both venues is now being implemented.
 - There are key common functions across both ALEOs, particularly marketing, box office, creative learning and catering with opportunities to create shared services and flexible working especially across the city centre venues. Live Active Leisure also has relevant expertise in new technology, marketing and complex venue management.
 - There are limited skills in museums and exhibitions interpretation, fundraising and customer relationship management and these are increasingly important as the City Hall project comes on stream. The scale, profile and reputation of the employer is key for attracting and retaining these skills as the V&A Dundee experience demonstrates.
 - Analysis of salaries and terms and conditions has highlighted significant variations both within HX, and between HX and CPK. This is a key consideration for the costs of implementing a new delivery model.
 - Unlike CPK and Live Active Leisure HX is not currently a Living Wage employer and the Council may want to consider if this is a sustainable position given the national aim of ensuring all public service employees, including those working for ALEOs, are paid the Living Wage or above.

Legal Advice on Options

PERTH & KINROSS COUNCIL (the “Council”)

CULTURAL TRUSTS TRANSFORMATION PROJECT

We have reviewed a draft of the report by the Council’s Depute Chief Executive (Chief Operating Officer) – headed “Cultural Trusts Transformation Project: Findings and Recommendations” – which we understand is to be presented at the meeting of the Council’s Strategic Policy and Resources Committee scheduled for 28 November 2018.

We have been asked to provide a high-level commentary on the legal implications of each of the 6 options which were appraised for the purposes of the report. The key points are as follows:

Option 1: Status quo/no change from 2 sole member company ALEOs

There would be no special legal implications associated with maintaining the status quo.

While OSCR (the Scottish charity regulator) continues to take a close interest in the relationship between ALEOs with charitable status and their parent local authorities – and focusing primarily on whether the ALEO board members are complying with their legal duties as charity trustees – the model is now accepted as part of the charities landscape in Scotland. The Scottish Government announced in its Programme for Government 2018/19 that there would be a review of the charity legislation, but we would consider it very unlikely that the legislation would be amended so as to preclude ALEOs from continuing to have charitable status.

As regards procurement law, the ability to award a services contract to an ALEO without following a procurement process – previously resting on EU case law – is now clearly set out in the relevant procurement regulations; and the regulations also resolve the previous uncertainty about the procurement law implications of a local authority providing services **to** an ALEO.

Leaving aside the issue of non-domestic rates – as outlined in the report – we are not aware of any emerging developments in the law which would cause significant difficulties in relation to the current structure.

Option 2: Single Culture Trust – sole member company

This model would preserve the advantages of the existing arrangement in allowing the Council to enter into a services contract without following a procurement process; and also the benefit from the Council’s perspective of having certain checks and balances through the corporate structure, in its capacity as sole member.

So far as the legal process is concerned, the recommended approach would be to select whichever of the two existing companies has the most extensive and/or complex set of existing legal relationships; and then the articles of association, board of directors, and (possibly) name, would be amended to reflect what was considered to be appropriate for a body delivering the combined

operations. The other company would then transfer to it the whole of its assets and operations (with staff automatically transferring at the same time, through TUPE principles); and on the basis that it would be wound up on completion of the transfer process.

The prior consent of OSCR would be needed in relation to the winding-up (as well as any change of name and/or adjustment to the charitable purposes of the company that would be delivering the combined operations) – but that should not cause any real difficulty in this context.

Option 3: Single Culture Trust – fully independent from the Council

The major disadvantage with this model is that the Council would be legally obliged to run a compliant procurement process. As noted in the report, that would carry with it a number of risks, and would also involve significant costs.

In addition, the Council would no longer have the benefit of the checks and balances through the corporate structure which are currently available to it in its capacity as sole member of the existing companies – one aspect of that is that the Council would no longer be able to issue a direction to the board in a critical situation; the alternative remedies available to the Council under the services agreement with an independent trust are likely to be less effective in circumstances of that kind.

Option 4: Single Culture Trust – SCIO/other constitutional status

The alternative types of legal entity – in place of a company limited by guarantee - which could be considered for a single culture trust would be a Scottish charitable incorporated organisation (“SCIO”) or registered society. As noted above in the context of Option 2, we would recommend using one of the existing charitable companies to deliver the combined operations, rather than form a new (third) legal entity; it should be noted, however, that a charitable company can convert into a SCIO or registered society through a fairly simple process, and so the possibility of adopting a different kind of legal entity for a single culture trust is still relevant.

The SCIO model was designed specifically for Scottish charities, with the intent that it would support good governance but within a much simpler legislative framework. Unlike a charitable company, which has to submit annual accounts and other returns to Companies House as well as OSCR, a SCIO reports only to OSCR – and there is therefore some saving in administration. Unfortunately, it is a requirement under the legislation that a SCIO must have at least two members – so if the Council was to have similar corporate powers as it has at present through its status as sole member of the existing trusts, there would be a need to put in place a nominee company as the second member (as in the case of Leisure and Culture Dundee) to satisfy that technical requirement. The net saving in terms of reducing complexity and administration would therefore be minimal in this particular context.

As regards the registered society model, this is appropriate where a community share issue is to be used as a means of raising finance – but it offers no other significant advantages in this context. The registered society model carries a requirement for at least three members, and hence similar

technical complications to the SCIO in that regard. In addition, the regulatory framework for registered societies is generally considered to lag behind the regulatory framework for companies. Unless there is a firm intention to take forward a community share issue, therefore, the use of a registered society model would not be appropriate in this context.

Option 5: Hybrid delivery model – Trust plus Council in-house delivery plus community-led delivery

In principle, a split of the existing services – i.e. with some of the services currently provided through the two trusts being delivered through a trust and some services being delivered through Council in-house teams - should not raise any major issues from a legal perspective. Community-led delivery – where that involves ongoing revenue support to one or more community organisations – can, however, be problematic from a procurement perspective and/or a state aid perspective. Ideally, therefore, the overall arrangement should involve strands of activity which allow each of the community organisations to generate its own income and at levels which ensure that it is financially sustainable without ongoing revenue support from the local authority. In addition, there can be difficulties in facilitating the development of community-led organisations with the capacity to deliver at scale; certainly consortium models can help to resolve that issue, but problems can then emerge in the context of the various legal relationships between the participating organisations and the consortium.

Accordingly, while a hybrid delivery model of this kind is viable in principle, the legal framework is likely to be complex; and the timescales associated with putting such a legal framework in place, would almost certainly be much longer than for the other options (other than Option 1).

Option 6: Two Trusts – fully independent from the Council

This option carries the same disadvantages as Option 3, as regards legal considerations; and of course without bringing the potential advantages (as outlined in the report) of having a single body.

November 2018

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Appendix 4

Further Evidence requested from ALEOs for Options Appraisal

- How effectively can the option deliver an accessible, easy to navigate 'offer' for customers in the future?
- What key improvements to services can the option deliver in the next three years?
- How effectively can the option increase customers in the next three years?
- What specific contributions to cultural tourism can the option deliver in the next three years?
- What specific improvements to education/creative learning can the option deliver in the next three years?
- What capacity will the option have to bring work of national and international significance to Perth and Kinross?
- How effectively can the option support delivery of the Council's cultural transformation programme?
- How will the option deliver the £150,000 saving while minimising front-line impact?
- Which funding sources will the option be able to access and increase?
- How will the option create shared services or joint resourcing arrangements with other bodies?

PERTH AND KINROSS COUNCIL
STRATEGIC POLICY AND RESOURCES

17 April 2019

TRANSFORMATION PROGRAMME 2015-2020

Report by Depute Chief Executive (Chief Operating Officer) (Report No. 19/113)

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

1. BACKGROUND / MAIN ISSUES

- 1.1 The Council's Transformation programme supports the Council's approach to public service reform and aims to encourage innovation, creativity, flexibility and greater entrepreneurship to meet the significant challenges ahead.
- 1.2 A major part of the Council's transformation strategy is being delivered through a programme of transformation reviews. The current programme has 16 projects in total (14 of which are active) aimed at developing new ways of working to sustain high quality service delivery, and for some, achieving a challenging level of savings.
- 1.3 We are now into phase four of the transformation programme initiated over the past three years, this phase being agreed by council in April 2018 (Report 18/137).
- 1.4 Future transformation projects will be embedded in Services through new governance arrangements forming part of the wider Perth and Kinross Offer.

2. PROGRESS TO DATE

- 2.1 Progress on each of the projects is provided in Appendix 1 and 2 reported through the project management system (VERTO). Appendix 1 gives an overview of the status of each project and more detail is provided in Appendix 2.
- 2.2 In relation to the status of the 14 active transformation projects, 5 are on target; 8 projects have some issues identified and 1 is reported as being at risk
- 2.3 Two projects have now been completed – as of 28 February 2019; REACH: Implementation Project (formerly Remodelling of Residential Care) and Expansion of Family Based Care. A review of non cash benefits and learning from the projects and process will be undertaken in 2019. No savings were attached to these projects.

- 2.4 Savings to date from completed projects amount to £2 million, excluding the savings achieved by the transformation projects which are now reported to the Integrated Joint Board (IJB) for Health and Social Care.
- 2.5 The Sponsorship of Events project is still to start and will report in due course.
- 2.6 The Cultural Trusts Review Transformation Project has now been completed and a separate report to Committee is on the agenda to share the recommendations for consideration.
- 2.7 Council Vehicle Fleet Utilisation and Optimisation Review – an additional £21,000 has been allocated from ear marked reserves for the Transformation Programme in 2019/20 following a request to extend the Project Officer post in line with the re-phasing of the project. This follows a delay in the development of the pool car booking system. This post is crucial to support the roll out of the corporate pool car approach across the council.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report updates the Strategic Policy and Resources Committee on the Council's five-year transformation programme. It summarises the progress across 15 projects, identifies those on target and those with issues and risks, which are managed by project boards and the Corporate Transformation Board.
- 3.2 The Strategic Policy and Resources Committee is asked to:
- (a) Note the progress related to the Transformation Programme, as detailed in Appendices 1 and 2.

Author

Name	Designation	Contact Details
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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	2 April 2019

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All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan/Single Outcome Agreement

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

2. Resource Implications

Financial

- 2.1 The projections for funding and savings for each project are detailed in Appendices 1 and 2.

Workforce

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

Asset Management (land, property, IT)

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

3. Assessments

Equality Impact Assessment

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

Strategic Environmental Assessment

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

Sustainability

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

Legal and Governance

- 3.7 Not applicable.

Risk

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

3.9 Project risks are managed within the context of each project.

4. Consultation

Internal

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

External

4.2 Not applicable.

5. Communication

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

2. BACKGROUND PAPERS

The background papers referred to within the report are:

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

3. APPENDICES

- Appendix 1 - Verto Project Report – Programme Dashboard
- Appendix 2 – Transformation Project Status (by line)

Programme Dashboard

Building Ambition

Total Number of Projects in the Programme	16			
	Approved Savings (£000's)	Project Savings (£000's)	Approved Funding (£000's)	Project Spend (£000's)
Programme Financial Information	£7,040	£7,518	£5,842	£5,608

	On Target	Some Issues	At Risk	Remdial Action	Slippage	On Hold	Completed	None
Projects Overall Status - Current	5	8	1	0	0	0	2	0
Projects Overall Status - Previous	5	6	2	0	0	0	2	0
Milestones	4	7	2	0	0	0	2	0
Risks	4	6	2	1	0	0	2	0
Issues	4	5	1	1	0	0	2	1
Cost Status	11	0	2	0	0	0	2	0
Savings	5	4	2	0	0	0	3	1
Non-Cashable Benefits	11	1	1	0	0	0	2	0

	19/20	20/21	21/22	22/23
Projects Due To End	5	10	1	0

Project Status

Programme	Project Title	Brief Description	Approved Savings (£000's)	Approved (via current budget)	Projected Savings (£000's)	Approved Funding (£000's)	Projected Spend (£000's)	Previous	Current	Milestones	Risks	Issues	Costs	Savings	Non-Cashable Benefits
Corporate and Democratic Projects															
Building Ambition	Corporate - Modernising Performance Reporting Review	Using technology better to transform the presentation of performance management information, allowing more efficient, effective and instant access to Council performance data, for all users of the information.	34	34	34	80	80	Some Issues	On Target	Some Issues	On Target	On Target	On Target	Completed	On Target
			Comments from Change and Transformation Board					Progress and capacity for this project was discussed at the Executive Officer Team on 04 Dec 2018.							
Building Ambition	Corporate - Smart Perth and Kinross: Perth and Kinross Open Data	Reviewing the publication of Council data, in collaboration with other Scottish cities, for better co-ordination, and to develop a locality based community information system, to help identify and tackle inequalities, engage and empower communities and assist with neighbourhood planning.	0	0	0	316	96	On Target	On Target	Some Issues	On Target	On Target	On Target	None	On Target
			Comments from Change and Transformation Board					Directed by EOT to consult with each directorate's SMT to align open data activities with the current transformational challenges for each directorate.							

Building Ambition	Corporate - Procurement Reform Review	Achieving further savings from procurement activities through closer management of suppliers, maximizing use of collaborative procurement consortia, development of professional procurement skills for staff, improved monitoring and reporting systems, and managing demand through re-specifying products and services.	2,500	1,945	2,500	770	770	Some Issues	Some Issues	Some Issues	On Target	Some Issues	On Target	Some Issues	On Target
			Comments from Change and Transformation Board					Procurement information has not been reported to the Transformation board since the last Verto report was prepared.							
Building Ambition	Corporate - Online Services and myAccount Review	Developing a whole organisation transformational approach to online services, and 'channel shift' (from face to face and telephone services, to online) which delivers savings, maximizes digital inclusion and improves customer satisfaction by giving access to Council services online anytime, anywhere, and from any device.	413	413	413	1,314	1,264	On Target	On Target	Some Issues	Some Issues	Some Issues	On Target	On Target	On Target
			Comments from Change and Transformation Board					No Transformation Board held during this reporting period							
Building Ambition	Corporate - Mobile Working Review	Implementing a corporate mobile solution which automates key tasks, processes and work flow to improve productivity, efficiency and quality, reducing the requirement for staff to navigate numerous systems and supporting the workforce to be more mobile, and work more efficiently and effectively.	810	813	813	1,284	1,284	Some Issues	Some Issues	Some Issues	Remedial Action Required	None	On Target	Some Issues	On Target
			Comments from Change and Transformation Board					No board has met during this reporting period							

Building Ambition	Corporate - Council Assets for Commercial Sponsorship	Using the Council's existing assets to generate income by offering sponsorship and advertising opportunities. The revenue generated from this project can offset the costs of providing valuable public services.	150	150	50	52	52	At Risk	At Risk	At Risk	At Risk	Remedial Action Required	On Target	At Risk	On Target
			Comments from Change and Transformation Board					The next Corporate transformation board is still to be arranged for end of March 2019.							
Building Ambition	Corporate Digital Platform	The Corporate Digital Platform Project will deliver Hybrid mail, a digital mailroom and back-scanning facility and EDMS with process redesign that will reduce bureaucracy and build an integrated paperless framework.	288	0	288	911	911	On Target	On Target	Some Issues	Some Issues	Some Issues	On Target	On Target	On Target
			Comments from Change and Transformation Board					No comments received as ICT Transformation Board has not met in this reporting period.							
Education and Children's Services															
Building Ambition	ECS - Review of Catering Services	Examining optimum production, menu and service arrangements across Tayside and looking at options for a Central Production Unit (CPU) and partnership working to ensure the most efficient and effective catering service.	200	626	426	0	0	Some Issues	Some Issues	On Target	Some Issues	On Target	On Target	On Target	On Target
			Comments from Change and Transformation Board					Savings of over £400K have been identified, which will be validated as part of the consultancy activity. Due to initial delays in the project commencing, it is not anticipated that the CPU will be operational any earlier than August 2020. This project is being reported as some issues due to the reputational risk to the Council surrounding this project. Risks will continue to be managed through project governance procedures.							
Building Ambition	ECS - Review of Inclusion Services	Redesigning the delivery model which may result in some efficiencies but any savings or changes to service provision must be undertaken within legal duties held by the council.	0	0	0	50	50	Some Issues	Some Issues	On Target	On Target	Some Issues	On Target	On Target	On Target
			Comments from Change and Transformation Board					This project is progressing however is marked as some issues due to the delay in planning the phasing of the implementation of the Inclusion Review. The first phase will commence from the beginning of the 2019/20 school session and a more detailed implementation plan is being developed.							

Building Ambition	ECS - Securing the Future of the School Estate	Reviewing the school estate to make the most effective and efficient use of school buildings, and staff across the school estate.	200	550	550	50	50	Some Issues	Some Issues	On Target	Some Issues	Some Issues	On Target	On Target	Some Issues
			Comments from Change and Transformation Board					This project is progressing as planned although there are some issues in relation to the uncertainty of outcomes from Statutory Consultations.							
Building Ambition	ECS - Expansion of Family Based Care	To meet the increasing demand for foster carers and family-based carers for children and young people looked after by Perth and Kinross Council	0	0	0	209	209	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
			Comments from Change and Transformation Board					Transformation funding has now been spent for this project and it is now being funded from within the service. As such the recruitment of additional foster carers is being taken forward as Business as Usual activity and will continue to be monitored through service specific arrangements. This Transformation project is now completed and will no longer be reported through Verto.							
Building Ambition	ECS - REACH: Implementation Project (formerly Remodelling of Residential Care)	To avoid escalating costs of residential care for children and young people to better meet increasing and changing demands. To implement an innovative solution to prevent the use of external residential placements and focus on keeping young people within their families and communities.	0	0	0	500	500	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
			Comments from Change and Transformation Board					The Implementation of REACH is now complete and benefits realisation will be closely monitored through service specific arrangements.							
Housing and Community Care															
Building Ambition	HCC - Review of HCC Repairs Service	Undertaking a detailed review and analysis of key areas of housing repairs to identify improvements to efficiency and productivity which both improves the service delivery model and acheives savings of £500k	500	500	500	0	0	Some Issues	Some Issues	Some Issues	Some Issues	On Target	On Target	Some Issues	On Target
			Comments from Change and Transformation Board					Project team meeting 27.2.19 reviewed progress with project, agreed to hold a workshop to review progress to date and what still needs to be done							

The Environment Service																
Building Ambition	TES - Corporate Property Asset Management Review	Reviewing the Council's property assets to; provide a property estate which is appropriately sized for requirements, well used, properly maintained, integrated with partner organisations' asset management plans, maximising collaborative opportunities, and is in appropriate geographical locations.	1,795	1,795	1,795	0	0	Some Issues	Some Issues	Some Issues	Some Issues	Some Issues	Some Issues	Some Issues	Some Issues	Some Issues
			Comments from Change and Transformation Board					Project is reported at Some Issues.								
Building Ambition	TES - Council Vehicle Fleet Utilisation and Optimisation Review	The Council Vehicle Fleet Utilisation and Optimisation Review looks towards the better utilisation of the council's small vehicle fleet through the introduction of telematics and effective ongoing analysis of associated data. In addition the project proposes to undertake a review of the grey fleet (ie private vehicles used for council business) with the aim of reducing the extent to which delivery of Council Services rely on this.	150	150	150	150	186	On Target	Some Issues	Some Issues	At Risk	Project Delayed	At Risk	At Risk	Some Issues	
			Comments from Change and Transformation Board					There was no meeting held in January. Last meeting date - 13/12/2018. Next meeting date - 11/02/2019.								
Building Ambition	TES – Low Carbon Project	The Project seeks to prepare the Council for emerging duties in relation to Climate Change Act 2009 and our duties around low carbon emission.	0	0	0	156	156	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target
			Comments from Change and Transformation Board					This project is now underway and this is the first monthly report produced. Further work to develop the project plan is underway and will be reflected in future reports.								
Totals			7,040	6,975	7,518	5,842	5,608									

PERTH AND KINROSS COUNCIL

STRATEGIC POLICY AND RESOURCES COMMITTEE

17 April 2019

COMMUNITY INVESTMENT FUND

Report by Depute Chief Executive, Chief Operating Officer (Report No. 19/109)

PURPOSE OF REPORT

This report makes recommendations for the 2019/20 Community Investment Fund, building on experience from Year 1. It asks the Committee to approve the process and launch of Year 2, in May 2019.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Community Investment Fund (CIF) was established in February 2018 to provide £1.2m of funding for community-led projects across Perth and Kinross, over financial years 2018/19 and 2019/20.
- 1.2 [Report 18/196](#), approved by Committee in June 2018, set out the process for deciding on how the funds would be distributed and how decisions would be reached. Changes were made to timescales, so the final process involved:
 - Application process opened in August 2018
 - Ward Panels established in each of the 12 Council wards between December 2018 and February 2019
 - Panels chaired by elected members and involving a variety of community group members
 - Application process closed 15 February 2019
 - Ward Panels met between 18 February and 4 March 2019, using scoring sheets and other guidance to determine which applications to support
 - Decisions signed off by Chairperson of Local Action Partnership
 - Decisions ratified at the Strategic Policy and Resources Executive Sub-committee on 20 March 2019.
- 1.3 [Report 19/90](#), confirms how Year 1 funding has been allocated. In total 149 applications were received across all wards with a total bid value of £1.59m. Local Action Partnerships (LAPs) worked hard to engage local organisations and encourage applications. The volume and variety of applications received from a wide range of community groups was very significant. A list of successful projects in Year 1 is provided on a ward-by-ward basis as Appendix 2 to this report.
- 1.4 In approving the process for Year 1, the Committee asked for evaluation to be completed by March 2019 to inform improvements for Year 2. The key issues which emerged were:

- **Timescales.** Because of the requirement for all awards to be approved by Strategic Policy & Resources Committee (SP&R) we decided to set two funding deadlines in 2018/19: October 2018; and February 2019. In practice all LAPs agreed to defer to the February deadline to allow more time to develop applications. However, this meant some applicants who submitted earlier in the timescale waited for over 5 months for a decision.
- **Governance.** Each Ward required a Panel to be established to assess applications and make recommendations to the relevant LAP. In practice it took time for these to be agreed at Ward level. In some Wards it was difficult to identify enough Panel members, partly because community members (and some Councillors) had an interest in a particular application.
- **Capacity.** The Community Planning Team managed the process but this placed capacity strains on a team of 4FTE alongside existing responsibilities for administrative support to LAPs, administration of the Common Good Funds and its wider CPP role. This was partially addressed by the relocation of the Community Council Team to Culture and Community Services in January 2019.
- **Communications:** The application process was felt to be over complex by some applicants and the role of SP&R in making final decisions needed careful explanation to some who felt decisions should be made more locally. Promotion of the CIF across wards and LAPs by LAP members was not consistent. Guidelines, assessment criteria and other grant documents were available on the CIF microsite but we recognise that these should be reviewed and clarified where needed for Year 2.

2. PROPOSALS

- 2.1 Taking into account the learning from Year 1, options for delivering Year 2 are set out below. Illustrative timescales for each option are presented in Appendix 1. It will be important that the same process is used across Perth and Kinross to ensure transparency and consistency in decision making.
- 2.1.1. **Status Quo** – Retain the current process. With this option Ward Panels have the same level of funding (£50k), consider each application and recommend awards to SP&R. Chairs of LAPs will sign off the recommendations; and SP&R give final approval on a twice yearly basis;

Benefits	Risks
Continuity as all involved are familiar with this option.	Timescales were challenging for applicants and for capacity reasons. This may discourage further applications in Year 2
If well established, Ward Panels ensure that decisions are made at the most local level	Recruiting enough Ward Panel members and Chairs, and in time to run the process effectively, is challenging

- 2.1.2. **Devolved decisions to LAPs.** With this option the same application process would be followed. However the LAPs would assess applications and approve awards and Ward Panels would no longer be required. This would enable application deadlines to be staggered across the year and would mean that investment could be split across the LAP area, as opposed to within individual Wards. Twice yearly updates would be provided to SP&R Committee;

Benefits	Risks
The decision making process is more streamlined for applicants.	LAPs are still relatively new and experience of managing grant application processes is mixed.
The capacity of LAPs to make devolved fiscal decisions is strengthened and wider membership/representation encouraged.	LAPs still cover large areas and may not have the detailed ward level knowledge to make informed decisions.

- 2.1.3 **Partial devolved decisions to LAPs.** With this option the same application process will be followed and Ward Panels will continue to assess and make recommendations on £50k in each Ward. Awards of £3k-£9,999 would be decided by the Ward Panels, enabling a rolling programme throughout the year for smaller awards. Awards of £10k-£50k would remain subject to SP&R Committee approval on a twice yearly basis;

Benefits	Risks
Continuity as all involved are familiar with this option.	LAPs are still relatively new and experience of managing grant application processes is mixed.
Quicker turnaround time for smaller applications.	LAPs still cover large areas and may not have the detailed ward level knowledge to make informed decisions.
If well established, Ward Panels ensure that decisions are made at the most local level	
The capacity of LAPs to make devolved fiscal decisions is strengthened and wider membership/representation encouraged	
Decisions on larger applications is retained by Council Committee to ensure consistency in how large projects are considered.	

- 2.1.4 **Participatory Budgeting** – SP&R Committee approves the overall allocation to LAPs and LAPs run the process through Participatory Budgeting. The same criteria would be applied to bidding organisations/projects as used in Year 1 of the CIF, to ensure projects qualify in terms of how they will address inequality which is the key rationale of the CIF. This may also mean that investment could be split across the LAP area, as opposed to within individual Wards.

Benefits	Risks
LAPs have strong experience of running effective participatory budgeting processes and the bidding process is straightforward to follow.	Participatory Budgeting is resource intensive for staff and additional training for LAPs will be required to enable them to manage more of the process themselves.
Participatory Budgeting is a well established process, which many community groups understand and relate to	Investment may be needed in more infrastructure (including digital) to widen voting as much as possible and ensure voting processes are fair and transparent.
Participatory Budgeting can actively involve more people in the decision making process.	Moving to PB from the previous CIF process may cause confusion for applicants.
	Some organisations and groups may be deterred by larger/more vocal applicants.

2.2 Whichever option is adopted for Year 2 the following improvements are recommended based on the learning from Year 1:

- Simplified application guidance will be produced and circulated widely across community networks and through the Communications Team;
- A Frequently Asked Questions (FAQ) sheet plus successful case studies from Year 1 will be developed based on the most common issues and questions that have come from applicants and others involved in the 2018/19 round;
- A Communications Plan promoting successful projects from Year 1 and encouraging applications for Year 2 will be delivered. A clear brand identity for the CIF will be introduced;
- Governance guidance for Councillors, Local Action Partnerships and Council staff will be provided and training workshops held;
- Local Action Partnerships will be asked to assume greater ownership of promoting the CIF within wards; and
- Community Planning partners will be encouraged to promote the CIF and raise awareness through their own networks.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 The Community Investment Fund (CIF) seeks to invest in new projects and initiatives in Perth and Kinross, which seek to deliver against identified equality issues, as outlined in Local Action Plans.
- 3.2 Four options have been identified for operating Year 2 of the CIF which the Committee is asked to consider and, whichever is followed, more general improvements will be made in Year 2.

3.3 It is recommended that the Committee

- i. Approves its preferred option for operating the Community Investment Fund in Year 2 from those set out in paragraphs 2.1-2.2, noting the required timescales for each option at Appendix 1.
- ii. Approves the wider improvement recommendations set out in paragraph 2.3

Author(s)

Name	Designation	Contact Details
Fiona Robertson	Head of Service	01738 475000

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	2 April 2019

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All Council Services can offer a telephone translation facility.

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 Agreeing the the process for allocating £600,000 Community Investment Fund in 2019/20.

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 Finance Department, Community Planning Team, Community Learning and Development Service and the Executive Officer Team.

2. BACKGROUND PAPERS

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

3. APPENDICES

Appendix 1 - sets out illustrative timescales for the 2019/20 round of the Community Investment Fund.

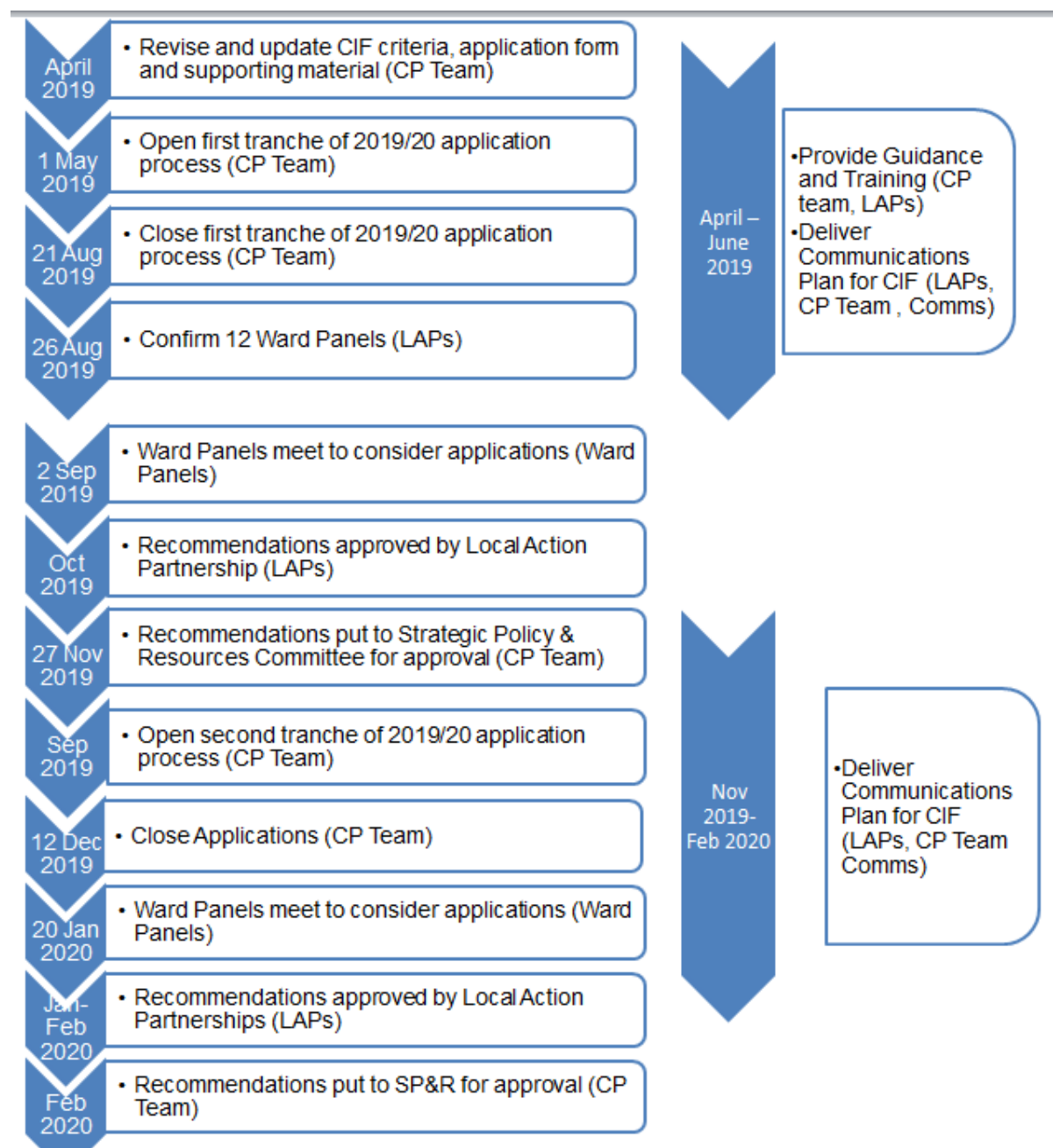
Appendix 2 lists the successful applicants to Year 1 of the Community Investment Fund, on a ward-by-ward basis.

Appendix 1

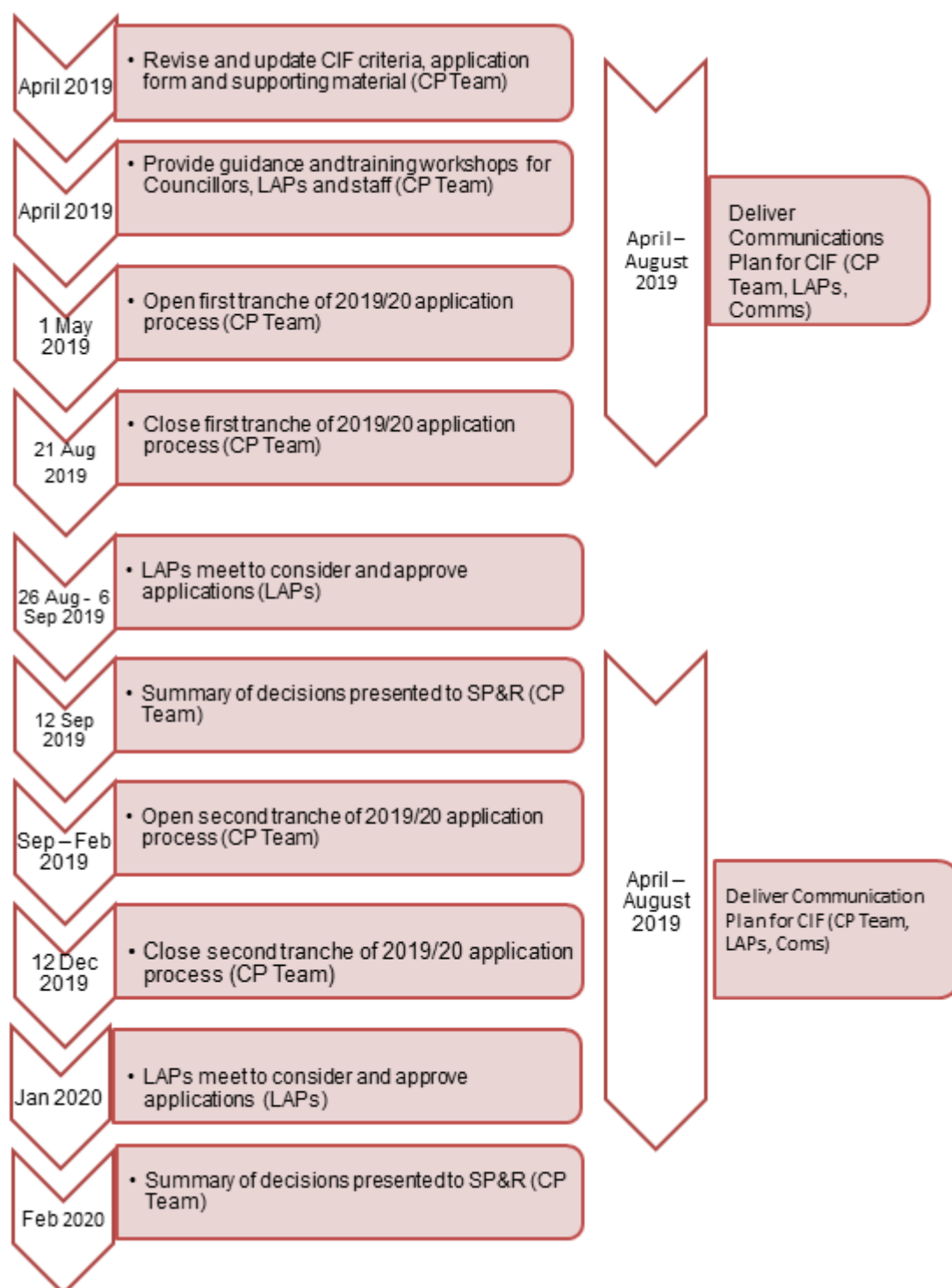
2019/20 Community Investment Fund

The following processes are for illustrative purposes, to give Committee members an understanding of the potential timescales associated with each option. For each option, the timescales may change.

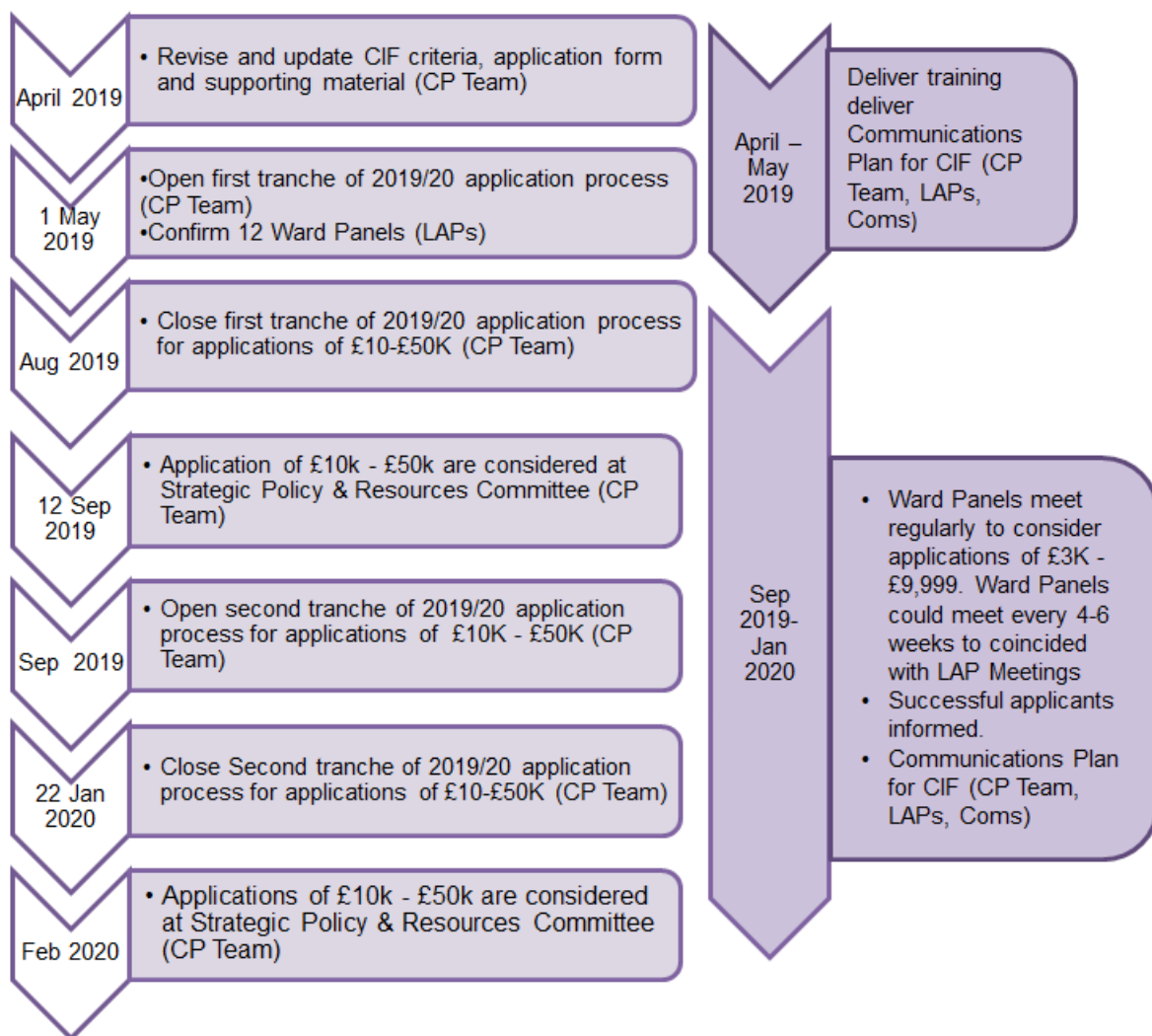
Option 2.1.1 – Status Quo



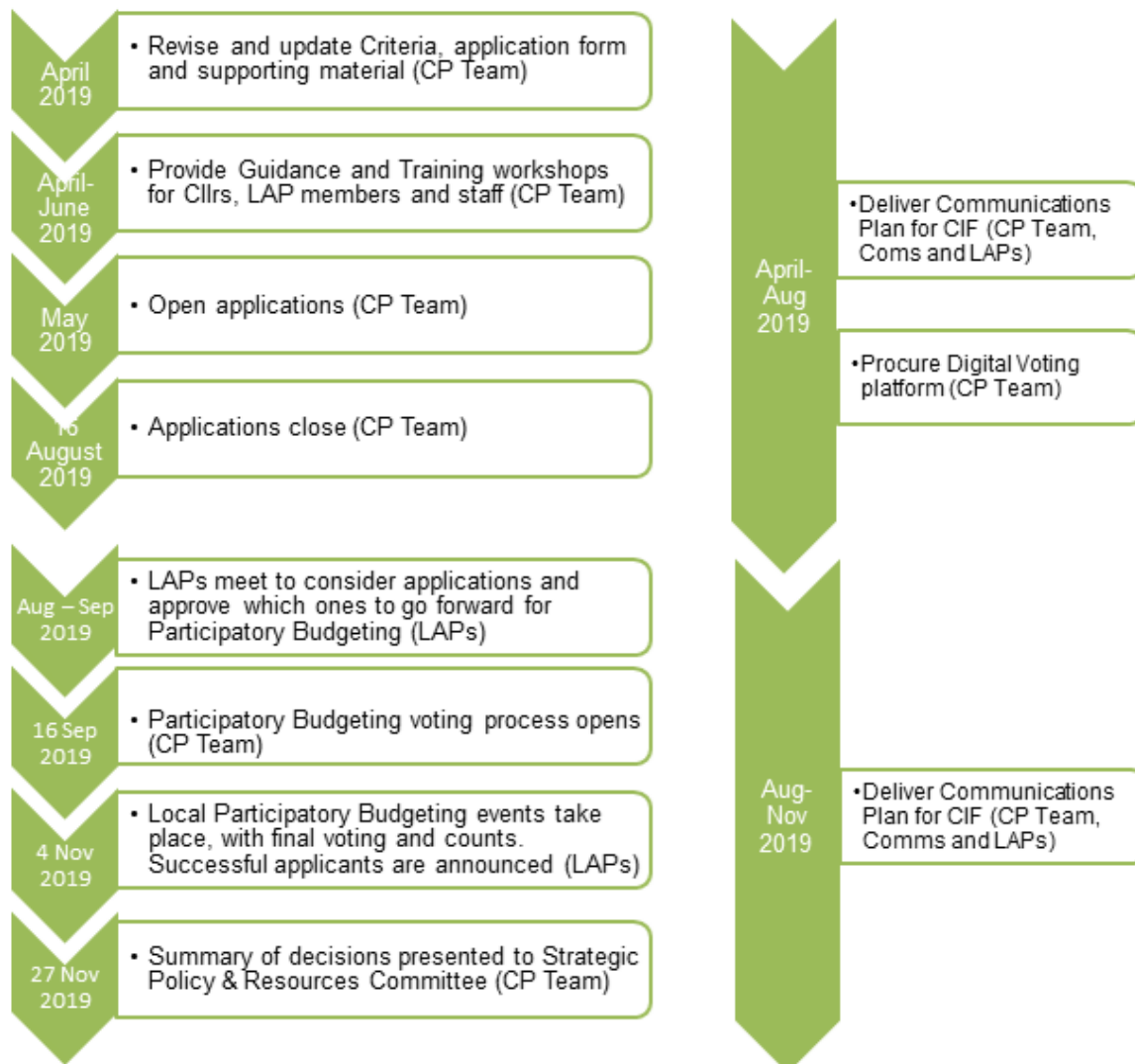
Option 2.1.2 – Devolved decisions to LAPs



Option 2.1.3 – Partial devolved decisions to LAPs



Option 2.1.4 – Participatory Budgeting



Appendix 2

Successful Applicants for Year 1 of Community Investment Fund

Ward 1 – Carse of Gowrie		
Group	Project	Funding Recommended
St Madoes & Kinfauns Parish Church	Criss-Cross 2019	£14,081
Glencarse Bowling Club	Irrigation System	£4,000
St Madoes PS Parent Council	Daily Mile Path	£5,362.50
Tay & Earn Trust	Your Tay – Your Adventure	£15,800
TOTAL FUNDING		£39,243.50

Ward 2 – Strathmore		
Group	Project	Funding Recommended
Alyth in Bloom	Alyth Burnside Improvements Project	£10,994.85
Kettins Parish Hall	Kettins Parish Hall Redevelopment	£15,000
Scone Thistle Community Club	Glebe Facilities	£10,994.85
Burrelton Community Café	Community Hub	£4,938.60
Coupar Angus & Bendochy Community Council	Restart	£4,131.70
Coupar Angus Parent Council	IT Skills in the Community	£3,940
TOTAL FUNDING		£50,000

Ward 3 – Blairgowrie and Glens		
Group	Project	Funding Recommended
Blairgowrie Players	Essential Equipment for Kirk Hill	£1,730
Hamish Matters	Ceilidh Making and Marketing	£3,350
Blairgowrie & Rattray Arts for Wellbeing	Its BRAW	£4,200
Kirkmichael Social & Recreational Hall	Hall Upgrade	£15,000
Lifeplus	Lifeplus Centre Toilet and Access Upgrade	£1,730
Blairgowrie & Rattray Development Trust	Made in Blair	£4,520

Ward 3 – Blairgowrie and Glens continued

Group	Project	Funding Recommended
Elder Voice	Neighbourhood Link Projects	£5,534
PKAVS Carers Hub	Opportunities for Eastern Perthshire Carers	£3,406
Strathmore Centre for Youth Development	Wellmeadow House	£3,000
Strathmore Arts Festival	Mapping the Community	£5,030
PKAVS Mental Health & Wellbeing Hub – Wisecraft	Journey to Recovery	£2,500
TOTAL FUNDING		£50,000

Ward 4 – Highland

Group	Project	Funding Recommended
Breadalbane Men's Shed	New Men's Shed at Dalween	£3,977
Dementia Friendly Aberfeldy Cooperative	Enabling a Dementia Friendly Aberfeldy	£6,000
The Den @ Heartland Kid's Club		£6,693
Aberfeldy Community Putting Green	Supporting Health & Wellbeing in the Community	£3,000
Highland Perthshire Crossing Borders	Crossing Borders "Schools Out" Community Project	£3,120
The Birks Cinema Trust	Arts & Crafts Tasters	£1,500
Pitlochry & Blair Atholl Pipe Band	Musical Equipment & Uniforms	£2,000
Tay Valley Timebank		£3,500
Blair Atholl & Struan Initiative	Sports Court Redevelopment	£3,000
Blair Atholl & Struan Community Council	Blair Atholl Village Hall upgrades	£5,000
The Care & Wellbeing Cooperative	Community Support for Older Citizens	£4,210
PAMIS – Aberfeldy	Community Connections	£5,000
Feis Thatha		£3,000
TOTAL FUNDING		£50,000

Ward 5 – Strathtay		
Group	Project	Funding Recommended
Stanley & District Men's Shed	Computer Project	£6,000
Auchtergaven PS Parent Council	Learner's Mental Health	£6,589.20
Meikleour Village Hall	Installation of Disabled Ramp	£3,590
Dunkeld & Birnam Community Council	Meeting Room & Digital Connectivity	£5,029.71
Stanley Public Hall	Fire Risk Improvements	£4,500
West Stormont Woodland Group	Feeling Good in the Woods	£3,432.50
A9 Community Group	Strengthening Community Engagement	£3,444
Caputh Village Hall	Electrical Rewiring	£7,000
Luncarty & Redgorton in Bloom	Planter and Seating	£6,690
Spittalfield & District Community Sports Hub	Creating Community	£3,720
TOTAL FUNDING		£49,995.41

Ward 6 – Strathearn		
Group	Project	Funding Recommended
Comrie PS and Friends Association	Comrie CANDO – Sports Inclusion Project	£1,600
Braidhaugh Pavilion Trust	Facilities Development – Disabled Access	£3,100
Remake Scotland	Remake Container Volunteer Support Project	£3,780
Friends of Old St Michael's Church Hall	Scaffolding and Fence	£2,500
Active Schools – Perth & Kinross	Volunteer Minibus Driver	£2,688
Aberfeldy Parish Church	Christians Against Poverty	£1,450
Comrie & District Men's Shed	Metal Workshop	£4,731.19
Comrie Fortnight Association	Community Activities – 50 th Anniversary	£4,724
Girlguiding – Crieff & Comrie District	District Camp	£1,750
Crieff Juniors FC	Soccer School	£4,372

Ward 6 – Strathearn continued		
Group	Project	Funding Recommended
Kids Week in Crieff		£4,811.84
Royal Voluntary Service	Crieff Health & Happy Lives	£3,800
St Fillan's Community Council	St Fillan's Play Park	£5,657
Strathearn Art Space	Barriers to Engagement	£5,012.68
TOTAL FUNDING		£49,976.71

Ward 7 – Strathallan		
Group	Project	Funding Recommended
Auchterarder Community Bus Group	Auchterarder Town Bus Service	£10,000
Dunning Community Council	Outdoor Gym Equipment	£2,600
Aberuthven Village Hall Trust	Continuation of Village Youth Club	£5,110
Ardoch Development Trust	Braco Multi-Use Games Area	£15,000
Dunning Tennis Club	Dunning Support for Learning	£290
Auchterarder Community Sport & Recreation	Pavilion Refurbishment	£15,000
Muthill in Bloom	Muthill in Bloom	£1,000
Opportunities for Strathallan Carers	Opportunities for Strathallan Carers	£1,000
TOTAL FUNDING		£50,000

Ward 8 – Kinross-shire		
Group	Project	Funding Recommended
Arngask Hall	Glenfarg Community Centre	£5,000
SPARKS	SPARKS	£3,265
Blairadam Amenity Association	Tabernacle Hall Improvements	£13,000
Kinross-shire Community Sports Hub	Skate Park Extension & Upgrade	£5,000
Kinross & District Men's Shed	Electric Bikes	£4,340
Kinross-shire Partnership	Visit Loch Leven	£3,000

Ward 8 – Kinross-shire continued		
Group	Project	Funding Recommended
KLEO	Events & Equipment	£3,097.99
SHIP	Kinross ASN Youth Service	£8,000
TRACKS	Access Improvements to Loch Leven Heritage Trail	£5,000
TOTAL FUNDING		£49,702.99

Ward 9 – Almond and Earn		
Group	Project	Funding Recommended
Williamson Hall Committee	Shower and Toilet Upgrade	£3,000
Methven Community Council	Methven Families Engagement Project	£2,800
Fowlis Wester Village Hall Committee	Boiler Replacement	£3,250
Bridge of Earn Institute Gala Day Committee	Bridge of Earn Gala Day	£1,250
Findo Gask Community Association	Hall Refurbishment and Upgrade	£2,900
Methven Community Centre	Centre Refurbishment Phase 3	£7,000
Brig in Bloom	Be Organic – Save the Planet	£3,094
66 th Perthshire (Abernethy) Scouts	Pavilion Renovations	£8,150
Fowlis Wester Village Hall Committee	Jeely Well Project	£1,000
Bridge of Earn Institute	Kitchen Refurbishment	£13,300
Abernethy PS Parent Council	School Hall Curtains and Nursery Blinds	£3,256
Earn Community Council	Place Standard Conversation	£1,000
TOTAL FUNDING		£50,000

Ward 10 – Perth City South		
Group	Project	Funding Recommended
Craigie and Moncrieffe Parish Church	The Revive Youth Project	£5,000
Community Garden Development Project	South Perth Community Garden	£8,100
South Perth Community Partnership	Community Get Together	£3,805
Letham4All	Letham Community Hub	£12,890

Ward 10 – Perth City South continued		
Group	Project	Funding Recommended
New Horizons		£5,300
SHIP	Inclusive Sports Activities	£8,905
Perthshire Brass	New Instruments	£6,000
TOTAL FUNDING		£50,000

Ward 11 – Perth City North		
Group	Project	Funding Recommended
Letham Climate Challenge	Swap Shop / Building Improvements	£10,000
Letham4All	Letham Community Hub	£25,000
Perth North Church	Tulloch NET	£5,393
TOTAL FUNDING		£40,393

Ward 12 – Perth City Centre		
Group	Project	Funding Recommended
Perthshire Pride	Perthshire Pride 2019	£4,103
Kinnoull Parish Church	Phoenix Parish Church	£10,330
PLUS Perth	Mental Health & Wellbeing Lunch / Activity Club	£3,890
Rowan Alba Ltd	Roaming with Rowan Alba	£3,412
Horsecross Arts	Visiting our Venue	£3,980
Perth & District YMCA	Y Media	£9,785
Checkin Works	Giraffe Activity Centre	£4,500
Maisie Moo Magical Moments	Help Maisie Play	£10,000
TOTAL FUNDING		£50,000

PERTH AND KINROSS COUNCIL

STRATEGIC POLICY AND RESOURCES COMMITTEE

17 April 2019

MANAGING UNREASONABLE DEMANDS POLICY

Report by Depute Chief Executive, Chief Operating Officer (Report No. 19/114)

PURPOSE OF REPORT

This report presents a policy to manage customer expectation and support staff in dealing with unreasonable demands by the Council's customers and service users.

1. BACKGROUND

- 1.1 The Council is committed to open and effective communication with our customers, service users and the public. There are occasions however when the behaviour or demands of individuals are such that they are unacceptable or unreasonable and require to be managed.
- 1.2 The Council has had a policy on Unacceptable Actions by Complainants since 2004 which allowed for restricting communications with complainants whose demands and expectations were deemed unacceptable.
- 1.3 Although that policy has only been used on a relatively few occasions, it has proved to be useful in supporting staff managing difficult complainants by restricting levels of communications, means of communication or who complainants can engage within the organisation.
- 1.4 As that policy relates only to individuals who are engaged in the complaints process, it does not cover situations where the behaviour and the demands of individuals who are engaging with the Council outwith the complaints process, become unreasonable or unmanageable.
- 1.5 This policy goes beyond the Unacceptable Actions by Complainants Policy and covers all individuals engaging with the Council regardless of any process or procedure.

2. UNREASONABLE DEMANDS

- 2.1 It is difficult to describe exactly what would be classed as 'unreasonable demands' since it will always depend on the individual case and the associated evidence.
- 2.2 Examples of situations where behaviour might be considered as 'unreasonable demands' and the likely or possible actions under the proposed policy are given below. In each case, the trigger would be many repeated and documented instances of the problem.

- Raising the same issue without providing new evidence and not accepting the Council's stated position
- Making unsubstantiated allegations about Council employees
- Making serious allegations but refusing to co-operate with an investigation

Action: refusing to communicate further on the particular issue, possibly with a single point of contact.

- Contact that has the effect of harassing employees

Action: naming a neutral, single point of contact would remove the harassing effect and allow matters to be filtered out and passed on to be dealt with appropriately.

- Multiple telephone calls in a day

Action: naming a single point of contact, setting and specific time-slot for communication, or requiring all communication to be in writing or even face-to-face.

- Prolonged correspondence requiring excessive employee time for responses
- Repeated 'scatter-gun' emails to multiple employees

Action: 'coralling' the correspondence and dealing with matters sequentially, possibly with a fixed amount of time allocated each week and / or a single point of contact.

- 2.3 It must be understood, however, that there can be no uniform approach and the actions will always be determined by what is 'reasonable' in the circumstances: the Council must always be approachable by a person to some degree.

3. PROPOSALS

- 3.1 The proposed policy is attached as Appendix 1.
- 3.2 The proposed policy aligns with the Council's existing Violence and Aggression Arrangements.
- 3.3 The proposed policy shall replace the existing Unacceptable Actions by Complainants policy.

4. CONCLUSION AND RECOMMENDATION

- 4.1 This policy goes beyond the Unacceptable Actions by Complainants Policy and covers all individuals engaging with the Council regardless of any process or procedure.

- 4.2 This policy has been developed in response to requests from Services and to bring consistency to existing informal practices.
- 4.3 The Committee is asked to approve the policy and to report instances of its use annually to the Scrutiny Committee.

Author(s)

Name	Designation	Contact Details
Donald Henderson	Information Governance Manager	01738 475000

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive(Chief Operating Officer)	5 April 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan/Single Outcome Agreement

1.1 Not applicable.

Corporate Plan

1.2 Not applicable.

2. Resource Implications

Financial

2.1 Not applicable.

Workforce

2.2 Not applicable.

Asset Management (land, property, IT)

2.3 Not applicable.

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 Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).
- 3.2 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) and assessed as **relevant** and actions taken to reduce or remove the following negative impact - action under this policy being taken against individuals with mental health issues or learning difficulties.

Strategic Environmental Assessment

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

Sustainability

- 3.3 Not applicable.

Legal and Governance

- 3.4 Not applicable.

Risk

- 3.5 Not applicable.

4. Consultation

Internal

- 4.1 All Services have been consulted through the corporate Policy and Governance Group and the Corporate Management Team.
- 4.2 The proposed policy was noted by the Corporate Health, Safety and Welbeing Consultative Committee.

External

4.3 Not applicable.

5. Communication

5.1 Guidance has been prepared for employees in the use of this policy and will be published with the policy on ***eric***. An Inside News Bulletin will be used to draw the policy the guidance to the attention of staff.

2. BACKGROUND PAPERS

None

3. APPENDICES

Appendix 1 – Managing Unreasonable Demands Policy

MANAGING UNREASONABLE DEMANDS POLICY

1. Introduction

The Council's aim is to deliver an excellent level of customer service across all our services. The Council is committed to being open and approachable to all its customers and service users. Occasionally, however, the behaviour or actions of some individuals become unreasonable and very difficult to manage.

This policy sets out the Council's approach to managing communication and engagement with those individuals whose demands or actions are considered unreasonable.

This policy is part of the Council's suite of policies and standards for customer service delivery.

2. Policy Aims

This policy aims to ensure the Council's effectiveness is not compromised by the actions of individuals who make unreasonable demands on Council resources. It ensures that the Council deals with all customers in a way which is demonstrably consistent, fair and reasonable.

The Council's approach to dealing with violent or aggressive behaviour is set out in a specific separate policy, which should be considered alongside this more general policy, to provide support to staff in managing unreasonable and unacceptable behaviour and demands.

3. What actions do the Council consider to be unacceptable?

The Council understands that people may act uncharacteristically when they are distressed. It is also clear that behaviour should not be viewed as unreasonable just because it is forceful or determined. However, the Council does consider the following behaviours to be unacceptable. It should be noted that this list is not exhaustive and refers to face-to-face, verbal and written communications: -

- Violent, aggressive or abusive behaviour, including the use of foul language
- Intentional damage to an employee's personal property
- Threatening or intimidating behaviour
- Unreasonable demands in terms of what is being asked or looked for
- Unreasonable persistence such as multiple emails, telephone calls or voicemails within a short period of time

3.1 Violent, aggressive or abusive behaviour, etc.

This is not restricted to actions that may result in physical harm; it also includes behaviour and language which may cause employees to feel afraid, threatened or abused. This can include: -

- Physical violence – injury
- Physical violence – no injury
- Aggression, verbal or written abuse
- Cyber bullying
- Sexual abuse
- Racial abuse
- Intentional damage to an employee's personal property
- Animal attack

Cases of such behaviour are not covered by this policy; staff will follow the relevant guidance issued by the Council's Health, Safety and Wellbeing team.

3.2 Unreasonable Demands

Whether something is considered as unreasonable will always depend on the circumstances surrounding the behaviour, the seriousness of the issue raised and the Council's legal obligations. However, a person may decide to contact the Council repeatedly, continually change the substance of the issue under discussion, insist on contact with a particular member of staff, demand unreasonable outcomes, or demand responses within an unreasonable timescale that is outwith the Council's [Customer Service Standards](#) or [Complaints Handling Procedure](#).

When this happens the Council may decide that their behaviour has an unreasonable impact on the work of the Council, its staff, or that it disadvantages other service users or members of the public.

3.3 Unreasonable Persistence

The Council recognises that individuals may sometimes feel that a degree of persistence is required on some occasions when they're dealing with the Council. However, if an individual repeatedly refuses to accept a decision that has been made, continues to pursue a matter which the Council considers to be closed without presenting new information or evidence, or refuses to accept an explanation about what the Council can or cannot do, their behaviour may be considered unreasonable by the Council. This is because dealing with this behaviour takes up a disproportionate amount of time and resources, which impacts on service provision.

4. How does the Council manage unreasonable behaviour?

The action the Council takes to manage unreasonable behaviour depends on the circumstances, nature and severity of the behaviour that has been displayed.

If someone has behaved violently or aggressively towards a member of staff the Council may decide that it is appropriate to contact the police, restrict access to Council buildings or to insist that the individual only contacts the Council in writing or through a third party.

If the Council considers that the behaviour that has been displayed amounts to antisocial behaviour as defined in the Antisocial Behaviour etc. (Scotland) Act 2004, the Council may apply to the court for an antisocial behaviour order, or take other legal action to prohibit the behaviour.

However, whenever it is possible to do so, individuals will be warned that the Council considers that their behaviour is becoming problematic, and advise them that the Council is considering taking action under the terms of this policy.

If the unreasonable behaviour continues the Council may decide to take one or more of the following actions:

- Request that the individual restricts the number of issues that they raise, or decide to deal with issues raised sequentially
- Restrict the times or ways in which the person may contact the Council
- Refuse to deal with correspondence that is abusive, seeks to intimidate staff or makes unsubstantiated allegations
- Refuse to respond to correspondence about a particular issue, or to discuss it further
- Restrict the officers whom the individual can contact
- Read, acknowledge and file further communications only, unless we receive new evidence about a matter.

Action will only be taken, however, where there is appropriate, documented evidence of the person's unreasonable demands. If the Council decides that it has sufficient evidence to warrant taking one or more of these actions, the Council will tell the individual about the action being taken and why it is considered necessary to do so.

5. The process we follow when we decide to take action

The decision to take action under the terms of this policy will be made by a senior member of staff – an Executive Director or a Head of Service - in consultation with the Head of Legal and Governance.

In all cases, if the Council does decide to restrict contact the affected individual will be contacted in writing to advise them this decision has been taken, the arrangements that are being put in place for them and if relevant, details of how long these arrangements will last and / or a date for a review of the arrangements.

The individual will always be able to contact the Council about certain matters, such as requesting a repair to a council house, to make payments or to report adult or child protection issues. If the affected person is unclear about the extent of the restrictions that have been placed on them, they should contact the writer of the letter for further clarification.

6. How an individual can appeal against a decision to manage their contact with the Council

An individual can appeal to the Chief Executive about a decision that has been taken to manage their contact with the Council, except in cases where legal action has been taken when there is no right of appeal under the terms of this policy.

The Chief Executive will acknowledge the appeal request and appoint a Head of Service or Executive Director, who was not involved in the original decision, to consider the appeal. This officer will advise the affected individual, in writing, about their decision within 15 working days of receiving the appeal.

The appeal will only consider matters relating to the arrangements that have been put in place, and not to the issues about which the individual has been contacting the Council.

If a decision is taken that the arrangements to manage unreasonable actions should remain in place, no further appeal will be considered for six months from the date of the decision. After this, appeals will not be considered more frequently than once every six months.

7. Recording and reviewing a decision to restrict contact

A record of all decisions to take action under the terms of this policy will be kept by the Council's Corporate Complaints Team within Legal and Governance Services. While the arrangement for restricted contact is in place, this will also be recorded on relevant systems across the Council.

The Complaints Co-ordinator within each Council Service will request a review of the restricted contact arrangements by the relevant senior officer at least annually, to ensure affected individuals are informed about any changes to the arrangements that are in place for them.

8. Reviewing this policy

This policy will be reviewed by the Council's Corporate Complaints Team on a regular basis to make sure that its aims are being achieved.

Please contact the Council's Customer Service Centre at enquiries@pkc.gov.uk or on 01738 475000 if you would like this information in another language or format.

PERTH AND KINROSS COUNCIL

STRATEGIC POLICY AND RESOURCES COMMITTEE

17 April 2019

PROPOSED HEALTH AND WELLBEING FRAMEWORK

Report by Depute Chief Executive, Chief Operating Officer (Report No. 19/115)

PURPOSE OF REPORT

This report proposes a new Health and Wellbeing Framework for all employees of Perth & Kinross Council. The framework will replace the current Maximising Attendance Procedure and Health and Attendance Procedure for Teachers.

1. BACKGROUND/MAIN ISSUES

- 1.1 Perth & Kinross Council has always recognised that our people are at the heart of everything we do and our success is reliant on the talent and collective efforts of everyone in the organisation. As work starts on developing the Perth and Kinross Offer, we have the opportunity to help redefine the relationship between the Council as employer and its employees through this focus on health and wellbeing.
- 1.2 The Council's [Corporate Workforce Plan \(2018 – 2021\)](#) (Report No 18/69) sets out the Council's vision for the type of workforce we need in future, with a focus on four key areas - Culture, Fair Work, Healthy Working Lives and Attracting, Retaining and Developing Talent.
- 1.3 With Health and Wellbeing a key theme, the Council supports our employees through ill health prevention, early intervention and building resilience, particularly in times of change. Over many years, the Council has invested in a range of initiatives to support employees, such as supporting people who are absent through ill health, supporting people through change, building resilience, physiotherapy, counselling, Winter Flu Programme, flexible working arrangements, family friendly policies and Jog PKC, among many other fitness and healthy living promotions.
- 1.4 Evidence shows that establishing a strategic approach to healthy working lives is much more likely to lead to successful business outcomes through better employee engagement, improved productivity and capacity, loyalty, improved morale, creativity and innovation and reduced sickness absence rates.
- 1.5 Our fresh approach to health and wellbeing recognises the combined impact of a range of factors on employee wellbeing, including environmental, organisational and societal. We have therefore developed a holistic approach which builds resilience and thereby benefits individual employees, their families, the Council as their employer and ultimately, the wider community - in turn, this helps everyone to *Live Life Well*.

2 PROPOSALS

- 2.1 The proposed framework has been subject to extensive consultation over the last eight months. A range of focus groups and consultation meetings on health and wellbeing have taken place with employees, managers, senior managers and trade unions. The views and contributions from these groups have helped co-design the proposed Health and Wellbeing Framework and assisted the Council to focus on key areas:
- The importance of manager and employee relationships
 - Reviewing our wellbeing offer for all employees
 - Developing a refreshed Health & Wellbeing Strategy
 - Developing our offer for supporting mental health and resilience
 - Redesigning our Occupational Health Services, the contract for which will be retendered in early 2020
 - Recognise the diversity and complexity across our workforce and that one size doesn't fit all
- 2.2 The proposed framework is shown in Appendix 1 - it is designed to integrate health and wellbeing in all work activities and practices. It is intended to support a positive working environment and wellbeing culture throughout the employment journey, whilst enhancing capacity and improving performance. (The framework is provided in document form the Appendix 1; hyperlinks to other sources of advice and guidance will be contained throughout once published on the Council's intranet site for ease of access by employees and managers.)
- 2.3 It considers employee wellbeing from a holistic perspective and reinforces the accountability of employees, managers and Services. The relationship between employees and their line managers is emphasised and regular discussions about health and wellbeing are encouraged. There is a focus on prevention and early intervention with the emphasis on employees being at work.
- 2.5 The framework has both general and specific principles relating to the management of absence, which line managers should refer to when managing their staff.
- 2.6 It is designed to give line managers the authority to manage their employees, working within parameters set out within the Framework, and based on individual case circumstances. The framework is principles led, evidence based and outcome driven and it strikes a balance between policy direction and manager discretion.
- 2.7 It allows managers to take a person centred approach, focussing on the individual circumstances, on a case by case basis. The key outcomes of this framework are prevention, early intervention and supporting employees to return to work as soon as practical, where possible.

- 2.8 The proposed Health and Wellbeing Framework is consistent with the national provisions for teaching staff contained in the Scottish Negotiating Committee for Teachers (SNCT) Handbook.
- 2.9 An implementation date later in 2019 is planned which will facilitate a planned and structured approach to communicate the proposed framework and deliver learning opportunities across the Council. Services will need to consider how the framework will be implemented for them. A range of communication and learning methods will be used as part of the implementation, with ongoing learning and refresher opportunities.

3 CONCLUSION AND RECOMMENDATION

- 3.1 Evidence shows that establishing a strategic approach to healthy working lives is much more likely to lead to successful business outcomes through better employee engagement, improved productivity and capacity, loyalty, improved morale, creativity and innovation and reduced sickness absence rates.
- 3.2 Healthy Working Lives is a key theme within the Corporate Workforce Plan 2018-21); the proposed Health and Wellbeing Framework is a key component of our strategic approach and will support the development of the Perth and Kinross Offer in respect of our employees.
- 3.3 It is recommended that:-
- i) The Strategic Policy & Resources Committee approves the proposed Health and Wellbeing Framework, and gives delegated authority to the Depute Chief Executive to arrangements for implementation.

Author

Name	Designation	Contact Details
Suzanne McLeod	HR Team Leader	01738 475000

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive	4 April 2019

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

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

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan/Single Outcome Agreement

- 1.1 This report supports the priorities detailed in the Community Plan / Single Outcome Agreement.

Corporate Plan

- 1.2 This report supports the priorities detailed in the Council's Corporate Plan Priorities.

2. Resource Implications

Financial

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

Workforce

- 2.2 There are no workforce implications associated with the proposals contained in this report. The proposed Health and Wellbeing Framework supports the workforce priorities set out within the Corporate Workforce Plan 2018 – 2021.

3. Assessments

Equality and Fairness Impact Assessment

- 3.1 The proposals contained within this report have been considered under the Corporate Equalities and Fairness Impact Assessment process (EFIA) and has been assessed as **relevant** for the purposes of EFIA. A range of measures have been incorporated into the framework to ensure our arrangements make appropriate provision for all the protected characteristics.

4. Consultation

Internal

- 4.1 The following have been consulted on the proposed Health and Wellbeing Framework:
- Focus groups involving employees and managers from across the Council
 - Corporate Management Group and Policy & Governance Sub-Group
 - Corporate Health and Safety Team
 - Corporate Organisational Development Team
 - Health, Safety and Wellbeing Consultative Committee
 - Employee Joint Consultative Committee
 - Joint Negotiating Committee for Teaching Staff
 - Executive Officer Team
- 4.2 All Teaching and Non-Teaching Trade Unions have been involved in shaping the Health and Wellbeing Framework from the outset. Several meetings have taken place and feedback has been positive.

External

- 4.3 There is regular and ongoing dialogue with other Scottish Councils, partner employers and professional bodies on workforce matters in order to share and develop good practice, exploit collaborative opportunities, seek efficiencies and influence the national agenda.

5. Communication

- 5.1 A detailed communication and implementation plan will facilitate implementation later in 2019. This will enable a planned and structured approach to communicate and deliver learning opportunities to embed the revised approach as set out within the Framework. There will be a coordinated approach with planned leadership development and other learning opportunities for managers. Associated guidance will also be updated. A range of communication and learning methods will be used as part of the initial launch and implementation, with ongoing learning and refresher opportunities.

2. APPENDICES

Appendix 1- Proposed Health and Wellbeing Framework

Health and Wellbeing Framework



Employee 
Wellbeing
Live Life Well

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1 Introduction

Employees of Perth & Kinross Council spend a great deal of time at work. It is vital therefore, that we work together to create and sustain a healthy working environment and positive wellbeing culture to ensure that we **Live Life Well**.

Healthy Working Lives is a key theme within our **Corporate Workforce Plan 2018-2021** and we seek to support our employees through ill health prevention, early intervention and building resilience, particularly in times of change.

We have a large workforce which is geographically dispersed and culturally diverse. Providing managers with the tools and support to manage their employees is fundamental as we evolve our approach. This will enable managers to take account of individual circumstances and strike a balance between policy direction and applying discretion. Our Health and Wellbeing Framework is principles-led, evidence-based and outcome-driven.

Everyone has a role to play - employees, managers, management teams, trade unions and elected members.

Through the key relationship between manager and employee, this framework is designed to integrate health and wellbeing in all work activities and practices. It is intended to support a positive working environment and wellbeing culture throughout the employment journey, whilst enhancing capacity and improving performance. It also reinforces the accountabilities of employees, managers and management teams.

The Framework applies to **all employees** of Perth & Kinross Council and is supported by other operational guidance, including How To Guides.



2 Health and Wellbeing Strategy

2.1 What Do We Mean by Wellbeing?

Wellbeing is the state of being comfortable, healthy or happy and refers to a range of factors which collectively impact on how we feel and are able to **Live Life Well**. These are:

- ◆ **Physical Wellbeing** - physical make-up of an individual
- ◆ **Mental Wellbeing** - emotional and physical make-up of an individual
- ◆ **Lifestyle Choices** - choices individuals make which impact on their wellbeing
- ◆ **Financial Wellbeing** - individual or family finances that may impact on health

2.2 What Are the Benefits to The Council and the Wider Community?

The Council's vision is of a confident and ambitious Perth and Kinross, to which everyone feels they can contribute and share. The Council's ambition is to be an excellent organisation, delivering high-performing quality services that meet the needs of our communities.

Evidence from the Chartered Institute of Personnel & Development and Simplyhealth's Annual Report dated 2 May 2018 - **Health and Well-Being At Work** - shows that establishing a strategic approach to wellbeing is much more likely to lead to successful business outcomes, such as higher employee engagement, improved productivity, and reduced sickness absence rates.

It is therefore important that we continue to promote a strategic approach to employee health and wellbeing, in partnership with employees, managers, management teams, trade unions and elected members and acknowledge the impact employee wellbeing can have on the Council's ability to fulfil its ambition.

Our approach to wellbeing is built on three main areas of support which will benefit individuals, their families, the Council as the employer and ultimately the wider community:

- ◆ *Leadership*
- ◆ *Resilience and Agility*
- ◆ *Wellbeing and Performance*

We encourage all employees to be healthy, resilient and active to **Live Life Well**.

2.3 How Will We Know if the Health and Wellbeing Framework is Effective?

- ◆ *We will regularly review the effectiveness of the framework following implementation and gather feedback from managers, management teams, trade unions and employees to better understand their experience.*
- ◆ *We will monitor and analyse absence levels and the underlying reasons for absence and share relevant findings, where appropriate.*
- ◆ *We will monitor other data such as levels of employee engagement, formal grievance and turnover rates.*
- ◆ *We will provide a range of health and wellbeing learning opportunities and campaigns.*
- ◆ *We will analyse feedback from a range of relevant sources, such as the health and wellbeing learning opportunities and campaigns and the annual employee engagement survey.*
- ◆ *We will share best practice on health and wellbeing through the Local Government Benchmarking Framework (LGBF).*
- ◆ *We will use our Corporate Workforce Plan to provide updates on progress made.*

3 Supporting Health and Wellbeing

3.1 Policy Statement

Throughout your employment journey with us, we want you to have a positive employee experience which supports your health and wellbeing. From time to time you may suffer from ill health and be unable to attend work. The Council's aim in managing health and wellbeing is to be supportive, whilst balancing the impact on service delivery. This means providing ill health prevention opportunities; discussing your health and wellbeing regularly; offering early intervention solutions and support; maintaining contact, where appropriate with you whilst you are absent; and supporting your return to work after sickness absence. **Key roles and responsibilities** set out how we work together to support health and wellbeing.

3.2 Key Principles

We recognise the important leadership role in promoting a positive wellbeing culture. Our leadership will be based on the following principles:

Promote a healthy working environment and positive attendance culture

Make employees aware of their responsibilities for their own health, safety and wellbeing, as well as for others

Encourage employees to adopt a healthier lifestyle through the promotion of national campaigns, learning lunches and events

Encourage employees to seek advice/support from a trade union representative at any time, in addition to accompanying them at any formal stage

Ensure managers are accountable for the decisions they make in supporting the health, safety and wellbeing of their employees

Encourage managers to take a supportive and constructive approach to health and wellbeing, taking into account individual circumstances

Provide learning and development opportunities to managers which promote positive attitudes and behaviours

Provide an Occupational Health Service to enable managers to make appropriate decisions

Comply with all relevant employment and Health & Safety legislation, including the General Data Protection Regulations (GDPR) and Equality Act


3.3 Health and Wellbeing Promotion

Our primary focus is on ill health prevention. It is important to us that you take reasonable care of your own health, safety and wellbeing and are aware of the lifestyle choices you make and those you can make to improve and maintain good health.


Physical Wellbeing/Lifestyle Choices

Making healthy food choices, undertaking regular exercise and avoiding or reducing damaging substances like tobacco, alcohol and excessive amounts of sugar and salt and getting enough sleep each night are examples of lifestyle choices you can make to improve and maintain good health. Small changes to increase physical activity such as how we travel to work each day. Developing and maintaining healthy habits can help to ensure we all **Live Life Well** and ultimately maximise your attendance at work.

Mental Wellbeing

From time to time, as well as our physical wellbeing, our mental wellbeing can be affected. Challenges to mental wellbeing may range from the worries we all experience as part of everyday life to serious long term conditions. Some pressure can be positive and can improve our personal resilience and increase productivity. However, when this is prolonged or sustained our ability to cope with the day-to-day demands can be adversely impacted. The stage at which pressure becomes stress will vary from person to person. We all have different tolerance levels and people will also be affected by non-work pressures, which may lead them to react adversely to work pressures earlier. The Council's **Occupational Stress Management Arrangement and Guidance**  is there to support you and should be used at an early stage.

Financial Wellbeing

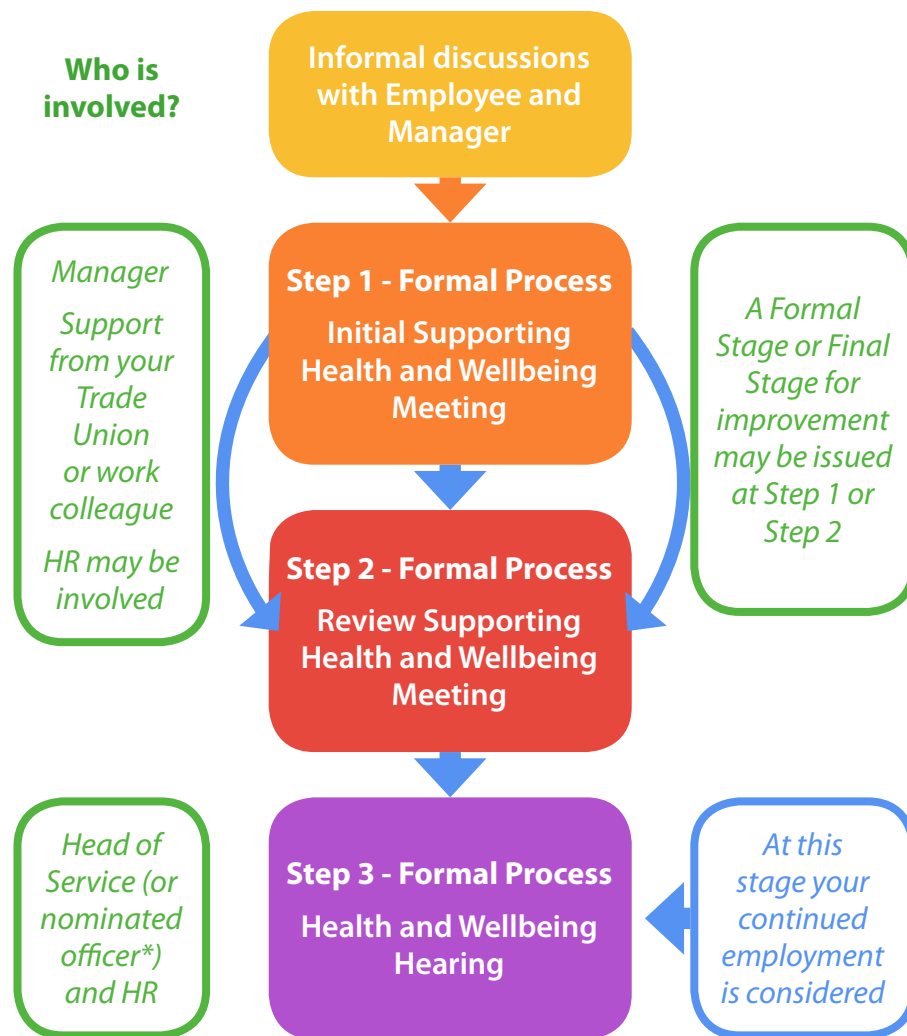
Our physical, mental and financial wellbeing are interlinked. Feeling less confident about your finances may have an effect on other areas of your life, which may affect your attendance and performance at work. The Council's **Welfare Rights Team**  offers a free confidential and impartial advice service on basic money and debt advice and can be approached to support you or family members.

Resilience

A proactive approach to health and wellbeing will build resilience on an individual team and organisational level.

4 Supporting Health and Wellbeing Procedure

The Supporting Health and Wellbeing Procedure includes informal and formal stages. Detailed below outlines each stage of the Supporting Health and Wellbeing Procedure:



* Executive Director (Education & Children's Services) for employees on Teacher's Terms and Conditions of Employment.

4.1 Informal Discussions

The relationship between you and your manager is an important one - we want you to be yourself at work. Informal discussions between you and your manager are opportunities to get to know you and discuss what else may be going on at work or home that could affect your wellbeing and performance. It builds relationships. Talking regularly about your health and wellbeing helps us to understand how you are feeling and how we can support you. It may help us to plan for events or discuss emergency arrangements which may be needed, so that we can plan together, as far as practical to ensure work is not a complicating factor when events arise.

You should feel able to speak regularly about your workload, work-life balance or anything that may impact on your health and wellbeing. It's okay not to be okay. In order for us to support you as much as we can, we encourage you to tell us anything that may be impacting on your health and wellbeing. This will be treated in confidence.

It is important to identify if there is any additional support or reasonable adjustments you may need, either as a temporary measure or something more permanent and this will assist with that.

These discussions should happen regularly as part of 1-to-1 meetings, or when you return to work following an absence. General health, safety and wellbeing issues should also be discussed in team meetings.

There is a wide range of information available for you to access about health and wellbeing, including ill health prevention.

Physical Health

[Winter Flu Vaccination](#)

[Active Travel](#)

[Men's Health](#)

[MacMillan Cancer Support](#)

[Drug and Alcohol Support](#)

[Women's Health](#)

Mental Health

[Occupational Health](#)

[Bereavement](#)

[Equally Safe \(Domestic Violence\)](#)

[Personal Sleep Profile](#)

[Mental Health Awareness](#)

[Mindspace](#)

[Andy's Man Club](#)

Lifestyle Choices and Financial Health

[Healthy Eating](#)

[Smoking Cessation](#)

[BMI Calculator](#)

[Cholesterol Levels](#)

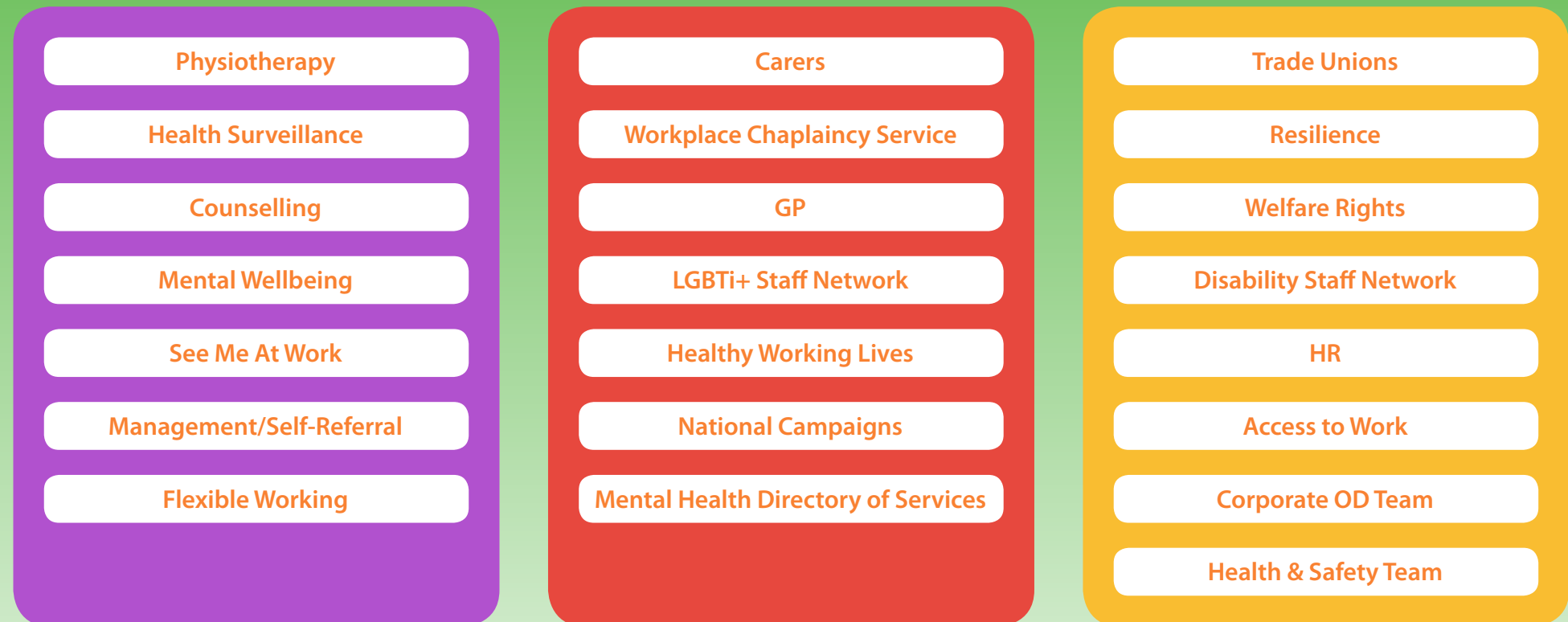
[Recommended Alcohol Intake](#)

[Recommended Water Intake](#)

[Citizens Advice - Debt](#)

[Exercise](#)

Through discussions with your manager, it may be agreed that support or early intervention initiatives are required. Detailed below are types of support available:



4.2 Reasonable Adjustments

At each stage of the process, we will consider reasonable adjustments which could be made to your duties or working arrangements in order to support you at work or to assist a return to work. This could be for a number of reasons, such as a disability underlying health condition or caring responsibilities.

If you have a disability, or underlying medical condition which affects your ability to carry out your duties, there is no legal obligation to disclose this to us, however by telling us how this manifests itself at work; we will be able to discuss how best we can support you. The Council will fund the reasonable costs of any adjustment which will support you at work and/or assist a return to work. Funding may also be available from external organisations such as [Access to Work](#). Applications for Access to Work must be made directly by employees, however you can talk through what might help with your manager or Human Resources.

4.3 Absence Notification and Communication

If you cannot come to work because you are unwell, phone your manager to let them know as soon as you can and no later than the local arrangements for sickness notification, as previously agreed with your manager.

Task	Action
Tell your manager	<ul style="list-style-type: none"> ◆ <i>Why you are off</i> ◆ <i>When you think you will be back</i> ◆ <i>If you have any work/meetings to be dealt with while you are off</i> ◆ <i>Agree with your manager how and when contact will be made and if necessary, arrange for someone to make contact on your behalf</i>

Task	Action
If your manager has not heard from you within an hour of your due start time on your first day of absence	<ul style="list-style-type: none"> ◆ <i>They will contact you.</i> ◆ <i>If they cannot reach you then they will try other means to contact you - we have a duty of care to you.</i>
If you do not contact your manager and we cannot get hold of you	<ul style="list-style-type: none"> ◆ <i>Your absence will be treated as unauthorised. This means you will not get paid whilst you are off and may lead to disciplinary action, unless there are reasonable circumstances.</i>
If your absence continues beyond the first day	<ul style="list-style-type: none"> ◆ <i>Agree with your manager how best to maintain contact.</i> ◆ <i>If your absence continues beyond 7 days you need a Fit Note. Discuss with your manager, or HR, if appropriate, the frequency and method of ongoing contact.</i>

Teachers have separate arrangements in place for absence notification and certification. Please see [Part 2 Section 6.27 to 6.32](#) of the SNCT Handbook. Nothing within this framework is intended to conflict with the SNCT Handbook.

In the event that you feel unwell at work you should make your manager aware before going home.

If your absence extends beyond seven days you should submit a [Fit Note](#) to your manager to cover the period of absence. Your manager will record the Fit Note information on [MyView](#) and once the internal processes are complete, it will then be returned to you.

On your return to work, your manager will have a discussion with you to find out how you are feeling and to ensure that you are fit to attend work along with providing you with any information that you have missed during your absence. Your manager will make a decision at this point if a more formal meeting is required, based on evidence from your absence record and individual circumstances. Detailed below are the steps in this process:



4.4 Absence Monitoring

Absence levels are monitored on an individual, team, service and Council-wide basis. We do this for a number of reasons:

- ◆ *To support employees, as this enables more meaningful discussions and to implement any specific support required.*
- ◆ *To allow for managers to raise any specific team or service impact with their Senior Management Team.*
- ◆ *To benchmark with other local authorities as part of our Local Government Benchmarking Framework (LGBF).*

4.5 Management Arrangements

Any absence has an impact. We recognise the adverse impact absence can have on you, work colleagues and service delivery. This framework provides managers with the discretion to manage their employees within the following parametres:

All absences must be recorded on MyView

The decision to move into the formal process should be evidence-based

Managers will monitor absence regularly at individual and team level

A decision about your continued employment can be taken prior to sick pay being exhausted

You are given the right to be accompanied by a Trade Union representative or work colleague in formal meetings

You should receive 5 working days' notice for any formal meeting

Meetings should be supportive with the intention of keeping you in/back to work

If unable to attend a formal meeting, reasonable steps should be taken to re-arrange

You will receive a letter following any formal meeting

A Formal Improvement Stage may be issued, ranging from one to twelve months in any formal meeting

You have the right of Appeal of any Formal Improvement Stage

Complaints will not prevent progression of formal stages

Managers are accountable for decisions they make

HR and Occupational Health advice can be sought at any stage, if required

HR must be present in all Health and Wellbeing Hearings

A Formal Improvement Stage should only be set once you are back to work

4.6 Moving to the Formal Process

A decision by your manager to move to the formal process must be based on evidence and individual circumstances. The level of absence considered to impact upon service delivery is detailed below:

- ◆ *3 or more separate occasions (amounting to 3 or more working days of sickness absence) over a 12 month period; or*
- ◆ *a total of 6 or more working days of sickness absence over a 12 month period.*

(Based on an employee's actual working day. Part-day absences are included.)

Managers will decide whether to move to the formal process.

4.7 Resilience - Evidence-Based Assessment

Your manager will assess and consider any action to mitigate the impact of your absence against the needs of the service. This builds team and organisational resilience.

It is recognised that each employee's absence record is unique; therefore consideration of your situation will be based on the circumstances of each period of absence leading up to this point.

The structure of each team configuration and impact on service delivery may also be different within and across teams.

Your manager must ensure their decision is fair and reasonable in the circumstances. The following chart shows the factors your manager will consider when making their decision.

4.8 Wellbeing and Performance - Outcome-Driven

Supporting Health and Wellbeing Meetings consider individual circumstances and are outcome-driven, taking into account your health and wellbeing, alongside the needs of your team and the organisation.

Review Evidence

- ◆ *Absence patterns*
- ◆ *Previous year(s) attendance*
- ◆ *Underlying health conditions*
- ◆ *Reasonable adjustments*
- ◆ *Stages of improvement*

Review Impact

- ◆ *Individual productivity/performance*
- ◆ *Team productivity/performance*
- ◆ *Service delivery*
- ◆ *Motivation/morale*
- ◆ *Turnover*
- ◆ *Cost*
- ◆ *Sustainability*


Decide Outcome

- ◆ *Employee returns*
- ◆ *Employee returns with adjustments and support*
- ◆ *Improvement stage set*
- ◆ *Capability transfer*
- ◆ *Ill health retirement*
- ◆ *Capability dismissal*

4.9 Supporting Health and Wellbeing Meetings

A formal meeting in the monitoring process is known as a Supporting Health and Wellbeing Meeting. The discussion in this meeting will be similar to those that you have already had with your manager but in a more formal setting. The meeting will involve you and your manager, and you can be accompanied by your Trade Union Representative or a work colleague to provide you with support. HR may also be present. You need to engage with us in these meetings, as this will assist us in supporting you.

The purpose of Supporting Health and Wellbeing meetings may include the following, depending on individual circumstances:

- ◆ *Exploring the reasons for your absence(s), including any actions taken by you.*
- ◆ *Offering support mechanisms if appropriate/reasonable.*
- ◆ *Identifying and discussing any recognisable pattern of absence, and its potential/actual impact on the team.*
- ◆ *Considering advice already provided through the **Fit Note** , eg phased return or reasonable adjustments, requesting advice from the Occupational Health Service, as required.*

The **outcome** of the meeting will be one or a combination of the following, depending on individual circumstances:

- ◆ *Reasonable adjustments and a plan for implementation agreed or reviewed*
- ◆ *Referral to Occupational Health, if required, and explanation of the referral process and next steps*
- ◆ *Return to work plan agreed or reviewed*
- ◆ *Stress action plan agreed or reviewed*
- ◆ *Date of review meeting agreed*
- ◆ *Explanation of next steps if absence levels should continue*

- ◆ *A Formal Improvement Stage or Final Improvement Stage during which the expected improvement in attendance levels will be outlined, and an explanation of the next steps*
- ◆ *Health Capability Transfer (only if recommended by Occupational Health)*
- ◆ *Where the expected improvement in absence has not been achieved following a Final Improvement Stage or there is no reasonable prospect of a return to work within a reasonable timescale, you will be required to attend a Health and Wellbeing Hearing.*

4.10 Health and Wellbeing Hearings

Where your absence levels have not improved to the expected level during a Final Improvement Stage or there is no reasonable prospect of a return to work within a reasonable timescale, a Health and Wellbeing Hearing will be held. This will take place with your Head of Service (or nominated officer) and a member of the HR Team. If you are on Teacher's Terms and Conditions of Employment, this will be with the Executive Director of Education & Children's Services. In this Hearing, you can be accompanied by your Trade Union Representative or a work colleague.

The purpose of the Hearing is to consider your continued employment with the Council and may include the following, depending on individual circumstances:

- ◆ *Review the levels of absence.*
- ◆ *Explore or review the reasons for ongoing or recurring absences (including actions taken by the employee).*
- ◆ *Review the impact of any reasonable adjustments previously agreed and implemented.*
- ◆ *Discuss any particular operational difficulties arising from your absence(s) or absence levels.*
- ◆ *Review Occupational Health report(s).*

The **outcome** of the Hearing will be one of the following, depending on individual circumstances:

- ◆ *Extension of a Final Improvement Stage (should only be considered normally in hearings) - you will be advised that, if no improvement is forthcoming during the extended final monitoring stage, dismissal will be considered*
- ◆ *Health Capability Transfer.*
- ◆ *Ill Health Retirement - Tier 1 and 2 (where the employee satisfies the criteria of their Pension Scheme).*
- ◆ *Dismissal.*

Up-to-date Occupational Health advice must be sought before dismissal (including consideration of ill health retirement or Health Capability Transfer).

4.11 Appeals

You have the right of appeal against a decision to set any Formal/Final Improvement Stage, enact a Health Capability Transfer or Dismissal. An appeal must be lodged, in writing, to the relevant Executive Director outlining the grounds of appeal, within 10 working days of receipt of the letter confirming the decision. Appeals will take place without unreasonable delay. **Appendix 1** details the arrangements for hearing appeals under this arrangement.

4.12 Other Policies and Guidance

In conjunction with this framework you may wish to familiarise yourself with other policies and guidance:

- ◆ **Time Off for Medical Appointments** ⓘ
- ◆ **Occupational Sick Pay (OSP)** ⓘ
- ◆ **MyView Guidance** ⓘ
- ◆ **Occupational Stress Management Arrangement and Supporting Guidance** ⓘ
- ◆ *How to Guides*
- ◆ *Guidance for Letters*
- ◆ **Alcohol and Drug Arrangement and Guidance** ⓘ

Appendix 1 - Appeals

For those employees engaged under Single Status, Craft and Teacher's Terms and Conditions of Employment, appeals under this procedure will normally be heard at the following levels:

Formal Action	Responsibility
Formal Improvement Stage	Option of Independent Review or Formal Appeal by other manager/nominated Senior Management Team member in a different school
Final Improvement Stage	Appeal heard by Head of Service or other Nominated Officer
Dismissal	Appeal heard by Appeals Sub-Committee

There are no further rights of Appeal.

For employees engaged under Chief Officer Terms and Conditions of Employment, appeals under this procedure will normally be heard at the following levels:

Role of Chief Official	Formal Action (performance) can be taken by:	Formal Action	Responsibility
Head of Service or Depute Executive Director	Depute Executive Director or Executive Director	Improvement Stage	Independent Review or Formal Appeal heard by Executive Director
		Final Improvement Stage	Appeal heard by Depute Chief Executive or Chief Executive
		Dismissal	Appeal heard by Appeals Sub-Committee
Executive Director or Depute Chief Executive	Depute Chief Executive or Chief Executive	Improvement Stage/Final Improvement Stage	Appeal heard by Chief Executive or Appeals Sub-Committee
		Dismissal	Appeal heard by Appeals Sub-Committee

There are no further rights of Appeal.

Appendix 2 - Roles and Responsibilities

Health and Wellbeing is everyone's responsibility. We all have a role to play.

Health and Wellbeing	Support at Work
<p>All employees are expected to:</p> <ul style="list-style-type: none">♦ <i>take reasonable care of their own health, safety and wellbeing, and others we come into contact with;</i>♦ <i>be aware of lifestyle changes they can make to improve and maintain good health and, in doing so, maximise their attendance at work;</i>♦ <i>meet their contractual obligation to attend work when fit to do so and engage with management.</i> <p>Managers are expected to:</p> <ul style="list-style-type: none">♦ <i>demonstrate supportive management behaviours and promote an open culture which provides employees with a voice in shaping the working environment;</i>♦ <i>keep accurate GDPR compliant records, where required;</i>♦ <i>support health improvement initiatives within the workplace and encourage employees to maintain a healthier lifestyle.</i> <p>The Council is expected to:</p> <ul style="list-style-type: none">♦ <i>ensure a robust policy framework is in place for health and wellbeing, which is fit for purpose, enabling managers to manage their employee;</i>♦ <i>review the effectiveness and impact of the framework.</i>♦ <i>develop an action plan on health and wellbeing as part of the Corporate Workforce Plan;</i>♦ <i>provide learning and development opportunities on all aspects of health and wellbeing, including building resilience, occupational stress, Health & Safety and mental health.</i>	<p>All employees are expected to:</p> <ul style="list-style-type: none">♦ <i>take advantage of appropriate learning opportunities and early intervention mechanisms;</i>♦ <i>initiate and raise issues which affect their health and wellbeing (or that of their colleagues) with their manager at the earliest opportunity ;</i>♦ <i>attend all early intervention mechanisms offered, if deemed appropriate.</i> <p>Managers are expected to:</p> <ul style="list-style-type: none">♦ <i>create opportunities for health and wellbeing discussions to take place through 1-to-1 meetings, Learn Innovate Grow (LIG) development or Employee Review & Development (ERD) discussions, team meetings and return to work discussions;</i>♦ <i>respond fairly and sensitively to employees, taking all reasonable steps to support employees as appropriate;</i>♦ <i>Follow up on stress action plans, report to Health & Safety and review risk assessments, as necessary;</i>♦ <i>be aware and promote early intervention initiatives and support which is available from the Council.</i> <p>The Council is expected to:</p> <ul style="list-style-type: none">♦ <i>provide and publicise health and wellbeing events, initiatives, campaigns and information;</i>♦ <i>continue to review our health and wellbeing initiatives and support including our Occupational Health Service;</i>♦ <i>ensure that each Service produces health and wellbeing plans to support health and wellbeing issues and develop actions at service level.</i>

Absence Notification	Whilst Off/Returning to Work
<p>All employees are expected to:</p> <ul style="list-style-type: none"> ♦ <i>inform their manager if they are unfit to attend work;</i> ♦ <i>maintain appropriate regular contact with your manager.</i> <p>Managers are expected to:</p> <ul style="list-style-type: none"> ♦ <i>agree with employee what regular contact is expected, depending on the circumstances and length of absence.</i> 	<p>All employees are expected to:</p> <ul style="list-style-type: none"> ♦ <i>maintain appropriate regular contact with their manager;</i> ♦ <i>attend all intervention mechanisms offered/deemed appropriate which are put in place to support them whilst absent or following a return to work;</i> ♦ <i>take all reasonable steps to facilitate an early return to work from any period of absence.</i> <p>Managers are expected to:</p> <ul style="list-style-type: none"> ♦ <i>ensure all interventions are fully discussed and offered, where appropriate;</i> ♦ <i>meet with their employees to discuss absence informally or formally as required, to ensure that employees are fit to return to work or are receiving appropriate support required at that time;</i> ♦ <i>consider the impact the absence has had on their team/service in relation to any improvement stage set;</i> ♦ <i>provide support to the remainder of the team, where appropriate;</i> ♦ <i>evaluate any recommendations made on Fit Notes against what can reasonably be undertaken, contacting HR, Health & Safety or Occupational Health for support, as required.</i> <p>The Council is expected to:</p> <ul style="list-style-type: none"> ♦ <i>provide HR, Health & Safety and Occupational Health expertise to support managers in managing/supporting their employees;</i> ♦ <i>report absence to the Corporate Health & Safety Team in line with the Council's reporting procedures.</i>

Recording	Monitoring
<p>All employees are expected to:</p> <ul style="list-style-type: none"> ♦ submit a Fit Note to their manager as soon as possible; ♦ complete the online sickness questionnaire upon return to work on MyView. <p>Managers are expected to:</p> <ul style="list-style-type: none"> ♦ ensure the recording of sickness through MyView is timely and accurate; ♦ ensure that the reason(s) for absence is recorded accurately; ♦ monitor sickness absence levels, identify hotspots and undertake team and group interventions to improve health and wellbeing. 	<p>All employees are expected to:</p> <ul style="list-style-type: none"> ♦ be aware of their own absence levels and the impact this is having/has had on their team and service. <p>Managers are expected to:</p> <ul style="list-style-type: none"> ♦ monitor absence individually and at team level, discussing this with their manager as part of their own 1-to-1 discussions, their own health and that of their team. <p>The Council is expected to:</p> <ul style="list-style-type: none"> ♦ provide managers with the tools and training in order to support employees appropriately and to monitor absence; ♦ identify hotspots, trend information and analysis which will inform targeted training/actions which may be required; ♦ continue to report sickness absence as part of the Sickness Absence Statutory Performance Indicator; ♦ work with other Councils sharing best practice, including the Local Government Benchmarking Family (LGBF) on sickness.

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(PKC Design Team - 2018753)

PERTH AND KINROSS COUNCIL
STRATEGIC POLICY & RESOURCES COMMITTEE

17 April 2019

RETIREMENT SCHEME

Report by Depute Chief Executive, Chief Operating Officer (Report No. 19/116)

PURPOSE OF REPORT

This report proposes changes to the Council's Retirement Scheme to ensure it complies with Local Government Pension Scheme Regulations and remains fit for purpose in supporting business change and organisational transformation.

1. BACKGROUND/MAIN ISSUES

- 1.1 The Council's current Retirement Scheme was approved by the Strategic Policy & Resources Committee in April 2009, following changes to the Local Government Pension Scheme (LGPS).
- 1.2 The Retirement Scheme provides a range of retirement options for employees and is an important part of workforce planning arrangements which support business change and organisational transformation. Since the removal of the Default Retirement Age in 2011, the timing of retirement has become a matter of personal choice for every employee. Our retirement options support equality of opportunity and valuing diversity as well as providing flexible options for those employees who may wish to improve their work-life balance or may no longer feel they are able to cope with the demands of their position.
- 1.3 There have been a number of recent developments which necessitate a review of the Retirement Scheme to ensure it complies with LGPS Regulations and remains fit for purpose in supporting business change and organisational transformation.
- 1.4 The key developments which influence the review are:
 - 1.4.1 The Local Government Pension Scheme (Scotland) Regulations 2018. These Regulations removed the requirement for employer consent where a member elects to retire voluntarily on or after age 55 but before they reach their normal pension age. Removal of this requirement therefore enables any member to elect to retire early once they reach the age of 55; however an actuarial reduction will apply, unless agreement is made with the employer for this to be waived.
 - 1.4.2 Flexible retirement requests have been agreed for up to a maximum of 3 years before retiring from the Council in order to facilitate effective workforce and succession planning. Experience of the operation of this provision has indicated a shorter timeframe is desirable. In practice, the average length of service in flexible retirement is just under two years.

- 1.4.3 The current Retirement Scheme allows for a discretionary award of up to 6 2/3 compensatory added years for employees aged over 55 and based on continuous service with the Council or predecessor Councils. For reasons of affordability and ensuring a shorter payback period, the Executive Officer Team has used its delegated authority to restrict the discretionary award of added years on a consistent and equitable basis. Experience of the operation of this provision, continuing financial challenges and the development of other workforce management tools mean the award of added years is no longer an essential business tool.

2. PROPOSALS

Voluntary Early Retirement

- 2.1 The Local Government Pension Scheme (Scotland) Regulations 2018 which came into force in June 2018 removed the requirement for employer consent where a member elects to retire voluntarily on or after age 55 but before they reach their normal pension age. Previously, any employee aged between 55-59 would have required employer consent before they could access their pension.
- 2.2 Accordingly, it is **proposed** that the Voluntary Early Retirement provisions of the Council's Retirement Scheme are updated to reflect the fact that employees can elect to retire from the age of 55 onwards, without employer consent and with an actuarial reduction in their pension, in accordance with the Policy Discretion Policy.

Flexible Retirement

- 2.3 An employee who is a member of the LGPS may request to receive their retirement benefits and to continue working with the same employer under a Flexible Retirement option, subject to them: being aged 55; taking a reduction in hours or grade equating to at least a 20% reduction in salary; and the Council agreeing to the revised working arrangements and release of pension benefits.
- 2.4 Under the delegated authority within the Pension Discretion Policy, and since 2012 the Executive Officer Team has approved flexible retirement arrangements where there is a sound business case which includes an agreed retirement date within 3 years of commencing the flexible retirement arrangement. The business rationale for agreeing a final retirement date in cases of flexible retirement is to allow effective workforce and succession planning to facilitate operational service delivery, improvement and transformation.
- 2.5 This 3 year maximum for flexible retirement arrangements has proven to be successful and has facilitated service redesign and transformation as well as providing a more structured environment for succession planning across Services. However, in recognition of the increasing pace of change within the local government environment, and to provide some additional flexibility, it is

proposed that the maximum period for flexible retirement be reduced to 2 years for all new requests. In **exceptional** circumstances, it is **proposed** there is an option for the Council and employee to mutually agree an extension period of up to 2 further years. No further extension will be granted and, in all cases, the employee will agree to leave the Council's employment on grounds of retirement from that post at the end of the flexible retirement period. It is therefore proposed that these features are incorporated in the revised Retirement Scheme.

Early Retirement On Grounds of Efficiency of the Service/Redundancy

- 2.6 The LGPS allows Councils to exercise discretion in the award of added years for employees taking early retirement on grounds of efficiency of the service or redundancy. The Council's existing Retirement Scheme includes provision for employees aged 55 and over to be eligible for a discretionary award of a maximum of 2/4/6 $\frac{2}{3}$ added years for 10/20/30 years' continuous service. Early retirement on grounds of efficiency of the service or redundancy are available only in circumstances initiated by the employer and are considered after other alternatives have been explored.
- 2.7 In 2017, the Executive Officer Team (under delegated authority within the Pension Discretion Policy) determined that, for affordability and consistency reasons, the award of added years for retirement on the grounds of efficiency of the service would be restricted to a maximum of 1/2/3 added years for 10/20/30 years' service. (No added years have been awarded for retirement on grounds of redundancy in which case a redundancy payment is payable along with immediate access to pension without actuarial reduction.) A benchmarking exercise carried out at that time indicated that only a small number of Councils continued to offer a maximum of 6 $\frac{2}{3}$ added years and the majority of Councils had scaled back their maximum awards to 3 years or less.
- 2.8 There has been some recent discussion about the potential removal of added years' payments at the Scottish Pensions Liaison Group in view of the costs involved in these discretionary payments and their affordability. In view of interest in the cost of exit payments and legislative changes in England and Wales, in 2017, the Scottish Government carried out a consultation exercise "A Severance Policy for Scotland" which sought views on whether changes should be made to exit payment arrangements across the devolved public sector in Scotland. To date, there has been no response from the Scottish Government on this exercise. It should be recognised that Scottish Councils are recognised as operating efficient and cost effective exit arrangements with robust business cases and payback periods, generally within 2-3 years. This is not necessarily the same across other public sector organisations in Scotland. The 2003 Audit Scotland report "Buy Now Pay Later" made a series of recommendations in relation to early retirements, including a requirement that Councils should rigorously appraise individual cases to ensure the expected savings associated with a retiral outweigh the costs. These recommendations have been incorporated into the governance arrangements within Perth & Kinross Council which are subject to regular internal and external audit.

- 2.9 It should be recognised that, for many employees, there will be a significant financial benefit when the employer meets the strain on the fund pension costs associated with early retirement on grounds of efficiency of the service or redundancy. In these circumstances, employees avoid the significant financial penalties imposed through actuarial reductions to their pension. In general terms, actuarial reductions can reduce an employee's pension by approx. 4% for each year they retire early before their normal pension age. By way of illustration, a man wishing to retire 7 years before his normal pension age would see his pension reduced by up to 33%. A woman in the same situation would see her pension reduced by up to 31%. Normal pension age within the LGPS was aligned with State Pension Age as a result of the changes introduced in 2016 and will ultimately rise to 67 by 2028.
- 2.10 Therefore, in light of the significant financial benefit to an employee in being able to immediately access an unreduced pension when taking early retirement on grounds of efficiency of the service or redundancy, it is **proposed** that the Council removes the LGPS discretion to award added years to any employee with a leaving date beyond 31 March 2020. In effect, the delayed effective date allows consideration of an award of added years for employees who retire early on the grounds of efficiency of the service by 31 March 2020, ensuring consistency with the terms offered under recent voluntary severance schemes where employees have agreed retirement dates within the same time period.

Accessing Preserved LGPS Benefits

- 2.11 Scheme regulations allow former employees to request early release of their preserved pension benefits prior to attaining age 60 and payment of these benefits is made if employer's consent is given. Perth & Kinross Council is contacted by Dundee City Council when former employees submit a request for their preserved benefits to be released from the Tayside Pension Fund. The Council has refused all requests which would incur any cost by the Council as the former employer. Currently, the Executive Officer Team has delegated authority to make decisions in respect of such requests. In order to streamline the process, it is **proposed** that the Pension Discretion Policy is amended to give delegated authority to the Corporate Human Resources Manager, in consultation with the Head of Finance, to assess and respond to these requests in the future.

Pension Discretion Policy

- 2.12 The LGPS Regulations require employers to publish a statement of policy in relation to a range of pension discretions. The Council's Pension Discretion Policy Statement was approved in 2009 and updated in 2015. The Local Government Pension Scheme (Scotland) Regulations 2018 will require a further review of these pension discretions. Amendment Regulations to address some omissions and drafting errors are going through the legislative process; when approved, a further report will be submitted.

3. CONCLUSION AND RECOMMENDATION

- 3.1 The Council's Retirement Scheme requires to be updated to ensure that it complies with updated LGPS Regulations and meets the future requirements of the organisation in relation to workforce and business change.
- 3.2 The changes proposed to the Retirement Scheme are in accordance with LGPS Regulations and ensure that the Council continues to provide a range of retirement options for employees, including flexible options for those employees who may wish to improve their work-life balance or may no longer feel they are able to cope with the demands of their job.
- 3.3 Employees have a personal responsibility to plan for their retirement and need to be aware that accessing their pension early will result in a level of reduction unless being granted early retirement on grounds of efficiency of the service or redundancy. The changes proposed to the Retirement Scheme reflect the significant financial challenges facing the Council in future years and ensure that exit costs remain affordable in the context of these financial constraints.
- 3.4 A further report will be presented to the Strategic Policy & Resources Committee updating LGPS pension discretions following implementation of legislation relating to the Local Government Pension Scheme (Scotland) Regulations 2018.
- 3.5 It is recommended that:

The Strategic Policy & Resources Committee approves the revised Retirement Scheme attached as Appendix 1.

Author(s)

Name	Designation	Contact Details
Karen Donaldson	Corporate HR Manager	01738 475000

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	4 April 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan/Single Outcome Agreement

- 1.1 This report supports the priorities detailed in the Community Plan/Single Outcome Agreement.

Corporate Plan

- 1.2 This report supports the priorities detailed in the Council's Corporate Plan Priorities and the Corporate Workforce Plan 2018-2021.

2. Resource Implications

Financial

- 2.1 The Head of Finance has confirmed there are no financial costs directly associated with the proposals contained in this report. The Head of Finance will be consulted on the financial implications of any retirements involving cost for the Council.

Workforce

- 2.2 There are no workforce implications associated with the proposals contained in this report. The Retirement Scheme will continue to provide employees with a number of retirement options and will continue to be an important part of workforce planning arrangements, supporting business change and organisational transformation. The revised Retirement Scheme supports the workforce priorities set out within the Corporate Workforce Plan 2018-2021.

Asset Management (land, property, IT)

- 2.3 Not Applicable

3. Assessments

Equality Impact Assessment

- 3.1 The proposals contained within this report have been considered under the Corporate Equalities Impact Assessment process (EqIA) and assessed as relevant with the following positive outcome:
- a) The Local Government Pension Scheme (Scotland) Regulations 2018 removed the requirement for employer consent where a member elects to retire voluntarily on or after age 55 but before they reach their normal pension age.
 - b) Removal of the LGPS discretion under the Council's Voluntary Early Retirement provisions to award added years where an employee retires early on the grounds of efficiency of the Service/Redundancy.
- 3.2 This will, in effect, eliminate any potential inconsistency or bias on the grounds of age or gender.
- 3.3 The Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).

4. Consultation

Internal

- 4.1 The Head of Finance has been consulted in the preparation of this report. The Corporate Management Group and Executive Officer Team have also been consulted in the preparation of this report. The trade unions who represent employees covered by the Retirement Scheme have been consulted on the changes and their feedback incorporated, where appropriate.

External

- 4.2 The Pension Team at Dundee City Council has been consulted in the preparation of this report.

5. Communication

- 5.1 Once approved, the revised Retirement Scheme will be published on the Retirement pages on ERIC. There will be specific workforce communications around the removal of the award of added years with effect from 1 April 2020. All other changes in the Retirement Scheme will be effective for new requests.

2. APPENDICES

Appendix 1 – Perth & Kinross Council Retirement Scheme

RETIREMENT SCHEME

INTRODUCTION

One of the key aims of Perth & Kinross Council is to attract and retain employees who are committed to delivering excellent public service and making Perth & Kinross Council a dynamic and innovative Council. To achieve this aim, workforce planning is used to create a flexible and adaptable workforce.

A Retirement Scheme is an integral part of our approach to retaining employees with the skills, abilities and experiences needed to deliver the Council's vision as well as supporting business change and organisational transformation. Importantly, the Retirement Scheme also supports equality of opportunity and valuing diversity within our workforce as well as providing flexible options for employees who may wish to improve their work-life balance as they approach retirement age or who may no longer be able to cope with the demands of their job. In turn, our flexible approach to retirement in support of business needs will promote a positive image of the Council as an employer of choice and improve recruitment and retention.

SCOPE

The Scheme applies to employees of the Council who are members of the Local Government Pension Scheme (LGPS). There are similar but separate provisions on retirement options applicable to Teaching staff based on the Scottish Teachers' Superannuation Scheme which is administered by the Scottish Public Pensions Agency. The governance arrangements are the same for retirement across all groups of employees.

FORMS OF RETIREMENT

- 1 [Flexible Retirement](#)
- 2 [Voluntary Early Retirement](#)
- 3 [Early Retirement in the Interests of Efficiency of the Service, or Redundancy \(applicable only in circumstances initiated by the employer\)](#)

Flexible Retirement (back)

An employee who is a member of the LGPS may request to receive their retirement benefits and to continue working under provisions known as Flexible Retirement if the following conditions are met:

- The employee must be aged 55 or over;
- The employee must take a reduction in hours or grade; and
- The Council agrees to both the revised working arrangement and the release of pension benefits (for employees aged 60 and over, the Council only needs to agree to the revised working arrangements).

The option of Flexible Retirement may be attractive to employees who are approaching retirement and wish to either reduce their hours of work or step down to a less demanding role. This option may be a useful transition from work to retirement and enables employees to continue to make a valuable contribution to the Council and the services it delivers.

For the Council, it provides a way of retaining skills, abilities and experiences it may otherwise lose - it creates options to utilise such expertise in nurturing and developing other employees who are at earlier stages in their careers; or to take forward special projects.

A request for Flexible Retirement must be for a permanent change to the employee's contract of employment. However, the change is for a fixed period of time, at the end of which the employee will retire from the post in which they are flexibly retiring and leave the Council. Therefore, the employee must confirm a leaving date (in writing) which has to be within 2 years of the commencement of the Flexible Retirement. In exceptional circumstances, there is an option for the Council and employee to mutually agree an extension period of up to 2 further years. No further extension will be granted.

Where an employee who is a member of the LGPS retires and is re-employed by an LGPS employer, the retirement pension is reduced by the extent to which the total of the retirement pension plus the salary in the new post exceeds the salary in the former post. This process is known as abatement. In a Flexible Retirement situation, these abatement rules do not apply and therefore there is no requirement to reduce the pension as a result of the employee continuing in employment.

The employee may choose to take all or part of their occupational pension without having to retire completely, and would have to submit a written request for this to Dundee City Council. The employee may continue in the LGPS and build up another set of rights in respect of their ongoing employment, or continue making contributions if they take part of their pension.

Benefits being claimed prior to an employee's Normal Pension Age, including those claimed under the Flexible Retirement provisions, may be subject to an actuarial reduction in the pension payable to the employee and a strain on the fund payment may be payable by the Council.

Reduction In Hours of Work

The employee may request to reduce working hours in their current job - this may be to weekly part-time hours, term time working or annualised hours; it may be a request to job share. If agreed, pay will reduce pro rata for hours worked and the employee will receive pension benefits accrued for previous service.

Stepping Down/Reduced Grade

The employee may request to move to a lower graded post. In the event that a suitable post can be identified and agreed, pay will reduce to the rate of pay for the new post and the employee will receive pension benefits accrued for previous service. Options include redesigning/downgrading the employee's current post or providing support to the employee to secure an alternative post within the Council via the normal

recruitment and selection process.

In all types of Flexible Retirement, the reduction should be sufficient to be regarded as creating a genuine retirement situation. For this reason, there is a requirement for a reduction of at least 20% of original salary which may be achieved by reduced hours or grade, or a combination of both.

Employees wishing to apply for Flexible Retirement should submit a request to Human Resources at least 6 months prior to their preferred date of this arrangement coming into place. On receipt of this request, HR will arrange for an estimate of benefits to be sent to the employee and details of any costs for the Council to be sent to the manager. Where the request for Flexible Retirement involves a reduction in grade, it can only be approved in principle by the manager when a suitable post has been identified.

Employees are encouraged to obtain independent financial advice to inform their own decision-making.

If the request is not accepted, the employee will be given written reasons for the decision and the manager and employee should explore alternative options, if available.

When an employee, having received and considered their pension estimate, wishes to proceed with their request, they should write to their manager, stating their requested start date and retirement date for leaving the Council, which must be within 2 years of commencement of Flexible Retirement.

Careful consideration will be given to all requests for Flexible Retirement. Operational business needs and individual circumstances must be taken into account. It is appropriate to consider:

- Costs to be borne by the Council
- Effect on the efficient and effective operation of the service
- Ability to re-organise work among existing employees
- Impact on performance or quality of work
- Availability of work during the period the employee proposes to work
- Planned structural changes
- Recruitment difficulties in that job family
- Recruitment and Selection Procedure (reduced grade applications). Details to be worked out internally.

The manager would then make a recommendation in a report (with support from the relevant HR Officer and Service Accountant), outlining full details of the proposal. The Executive Director has authority to approve requests for Flexible Retirement in situations where there are no pension costs.

Any request for Flexible Retirement which involves strain on the pension fund costs requires scrutiny and consideration by the Executive Officer Team.

There is an appeals process in the form of an independent review of the outcome of a manager's decision on whether to recommend approval of an employee's application

for Flexible Retirement.

The employee must lodge their appeal within 10 working days of receipt of the letter informing them of the decision. The independent review meeting should be convened within 10 working days of receipt of the appeal and should be chaired by a senior manager not previously involved in the decision relating to the original request. Human Resources will advise the manager chairing the appeal. Any decision at this stage is final.

If a request for Flexible Retirement is declined by the Executive Director or Executive Officer Team, the employee will be given written reasons for the decision and there is no right of appeal.

Requests from chief officers will initially be considered by the Executive Director (if appropriate) and/or the Chief Executive, and if recommended for approval, will be submitted to the Executive Subcommittee of Strategic Policy & Resources Committee.

Under the [Flexible Working Policy](#) employees can request a reduction in their hours of work or a change in their work pattern. This policy applies to all employees who otherwise meet the criteria of the Flexible Working Policy, regardless of membership of an occupational pension scheme. If an employee wishes to make a flexible working hours request to reduce their hours or change their work pattern in their current job, this will be considered under the terms of the Flexible Working Policy and their hours of work would be adjusted as agreed - the employee would receive the pro rated pay and pension contributions would be made on the basis of their new salary. There would be no payment of pension benefits at this time. This may be an alternative option for discussion between the manager and employee in situations where Flexible Retirement is not an acceptable option.

[Voluntary Early Retirement \(back\)](#)

In a Voluntary Early Retirement situation, employees who are over 55 years of age and are members of the LGPS can retire early with an actuarial reduction in their pension which takes account of the fact that they will be receiving their pension before their Normal Pension Age and not making the contributions they would otherwise have been making. In Voluntary Early Retirement, the pension calculation is based on the employee's period of membership - there is no award of added years.

No approval is required for an employee aged 55 or over to leave the Council under voluntary early retirement.

The employee's pension will be actuarially reduced, subject to the detailed rules of the LGPS, and there would be no cost to the Council. Employees must inform their manager of their intention to retire in writing, giving notice as per their Statement of Employment Particulars. There are no decisions which require to be made by the Council in this situation.

The option to take Voluntary Early Retirement may suit an employee who wishes to leave the Council's employment before their Normal Pension Age - perhaps to take up employment with another non-local government employer, to start a new career or to stop working to take on caring responsibilities or to improve their work-life

balance. The Council recognises that sometimes the pace of change may become too much for certain individuals, and it may be in everyone's interests if there was provision for them to leave on more favourable terms than a simple resignation, although such a decision is an individual's personal choice.

Employees are encouraged to obtain independent financial advice to inform their own decision-making.

Early Retirement on Grounds of Efficiency of the Service/ Redundancy ***[\(back\)](#)***

The Council has an ambitious agenda to transform the organisation to deliver excellent services to the communities of Perth and Kinross. From experience, we know this journey to excellence may mean:

- Changes in our organisation and structure to ensure the right focus on Council priorities;
- Changes in business processes to improve efficiency, performance and customer focus; and
- Changes in ways of work which impact on the design of jobs, the skills and abilities required to ensure we have a flexible and adaptable workforce.

There may be times when restructure or redesign requires us to consider allowing some employees to take Early Retirement on Grounds of Efficiency of the Service or Redundancy as we reshape our workforce to meet the challenges ahead. Early Retirement on Grounds of Efficiency of the Service or Redundancy would be available only in circumstances initiated by the employer and would be considered **only** after other alternatives have been explored.

There may be opportunities for employees aged 55 or over who are members of the LGPS to leave early and receive their pension benefits with no actuarial reduction and, where appropriate, a redundancy payment. The availability of this option may be part of the Council's approach to avoiding compulsory redundancies. The award of added years will only be available where there is a retirement date on or before 31 March 2020. Following that date, the discretion to award compensatory added years will be removed from the Council's Retirement Scheme.

Members of the LGPS who have their employment terminated on Grounds of Efficiency of the Service or Redundancy have a protected pension age of 50 as long as they were in the LGPS Scotland on 5 April 2006.

Employees affected by a Management Review/Managing Change project will be advised if the change process is likely to provide opportunities for Early Retirement on Grounds of Efficiency of the Service, or Redundancy. In exceptional circumstances, employees in other areas may be allowed to retire early if this would provide redeployment options for those directly affected by the change.

Employees may be eligible to take Early Retirement on Grounds of Efficiency of the Service, or Redundancy and, in circumstances determined by the Council, employees should normally explore this option with their manager 6 months in advance of a possible leaving date. Careful consideration will be given to requests from employees to take Early Retirement on Grounds of Efficiency of the Service, or Redundancy.

Operational business needs and individual circumstances must be taken into account. It is appropriate to consider:

- Costs to be borne by the Council
- Effect on the efficient and effective operation of the service
- Suitable alternative employment within the Service or elsewhere in the Council
- Training and development needs
- Actual savings arising directly from the Management Review/Restructure
- Ability to reorganise work, including the impact on demands of jobs and grades
- Recruitment difficulties in that job family or other areas of the Council
- Workforce or succession planning arrangements

Advice and support is available from Human Resources. If a manager supports the request, they should contact Human Resources who will arrange for an estimate of benefits to be sent to the employee and details of any costs for the Council to be sent to the manager.

Employees are encouraged to obtain independent financial advice to inform their own decision-making.

When an employee, having received and considered the pension estimate, wishes to proceed with retiring early on grounds of efficiency or redundancy, they should write to their manager. The manager would then make a recommendation in a report (with support from the relevant HR Officer and Service Accountant), outlining full details of the proposal. This proposal requires scrutiny and consideration by the Executive Officer Team.

If the request is not accepted, the employee will be given written reasons for the decision and, the manager and employee should explore alternative options, if available.

Requests from Chief Officers will initially be considered by the Executive Director (if appropriate) and/or the Chief Executive and, if recommended for approval, will be submitted to the Executive Sub-Committee of Strategic Policy & Resources.

There is an appeals process in the form of an independent review of the outcome of a manager's decision on whether to recommend approval of a request for Early Retirement on the Grounds of Efficiency of the Service, or Redundancy. The employee must lodge their appeal within 10 working days of receipt of the letter informing them of the decision. The independent review meeting should be convened within 10 working days of receipt of the appeal and should be chaired by a senior manager not previously involved in the decision relating to the original request. Human Resources will advise the manager chairing the appeal. Any

decision at this stage is final.

If a request for Early Retirement on the Grounds of Efficiency of the Service, or Redundancy, is declined by the Executive Officer Team, the employee will be given written reasons for the decision and there is no right of appeal.

SUPPORTING EMPLOYEES APPROACHING RETIREMENT

Employees who are aged 55 or over and are members of the Local Government Pension Scheme may obtain pensions information for voluntary retirement from pensions@dundeecity.gov.uk. However, any estimate for efficiency or redundancy retirement or for flexible retirement should be requested through your employer.

Pre-retirement courses are available to help employees prepare for retirement - please contact Organisational Development on innovate@pkc.gov.uk for further details.

MONITORING AND REVIEW

The Retirement Scheme will be subject to regular review to ensure it remains fit for purpose. Regular monitoring will be carried out by Human Resources to ensure fairness and consistency of application and for equalities impact. In accordance with the Audit Scotland, Buy Now Pay Later requirements, Elected Members will receive information on an annual basis, detailing the number of early retirement decisions made in the year, along with the associated costs and savings.

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 17 April 2019

Policy and Framework for Delivery of Successful Engagement in Housing and Environment

Report by Depute Director (Housing & Environment) (Report No. 19/117)

The report sets out an integrated and refreshed approach to how Housing and Environment will inform, consult and engage with its customers and other stakeholders.

1. BACKGROUND

- 1.1 Housing and Environment is a very diverse, highly visible service, with many universal activities such as refuse collection, roads, and greenspace, which touch the lives of all parts of our community on a daily basis. In addition, other services in Housing & Environment have more defined customer/stakeholder groups such as local businesses, or council house tenants. The Service also manages and directs certain activities such as contractors and other specialists, who carry out activities on the Service's behalf, or through regulatory controls (such as licencing) where the Service can direct regulated organisations to take certain actions.
- 1.2 The Council's [Corporate Plan](#) recognises the evolving relationship with our service users and communities; from a historic position, where the Council directed services with little input for stakeholders, to the current situation where there is a much more open relationship, which values engagement and empowerment. This includes increased participation by customers and communities in the design, delivery and improvement of our services.
- 1.3 This evolving approach recognises the significant benefits of greater consultation and engagement, by better meeting the needs of our customers and communities, when we work with them in the design and delivery of our services. The Housing & Environment Business Management & Improvement Plan 2018-19 (Report No. 18/253 refers) committed the Service to improving ways to ensure that the needs of our service users are at the heart of service design and delivery. It also reflected the need to assess our customer consultation and engagement approach for each activity across the Service.
- 1.4 Many teams in Housing & Environment are recognised for their outstanding level of customer and stakeholder engagement. For example;
 - the tenant satisfaction feedback demonstrated Perth and Kinross is the top performing council in Scotland across a range of measures.
 - our tenants have been fully involved in the development of the new model of rent calculation through the Rent Restructure Tenant working group.
 - our Service Review and Evaluation (SURE) Team undertook a review of tenant participation activities in preparation for developing a new 3 year

strategy. A strategy for tenant involvement has been written by tenants themselves – a first for Perth and Kinross Council.

- the work of Community Greenspace in engaging with 51 local “In Bloom” groups has led to multiple awards at Scottish and UK level for community participation and environmental enhancement to our local areas.
- recent engagement by staff on the Perth Cycle Network Masterplan and the Local Development Plan which received recognition from elected members for the widespread engagement carried out.

1.5 It is recognised, however, that not all parts of Housing & Environment have the same level of experience, expertise and organisational culture in relation to consultation and engagement. This report seeks to address this issue.

1.6 The drivers behind the content and proposals contained in this report are:

- the merger of two former Services (Housing and Community Safety and The Environment Service) with the need to harmonise approaches to customer and community engagement.
- self-evaluation work, carried out within the Service including “How Good is Our Council” assessment, as well as feedback from customers, community councils and elected members, has identified an opportunity for developing our service to ensure a consistent and high standard of consultation and engagement across Housing & Environment.
- benchmarking our activities against high quality national guidance on consultation and engagement, such as the National Standards for Community Engagement, and the Planning Aid for Scotland (PAS) SP=EED “Practical Guide to Better Engagement in Planning”.
- ensuring we clearly set out our standards for consultation and engagement, and share with our staff the support and tools available to enable them to meet these standards.
- to deliver better services for our communities.

2. PROPOSAL

2.1 A working group of staff, representing the different parts of Housing & Environment, along with the corporate communities team developed the proposals detailed in this report. The approach is based on the following:

- a) **Policy statement** (Appendix 1) – this clearly sets out why proactive consultation and engagement is important to Housing & Environment, what our objective is and what is expected of everyone within the Service.
- b) **Framework document** (Appendix 2) – this acts as a tool for colleagues in Housing & Environment and for providers of services we commission and influence (such as contractors and partnerships). The framework document is an amalgamation of the national standards and guidance on engagement (mentioned in section 1.6 above), but adapted for our Service’s circumstances. The guidance is based on 3 levels of engagement.

- **Level 1** – Informing: the guidance in this part would be used where our options to engage are limited, for example as a result of regulatory constraints or where there are time pressures due to safety concerns.
 - **Level 2** – Consulting: this level of guidance relates to the two way process, where we listen and respond, to our communities in terms of a range of options and reach a conclusion based on communities' views.
 - **Level 3** – Engagement/Partnership: this guidance relates to situations where we work with communities to co-design joint solutions, such as charrettes, or place checks.
- c) **Action Plan** – although setting policy is important, it is the culture and behaviour of our people which will make the greatest difference in delivering the highest standards of consultation and engagement. The working group has been developing our approach to embed the Policy and Framework into Housing & Environment's everyday activities. A Housing & Environment Action Plan will be finalised and introduced across the Service (subject to approval of Appendix 1 and 2).
- 2.2 This new approach is not intended to replace statutory engagement mechanisms or well established good engagement practice (such as the examples in section 1.4 or the Council's Tenant Participation Strategy). It is available as a guide when other engagement mechanisms do not exist; where colleagues may need help considering what to do; or where sector specific guidance only provides for a minimal level of engagement.
- 2.3 It is proposed to review the effectiveness of this approach, including seeking elected member feedback, within one year of its implementation.

3. CONCLUSION AND RECOMMENDATION

- 3.1 High quality engagement is essential in the delivery of better services, making best use of Council resources, and building on the strength of local knowledge and community networks.
- 3.2 An essential aspect of effective engagement is managing public expectation. The activities dealt with by Housing & Environment can be complicated and emotive – often with legal requirements adding a further layer of complexity. Meaningful engagement needs to build and maintain a positive working relationship with stakeholders and local communities, as well as setting out a realistic understanding of what can be achieved and what time is available for the engagement.
- 3.3 This report and the appendices set out the approach to embed meaningful engagement in our service design and delivery, across all areas of Housing & Environment's activity. The approach will also act as a pilot for the whole of the Council.

3.4 It is recommended that the Strategic Policy and Resources Committee:-

- i) approves the Policy and Framework for Successful Engagement in Housing & Environment (Appendix 1 and 2).
- ii) requests the Depute Director (Housing and Environment) to feedback on the effectiveness of this approach within one year of its implementation.

Author

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Approved

Name	Designation	Date
Barbara Renton	Executive Director (Housing & Environment)	2 April 2019

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

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan

- 1.1 This report contributes to the delivery of the Perth and Kinross Community 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
- v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.2 This report contributes to the achievement of the Council's Corporate Plan 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 No direct resource implications.

Workforce

- 2.2 No direct implications.

Asset Management (land, property, IT)

- 2.3 No direct implications.

3. Assessments

Equality Impact Assessment

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

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 This section should reflect that the proposals have been considered under the Act and no action is required as the Act does not apply to the matters presented in this report.

Legal and Governance

- 3.5 The Head of Legal and Governance has been consulted on the proposals.

4. Consultation

Internal

- 4.1 This work has been carried out by a cross Service working group. The Executive Officer Team has also been consulted and has agreed that the

approach will be piloted by the Service as a potential approach for the whole Council.

5. Communication

- 5.1 Communications with staff will form part of the action plan for delivering on the policy and framework.

2. BACKGROUND PAPERS

- 2.1 None.

3. APPENDICES

- 3.1 Appendix 1 – Policy for Successful Engagement.
- 3.2 Appendix 2 – A Framework for Delivering Successful Engagement in Housing and Environment.

APPENDIX 1**Perth & Kinross Council****Housing & Environment****Policy for Successful Engagement****Introduction**

The services we provide in Housing & Environment interact with our communities and residents on a daily basis. We aim to serve our communities and residents effectively by informing, consulting and engaging with them over what we can do, and how we can work together to meet their needs and priorities.

By engaging effectively;

- we manage public expectation by being transparent about when public involvement can meaningfully help shape decision making, while being clear about circumstances where there are limitations, such as where we are bound by statutory requirement.
- we make better decisions, which better meets the needs of our communities, when we work together in the design and delivery of our services.
- it enhances what we do, as it builds on the local knowledge, local community networks, and other expertise of individuals, stakeholders and communities.
- it makes the best use of our resources – by engaging with our communities, we are more likely to get things right first time.

Housing and Environment can point to many excellent examples of community engagement in our work, and in some cases we have statutory requirements for engagement that we must comply with. The purpose of the policy is to ensure that we achieve a consistent standard of engagement in everything that we do, so our own staff, residents, communities and elected members know what standards to expect, and can ensure we are developing and delivering our services to these standards.

Although this policy applies to services directly delivered by Housing and Environment staff, we will use our influence, wherever possible, to ensure that others, who carry out activities relevant to our functions, follow the same principles as detailed in this Policy and its associated Framework. This policy includes:

- our own activities where we are intending to make changes (e.g. roadworks, new play parks, changes to bin collection days).
- organisations we commission to carry out work on our behalf (e.g. contractors and specialists)

- organisations we can influence in other ways (e.g. working with partners to deliver entertainment events; organisations delivering services for communities which we have regulatory influence over; utility companies; community groups which carry out services in their local areas).

Our Objective

To serve our communities and residents effectively by informing, consulting and engaging with them, over what we can do, and how we can work together, to meet their needs and priorities – with this approach fully integrated into our service design and delivery across all our activities.

Our Engagement Culture

We know that for this approach to be effective, we need to adopt behaviours, where an open approach to engagement is embedded in what we do, because we understand the benefits in engaging successfully; we know how to carry out engagement effectively; and we communicate the outcomes well.

Making it Happen

This policy is supported by:

- a Framework for delivering consultation and engagement.
- an Action Plan for embedding our Policy, the Framework, and positive behaviours towards effective consultation and engagement across Housing and Environment.

Barbara Renton
Executive Director
Housing & Environment

2 April 2019

APPENDIX 2

A Framework for Delivering Successful Engagement in Housing and Environment

Introduction

This framework supports the Policy for Successful Engagement in Housing & Environment. It is intended as a tool for our own staff and providers of services we commission and influence. It is designed to help design, deliver and assess the process of engagement for Housing and Environment.

This framework is not intended to replace statutory engagement or well established good practice in engagement. Rather, it is available as a guide when other consultation/engagement mechanisms do not exist; where colleagues may need help considering what to do; or where sector specific guidance only provides for a minimal level of engagement.

The framework is based on a range of good practice reference material, detailed in Appendix A, particularly National Standards for Community Engagement, Planning Aid Scotland's SP=EED (Successful Planning = Effective Engagement and Delivery), and Place Standard, which is a key engagement tool developed by the Scottish Government, NHS and Architecture Scotland.

Supporting Communities with Engagement

Although this framework is focussed on our actions in Housing and Environment, this activity is a two way process, as some communities may need to be supported in how they participate in engagement with us. This could include supporting communities to carry out a self-analysis of their perceptions of their community, combined with their needs and desires for change, such as through the Place Standard. We need to bear in mind how we can both support and upskill communities to engage in the debate.

Pre-Engagement with Elected Members

Prior to wider consultation/engagement with stakeholders, we should consider communicating with elected members, particularly:

- Local members – if there is an issue relevant to their Ward (remembering to include all local Members).
- The Convenor and Vice Convenor with responsibility for a function, if it is a matter which could be of a strategic or policy nature, and/or may require the Committee's involvement at some stage.

The purpose of this elected member engagement is:

- to give elected members an early insight into the issue, in their role as the democratically elected representative for that area.
- the elected members may be able to offer suggestions on who/how to engage on an issue in their community.

In some instances, our communication with the elected members may be confidential – for example if the situation is sensitive or it is a very early stage in the activities, and the detail of the wider engagement has yet to be worked out. In these circumstances, **we should clearly advise the elected members that the matter is confidential at this stage, and not for sharing.**

What is effective engagement?

An essential aspect of effective engagement is managing public expectation. Our activities can be complicated and emotive - often with legal requirements adding a further layer of complexity. Meaningful engagement needs to build and maintain a positive working relationship with stakeholders and local communities, as well as setting out a realistic understanding of what can be achieved and what time is available for the engagement.

The level and type of engagement should be designed on a case-by-case basis, ideally in collaboration with those who will be engaged with. In some cases, the provision of basic information may suffice; in others, members of the public will play a key role in the design process of new proposals, working in partnership with our staff and other stakeholders.

In some circumstances, informing or engaging our communities in advance may not be possible, for example, in emergency situations. In these cases, it can be helpful to let those affected know why the decision was taken, and what factors meant that informing and engaging was not practicable.

Appendix B gives some examples of the stakeholders we may want to include in our engagements.

There will never be a single formula for achieving effective engagement. Therefore, instead of taking a “one-size-fits-all” approach, this framework sets out **3 levels of engagement** to suit different scenarios, and suggests how to undertake effective engagement and consultation for each. However, it is neither prescriptive nor exhaustive, and engagement should be tailored to meet local circumstances.

The 3 levels of engagement are:

Level 1	Informing (keeping the public informed. Involves providing balanced information to the public to assist understanding)	<ul style="list-style-type: none"> • may be appropriate where we have little alternative over what we do (e.g. statutory activity, or time pressure due to safety concerns) • an essential building block for engagement • more likely to be a one-way process • a valuable end in itself and the most appropriate level to aim for in certain situations • an essential step in achieving Levels 2 and 3.
Level 2	Consulting (to obtain feedback / listen and acknowledge how community feedback has influenced the decision making process. A two way process)	<ul style="list-style-type: none"> • probably the level of engagement practised most commonly and should be achievable in many scenarios. • incorporates and builds on Level 1 above • an interactive and iterative process – listening, and being responsive to issues raised.
Level 3	Engagement / partnership (To actively work with a community in formulating joint solutions. Involves in-depth collaboration and demands time and commitment from all sides)	<ul style="list-style-type: none"> • incorporates Levels 1 and 2, but goes well beyond these levels • the most demanding level of engagement • achievable in community-led proposals, or other proposals where members of the public are involved in the design and development process such as charrettes; or in large development or regeneration projects. • may take place over an extended period of time, or be a shorter, more intensive process involving in-depth collaboration with partners, and should include potential for their input into design of proposals and the engagement process.

We should consider the most appropriate level for the issue or service design we are considering, and should, strive to engage at the highest possible of the three levels.

The framework sets out guidance or what to do at each level, across the following eight criteria;

1	Transparency & Integrity	5	Responsiveness
2	Co-ordination	6	Inclusiveness
3	Information	7	Monitoring & Evaluating
4	Appropriateness	8	Learning & Sharing

The framework is set out as a series of questions for service providers to consider in informing, consulting or engaging with their communities.

Level 1: Informing

1 Transparency & Integrity – The purpose of the engagement is clear and people can find out about it easily

- Do you have a clear statement about the purpose of the engagement?
- Are you clear about potential timescales of the engagement process and delivery?
- Have you considered whether there is a legacy of trust or distrust from previous engagement (research previous engagement and consultation processes, as this may influence your message and communication methods)
- Have you advertised any engagement process or event prominently e.g. leaflets, posters, websites, local press and radio, social media?
- Did you attract passers-by to events by having banners and posters outside venues?
- Was it possible to explain how further information can be accessed.

2 Co-ordination – The timetable for the engagement process will be published and relevant relationships explained

- Did you set out the engagement approach well in advance, identifying who the key stakeholders are, and how to target them?
- Did you allow appropriate time for the engagement process, to give stakeholders plenty of notice?
- Did you establish whether other engagement/consultation exercises are on-going?
- Are you clear about, and provided explanations of, the roles of all stakeholders involved?
- Did you allow a realistic amount of time in the workload of those carrying out the consultation?
- Were you flexible and have contingencies for any delays?

3 Information – Information will be relevant, accurate and comprehensible to the target audience

- Did you describe the relevant issues clearly and succinctly?
- Did you, where possible, present information visually; avoid too much text?
- You should have identified at the outset gaps in information available, and how to source this information?
- Did you provide summaries of the role and content of key documents e.g. Local Development Plans, Planning Advice Notes, and explain how to access full versions?
- Did you invite people to sign up for updates e.g. by email or newsletter ?
- Did you reference all sources of information?
- Did you consider holding an event to attract and gauge public interest in plans or proposals?

4 Appropriateness – Information will be presented to suit its intended audience and can be accessed by all stakeholders at each stage of the process

- Did you consider the best means of publicising the engagement process e.g. public notice boards, libraries, community centers, and local media?
- Did you use clear English and avoid technical jargon ?
- Were you aware that the target audience may not be as familiar with technical terms, as you were?
- Did you explain maps, drawings and diagrams in clear and simple terms?
- Did you consider for public events, venues which are easy to find and times that allow all stakeholders to attend; provide access for people with disabilities and other needs?

5 Responsiveness – Relevant information will be provided at every stage of the process

- Did you ensure that contact details for enquiries/responses were given on all materials?
- Did you deal with enquiries promptly?
- Did you enable access to relevant documents on internet (eg. Council website) and place copies of relevant documentation at public places e.g. libraries, post offices, community centres, Council offices, Housing offices?
- Did you ensure materials can be made in different languages and other formats to reach as wide an audience as possible?
- Did you publicise any proposed changes to plans or proposals?
- Did we record and publicise changes to plans or proposals as a result of the engagement process?

6 Inclusiveness – Relevant representation groups / organisations will be identified and information will be designed and disseminated to reach them

- Did you establish a contacts database and keep it up-to-date?
- Have you used formal and informal networks to make the contacts database as representative as possible?
- Did you identify seldom heard groups and consider how they tend to access information – e.g. via local newspapers/groups/venues/libraries etc. and social media; also via Community Education staff, or social work colleagues.
- Did you consider factors relevant to inclusiveness and representativeness e.g. age, gender, residence, tenure etc.?
- Did you think creatively about venues appropriate to the type of proposal and all groups you want to reach, including seldom heard groups?

7 Monitoring and Evaluating – Distribution of information and feedback received on the engagement process will be analysed after the process is completed

- Did you record and monitor distribution of information at the end of the process?
- Did you record the number and type of any events that took place?
- Did you look at the demographics of those who attended (to ensure a balance of community involvement) ?

- | |
|--|
| <ul style="list-style-type: none">• Did you consider ways to improve future exercises based on the above and feedback received about the engagement process? |
|--|

8 Learning and Sharing – Lessons from the engagement process will be identified and lead to on-going improvements in quality
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- | |
|--|
| <ul style="list-style-type: none">• Did you identify action points from what has been learned?• Can you build on lessons learned into future engagement processes?• Did you ensure all those within the organisation involved in the engagement process are informed about outcomes and lessons learned? |
|--|

Level 2: Consulting

1 Transparency & Integrity – Rights to participate are clearly explained and opportunities are publicised

- Did you make clear which aspects of plans or proposals can and cannot be influenced via the engagement process?
- Did you explain why any aspects of plans or proposals are non-negotiable?
- Did you encourage balanced consideration of the pros and cons of plans and proposals?
- Did you ensure that statements and any assumptions in engagement materials are referenced?
- Did you ensure appropriate notes are taken from group discussion events, to ensure all views are included?

2 Co-ordination – The timetable for the engagement process will include adequate periods for meetings, public events and discussion with stakeholders

- Did you decide when and how stakeholders' input will be sought and which methods should be used?
- Did you take account of holiday periods and local or big events?
- Did you plan times and locations of events to reach the widest range of stakeholders?
- Did you where appropriate, be prepared to amend timescales?
- Did you invite representatives from partner organisations to meetings/events?

3 Information – Information will be communicated and shared, aiming to invite feedback

- Did you make every reasonable effort to satisfy requests for new information?
- Did you present information in a way which will invite comment and debate?
- Was it possible to flag up any areas of uncertainty; state when and how these may be resolved; and provide opportunities for discussion of these areas?
- Did you provide suitable means for responses and comments to be made?
- Did you provide comments and suggestions - feed them back into the process so that information is up-to-date.

4 Appropriateness – Engagement processes to fit the situation will be used, with opportunities for discussion and for questions to be raised and answered

- Did you ensure that meetings, exhibitions and workshops are held at times and locations to suit different areas and groups within the community?
- Did you allow responses to be submitted by various means (letter, telephone, email, and social media) as well as in person at consultation events?
- Did you arrange for relevant professional staff to be on hand to answer questions at all times, or detail when they will be there?
- Did you use models, pictures, plans, maps and visualisations of proposals, if possible?
- Was it possible, where appropriate, to offer workshops and themed focus groups as well as exhibitions?

5 Responsiveness – Findings from the engagement process will be analysed, disseminated, and potentially incorporated

- Did you record and answer questions at events?
- Did you, if appropriate, provide respondents with a written response?
- Did you offer further workshops or discussion groups to hear people's views or in response to feedback received?
- Did you inform stakeholders if, how and why the proposal has been amended as a result of consultation?
- If significant changes to a proposal are introduced, did we consider holding additional consultation events?

6 Inclusiveness – An emphasis will be placed on allowing the voices of seldom heard groups and those most likely to be affected to be heard

- Did you target publicity at all groups likely to be positively or negatively affected by the proposal?
- Did you target seldom heard and potentially under-represented groups such as young people, BME (Black and Minority Ethnic) Groups, Gypsy/Travelers, women with young children, people with disabilities and elderly people?
- Was it possible to seek assistance from colleagues or organisations specialising in promoting inclusiveness and relevant local authority staff: Equalities Officers, Stronger Communities Team, Social Work etc.?
- Did you consider involving with local primary and secondary schools?
- Did you engage directly with people affected by proposals rather than assume they will come to events; or use mobile units to reach a variety of areas?

7 Monitoring and Evaluating – Monitoring and evaluation of the engagement process will take place on an on-going basis	
<ul style="list-style-type: none"> • Did you monitor the satisfaction of stakeholders at different stages of the process? • Did you keep a record of responses and other contributions to the engagement process, and assess the value, impact and outcome of contributions? • Did you encourage qualitative responses as to how the engagement process could be improved? • Did you reflect on the overall quality of the engagement undertaken, and how the comments were integrated into the final delivery of your activity? 	
8 Learning and Sharing – Lessons from the engagement process will be reviewed and shared with a focus on learning and training	
<ul style="list-style-type: none"> • Did you share and discuss experiences more widely e.g. with other community groups, or organise forum events? • Have you considered using the engagement as a case study for in-house staff training? • Did you actively research other engagement processes and possible new techniques to use? • Did you take people who are new to engagement to meet people who have experience of recent or current projects, as part of their development? • Did you discuss how to improve future engagement exercises? 	

Level 3: Partnership

1 Transparency & Integrity – Dialogue will take place with partners about how they will be involved in the engagement process and how their input will be used

- Was it possible to identify all potential partners early and explain to them, and other stakeholders, the benefits of a partnership approach?
- Did you explain which aspects of the actual engagement process are negotiable?
- Did you discuss how input from the engagement process will be used?
- Did you discuss options for involving stakeholders in the design of proposals?
- Did you keep a formal record of decisions and allow partners access to this?

2 Co-ordination – The timetable for the engagement process will include opportunities for partners to develop their own ideas; partners will be involved in discussing how to co-ordinate actions

- Have you tapped into resources from the community: enthusiasm, local knowledge, local volunteers and networks of contacts?
- Did you set up a steering group representing the local community and interested parties may be appropriate in some cases?
- Was it possible to plan ahead to allow partners to input into timescales; allocate time and resources for them to develop their own ideas and proposals?
- Did you consult those with experience of a partnership approach for guidance e.g. on timescales, levels of resources required, techniques to use?
- Did you liaise with key agencies/statutory consultees / organisational stakeholders about the partnership approach and its timetable, and take into account any impact of their policies or projects?

3 Information – Identification, collection and dissemination of relevant new information by partners is encouraged

- Could you have created a dialogue with all partners from an early stage to collate knowledge and information?
- Did you start the information gathering process as early as possible for maximum efficiency?
- Did you discuss with partners the best means of disseminating information?
- Was it possible to seek professional advice on information gathering techniques e.g. designing questionnaires and other surveys, with the aim of avoiding the problem of unreliable data?

4 Appropriateness – A collaborative approach to working with partners on proposals, and regular review of the engagement process

- Were steering groups, meetings and forums open to all, and notes of meetings made available publicly after these and any other open meetings?
- Did you consider professionals/consultants could be brought in to explore possible solutions? E.g. transport consultants, trained facilitators etc.
- Did you consider mediation in appropriate situations – when there are divided opinions but common aims?

5 Responsiveness – Partners will be offered the opportunity to present and discuss their own ideas and receive feedback

- Have you considered suggestions for modifying the engagement process?
- Were you prepared to give feedback on ideas and new matters raised by stakeholders?
- Did you consider professional expertise e.g. trained facilitators to make best use of interactive methods for developing proposals and making decisions?

6 Inclusiveness – Assistance and advice will be made available to seldom heard groups to enable to become partners in the process; overall, a representative range of stakeholders will be involved

- Did you consider using Equalities Impact Assessments or Health Impact Assessments at the start of the process and review regularly?
- Did you consider using colleagues who work with client groups to act as liaison officers to work directly with specific groups?
- Did you where possible, compare the profile of stakeholders involved throughout the whole engagement process to that of areas as a whole?
- Did you consider using professionally designed and conducted surveys to ensure that the views of the population as a whole are known?

7 Monitoring and Evaluating – Monitoring and evaluation processes will be devised in collaboration with stakeholders

- Did you ask partners at the outset about their thoughts on how best to evaluate satisfaction with the process?
- Were you ready to modify approaches to monitoring and evaluating as required on an on-going basis?
- Did you analyse findings as you go along, aiming to embed the idea of monitoring and evaluation into every stage?

8 Learning and Sharing – The creation of a creative, problem-solving culture where skills and experience are pooled, shared and enhanced

- Did you consider individuals' skills and share via formal or informal training sessions, for future engagements?
- Did you share information about the engagement process, and findings from all partners, with all involved stakeholders?
- Did you offer opportunities for members of the public as well as professionals to receive training?

Appendix A – Reference Sources and Useful Information

Further Information

National Standards for Community Engagement - <http://www.scdc.org.uk/what/national-standards/>

SP=EED (Successful Planning = Effective Engagement and Delivery) - <https://www.pas.org.uk/wp-content/uploads/2017/01/SPEED.pdf>

PKC Guidelines for Developers and Individuals on Engagement - http://www.pkc.gov.uk/media/38009/Guidelines-for-Developers-and-Individuals-on-Engagement/pdf/2016016_Guidelines_24_Oct_16_FINAL.pdf?m=636130787134170000

VOICE Toolkit - <http://www.voicescotland.org.uk/>

Place Standard Tool - <https://placestandard.scot/>

The Place Standard tool provides a simple framework to structure conversations about place. It allows people to think about the physical elements of a place (for example its buildings, spaces, and transport links) as well as the social aspects (for example whether people feel they have a say in decision making).

Guidance on Engaging Communities in Decisions Relating to Land - <https://www.gov.scot/publications/guidance-engaging-communities-decisions-relating-land/>

Appendix B - Potential Stakeholders for Consultation / Engagement

Elected Members - <https://perth-and-kinross.cmis.uk.com/perth-and-kinross/Councillors.aspx>

Community Council(s) for the area - <http://www.pkc.gov.uk/communitycouncils>

Local Development Trusts <http://www.dtascot.org.uk/>

Local Action Partnerships <http://www.pkc.gov.uk/article/18463/Action-Partnerships>

