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Council Building  
2 High Street  
Perth  
PH1 5PH

06/09/2023

A hybrid meeting of the **Finance and Resources Committee** will be held in the **Council Chamber** on **Wednesday, 13 September 2023** at **14:00**.

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

**THOMAS GLEN**  
Chief Executive

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

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

**Members:**

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



**Finance and Resources Committee**

**Wednesday, 13 September 2023**

**AGENDA**

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

- |               |  |                 |
|---------------|--|-----------------|
| <b>1</b>      | <b>WELCOME AND APOLOGIES/SUBSTITUTES</b>   |                 |
| <b>2</b>      | <b>DECLARATIONS OF INTEREST</b>  |                 |
| <b>3</b>      | <b>MINUTES</b>   |                 |
| <b>3(i)</b>   | <b>MINUTE OF MEETING OF FINANCE AND RESOURCES COMMITTEE OF 7 JUNE 2023 FOR APPROVAL</b><br>(copy herewith)   | <b>5 - 6</b>    |
| <b>3(ii)</b>  | <b>MINUTE OF SPECIAL MEETING OF FINANCE AND RESOURCES COMMITTEE OF 20 JUNE 2023 FOR APPROVAL</b><br>(copy herewith)  | <b>7 - 8</b>    |
| <b>3(iii)</b> | <b>MINUTE OF MEETING OF THE EXECUTIVE SUB-COMMITTEE OF FINANCE AND RESOURCES COMMITTEE OF 24 JULY 2023 FOR APPROVAL</b><br>(copy herewith)                       | <b>9 - 10</b>   |
| <b>3(iv)</b>  | <b>MINUTE OF MEETING OF EXECUTIVE SUB-COMMITTEE OF FINANCE AND RESOURCES COMMITTEE OF 30 AUGUST 2023 FOR APPROVAL</b><br>(copy herewith)                         | <b>11 - 12</b>  |
| <b>4</b>      | <b>REVENUE BUDGET 2023/24 - UPDATE NO 1</b><br>Report by Head of Finance (copy herewith 23/242)  | <b>13 - 48</b>  |
| <b>5</b>      | <b>COMPOSITE CAPITAL BUDGET 2023/28 &amp; HOUSING INVESTMENT PROGRAMME 2023/28 - MONITORING REPORT NO. 1</b><br>Report by Head of Finance (copy herewith 23/243) | <b>49 - 86</b>  |
| <b>6</b>      | <b>TREASURY ACTIVITY AND COMPLIANCE REPORT 2023/24 QUARTER 1</b>   | <b>87 - 106</b> |

Report by Head of Finance (copy herewith 23/244)

**7 TRANSFORMATION AND CHANGE STRATEGY 2023/24 -  
2027/28 - UPDATE REPORT**

**107 - 136**

Report by Chief Executive (copy herewith 23/245)

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## FINANCE AND RESOURCES COMMITTEE

Minute of hybrid meeting of the Finance and Resources Committee held in the Council Chamber, 2 Hight Street, Perth on Wednesday 7 June 2023 at 2.00pm.

Present: Councillors S Donaldson and G Laing, Bailies C Ahern and A Bailey, and Councillors P Barrett, A Chan, D Cuthbert, E Drysdale, J Duff, D Illingworth (substituting for Councillor A Forbes) S McCole (substituting for Depute Provost A Parrott), Provost X McDade, T McEwen and J Rebbeck

In Attendance: T Glen, Chief Executive; L Simpson, Head of Legal and Governance Services; B Renton, Executive Director (Communities); S Devlin, Executive Director (Education and Children's Services); C Mailer (Chief Executive's Service); K Donaldson, Chief Operating Officer; S MacKenzie, Head of Finance, E Ritchie (Communities), S Walker, L Brady, K Fraser, P Johnstone, S Crawford, A Taylor, N Sutherland, K Molley, R Ramsay and M Pasternak (all Corporate and Democratic Services).

Apology: Depute Provost Parrott, Councillors A Forbes, and C Stewart.

Councillor S Donaldson, Convener, Presiding.

### 1. WELCOME AND APOLOGIES

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

### 2. DECLARATIONS OF INTEREST

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

### 3. MINUTE OF PREVIOUS MEETINGS

The minute of meeting of the Finance and Resources Committee of 26 April 2023 was submitted and approved as a correct record.

### 4. OUTSTANDING BUSINESS STATEMENT

#### Resolved:

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

### 5. AUTHORITY TO WRITE OFF DEBTS AND OBSOLETE STOCK

There was submitted a report by Head of Finance (23/174) (1) seeking approval to write off identified debts in respect of Sales Ledger; Council Tax (including Water & Wastewater charges); Non-Domestic Rates; Irrecoverable Rents; Housing Benefit Overpayments and Car Park Trading Account Income; (2) seeking approval to write off obsolete stock and write off other miscellaneous balances.

Amendment (Councillors J Rebbeck and P Barrett)

On a one off / non-recurring basis and specifically in relation to school meal / breakfast club debt, this Amendment proposes to write off the balance at 31 March 2023 of **£12,871**.

Councillors S Donaldson and G Laing agreed to incorporate Councillors J Rebbeck and P Barrett's amendment into their motion.

**Resolved:**

- (i) All amounts detailed in section 4 and the attached appendices to this report are written off for accounting purposes, be approved.
- (ii) It be noted, that whilst these amounts are written off, the files are not closed, and every effort will be made to collect outstanding debt where recovery is cost effective.
- (iii) The removal of charges for services for people seeking asylum for a further year – see section 5, be approved.
- (iv) It be approved, that on a one off / non-recurring basis in relation to school meal / breakfast club debt, to write off the balance at 31 March 2023 of **£12,871**.

**6. SERVICE ANNUAL PERFORMANCE REPORT 2022/23 CORPORATE & DEMOCRATIC SERVICES**

There was submitted a report by Chief Operating Officer (23/175) (1) presenting the Service Annual Performance Report 2022/23 for Corporate and Democratic Services (CDS); and (2) detailing progress over the last year against improvement actions contained within the 2022/23 Service Business Management Improvement Plan.

**Resolved:**

The Corporate and Democratic Services' Annual Performance Report 2022/23 (23/175), be approved.

## FINANCE AND RESOURCES COMMITTEE

Minute of Special hybrid meeting of the Finance and Resources Committee held in the Council Chamber, 2 Hight Street, Perth on Tuesday 20 June 2023 at 2.00pm.

Present: Councillors S Donaldson and G Laing, Depute Provost A Parrott, Bailies C Ahern and A Bailey, and Councillors P Barrett, D Cuthbert, E Drysdale, A Forbes, D Illingworth (substituting for Councillor A Chan), I James (substituting for Councillor J Duff), I Massie (substituting for Councillor J Rebbeck), S McCole (substituting for Provost X McDade), T McEwen and C Stewart.

In Attendance: T Glen, Chief Executive; L Simpson, Head of Legal and Governance Services; S Walker, P Johnstone, K Molley, M Pasternak, and R Ramsay (all Corporate and Democratic Services).

Apologies: Provost X McDade, Councillors A Chan, J Duff and J Rebbeck.

Councillor S Donaldson, Convener, Presiding.

### 1. WELCOME AND APOLOGIES

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

### 2. DECLARATIONS OF INTEREST

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

THE VICE-CONVENER LED DISCUSSION ON THE FOLLOWING ITEM.

### 3. PERTH AND KINROSS COUNCIL LEADERSHIP REVIEW – NEW EXECUTIVE AND STRATEGIC LEADERSHIP STRUCTURE

There was submitted a report by Chief Executive (23/195) providing an update on the Council's Leadership Review transformation workstream which is a key element of the wider Transformation and Change Strategy 2022/23 to 2027/28.

#### **Resolved:**

- (i) The contents of Report 23/195, be noted.
- (ii) The implementation of the new executive and strategic leadership structure as set out by the Chief Executive; the associated processes for the filling of posts; and consideration of any voluntary severance or voluntary redundancy applications, as appropriate, be approved.
- (iii) The convening of an Executive Sub-Committee of the Finance and Resources Committee on 24 July 2023 to consider applications for voluntary severance, redundancy and any other potential costs associated with the changes, as appropriate, recommended by the Chief Executive to assist in enabling the implementation of the new strategic leadership structure, be agreed.
- (iv) The establishment of an Appointment Sub-Committee for the recruitment of Director level posts within the new strategic leadership structure, be agreed.

- (v) It be noted that updates on this, and further phases of the Leadership Review, would be reported to future Finance and Resources Committees, in line with agreed reporting arrangements and would be supplemented through Elected Member briefing notes and member briefing sessions.

## **EXECUTIVE SUB-COMMITTEE OF FINANCE AND RESOURCES COMMITTEE**

Minute of hybrid meeting of the Executive Sub-Committee of the Finance and Resources Committee held in the Council Chamber, 2 Hight Street, Perth on Monday 24 July 2024 at 1.00pm.

Present: Councillors S Donaldson, G Laing, P Barrett, D Cuthbert, E Drysdale, J Duff, and C Shiers.

In Attendance: T Glen, Chief Executive; L Simpson, S Walker, P Johnstone, and K Molley (all Corporate and Democratic Services).

Councillor S Donaldson, Convener, Presiding.

### **1. WELCOME AND APOLOGIES**

The Convener welcomed all those present to the meeting.

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

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

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

### **3. VOLUNTARY SEVERANCE AND EARLY RETIREMENT REQUESTS**

There was submitted a report by Chief Executive (23/210) seeking approval for five requests for voluntary severance and early retirement.

#### **Resolved:**

- (i) The contents of Report 23/210, be noted.
- (ii) The Chief Executive's proposals to grant early retirement in the interests of efficiency of the service for the chief officers named, be approved.
- (iii) The Chief Executive's proposal to grant voluntary severance for the chief officer named, be approved.
- (iv) It be noted that further updates on the Leadership Review be provided to the Council's Finance and Resources Committee, as agreed.



## **EXECUTIVE SUB-COMMITTEE OF FINANCE AND RESOURCES COMMITTEE**

Minute of hybrid meeting of the Executive Sub-Committee of the Finance and Resources Committee held in MR410, 2 Hight Street, Perth on Wednesday 30 August 2023 at 2.45pm.

Present: Councillors S Donaldson, G Laing, P Barrett, D Cuthbert, E Drysdale, J Duff, and C Shiers.

In Attendance: T Glen, Chief Executive; L Simpson, S Walker, P Johnstone, and K Molley (all Corporate and Democratic Services).

Councillor S Donaldson, Convener, Presiding.

### **1. WELCOME AND APOLOGIES**

The Convener welcomed all those present to the meeting.

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

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

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

### **3. VOLUNTARY SEVERANCE AND EARLY RETIREMENT REQUESTS**

There was submitted a report by Chief Executive (23/237) seeking approval of a further request for voluntary severance and early retirement.

#### **Resolved:**

- (i) The contents of Report 23/237, be noted.
- (ii) The Chief Executive's proposals to grant early retirement in the interests of efficiency of the service for the chief officer named in paragraph 5.1 of Report 23/237, be approved.



**Perth & Kinross Council**

**Finance & Resources Committee**

**13 September 2023**

**REVENUE BUDGET 2023/24 – UPDATE NO. 1**

**Contact Officer: Scott Walker, Chief Accountant**  
(Report No. 23/242)

**1. PURPOSE**

- 1.1 This report provides an update on progress with the 2023/24 General Fund Revenue Budget based upon the June 2023 ledger, updated for any subsequent known material movements, and the projected financial position of the Housing Revenue Account.
- 1.2 The total net projected over spend on the 2023/24 General Fund Management Budget is **£1.008 million** (see **Appendix 1**).

**2. RECOMMENDATIONS**

- 2.1 The Committee is requested to:
- A. note the contents of the report,
  - B. note the projected outturn for General Fund Services set out in **Section 5** and **Appendix 1 and 2**,
  - C. note the projected outturn for Corporate Budgets set out in **Section 6**,
  - D. note the funding update provided in **Section 7**,
  - E. note the projected outturn for the Housing Revenue Account, which is summarised in **Section 8** and **Appendix 3**,
  - F. approve the adjustments to the 2023/24 Management Revenue Budget detailed in **Sections 10,11 & 12** and **Appendices 1, 2, 4, 5, and 6**,
  - G. note the financial risks set out in **Section 13** and **Appendix 7**.

**3. STRUCTURE**

Section 4	Background
Section 5	Revenue Monitoring – Service Budgets
Section 6	Revenue Monitoring – Corporate Budgets
Section 7	Revenue Monitoring – Funding
Section 8	Revenue Monitoring – Other Updates
Section 9	Issues Arising from Financial Year 2022/23

Section 10	2023/24 Additional Funding
Section 11	2023/24 Virements
Section 12	2023/24 Movements in Reserves
Section 13	Financial Risks
Section 14	Conclusions

#### **4. BACKGROUND**

- 4.1 This report updates the Committee on progress with the 2023/24 Revenue Budget. **Appendix 1** to this report summarises the current projected year end (outturn) position for each Service based upon the June 2023 ledger, updated for any subsequent known material movements.
- 4.2 The budget total reflected in Column 1 of **Appendix 1** to this report is that approved by the Council in setting the 2023/24 Final Revenue Budget on 1 March 2023 (Report No. 23/72 refers). In addition, adjustments approved by the Finance & Resources Committee on 26 April 2023 (Report No. 23/120 refers) and Executive Sub-Committee of the Finance and Resources Committee on 24 July 2023 (Report No. 23/219 refers) are reflected in **Appendix 1** (Column 2).

#### **5. REVENUE MONITORING – SERVICE BUDGETS**

- 5.1 The total net projected under spend on Service budgets, which is summarised in **Section 1** of **Appendix 1** to this report, is **£161,000** which represents **0.04%** of total net Service expenditure.
- 5.2 Details of variances against individual Service budgets are shown in **Appendix 2** to this report with the most significant variances summarised below.
- 5.3 The management of Service over and under spends are considered throughout the financial year and may also form part of the Revenue Budget strategy for future years.
- 5.4 There remains a risk that the Council continues to experience increases in costs over the short to medium term that are higher than budgeted inflation levels. This is already being seen in the cost of the materials required by property and housing maintenance teams. Going forward, this may continue to have an impact on projected outturns and future years' budgets.

##### **Education & Children's Services**

- 5.5 The projected outturn for Education & Children's Services excluding Devolved School Management (DSM) and the Pupil Equity Fund (PEF) is currently anticipated to be **on target** against budget. The individual elements contributing to this position is summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'000	%	£'000
Education Services	Over spend	345	0.5	-
Children, Young People & Families	Under spend	(20)	(0.1)	-
Business & Resource Services	Under spend	(51)	0.7	-
Catering Services	Under spend	(274)	(3.8)	-
<b>TOTAL</b>		-	-	-

- 5.6 Within **non devolved Education Services** there is a net projected over spend of **£345,000**. This is made up of the non-achievement of staff slippage (£253,000), reduced income (£88,000) and loan charges (£36,000) partially offset by savings on non-domestic rates (£32,000).
- 5.7 In **Services for Children, Young People & Families** there is a net projected under spend of **£20,000**. Within this projection there is a net under spend on support for young people and additional income partially offset by projected over spends on legal & translation fees, and client travel partially.
- 5.8 In **Business & Resource Services** there is a net under spend of **£51,000** due to staff slippage partially offset by reduced school let income.
- 5.9 In **Catering Services** there is a net projected under spend of **£274,000** due to updated meal projections.
- 5.10 The **Devolved School Management Scheme** is currently projected to be **on target**. However, schools are experiencing challenges in delivering approved staff slippage targets. The budgets for the Devolved School Management scheme are allocated by financial year (April – March), whereas expenditure is incurred by academic year (August – June).
- 5.11 At this stage of the academic year, expenditure met from the **Pupil Equity Fund (PEF)** is projected to be **£100,000** less than the allocation from the Scottish Government of £1.874 million. Schools are being instructed to use this year's PEF by 31 March 2024. It is anticipated that the projected under spend on teacher and support costs will be carried forward to 2024/25 to meet commitments. The budgets for the Pupil Equity Fund scheme are allocated by financial year, whereas expenditure is incurred by academic year.

### Communities

- 5.12 The projected outturn for Communities is currently anticipated to be **£140,000** more than budget, which represents **0.2%** of the Service Management Budget. The projected over spend is summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'000	%	£'000
Environmental & Consumer Services	Over spend	45	0.1	-
Planning & Development	Over spend	30	0.5	-
Housing	Over spend	40	0.5	-
Business & Resources	Over spend	25	0.4	-
<b>TOTAL</b>	<b>Over Spend</b>	<b>140</b>	<b>0.2</b>	

- 5.13 In **Environmental & Consumer Services** there is a projected net over spend of **£45,000**. The projected over spend is made up of additional costs relating to hire costs (refuse collection vehicles), consultancy fees (operational assets) and reduced income in corporate health & safety. These are partially offset by a net projected under spend on fleet management and additional income from Bereavement Services.
- 5.14 In **Planning & Development** there is a projected over spend of **£30,000** in relation to Perth Harbour.
- 5.15 In **Housing** there is a projected over spend of **£40,000** due to energy costs at Greyfriars Hostel and void rent loss in relation to housing support properties.
- 5.16 Within **Business & Resources** there is a projected over spend of **£25,000** due to additional costs at Perth Bus Station.

### Corporate & Democratic Services

- 5.17 The projected outturn for Corporate & Democratic Services is currently anticipated to be **£282,000** less that budget which represents **1%** of the net Service budget. The main movements are summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'000	%	£'000
Legal & Governance Services	Under spend	(156)	(3.5)	-
Finance	Over spend	43	3.3	-
Human Resources	Under spend	(12)	(2.6)	-
IT & Revenues & Benefits	Under spend	(157)	(1.6)	-
<b>TOTAL</b>	<b>Under spend</b>	<b>(282)</b>	<b>1.0</b>	-

- 5.18 In **Legal & Governance**, there is a projected under spend / additional income of **£156,000** which is primarily a result of additional staff slippage.
- 5.19 Within **Finance** there is a projected over spend of **£43,000** due to increased external audit fees.
- 5.20 In **Human Resources** there is a projected under spend of **£12,000**, due in the main to staff slippage.

- 5.21 In **Information Technology and Revenues & Benefits** there is a projected under spend of £157,000, due primarily to the latest estimates on housing benefit subsidy.
- 5.22 Whilst the budget is on target across **Property**, there is a projected under spend on energy and Pullar House which is contributing to additional maintenance activity.

### **Chief Executive Service**

- 5.23 The projected outturn for the Chief Executive's Service is currently anticipated to be **£19,000** less than budget due to staff slippage and additional income.

## **6. REVENUE MONITORING – CORPORATE BUDGETS**

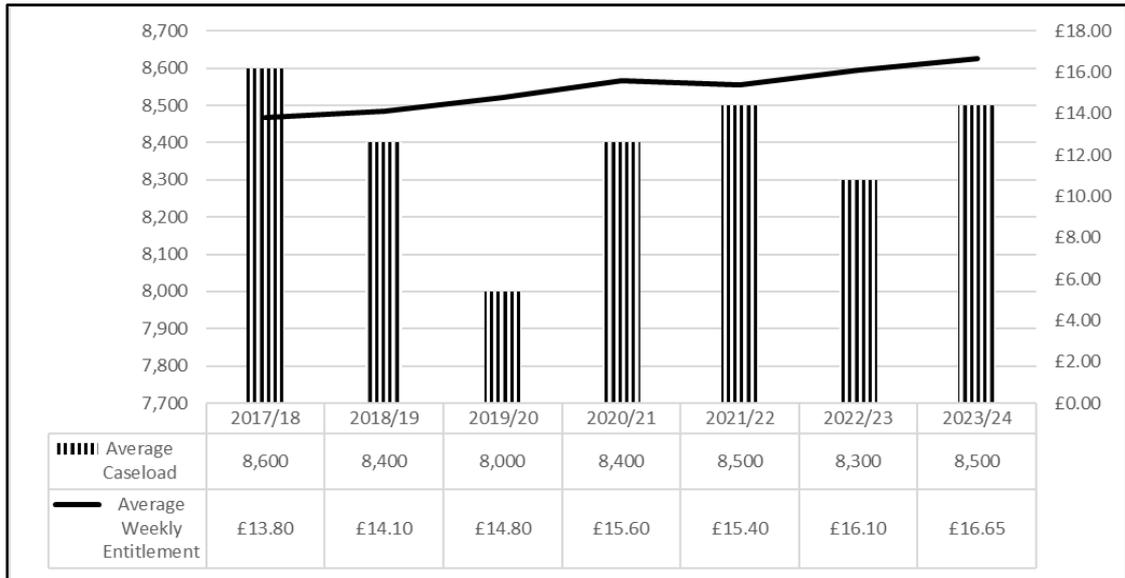
- 6.1 Included within **Section 2 of Appendix 1** is an update on the Council's Corporate budgets. More information on variances against individual budget headings are set out below.

### **Health & Social care**

- 6.2 The Health & Social Care Partnership will report its first financial monitoring for Perth & Kinross Integration Joint Board (IJB), for the financial year 2023/24, to the IJB's Audit & Performance Committee on 18 September 2023.
- 6.3 In setting the 2023/24 final Revenue Budget, the IJB approved the use of Reserves to deliver a balanced position. However, the financial position of the IJB remains challenging due to health and social care continuing to face recruitment challenges, increasing needs and complexities, uncertainty over funding and rising costs particularly within prescribing.
- 6.4 Any financial implications arising from the IJB will be reported to future meetings of the Finance & Resources Committee.
- 6.5 In relation to non-devolved functions there is currently a projected under spend of **£31,000** which is reflected in **Appendix 1**.

### **Council Tax Reduction Scheme**

- 6.6 The application of the Council Tax Reduction Scheme is a statutory function for the Council. The promotion and encouragement of take up is a key responsibility for the Council, particularly when households are facing significant pressures on the cost of living.
- 6.7 The level of expenditure incurred by the Council is dependent upon two main drivers, firstly, the average number of weekly caseload and, secondly, the average value of weekly entitlements. The following graph sets out both variables over the current and previous six financial years. The graph shows a clear increase in the average weekly entitlement whereas the average caseload has been more volatile but has returned to higher levels.



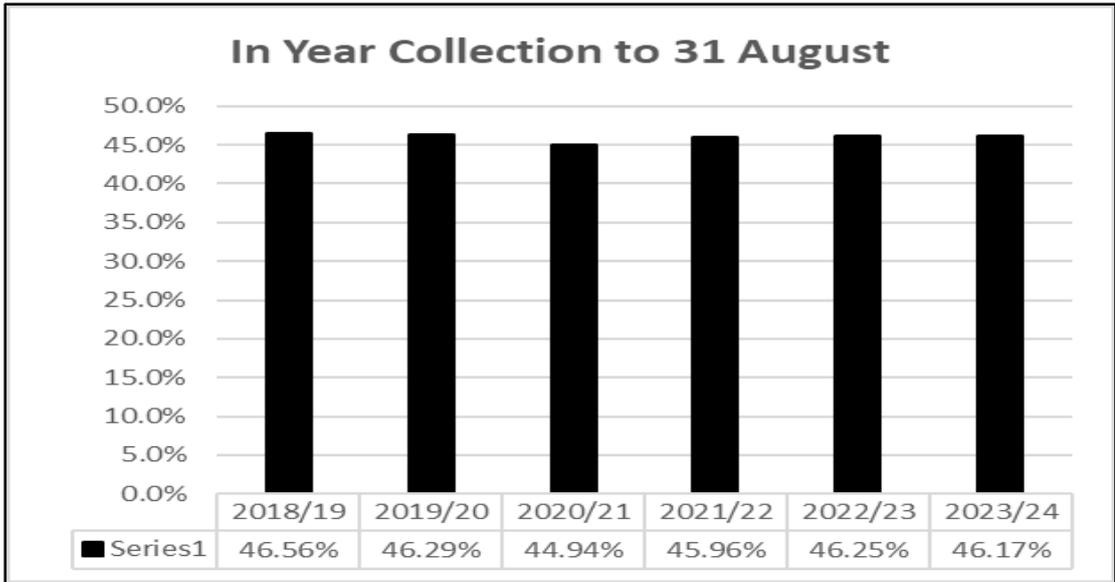
- 6.8 In the current financial year, the Council is supporting approximately **8,500** households across Perth and Kinross with the Council Tax Reduction Scheme with an average award of **£16.65** per week. This results in a projected over spend on the Council Tax Reduction Scheme of approximately **£1.2 million** which is reflected in **Appendix 1**.

## 7. REVENUE MONITORING – FUNDING

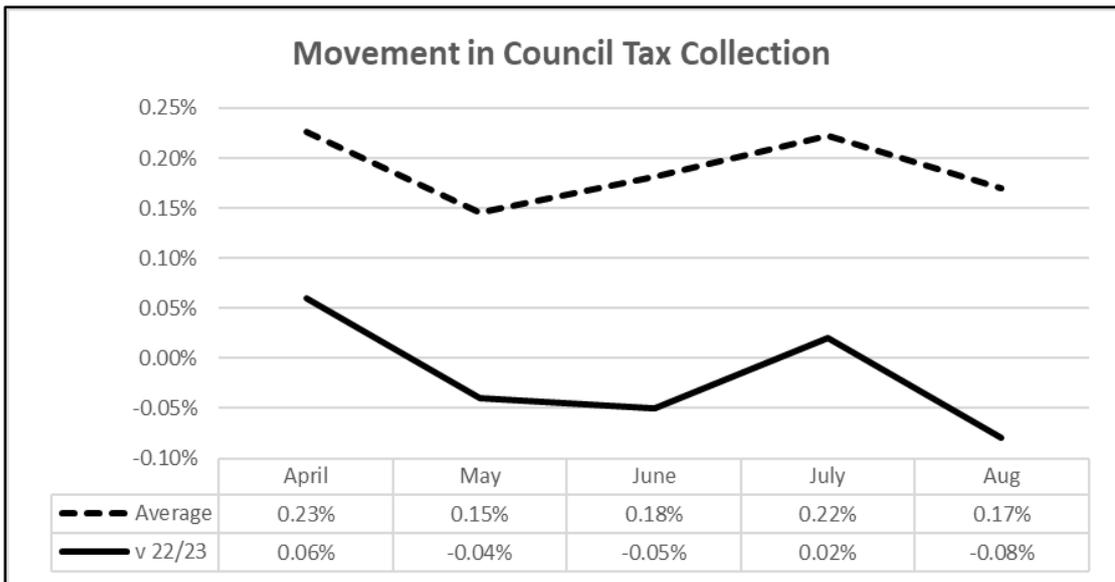
- 7.1 Further information on the Council's funding is set out within **Section 3 of Appendix 1**. More information on variances against individual budget headings are set out below.

### Council Tax Income

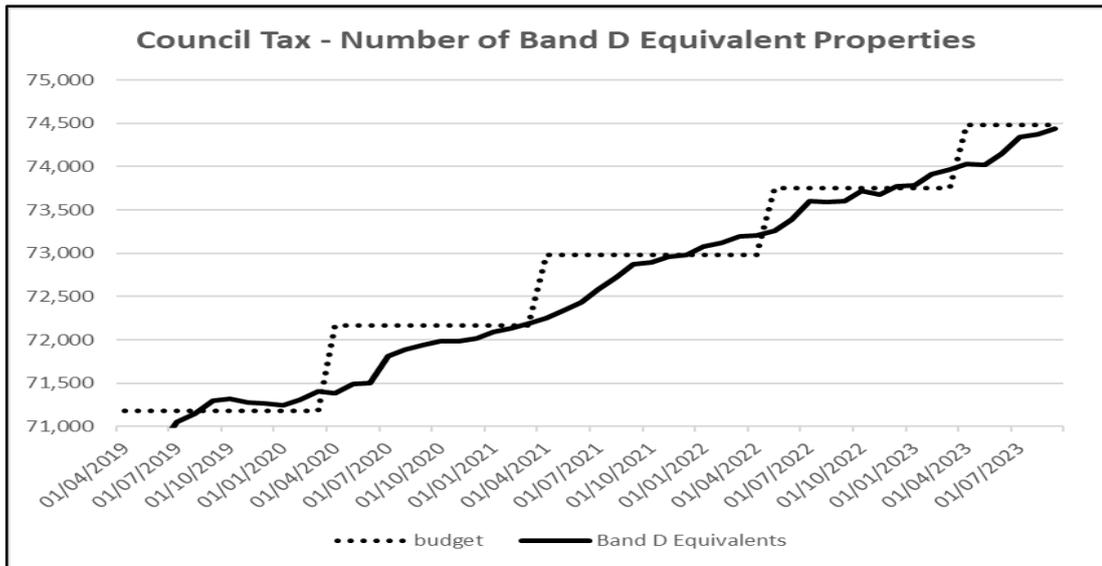
- 7.2 The amount of income the Council will generate from Council Tax is dependent on two main factors, firstly the collection levels and secondly, the number of Band D properties on the Valuation Roll.
- 7.3 Monitoring of Council Tax collection levels is carried out monthly. The following graph sets out collection performance to 31 July 2023 together with prior year comparative figures for the previous five financial years.



7.4 Between 2018/19 and 2022/23, the average collection figure to 31 August was 46%. The actual collection figure to 31 August 2023 was **46.17%** which is an increase of **0.17%** compared to the five-year average, but a **0.08%** reduction on the comparable position in 2022.



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



- 7.6 Given the 2023/24 collection rate that is set out at paragraph 7.4 above is consistent with previous years, and that the growth in the number of Band D equivalent properties is in line with expectations, it is currently anticipated that Council Tax income is on target for the current year.

### Non-Domestic Rates

- 7.7 The actual collection rate to 31 July 2023 was **22.89%**, compared to 24.06% for the same period in 2022/23.

## 8. REVENUE MONITORING – OTHER UPDATES

### Impact on Arm's Length External Organisations (ALEOs)

- 8.1 The Council continues to work closely with its three Arm's Length External Organisations (ALEOs) – Live Active Leisure (LAL), Perth Theatre & Concert Hall (PTCH) and Culture Perth & Kinross (CPK) who make an important contribution to the Corporate Plan through the current Culture, Physical Activity and Sport Strategies approved by Council in May 2023.
- 8.2 To date, no significant financial issues have been identified relating to Culture Perth and Kinross or Perth Theatre & Concert Hall.
- 8.3 Live Active Leisure finished 2022/23 with a revenue deficit of **£203,000**. For 2023/24, LAL has a budgeted deficit of **£630,000**, which it expects to rise to **£1.3 million** in 2024/25. For 2023/24, LAL are funding the budgeted deficit from their Reserves and at this stage, there is no ask of the Council.
- 8.4 LAL's projected deficits in 2021/22 and 2022/23 did not materialise, which is positive. However, Council officers will work with LAL throughout the year on best/worst/mid-range projections to ensure that the Committee has more certainty about the likely year end position for 2023/24. This will be particularly important to support work on the ALEO budget positions and SLA awards for 2024/25 given the continuing financial challenges which face the Council.

- 8.5 As part of the ALEO Transformation Review, Glasgow Audit will be commissioned to review the financial resource position of each ALEO and provide some analysis and commentary on financial sustainability and governance.
- 8.6 The long-term sustainability of the Council's ALEOs across future financial years will be kept under review with updates provided to future meetings of the Finance & Resources Committee.

### **Tayside Contracts**

- 8.7 The operating environment for Tayside Contracts remains challenging. They continue to experience significant inflationary pressures on the price of staple foods – beyond that of the headline CPI and RPI rates quote more widely.
- 8.8 Beyond that, negotiations on the 2023/24 pay award are still ongoing. Should the outcome of the negotiations exceed budgeted levels, without sufficient external funding forthcoming, there is a risk that this will cause a further significant risk to the profitability of Tayside Contracts.
- 8.9 Tayside Contracts are in the process of identifying mitigating actions and the three constituent Councils are looking at how they may assist. Work will continue between officers of the Council and Tayside Contracts to further refine these projections.
- 8.10 Both of these pressures may impact on the Council in the form of a request for additional financial support, as has been the case in previous financial years and / or the non-achievement of the budgeted income from the share of Tayside Contract's surplus.
- 8.11 At this stage, the potential costs of providing additional financial support have not been factored into the Council's projections. Any proposal to provide additional funding to Tayside Contracts will be brought back to a future meeting of the Finance & Resource Committee for approval by elected members.
- 8.12 In addition, given the financial challenges facing Tayside Contracts, there is a risk that the budgeted amount from the Trading Operations surplus of **£550,000** will not be received in the current year.

### **Housing Revenue Account**

- 8.13 The Housing Revenue Account is currently projected to **break even** in the current financial year. The main elements are summarised below and set out in **Appendix 3**.
- 8.14 Across the Housing Revenue Account activity there is a net projected under spend of **£110,000**. This is made up of additional income from Interest on

Revenue Balances and Recharges which is partially offset by IT system upgrades and expenditure on decant costs.

- 8.15 As a result of the variances identified above Capital from Current Revenue will increase by **£110,000**.

## 9. ISSUES ARISING FROM FINANCIAL YEAR 2022/23

- 9.1 In completing the 2022/23 Unaudited Annual Accounts, two issues have been identified which require adjustments to be made to the 2023/24 Management Budget.

### Devolved School Management / Pupil Equity Fund Balances

- 9.2 In setting the 2023/24 Final Revenue Budget on 1 March 2023 (Report No. 22/72 refers), the Council approved a projected **Devolved School Management** (DSM) carry forward of £777,000. However, the final under spends (which included agreed planned carry forwards) on the DSM scheme was £722,000 which is **£55,000** less.
- 9.3 Similarly, the Council approved a projected **Pupil Equity Funding** carry forward of £300,000. However, the final under spend was £140,000 which is **£160,000** less. Schools spent 95% of their total Pupil Equity Funding in 2022/23, a significant improvement on previous years.
- 9.4 **ACTION:** The Committee is requested to remove **£215,000** from the Education & Children's Services to reflect the actual Devolved School Management scheme and Pupil Equity Fund balances brought forward from 2022/23. This adjustment is reflected in **Appendix 1** (Column 3) to this report and has no overall impact on the level of uncommitted Reserves.

### Revenue Grants

- 9.5 Accounting arrangements under International Accounting Standards require that, subject to certain conditions, revenue grants which were received by the Council in 2022/23 but not utilised by 31 March 2023 should be accounted for in Reserves at the end of the financial year. Approval is therefore sought to draw down **£9.438 million** in 2023/24 from the earmarked Reserve for Revenue Grants. These revenue grants are set out in detail in **Appendix 4**.
- 9.6 Approval is now sought to adjust the budgets of Education & Children's Services (**£1.639 million**), Communities (**£7.744 million**) and Health & Social Care (**£55,000**).
- 9.7 **ACTION:** The Committee is asked to approve the adjustments totalling **£9.438 million** to the above Service budgets (set out in detail in **Appendix 4**), funded from Reserves, to reflect revenue grants received in 2022/23 in respect of expenditure which will not be incurred until 2023/24. These additional

adjustments are reflected in **Appendix 1** (Column 3) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

## 10. 2023/24 ADDITIONAL FUNDING

10.1 Since the 2023/24 Revenue Budget was updated on 26 April 2023 (Report No. 23/120 refers), the Council has been advised of additional funding for the current financial year from several sources. To ensure that the 2023/24 Management Budget continues to reflect the operational requirements of the Council, several adjustments are required, which are summarised below and included in **Appendix 1** and **Appendix 5**.

### Scottish Government – Revenue Support Grant:

- Teachers Pay Award 2023/24: £4.068 million (Education & Children’s Services (ECS))
- Additional Funding for Summer Holidays: £98,712 (ECS)
- No-One Left Behind – Approach to Employability: £322,000 (Communities)

10.2 The Scottish Government has advised that the increase in Revenue Support Grant identified above of **£4.489 million** will be made through a redetermination of the Council’s Revenue Support Grant. It is therefore necessary to adjust budgets for Education & Children’s Services and Revenue Support Grant.

10.3 **ACTION:** The Council is asked to approve the adjustments set out at paragraph 10.2 which is reflected in **Appendix 1** (Column 4) to this report.

### Other Funding

10.4 Other funding amounting to **£4.856 million** will be paid outside the Revenue Support Grant mechanism as Other Grant income and is, therefore, cost neutral in terms of the budget summary. Details of this funding is set out in **Appendix 5**.

10.5 **ACTION:** The Committee is asked to note the receipt of **£4.856 million** of additional resources, with this funding being reflected within Education & Children’s Services, Communities and Health & Social Care as additional grant income. The current projected outturn assumes that all these additional resources will be fully expended in 2023/24 or will be carried forward under the terms of the grant award.

## 11. 2022/23 VIREMENTS

### Contribution to/from Capital Fund

11.1 In line with the strategy for managing the Council’s Capital Programme over the medium term, it is recommended that the eventual over or under spend on

Capital Financing Costs and Interest on Revenue Balances be transferred from or to the Capital Fund.

- 11.2 The latest monitoring indicates a projected under spend on capital financing costs (loan charges) of **£130,000** based on the latest treasury management activity and an increase of **£633,000** in income from interest on revenue balances due to rising rates. This will result in an increased Contribution to the Capital Fund of **£763,000** in the current financial year.
- 11.3 **ACTION:** The Committee is requested to approve the virement of **£130,000** from the Capital Financing Costs (Loan Charges) Budget and **£633,000** to Interest on Revenue Balances with a corresponding increase in the projected Contribution to the Capital Fund. These adjustments have been reflected in **Appendix 1** (Column 5) to this report.
- 11.4 At 31 March 2023, the unaudited Annual Accounts included a Capital Fund balance of **£26.343 million**. The Capital Fund is currently projected to peak in 2024/25 at approximately **£31.6 million**, before gradually reducing until fully utilised in 2044/45.

#### **Service Virements**

- 11.5 To ensure that the 2023/24 Management Revenue Budget continues to reflect current Service needs and operational requirements there are several virements that are reflected in **Appendix 1** (column 5) that have been processed in line with the Scheme of Administration.

## **12. 2023/24 MOVEMENTS IN RESERVES**

- 12.1 Included at **Appendix 6** is an update on the Council's General Fund Reserves. The appendix includes the following:
- Earmarked and unearmarked Reserves as at 31 March 2023 (per unaudited Annual Accounts).
  - previously approved contributions to and from earmarked Reserves in 2023/24, 2024/25 and 2025/26.
  - The impact of proposals within this report on earmarked Reserves.
  - The impact of the latest revenue monitoring on the level of unearmarked Reserves.
- 12.2 The earmarked Reserves are brigaded under three headings as follows:
- i. Balances held under statute / regulation – these earmarked Reserves are prescribed under legislation and the Council has limited discretion in how they are applied.
  - ii. Balances held for specific (previously approved) purposes – the purpose of these earmarked Reserves has been previously approved by Council in either the Reserves Strategy or Annual Accounts
  - iii. Balances held for other purposes – the creation of these earmarked Reserves has been approved by Council, but not specific proposals.

- 12.3 Going forward proposals involving earmarked Reserves under i. and ii. above will be advised to Committee in summary as Council either has limited discretion or previously approved their application. Proposals to apply earmarked Reserves under iii. above will include more detail for elected member consideration.

#### **Balances Held Under Statute / Regulation**

- 12.4 The application of these earmarked Reserves was considered earlier in this report in **Section 9**.

#### **Balances Held for Specific (Previously Approved) Purposes**

- 12.5 These earmarked Reserves have previously been approved by elected members in their consideration of the Reserves Strategy or Annual Accounts. The proposals listed below are simply about the transfers in and out of earmarked Reserves to take forward approved proposals.

- Contribution to 2023/24 Revenue Budget - £12,000
- Culture - £31,000
- Financial Insecurity - £30,000
- Works Maintenance (River Ericht) - £200,000
- Project Feasibility Fund - £115,000
- Working Smarter - £15,000

#### **Balances Held for Other Purposes**

- 12.6 The **Transformation & Workforce Management** earmarked Reserve was created to provide the funding required to take forward the Transformation and Change Programme as well as fund the financial implications of workforce changes.
- 12.7 The 2023/24 Revenue Budget, approved by Council on 1 March 2023 included funding to take forward a number of anti-poverty initiatives. This funding will also support work in 2024/25, therefore approval is sought to transfer **£74,000** from the Chief Executive's Service to the earmarked Reserve.
- 12.8 In addition, approval is sought to transfer **£52,000** from the Transformation & Workforce Management earmarked Reserve to ensure completion of several previously approved projects including mental health training and low carbon.
- 12.9 **ACTION:** The Committee is asked to approve the net transfer of **£22,000** to the Transformation & Earmarked Reserve with adjustments reflected in **Appendix 1** (Column 5) to the report.
- 12.10 Furthermore, under the Framework for Managing Workforce Change, the authority to approve voluntary severance requests sits with the Executive Leadership Team, except for requests from Chief Officers. With that in mind,

approval is sought to draw down **£178,000** from the Transformation and Workforce Management earmarked Reserve to fund the voluntary severance requests for **seven** officers across the Council. These voluntary severance requests will support the delivery of savings previously approved by Council and payback in less than two years.

- 12.11 **ACTION:** The Committee is asked to approve the transfer of **£178,000** from the Transformation & Earmarked Reserve with adjustments reflected in **Appendix 1** (Column 5) to the report.
- 12.12 The **Covid-19 earmarked Reserve** is was originally created to address the ongoing impact of the global pandemic. Latterly it has supported initiatives designed to mitigate against the cost of living.
- 12.13 To that end, approval is sought to transfer funding to the Warm Welcome Fund (formerly known as the Cost of Living Community Fund). This funding would be available for local community groups or organisations in Perth and Kinross to apply for to provide activities and warm spaces for those struggling with the cost of living over the winter months. Groups are being encouraged to work together to develop proposals which meet the needs of their local communities. To ensure that there are enough physical spaces and activities to meet the needs of communities within every ward an additional **£50,000** is requested for the Warm Welcome Fund.
- 12.14 **ACTION:** The Committee is asked to approve the transfer of **£50,000** from the Covid-19 earmarked Reserve to Communities for the Warm Welcome Fund. This adjustment is reflected in **Appendix 1** (Column 5) to the report.
- 12.15 Subject to approval of the proposals included within this report, the level of earmarked Reserves will reduce to **£30.361 million**.
- 12.16 When the implications of the revenue monitoring included within **Appendix 1** are factored in, unearmarked Reserves reduce to **£17.069 million (3.6%)**.

### **Scottish Crannog Centre**

- 12.17 On 1 February 2023, the Finance & Resources Committee agreed to underwrite up to **£210,000** of a contingency allowance for the Scottish Crannog Centre (Report No. 23/30 refers).
- 12.18 Following that decision, terms were confirmed with the project that this funding would contribute to unforeseen necessary works, not additional works or contract inflation.
- 12.19 The works on the Scottish Crannog Centre are progressing with a planned completion in Christmas 2023. Currently additional costs are being forecast for third party utilities connections, additional remedial works to existing buildings, additional external works only visible once on site and clarifications in specifications. The Scottish Crannog Centre has subsequently requested

an interim drawdown of **£93,000** of the contingency funding from the Council. Additional requests may be made before the contract completes.

- 12.20 **ACTION:** The Committee is asked to approve the transfer of **£93,000** from unearmarked Reserves to Communities to support the Scottish Crannog Centre. This adjustment is reflected in Appendix 1.

### 13. FINANCIAL RISKS

- 13.1 In preparing the Council's 2023/24 Revenue Monitoring, officers have considered the key strategic, operational and financial risks facing the Council over this period. Whilst the risks may be managed in the current financial year, there is the potential for there to be an impact in the future.
- 13.2 To alleviate the impact these risks may have if they occur, a number of general risk mitigation factors are utilised by the Council which include detailed budget monitoring carried out by Services and having general fund balances available to meet unforeseen expenditure.
- 13.3 Going forward, new risks will be captured within the body of the report with a summary being maintained in **Appendix 7**.

#### **Budgeted Slippage on Teaching Posts**

- 13.4 Across all Council Services there is an approved staff slippage target of **4%**. The ability to manage this target is limited in early learning and childcare and school settings due to the requirement to fill all vacancies as they arise. It is also challenging due to the national requirement to maintain the teacher number ratio. Teaching slippage targets are currently not being met across all school settings.
- 13.5 As the financial year progresses, Education & Children's Services will be able to quantify the impact on delivery of the 2023/24 Revenue Budget. If the requirement to maintain the ratio is continued beyond the current financial year, this will inevitably put further pressure on Revenue Budgets as well as restrict where future savings may be drawn from.

#### **Services for Children, Young People and Families**

- 13.6 The 2023/24 Revenue Budget, agreed by Council on 1 March 2023 (Report No. 23/72 refers) includes additional non-recurring funding of **£1.952 million** for Services for Children, Young People & Families budget for 2023/24. Had this additional funding not been provided, the Services for Children, Young People & Families would likely show a projected over spend of **£2 million**.
- 13.7 The levels of need remain high following the impact of Covid-19. Recruitment and retention challenges have further exacerbated the situation. Notwithstanding the additional temporary staffing in place, there remains a risk to future revenue Budgets. Future budget projections do not allow for the £380,000 of funding for the REACH team.

## **Financial Insecurity Funding**

- 13.8 The Council has directed significant levels of non-recurring funding towards the Scottish Welfare Fund and the Financial Insecurity Fund to support vulnerable individuals and families with the cost-of-living pressures in recent years. In addition, the Council has received external funding which it has also directed to provide additional support.
- 13.9 As things stand, this additional funding will not be available in 2024/25. This will likely result in the Council having to raise the priority rating for the Scottish Welfare Fund to “high, most compelling”, which would be a first for Perth & Kinross Council. It may result in the provision of less dignified support during times of crisis and push households in crisis to community groups that would struggle to cope with the demand. It may also cut across the ambition of Cash-First.
- 13.10 In the current financial year, the Scottish Welfare Fund and Financial Insecurity Fund has had non-recurring additional funding of **£600,000** and **£500,000** respectively applied to them.

## **2023/24 Pay Awards**

- 13.11 The non-teaching pay awards for 2023/24 have not yet settled. There is a risk to both the current year, and future years that the final increases exceed both the current budgetary provision and external funding made available by the Scottish Government.
- 13.12 Any shortfall could lead to further pressures on Reserves and / or cuts in service delivery.

## **Tayside Contracts**

- 13.13 There is a risk that the Council is required to provide additional funding for Tayside Contracts to contribute towards higher inflation costs, reduced demand for school meals and a pay award that exceeds budgeted levels.

## **14. CONCLUSION**

- 14.1 Based on the June 2023 ledger, a projected over spend of **£1.008 million** has been identified in the current financial year.
- 14.2 This level of projected over spend will result in a reduction in the level of unearmarked Reserves to **£17.069 million** or **3.6%**.
- 14.3 The financial position of the Council and its partners and ALEOs remains challenging and regular updates will be provided to the Council and the Finance & Resources Committee as the position develops.

**APPROVED**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Stewart Mackenzie	Head of Finance	31 August 2023
Karen Donaldson	Chief Operating Officer	31 August 2023

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- Tackling poverty
- Tackling climate change and supporting sustainable places
- Growing a sustainable and inclusive local economy
- Enabling our children and young people to achieve their full potential
- Protecting and caring for our most vulnerable people
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

1.2 This report relates to all these objectives.

### 2. Resource Implications

#### Financial

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

#### Workforce

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

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

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

### **3. Assessments**

#### Equality Impact Assessment

- 2.4 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.
- 2.5 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

#### Strategic Environmental Assessment

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

#### Sustainability

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

## **4. Consultation**

### Internal

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

## **2. BACKGROUND PAPERS**

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

## **3. APPENDICES**

- Appendix 1 – 2023/24 Management Budget
- Appendix 2 – General Fund 2023/24 Projected Outturn – Service Analysis
- Appendix 3 – Housing Revenue Account 2023/24 Projected Outturn
- Appendix 4 – Revenue Grants
- Appendix 5 – Other Fundings
- Appendix 6 – General Fund Balances
- Appendix 7 – Financial Risks

PERTH & KINROSS COUNCIL GENERAL FUND  
2023/24 REVENUE BUDGET - SUMMARY

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	2023/24 Council Approved Budget £'000	Previously Approved Adjustments (Net) £'000	Issues Arising From 2022/23 Accounts £'000	Movements in Funding £'000	Virements £'000	Movements in Reserves £'000	2023/24 Revised Mgt Budget £'000	Projected Outturn £'000	Variance to Revised Mgt Budget £'000	Variance to Revised Mgt Budget %
<b>SECTION 1</b>										
<b>Service Budgets</b>										
Education & Children's Services	230,985	234	1,424	4,167		41	236,851	236,851	0	0.0%
Communities	70,439	232	7,744	322	320	496	79,553	79,693	140	0.2%
Corporate & Democratic Services	39,596	912			(220)	25	40,313	40,031	(282)	(1%)
Chief Executive Service	3,712	1,235			(68)	134	5,013	4,994	(19)	(0%)
<b>Sub - Total: Service Budgets</b>	<b>344,732</b>	<b>2,613</b>	<b>9,168</b>	<b>4,489</b>	<b>32</b>	<b>696</b>	<b>361,730</b>	<b>361,569</b>	<b>(161)</b>	<b>(0.0%)</b>
<b>SECTION 2</b>										
<b>Corporate Budgets</b>										
Health & Social Care	83,958	3,084	55		(100)	6	87,003	86,972	(31)	(0%)
Contribution to Valuation Joint Board	1,309						1,309	1,309	0	0.0%
Capital Financing Costs	15,137				(130)		15,007	15,007	0	0.0%
Interest on Revenue Balances	(5054)				(633)		(5,687)	(5,687)	0	0.0%
Net Contribution to/(from) Capital Fund	3,099				763		3,862	3,862	0	0.0%
Contribution to/(from) Insurance Fund	200						200	200	0	0.0%
Trading Operations Surplus	(550)						(550)	(550)	0	0.0%
Support Service External Income	(2153)						(2,153)	(2,153)	0	0.0%
Tayside Pension Fund	1,725				(70)		1,655	1,655	0	0.0%
Apprenticeship Levy	818				138		956	956	0	0.0%
Council Tax Reduction Scheme	6,200						6,200	7,400	1,200	19.4%
Discretionary Relief	1,104						1,104	1,104	0	0.0%
<b>Net Expenditure (General Fund)</b>	<b>450,525</b>	<b>5,697</b>	<b>9,223</b>	<b>4,489</b>	<b>0</b>	<b>702</b>	<b>470,636</b>	<b>471,644</b>	<b>1,008</b>	<b>0.2%</b>
<b>SECTION 3</b>										
<b>Funding</b>										
Revenue Support Grant	(239,627)	(3,722)		(4,489)			(247,838)	(247,838)	0	0.0%
Ring Fenced Grant	(17,725)	4					(17,721)	(17,721)	0	0.0%
Non Domestic Rate Income	(60,754)						(60,754)	(60,754)	0	0.0%
Council Tax Income	(103,914)						(103,914)	(103,914)	0	0.0%
Capital Grant	(1,600)	(30)					(1,630)	(1,630)	0	0.0%
<b>Total Financing</b>	<b>(423,620)</b>	<b>(3,748)</b>	<b>0</b>	<b>(4,489)</b>	<b>0</b>	<b>0</b>	<b>(431,857)</b>	<b>(431,857)</b>	<b>0</b>	<b>0.0%</b>
<b>Financed from/(returned to) Reserves</b>	<b>26,905</b>	<b>1,949</b>	<b>9,223</b>	<b>0</b>	<b>0</b>	<b>702</b>	<b>38,779</b>	<b>39,787</b>	<b>1,008</b>	



**PERTH & KINROSS COUNCIL - GENERAL FUND 2023/24 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 30 June 2023)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b>Education &amp; Children's Services</b>			
Total	0		
			<p><b>DEVOLVED SCHOOL MANAGEMENT SCHEME (DSM)</b>            There are 66 primary schools, 7 secondary schools, 4 all through schools, 46 nurseries and early learning centres and 1 special school within the Council's DSM scheme. Each school has an individual budget, primarily based on pupil numbers. Headteachers are responsible for the annual budgets devolved to them in April each year. The total DSM budget for 2023/24 is <b>£132.051 million</b> including carry forwards.</p> <p>Within the scheme there is a facility allowing for DSM balances, whether surplus or deficit, to be brought forward from the previous financial year. In addition to the resources devolved, balances may also be available to headteachers of schools that have a carry forward. In 2022/23, <b>£722,000</b> of DSM balances were brought forward.</p> <p>The Devolved School Management Scheme is currently on budget. Schools are experiencing challenges in achieving staff slippage targets.</p>
			<p><b><u>Pupil Equity Fund</u></b>            The majority of schools within Perth &amp; Kinross Council have been allocated a share of £1.874 million of Pupil Equity Funding from the Scottish Government as a ring fenced grant. Schools are being instructed to use this year's PEF Grant by 31 March 2024 as per the revised Scottish Government guidance. At this time £100,000 is projected to be carried forward into 2024/25 for teacher and support staff costs to the end of the current academic year.</p>
			<p>(100) Projected carry forward of Pupil Equity Funding.</p>
			<p><b>NON DEVOLVED</b>  <b><u>Education Services</u></b></p>
			<p><b><u>Nursery Sector</u></b>            (400) Additional slippage due to turnover of staff and appointments at the lower end of pay scales.            (32) Projected under spend on non domestic rates.            88 Projected under recovery of income due to reduced attendances at Kids Clubs</p>
			<p><b><u>Primary Sector</u></b>            1,187 Slippage target currently not being met within primary sector due to requirement to maintain teacher numbers.            (312) Education Recovery funding applied towards slippage target.</p>
			<p><b><u>Secondary Sector</u></b>            48 Staff slippage target not being met.            8 Increased loan charges due to interest rate rises.</p>
			<p><b><u>Special Sector</u></b>            (270) Additional slippage due to recruitment challenges, particularly for pupil support assistants.            28 Increased loan charges due to interest rate rises.</p>
			<p><b><u>Services for Children, Young People &amp; Families</u></b>            (19) Projected under spend taking account of non-recurring funding of £800,000 provided for 2023/24.            84 Projected over spend on legal fees and translation / interpreter services            84 Projected over spend on client travel.            (255) The budget for young people with complex behavioural issues, which includes a number of pupils placed within residential schools, is projected to under spend following the provision of £1.152 million of non-recurring            53 Projected over spends on Kinship Care (£32,000), Foster Care (£14,000) and Adoption (£7,000) due to increased demand.            46 There is a projected over spend in relation to supporting care experienced young people (continuing care, supported accommodation) due to a doubling of the number of DWP clients.            94 There is a projected over spend on self directed support (children &amp; disability team - respite provision) due to the level of demand and an increase to the hourly rate paid to clients.            (107) Additional grant funding including Unaccompanied Asylum Seeking Children (£84,000) and Wellbank rental income (£23,000).</p>

**PERTH & KINROSS COUNCIL - GENERAL FUND 2023/24 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 30 June 2023)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
		(70) 19	<p><b><u>Business and Resources Services</u></b>            Additional slippage due to turnover of staff.            Reduced income from school lets due to reduction in take up as well as closure of Perth High School pitch.</p> <p><b><u>Catering Services</u></b>            Projected under spend within the Early Learning &amp; Childcare 1140 grant for nursery meals based on latest uptake.            Projected net under spend on school meals due to uptake.            Projected reduction in school meal income.</p>
		(500)	
		(74)	
		300	

**PERTH & KINROSS COUNCIL - GENERAL FUND 2023/24 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 30 June 2023)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b>Communities</b>			
Total	140		
			<b>ENVIRONMENTAL AND CONSUMER SERVICES</b>
			<b>Regulation</b>
		25	Projected shortfall in Corporate Health and Safety income
			<b>Operations</b>
		35	Additional hire costs for refuse collection vehicles
			<b>Fleet Management</b>
		(115)	Saving on loan charges due to slippage on planned vehicle replacement programme
		100	Additional cost of vehicle materials and repairs
			<b>Waste Strategy</b>
		40	Additional consultancy costs to support the review of operational assets.
			<b>Bereavement Services</b>
		(40)	Additional income from Bereavement Services
			<b>PLANNING AND DEVELOPMENT</b>
		30	Perth Harbour - projected increase in operating costs /shortfall in income
			<b>HOUSING</b>
		20	Projected increase in energy costs at Greyfriars Hostel
		20	Void Rent Loss for housing support properties
			<b>BUSINESS AND RESOURCES</b>
			<b>Public Transport Unit / Car Parking Account</b>
		25	Perth Bus Station - increased costs

**PERTH & KINROSS COUNCIL - GENERAL FUND 2023/24 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 30 June 2023)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b>Corporate &amp; Democratic Services</b>			
Total	(282)		
		(102)	<b>Legal &amp; Governance Services</b>
		(30)	Projected under spend on staff costs.
		(24)	Projected under spend on supplies and services across the function.
			Projected additional income from licensing and recharges
		43	<b>Finance</b>
			Over spend on external audit fee following increase in charges.
		(24)	<b>Human Resources</b>
		12	Projected under spend on staff costs.
			Projected over spend on supplies and services.
		(148)	<b>Information Technology and Revenues &amp; Benefits</b>
		(9)	Projected under spend on Housing Benefit Subsidy based on latest activity.
			Minor net under spends.
		468	<b>Property</b>
		(237)	Projected overspend on property maintenance across the Council estate
		(231)	Projected under spend on energy based on consumption to date.
			Projected under spend on Pullar House due to updated inflation assumptions
<b>Chief Executive Service</b>			
Total	(19)		
		(19)	<b>Core Costs</b>
			Staff slippage and additional income
<b>TOTAL</b>	<b>(161)</b>		

**PERTH & KINROSS COUNCIL - HOUSING REVENUE ACCOUNT 2023/24 PROJECTED OUTTURN**  
**(Based on expenditure to 30 June 2023)**

£'000	Summary of Service Variances
(69)	<p><b>Housing Repairs</b>                      Staff slippage (£72,000), partially offset by additional property costs (£3,000).</p>
10	<p><b>Improvements</b>                      Projected over spend on staff costs.</p>
161	<p><b>Letham, North &amp; South</b>                      Projected over spends on IT costs (£90,000), staff costs (£20,000), decant costs in relation to burst pipes (£26,000), garden maintenance (£31,000), cleaning (£5,000) and other non-staff related budgets (£9,000). These are partially offset by a projected under spend on sheriff officer fees (and related income) (£20,000).</p>
45	<p><b>Perth City and Specialist</b>                      Projected over spends on staff costs (£45,000) and decant costs / disturbance payments relating to burst pipes (£18,000). These are partially offset by additional income from the Common Housing Register (£18,000).</p>
12	<p><b>Housing Management</b>                      Projected over spend on staff costs.</p>
(45)	<p><b>Administration</b>                      Increased net income from recharges to and from the Housing Revenue Account</p>
(224)	<p><b>Income</b>                      Additional income from interest on revenue balances (£239,000) partially offset by reduced commercial rentals (£15,000).</p>
110	<p><b>Capital Financed from Current Revenue</b>                      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>
<b>0</b>	



## APPENDIX 4

## Revenue Grants

<b>Education &amp; Children's Services</b>	
Whole Family Wellbeing	£781,000
Education Recovery	£255,000
Care Experienced Children and Young People	£159,000
Other Grants	£444,000
<b>Communities</b>	
Ukraine Tariff Funding	£4,521,000
Place Based Investment Programme	£1,042,000
Discretionary Fund	£409,000
Young Persons Guarantee	£196,000
Parental Employability Support Fund	£212,000
Other Grants	£1,364,000
<b>Health &amp; Social Care</b>	
Other Grants	£55,000
<b>TOTAL</b>	<b>£9,438,000</b>



## Other Grant Funding

<b>Education &amp; Children's Services</b>	
Scottish Government – Community Mental Health & Wellbeing	£423,000
Scottish Government – Justice Social Work Service - Support Pandemic Recovery Work	£311,966
Scottish Government – Ukraine Education Tariff	£187,798
Gannochy Trust – Universal Youth Service Partnership	£153,402
<b>Communities</b>	
Scottish Government – No One Left Behind	£1,770,000
Scottish Government – Place Based Investment Programme 23-24	£766,000
Scottish Government – Delivery of Rural Community Led Local Development Funding 23-24	£326,186
Scottish & Southern Electricity Networks – Community Resilience	£200,000
Scottish Government – Warm Scottish Welcome	£160,000
UK Government – Homes for Ukraine	£157,920
Paths for All – Smarter Choices, Smarter Places 23-24	£137,800
Paths for All – Smarter Choices, Smarter Places 23-24 PTU	£95,000
Scottish Government – Vacant & Derelict Land Investment Programme	£93,809
<b>Health &amp; Social Care</b>	
UK Government – Asylum Dispersal Scheme Grant	£73,000
<b>TOTAL</b>	<b>£4,855,881</b>



## General Fund Reserves Update

	31/3/23 £m	Approved Contributions from / (to) Reserves			Proposals Included in Report	Balance £m
		2023/24 £m	2024/25 £m	2025/26 £m	£m	
<b>General Fund Balance</b>	<b>70.046</b>					
<b>Balances Held Under Statute / Regulation</b>						
- Revenue Grants	(16.270)	0.800			9.278	(6.192)
- Council Tax Income for affordable housing	(4.353)	(0.083)	(0.283)	(0.283)		(5.002)
- Developers Contributions: Affordable Housing	(4.298)					(4.298)
- Car Parking	(1.512)					(1.512)
- Developers Contributions: Commuted Sums	(1.242)					(1.242)
- Devolved School Management	(0.722)	0.777			(0.055)	0.000
<b>Sub total</b>	<b>(28.397)</b>	<b>1.494</b>	<b>(0.283)</b>	<b>(0.283)</b>	<b>9.223</b>	<b>(18.246)</b>
<b>Balances Held for Specific (Previously Approved) Purposes</b>						0.000
- Services for Children, Young People & Families	(2.139)	1.858				(0.281)
- Contribution to 2023/24 Revenue Budget	(1.699)	1.687			0.012	0.000
- Perth High School	(1.446)	0.450	0.312			(0.684)
- Culture	(1.172)				0.031	(1.141)
- Learning Estate Decants	(0.700)	0.700				0.000
- Financial Insecurity	(0.680)	0.650			0.030	(0.000)
- School Counsellors	(0.556)	0.227	0.227	0.102		0.000
- Works Maintenance	(0.400)				0.200	(0.200)
- Bertha Park High School	(0.347)	0.274				(0.073)
- Modern Apprentice Scheme	(0.340)					(0.340)
- Project Feasibility Fund (Covid-19)	(0.279)				0.115	(0.164)
- Cemetery Walls	(0.271)	0.076	0.076	0.076		(0.043)
- Primary School at Bertha Park	(0.270)					(0.270)
- Perth and Kinross Offer	(0.252)	0.252				0.000
- PH20	(0.212)	0.150				(0.062)
- Working Smarter (Covid-19)	(0.194)				0.015	(0.179)
- UCI Cycling World Championships	(0.180)	0.180				0.000
- Climate Change	(0.153)					(0.153)
- Ventilation Measures	(0.114)	0.090				(0.024)
- Salix	(0.113)					(0.113)
- Local Area Partnerships	(0.090)					(0.090)
- Community Investment Fund	(0.089)	0.051				(0.038)
- Grounds Maintenance ( A9/A85)	(0.060)	0.060				0.000
- Local Government Elections	0.000	(0.053)	(0.053)	(0.053)		(0.159)
- Financial Assistance (Mod)	0.000	(0.020)	(0.020)	(0.020)		(0.060)
<b>Sub total</b>	<b>(11.756)</b>	<b>6.632</b>	<b>0.542</b>	<b>0.105</b>	<b>0.403</b>	<b>(4.074)</b>
<b>Balances Held for Other Purposes</b>						<b>0.000</b>
- Transformation & Workforce Management	(9.530)	2.638	0.260	0.060	0.206	(6.366)
- Covid-19	(2.193)	0.479	0.040			(1.674)
<b>Sub total</b>	<b>(11.723)</b>	<b>3.117</b>	<b>0.300</b>	<b>0.060</b>	<b>0.206</b>	<b>(8.040)</b>
<b>Earmarked Reserves</b>	<b>(51.876)</b>	<b>11.243</b>	<b>0.559</b>	<b>(0.118)</b>	<b>9.832</b>	<b>(30.360)</b>
<b>Uncommitted General Fund Balance</b>	<b>18.170</b>					
<b>Impact of Current Year Projected Outturn</b>	<b>(1.008)</b>					
<b>Commitments from unearmarked Reserves</b>	<b>(0.093)</b>					
<b>Updated Uncommitted General Fund Balance</b>	<b>17.069</b>					
<b>Percentage of Net Revenue Budget</b>	<b>3.6%</b>					



## FINANCIAL RISKS

Risk to Revenue Budget	Mitigation
1 Achievement of <b>staff slippage</b> targets, particularly relating to teacher numbers and impact on pupil / teacher ratio	<ul style="list-style-type: none"> <li>- Proactive workforce management</li> <li>- Revenue monitoring</li> <li>- Future budget submissions</li> </ul>
2 Increasing demand / need / complexity for services for <b>children, young people and families</b> and reducing budgets.	<ul style="list-style-type: none"> <li>- Proactive management</li> <li>- Revenue monitoring</li> <li>- Future budget submissions</li> </ul>
3 Ceasing of additional <b>Financial Insecurity Funding</b> on 31 March 2024.	<ul style="list-style-type: none"> <li>- Proactive management</li> <li>- Revenue monitoring</li> <li>- Future budget submissions</li> </ul>
4 Current year non-teaching <b>pay awards</b>	<ul style="list-style-type: none"> <li>- Revenue monitoring</li> <li>- Future budget submissions</li> </ul>
5 Support for <b>Tayside Contracts</b>	<ul style="list-style-type: none"> <li>- Tayside Contracts Governance &amp; Strategy Group</li> <li>- Revenue monitoring</li> <li>- Future budget submissions</li> </ul>



**PERTH & KINROSS COUNCIL**

**Finance & Resources Committee**

**13 September 2023**

**COMPOSITE CAPITAL BUDGET 2023/28 & HOUSING INVESTMENT PROGRAMME 2023/28 – MONITORING REPORT NUMBER No.1**

**Report by Head of Finance**  
(Report No. 23/243)

**1. PURPOSE**

- 1.1 This report provides a summary position to date for the 5-year Composite Capital Budget and the 5-year Housing Investment Programme for 2023/24 to 2027/28 and seeks approval for adjustments to the programmes.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that the Committee:

- (i) notes the contents of this report.
- (ii) approves the proposed adjustments to the five-year Composite Capital Budget 2023/24 to 2027/28 set out in Sections 5 and 6 of this report and summarised in Appendices I and II.
- (iii) approves the proposed adjustments to the Housing Investment Programme Budget 2023/24 to 2027/28 set out in Section 7 of this report and summarised in Appendix III.

**3. STRUCTURE**

- 3.1 This report is structured over the following sections. The format of the report has been updated in light of elected member feedback from workshop sessions held in July :

- Section 4: Background / Main Issues
- Section 5: Composite Capital Programme – Gross Capital Resources
- Section 6: Composite Capital Programme – Expenditure
- Section 7: Housing Investment Programme
- Section 8: Summary

**4. BACKGROUND / MAIN ISSUES**

- 4.1 The Finance & Resources Committee approved an updated six-year gross Composite Capital Budget for 2022/23 to 2027/28 totalling **£727,448,000** and a five-year gross Housing Investment Programme for 2022/23 to 2027/28 totalling **£87,018,000** at its meeting on 26 April 2023 (report 23/121 refers).

4.2 This report advises on the impact of the final outturn expenditure in 2022/23 on the programmes; expenditure to 31 July 2023, and the latest estimate of the projected outturn for each of the years to 2027/28 for the Composite Programme and for the Housing Investment Programme.

## 5. COMPOSITE CAPITAL PROGRAMME – GROSS CAPITAL RESOURCES

5.1 The current estimated total gross capital resources (which includes movements in Capital Receipts, Capital Grants, Contributions and borrowing) available over the five years 2023/24 to 2027/28 amount to **£623,150,000**. Movements from the revised Composite Capital Budget approved on 26 April 2023 for these five years are summarised in the table below, and the constituent elements for each year are shown in Appendix I.

<b>Total Gross Composite Capital Resources</b>			
	<b>Approved 26 April 2023</b>	<b>Current Estimate</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>2023/24</b>	198,729	202,214	3,485
<b>2024/25</b>	193,284	196,980	3,696
<b>2025/26</b>	109,577	110,535	958
<b>2026/27</b>	65,408	65,942	534
<b>2027/28</b>	46,605	47,479	874
<b>Total</b>	<b>613,603</b>	<b>623,150</b>	<b>9,547</b>

5.2 The monitoring position has been updated for amounts carried forward from 2022/23 as reflected within the unaudited accounts. The overall movement in the total Gross Resources for the 5 years 2023/24 to 2027/28 shown at Section 5.1 above can be summarised as follows:

	<b>£'000</b>
<b>Resources Brought-forward from 2022/23:</b>	
Property Receipts, including carried forward to future years	98
Capital Grants	332
Tay City, Developer, Other Third Party and Revenue Contributions	1,339
Borrowing	6,045
<b>Total Resources Brought-forward from 2022/23</b>	<b>7,814</b>
<b>Increase in Resources from current monitoring:</b>	
Increase in Commercial Property and other Receipts	381
Increase in Capital Grants (Section 5.3)	151
Increase in Third Party, Revenue and Developer Contributions (Section 5.4)	1,201
<b>Total Increase in Gross Capital Resources (Section 5.1)</b>	<b>9,547</b>

5.3 There is a net increase of £151,000 in capital grants for various programmes listed below. These have been reflected in the proposed expenditure budgets for these programmes, and are included in Appendix II, as follows:

- £353,000 Nature Restoration included in the General Capital Grant (Section 6.3.5)
- £30,000 Cycling Walking & Safer Streets (Section 6.3.2)
- Less a reduction of £208,000 from the Recycling Improvement Fund (Section 6.3.8), and £24,000 for Gypsy Traveller Site Improvements (Section 6.3.11), reflecting reduced expenditure on the schemes.

5.4 Third Party Contributions have increased by £1,148,000. These relate to £150,000 from TACTRAN for the Cycling Walking & Safer Streets programme (Section 6.3.2), £109,000 from the Forestry Commission for Timber Routes (Section 6.3.3) and £889,000 from Scottish Water on the Commercial Property Investment Programme (Section 6.3.10). Revenue Contributions have increased by a net total of £53,000, with an increased contribution of £125,000 on the Mosaic Implementation Programme (Section 6.4.3), less a reduction in the funding of £72,000 required from the Salix Reserve (Section 6.4.2).

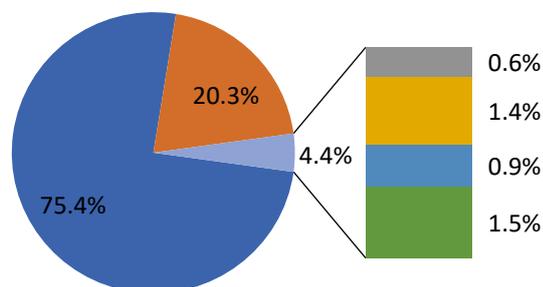
5.5 The projected borrowing requirement in 2023/24, which is effectively the balancing item for resources, is **£152,394,000**. This is £974,000 higher than the borrowing requirement approved on 26 April 2023. This comprises £6,045,000 of borrowing originally budgeted in 2022/23 which has been brought forward to 2023/24, less a reduction of **£5,071,000** arising from the current monitoring exercise.

5.6 The total new borrowing requirement in the subsequent years 2024/25 to 2027/28 has increased by **£5,071,000** to **£345,480,000**, resulting in no overall change in the total level of **borrowing** across the whole 5-year programme. The movement in borrowing (excluding the amount brought-forward) is summarised as follows:

	2023/24	2024/25	2025/26	Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Movements arising from re-phasing of expenditure and receipts (Appendix II)	(5,071)	2,830	958	1,283	0
<b>Increase/(Decrease) in Borrowing Requirement</b>	(5,071)	2,830	958	1,283	0

5.7 The chart below shows the Capital Resources required to fund the 2023/24 Composite Capital Programme following the proposed budget adjustments detailed in this report.

## Projected Capital Resources 2023/24 (August 2023)



**£Million**

- Borrowing (£152.394M)
- Grants (£40.975M)
- Tay City Deal (£1.257M)
- Developer Contributions (£2.847M)
- Third Party & Revenue Contributions (£1.732M)
- Receipts (£3.009M)

## 6. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

### 6.1 Total Expenditure and Proposed Budget Adjustments to the Current Programme

- 6.1.1. Total expenditure (net of grants and contributions) to 31 July 2023 on the Composite Capital Programme amounts to **£40,660,000**, which is detailed in Appendix II and summarised as follows:

	<b>Net Expenditure to 31 July 2023</b>
	<b>£'000</b>
Education & Children's Services	13,079
Communities	26,242
Health and Social Care	64
Corporate & Democratic Services	1,275
<b>Total</b>	<b>40,660</b>

- 6.1.2. A comprehensive monitoring exercise has been carried out, which is detailed in Appendix II, which also includes the various brought forward adjustments from 2022/23 as outlined in Section 5 above. The most significant features are discussed below.
- 6.1.3. In common with all Scottish local authorities and public and private sector bodies, the Council has experienced significant inflationary pressures on the delivery of its Capital investment programme over the past few years.
- 6.1.4. The early estimate for the BCIS All-in Tender Price Index, which shows the general movement on construction pricing, forecasts a 1.1% increase between Q1 2023 and Q2 2023 which represents an increase of 4.9% in the year from Q2 2022. By comparison the increase in the year to Q2 2022 from

Q2 2021 was 10.3%. While construction costs continue to rise, this forecast indicates that the rate of increase is beginning to reduce.

## 6.2 Education and Children’s Services

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

6.2.2 It was previously agreed that the upgrade works at Kirkmichael Primary School would be funded by a ring-fenced receipt from the sale of the former Straloch Primary School. The actual amount received for Straloch Primary exceeded the original estimate resulting in a further £28,000 for additional upgrades at Kirkmichael Primary School.

6.2.3 The remaining budget adjustments reflect timing differences on various projects, with the main proposed movements detailed in the table below:

Project	2023/24 £'000	2024/25 £'000	Later Years £'000	Description
Technology Upgrades	(250)	0	250	Works programme rephased and extended to the summer holidays in 2025
Harris Academy	(150)	150	0	The refurbishment of existing classrooms within the project to be undertaken in summer holidays 2024

6.2.4 There are several other small adjustments to various Education & Children’s Services projects relating to amounts carried forward from 2022/23 which are included in Appendix II. These mostly relate to projects that have been completed. All of the above proposed adjustments have been reflected in Appendices I & II.

## 6.3 Communities

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

6.3.2 Within Traffic & Road Safety, TACTRAN have provided a £150,000 Third Party Contribution towards the Cycling, Walking and Safer Routes (CWSR) programme. This is supplemented by an increase in the Scottish Government Grant of £30,000 which is proposed to be allocated to the Schools Road Safety Measures budget (£28,000) and the CWSR budget (£2,000) in the current year.

6.3.3 With Asset Management – Roads & Lighting, the Forestry Commission have allocated an additional £109,000 to the Council towards Timber Routes, which is included within the Structural Maintenance programme. This has been

added to the 2023/24 budget which, when combined with an acceleration of budget from future years, increases the budget in the current year by £394,000.

- 6.3.4 Springfield have advised the Council that they will not construct the Perth Transport Futures Phase 3 Bertha Park Link Road themselves, and instead have exercised their legal right to provide an agreed sum through developer contributions over time as house sales are completed. Therefore, it has now become necessary for the Council to undertake the detailed design work for the road. It is proposed that up to £500,000 of the contingency included within the Phase 2 CTRLR project is utilised for this design work, and that options for funding the construction, including the use of developer contributions, is considered by Council when it sets the next Capital Budget in February next year.
- 6.3.5 The Scottish Government has also allocated £353,000 to the Council for the Nature Restoration programme in 2023/24. This has therefore been added to the current year budget within the Other Planning programme, with the grant added to the Council's General Capital Grant. The budget is also augmented by a small rounding adjustment of £1,000.
- 6.3.6 Within the City Centre Developments – Cultural Attractions programme, the construction phase of Perth Museum is now complete and the project remains within the total approved budget, with only final fit-out works ongoing, prior to its opening in the spring of next year.
- 6.3.7 The Letham Hub project is scheduled to conclude prior to Christmas 2023. Members are advised that the contractor has submitted a number of claims for an extension of time and a corresponding substantial financial claim. This is currently being evaluated and will be subject to ongoing discussion with the contractor. There is no request for additional funding at this time.
- 6.3.8 Within Waste Strategy, a reduction in expenditure of £208,000 has also meant the level of grant funding from the Recycling Improvement Fund has been reduced by a corresponding amount in the current year.
- 6.3.9 During the cyclical condition survey programme the roof structure of the Friarton Waste Transfer Station has been found to have incurred severe corrosion. Engineering advice is that the building and surrounding area may be at risk in the event of winter storms and/or heavy snow and remedial action has therefore been instigated at an estimated cost of £250,000 in 2023/24 which will be met from the Property Compliance Works Programme. Operational plans will be put in place by Communities to redirect waste to alternative locations from October. An update on the investment requirements on the Council's operational estate will be included as part of the Corporate Asset Management Plan to Council in December.

- 6.3.10 Within the Commercial Property Investment Programme, the costs to deliver the Broxden Drainage Mitigation Works have been revised with an additional £401,000 required in the current year and £866,000 next year for the full required works to be undertaken. Scottish Water are providing a contribution to the cost of the project, with an additional £231,000 this year and £658,000 next year. It is proposed that the remaining costs are met from the Commercial Receipts which have been brought forward. After allowing for other adjustments to the programme, this results in a net increase in expenditure of £353,000.
- 6.3.11 The various programmes of works for the Gypsy Traveller Sites are being reviewed, and specific proposals will be considered at a future meeting of this Committee. However, reduced expenditure of £24,000 on one of the grant funded schemes which originated in 2021/22 has resulted in a reduction in grant for the project, which has been reflected in Appendix I and II.
- 6.3.12 There have been several other small adjustments to various Communities projects relating to amounts carried forward from 2022/23 which are included in Appendix II. These mostly relate to projects that have been completed or rounding adjustments. All the above proposed adjustments have been reflected in Appendices I & II.

#### **6.4 Corporate & Democratic Services**

- 6.4.1 The Chief Operating Officer has reviewed the programme for their Service and proposes the budget adjustments described below.

##### **Property Services**

- 6.4.2 It is proposed to reduce the Energy Efficiency Works funded from the Salix Reserve by £72,000, due to the complexities of installing the heating control systems in some buildings.

##### **Information Systems & Technology**

- 6.4.3 The planned go-live date for the new Mosaic system has been moved from March 2024 to 1 April 2024. Therefore, this results in the full licence costs now being chargeable to new financial year when the system goes live, with only staff costs for the ongoing development and implementation being incurred in the current year. In addition, it also means that a further year of the current Revenue Contributions is available to meet some of the costs of the project in 2026/27. The budget has therefore been rephased for these proposed budget adjustments and been included in Appendix II.
- 6.4.4 The remaining budget adjustments reflect timing differences on various projects, with the main proposed movements detailed in the table below:

Project	2023/24 £'000	2024/25 £'000	Later Years £'000	Description
Property - Decarbonisation	(1,300)	1,300	0	Following a review of the work to be undertaken in the new project, the budget has been rephased to reflect staff capacity and procurement timescales.
ICT Infrastructure Replacement & Upgrade Programme	(354)	(721)	1,075	The Programme has been rephased to align with infrastructure replacement projects & licensing requirements.
IST – Data & Analytics	(442)	164	278	Rephasing of the Data Management Programme
IST – Supporting Digital	(564)	141	423	Works to be planned around the re-procurement of various digital platforms.
School audio-Visual (AV) Replacement Programme	(798)	173	625	The programme has been rephased to align with replacement plans and other property related project work.

6.4.5 All the above proposed adjustments, together with other small movements, have been reflected in Appendix II.

## 6.5 Health & Social Care

6.5.1 The Developing Supported Tenancies project is a contribution towards works within the Housing Revenue Account. It has been confirmed that the budget of £229,000 will not be required in the current year and it is therefore proposed that the budget is moved to next year whilst options continue to be evaluated.

6.5.2 The above proposed adjustment has been reflected in Appendix II.

## 7. HOUSING INVESTMENT PROGRAMME

### Final Outturn 2022-23

7.1 The final position for 2022/23 on the Housing Investment Programme (subject to audit) was as follows:

	2022/23 Budget	Actual to 31 March 2023	Variance to Budget
	£'000	£'000	£000
Total Net Expenditure	18,180	13,856	(4,324)
Total Receipts & CFCR	(2,652)	(2,741)	(89)
Borrowing Requirement	15,528	11,115	(4,413)

7.2 In order to determine the carry-forward adjustments to 2023/24 required for each project, the difference between the 2022/23 actuals and previous projections are adjusted against the 2023/24 budgets. These adjustments are neutral over the 2 years and has resulted in a movement of £4,413,000 of borrowing from 2022/23 to 2023/24 and is shown in Appendix III.

### **Current Programme: 2023/24 to 2027/28**

7.3 The current estimated expenditure, net of contributions, for the Housing Investment Programme over the 5 years 2023/24 to 2027/28 amounts to **£92,205,000**. Movements from the previous estimates approved by the Finance & Resources Committee on 26 April 2023 are summarised in the table below and detailed in Appendix III.

	<b>Approved 26 April 2023</b>	<b>Current Estimate</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>2023/24</b>	20,422	27,597	7,175
<b>2024/25</b>	13,853	13,744	(109)
<b>2025/26</b>	15,519	17,253	1,734
<b>2026/27</b>	19,044	19,044	0
<b>2027/28</b>	19,044	14,567	(4,477)
<b>Total</b>	<b>87,882</b>	<b>92,205</b>	<b>4,323</b>

7.4 The increase in resources of £4,323,000 represents £4,413,000 brought forward from 2022/23, less the increase in CFCR of £90,000 applied in 2022/23 which has not been carried forward.

### **7.5 Total Expenditure to 31 July 2023 (Housing Investment Programme)**

Net expenditure for 2023/24 to 31 July 2023 amounts to £5,015,000. As there have been no receipts, this therefore means that the borrowing requirement for the year to date is also £5,015,000.

7.6 After making adjustments relating to small carry-forward amounts from last year, which are included in Appendix III, the Executive Director (Communities) has reviewed the Housing Investment Programme and proposes further budget adjustments outlined below.

7.7 It is proposed to draw-down a total of £4,477,000 from the SHQS Future Developments budget in 2027/28 and to allocate this across various programmes as follows:

- Heating Upgrades - £700,000 allocated to each of the years 2023/24, 2024/25 and 2025/26, due to additional properties requiring heating upgrades, and to maintain an ongoing programme of works.
- Fire Precaution Measures - £427,000 allocated to 2023/24, to cover additional properties which were not included in the original programme of works.

- Environmental Improvements - £500,000 allocated to 2023/24 to cover additional works required due to Health & Safety requirements.
- Bathroom Modernisation Programme - £1,450,000 allocated to 2023/24, as a result of the continuing referrals from Occupational Therapists.

7.8 Due to the complexity of the redevelopment of the property in Balmoral Road, Blairgowrie, the estimated costs have increased. Consequently, it is proposed not to proceed with the project, and to transfer the budget of £264,000 to the redevelopment of 149-151 Dunkeld Road, Perth. It is also proposed to increase the budgets for Sheltered Housing (£20,000) and General Works (£77,000) by transferring £97,000 from the ICT Expenditure budget in 2023/24.

7.9 The remaining budget adjustments reflect timing differences on various projects, with the main proposed movements detailed in the table below:

Project	2023/24 £'000	2024/25 £'000	Later Years £'000	Description
External Fabric (net of Third party Contributions)	894	(528)	(366)	Following conclusion of the Tenement Management System, additional properties have been added to the current contract, primarily roof and harling works at Logie Crescent, Perth.
Kitchen Modernisation Programme	(1,400)	0	1,400	Increased lifespan of previous kitchen upgrades has reduced demand in the current modernisation cycle. Budget rephased to maintain a future replacement programme
Energy Efficiency	279	(279)	0	Works have been completed faster than anticipated, consequently additional works have been planned and the budget rephased accordingly.

7.10 Capital Financed by Current Revenue (CFCR) increased by £90,000 in 2022/23 which has reduced the borrowing requirement on the programme. There are no further movements which impacts the borrowing requirement over the remainder of the 5-year programme.

## 8. BUDGET OVERVIEW

8.1 The projected net expenditure outturn in 2023/24 for the Composite Capital Budget is **£180,346,000** and represents **101%** of the 2023/24 budget as approved on 26 April 2023 (£178,033,000). The revised budget is based on the latest projection of expenditure and all budget adjustments outlined within this report.

- 8.2 Net expenditure to 31 July 2023 on the Composite Capital Budget is **£40,660,000** and represents 23% of the proposed revised budget for 2023/24 of **£180,346,000**. This level of expenditure is higher than normal at this early stage of the financial year, and reflects several larger projects being on-site with construction works now being undertaken.
- 8.3 The projected net expenditure outturn in 2023/24 for the Housing Investment Programme is **£27,597,000** and represents **135%** of the 2023/24 budget approved on 26 April 2023 (£20,422,000). The increase reflects the level of expenditure brought forward from last year as well as the allocation of some of the SHQS Future Developments budget from later years to specific projects in the current year.
- 8.4 Net expenditure to 31 July 2021 on the Housing Investment Programme is **£5,015,000** which represents **18%** of the proposed revised budget for 2023/24 of £27,597,000.
- 8.5 Overall, the estimated Council Borrowing Requirement in 2023/24 has increased as a result of borrowing previously budgeted last year being carried-forward to the current year. There is no movement in the level of borrowing arising from the current monitoring exercise. While the projections have been based on a comprehensive monitoring exercise, they continue to remain subject to uncertainty as a result of ongoing inflationary pressures, particularly in the construction industry, in the current economic environment.

#### Author(s)

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#### Approved

Name	Designation	Date
Karen Donaldson	Chief Operating Officer	1 September 2023
Stewart MacKenzie	Head of Finance	1 September 2023

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All Council Services can offer a telephone translation facility.

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- Tackling Poverty
- Tackling climate change and supporting sustainable places
- Growing a sustainable and inclusive local economy
- Enabling our children and young people to achieve their full potential
- Protecting and caring for our most vulnerable people
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

1.2 This report relates to all of these objectives.

### 2. Resource Implications

#### Financial

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

### Workforce

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

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

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

## **3. Assessments**

### Equality Impact Assessment

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

### Strategic Environmental Assessment

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

### Sustainability

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

## **4. Consultation**

### Internal

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

## **2. BACKGROUND PAPERS**

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

## **3. APPENDICES**

- Appendix I – Composite Capital Programme - Estimated Capital Resources 2023/24 to 2027/28
- Appendix II – Composite Capital Programme - Summary of Capital Resources and Expenditure 2023/24 to 2027/28
- Appendix III – HRA Capital Investment Programme – Summary of Capital Resources and Expenditure 2023/24 to 2027/28
- Appendix IV – Significant Capital Projects Progress Update

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
*Estimated Capital Resources 2023/24 to 2027/28*

APPENDIX I

	<b>Capital Resources 2023/24 (£'000) Revised Budget</b>	<b>Capital Resources 2024/25 (£'000) Revised Budget</b>	<b>Capital Resources 2025/26 (£'000) Revised Budget</b>	<b>Capital Resources 2026/27 (£'000) Revised Budget</b>	<b>Capital Resources 2027/28 (£'000) Revised Budget</b>	<b>Capital Resources TOTAL (£'000) Revised Budget</b>
<b>Capital Grants</b>						
Cycling, Walking & Safer Routes (CWSR)	1,112	200	200	200	200	1,912
Road Safety Improvement Fund	0	0	0	0	0	0
Town Centre Fund	0	0	0	0	0	0
Regeneration Fund	0	0	0	0	0	0
Recycling Improvement Fund	2,363	0	0	0	0	2,363
Cross Tay Link Road - Transport Scotland	15,000	0	0	0	0	15,000
Gypsy Travellers Sites Improvement Grant	0	0	0	0	0	0
General Capital Grant	22,500	13,847	12,639	12,150	12,150	73,286
<b>Total Capital Grants</b>	<b>40,975</b>	<b>14,047</b>	<b>12,839</b>	<b>12,350</b>	<b>12,350</b>	<b>92,561</b>
<b>General Capital Receipts</b>						
General Fund - Capital Receipts	976	250	250	250	250	1,976
General Fund - Ring Fenced Receipts	404	377	377	927	1,072	3,157
<b>Total General Capital Receipts</b>	<b>1,380</b>	<b>627</b>	<b>627</b>	<b>1,177</b>	<b>1,322</b>	<b>5,133</b>
<b>Commercial Property Receipts</b>						
Capital Receipts brought-forward	2,245	859	2,330	2,638	2,638	2,245
Commercial Property Capital Receipts	243	1,679	308	0	0	2,230
Capital Receipts carried-forward	(859)	(2,330)	(2,638)	(2,638)	(2,638)	(2,638)
<b>Total Commercial Property Receipts Applied</b>	<b>1,629</b>	<b>208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,837</b>
<b>Contributions</b>						
Tay Cities Deal	1,257	999	550	505	1,956	5,267
Third Party Contributions	1,702	658	0	2,000	3,000	7,360
Developer Contributions	2,847	2,300	2,367	2,600	2,600	12,714
Revenue Budget Contributions	30	124	125	125	0	404
<b>Total Contributions</b>	<b>5,836</b>	<b>4,081</b>	<b>3,042</b>	<b>5,230</b>	<b>7,556</b>	<b>25,745</b>
<b>Capital Borrowing Requirement</b>	<b>152,394</b>	<b>178,017</b>	<b>94,027</b>	<b>47,185</b>	<b>26,251</b>	<b>497,874</b>
<b>TOTAL CAPITAL RESOURCES/ GROSS BUDGET EXPENDITURE</b>	<b>202,214</b>	<b>196,980</b>	<b>110,535</b>	<b>65,942</b>	<b>47,479</b>	<b>623,150</b>

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
*Estimated Capital Resources 2023/24 to 2027/28*

APPENDIX I

**Movements in Resources from Approved Budget - 26 April 2023**

	Revised Budget 2023/24 <u>£'000</u>	Revised Budget 2024/25 <u>£'000</u>	Revised Budget 2025/26 <u>£'000</u>	Revised Budget 2026/27 <u>£'000</u>	Revised Budget 2027/28 <u>£'000</u>	Revised Budget TOTAL <u>£'000</u>
Resources brought forward from 2022/23	7,814	0	0	0	0	7,814
<u>Increase/(Decrease) in:</u>						
Capital Receipts - General Fund	0	0	0	0	0	0
Capital Receipts - Commercial Property	(2)	0	0	0	0	(2)
Capital Receipts - Ring Fenced	28	0	0	0	0	28
<u>Capital Grants:</u>						
Cycling, Walking & Safer Routes (CWSR)	30	0	0	0	0	30
Road Safety Improvement Fund	0	0	0	0	0	0
Regeneration Fund	0	0	0	0	0	0
Recycling Improvement Fund	(208)	0	0	0	0	(208)
Town Centre Fund	0	0	0	0	0	0
Cross Tay Link Road - Transport Scotland	0	0	0	0	0	0
Gypsy Travellers Sites Improvement Grant	(24)	0	0	0	0	(24)
General Capital Grant	353	0	0	0	0	353
Tay Cities Deal	0	0	0	0	0	0
Third Party Contributions	490	658	0	0	0	1,148
Revenue Contributions	(72)	0	0	125	0	53
Developer Contributions	0	0	0	0	0	0
Resources b/f	88	(147)	(355)	(355)	(355)	(1,479)
Resources c/f to future years	59	355	355	355	355	1,834
Borrowing Requirement	(5,071)	2,830	958	409	874	0
<b>Total Increase/(Decrease) in Resources</b>	<b>3,485</b>	<b>3,696</b>	<b>958</b>	<b>534</b>	<b>874</b>	<b>9,547</b>
Approved Resources 26 April 2023	198,729	193,284	109,577	65,408	46,605	613,603
<b>Revised Resources</b>	<b>202,214</b>	<b>196,980</b>	<b>110,535</b>	<b>65,942</b>	<b>47,479</b>	<b>623,150</b>

**PERTH AND KINROSS COUNCIL**  
**COMPOSITE CAPITAL PROGRAMME**  
**SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28**

	Approved Budget 26-Apr-23	Proposed Carry Forward from 2022/23	Proposed Budget Adjustment Report 1 2023/24	Revised Budget Report 1 2023/24	Actuals to 31-Jul-23	Projected Outturn 2023/24	Revised Budget Report 1 2024/25	Revised Budget Report 1 2025/26	Revised Budget Report 1 2026/27	Revised Budget Report 1 2027/28	Revised Budget Report 1
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
EDUCATION AND CHILDREN'S SERVICES	61,868	968	(400)	62,436	13,079	62,436	64,304	42,053	15,304	6,823	190,920
COMMUNITIES	101,869	4,654	882	107,405	26,242	107,405	116,800	57,471	38,138	25,996	345,810
HEALTH AND SOCIAL CARE	2,121	(23)	(795)	1,303	64	1,303	2,098	1,303	1,303	1,319	7,326
CORPORATE AND DEMOCRATIC SERVICES	12,175	1,287	(4,260)	9,202	1,275	9,202	11,420	8,456	7,440	7,113	43,631
<b>TOTAL NET EXPENDITURE</b>	<b>178,033</b>	<b>6,886</b>	<b>(4,573)</b>	<b>180,346</b>	<b>40,660</b>	<b>180,346</b>	<b>194,622</b>	<b>109,283</b>	<b>62,185</b>	<b>41,251</b>	<b>587,687</b>
<small>(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)</small>											
GENERAL CAPITAL GRANT	(22,147)	0	(353)	(22,500)	(7,457)	(22,500)	(13,847)	(12,639)	(12,150)	(12,150)	(73,286)
DEVELOPER CONTRIBUTIONS	(2,100)	(747)	0	(2,847)	0	(2,847)	(2,300)	(2,367)	(2,600)	(2,600)	(12,714)
CAPITAL RECEIPTS	(1,215)	(6)	2	(1,219)	0	(1,219)	(1,929)	(558)	(250)	(250)	(4,206)
<b>ANNUAL BORROWING REQUIREMENT</b>	<b>152,571</b>	<b>6,133</b>	<b>(4,924)</b>	<b>153,780</b>	<b>33,203</b>	<b>153,780</b>	<b>176,546</b>	<b>93,719</b>	<b>47,185</b>	<b>26,251</b>	<b>497,481</b>
CAPITAL RECEIPTS BROUGHT FORWARD	(2,157)	0	(88)	(2,245)	(2,245)	(2,245)	(859)	(2,330)	(2,638)	(2,638)	(2,245)
CAPITAL RECEIPTS CARRIED FORWARD	1,006	(88)	(59)	859	2,245	859	2,330	2,638	2,638	2,638	2,638
<b>TOTAL NET BORROWING REQUIREMENT</b>	<b>151,420</b>	<b>6,045</b>	<b>(5,071)</b>	<b>152,394</b>	<b>33,203</b>	<b>152,394</b>	<b>178,017</b>	<b>94,027</b>	<b>47,185</b>	<b>26,251</b>	<b>497,874</b>

PERTH AND KINROSS COUNCIL  
COMPOSITE CAPITAL PROGRAMME  
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28

APPENDIX II

	Approved Budget 26-Apr-23  2022/23 (£'000)	Proposed Brought Forward from 2022/23 (£'000)	Proposed Budget Adjustment Report 1 2023/24 (£'000)	Revised Budget 13-Sep-23 Report 1 2023/24 (£'000)	Actual to 31-Jul-23 2023/24 (£'000)	Projected Outturn 2023/24 (£'000)	Revised Budget 13-Sep-23 Report 1 2024/25 (£'000)	Revised Budget 13-Sep-23 Report 1 2025/26 (£'000)	Revised Budget 13-Sep-23 Report 1 2026/27 (£'000)	Revised Budget 13-Sep-23 Report 1 2027/28 (£'000)	Revised Budget Report 1 TOTAL (£'000)
<b>EDUCATION AND CHILDREN'S SERVICES</b>											
MIS - Procurement & Integration	57	0		0		0	0	0	0	0	0
MIS - SEEMIS Licensing	0	0		745	147	745	0	0	0	0	745
Blairgowrie Recreation Centre - Replacement	700	24		17,324	4,708	17,324	12,200	4,003	0	0	33,527
<b>Schools Modernisation Programme</b>											
Investment in the Learning Estate	1,300	85	(3)	1,086	354	1,086	10,688	8,550	8,650	6,823	35,797
Free School Meal Expansion Programme	913	913		1,348		1,348	2,000	0	0	0	3,348
Methven Primary School Refurbishment	280	(17)		14	6	14	250	0	0	0	264
Breadalbane Academy, Aberfeldy - 3G Pitch	0	0		29	18	29	0	0	0	0	29
Third Party Contribution (The Scottish Football Association)	0	0		(29)	(14)	(29)	0	0	0	0	(29)
Kirkmichael Primary School Upgrades	91	(3)	28	32		32	0	0	0	0	32
Capital Receipt (ring-fenced)	0	0	(28)	(128)	(128)	(128)	0	0	0	0	(128)
Early Learning & Childcare	38	1	(1)	0		0	0	0	0	0	0
- Letham Primary School Upgrade Project	19	(4)	4	0		0	0	0	0	0	0
- Oakbank Primary School Upgrade Project	0	12		12		12	0	0	0	0	12
- Rattray Primary School Upgrade Project	1,645	(15)		155	22	155	0	0	0	0	155
North/West Perth - New Primary School	39	(2)		1,059		1,059	7,500	15,000	400	0	23,959
Riverside Primary New School	11,228	(15)		3,410	1,635	3,410	0	0	0	0	3,410
Technology Upgrades	15	(22)	(250)	128		128	1,016	250	0	0	1,394
Perth Academy - Refurbishment	1,665	(204)		1,311	539	1,311	2,500	2,150	2,150	0	8,111
Perth Grammar School - Upgrade Programme Phase 3	598	6		1,469	128	1,469	1,500	1,500	504	0	4,973
Perth High School - Internal Services & Refurbishment	9	4		16	3	16	0	0	0	0	16
Perth High School - New School Investment	5,836	(56)		30,244	4,053	30,244	26,500	10,600	3,600	0	70,944
Harris Academy/Invergowrie - Extension	1,100	261	(150)	4,211	1,608	4,211	150	0	0	0	4,361
<b>TOTAL: EDUCATION AND CHILDREN'S SERVICES</b>	<b>25,533</b>	<b>968</b>	<b>(400)</b>	<b>62,436</b>	<b>13,079</b>	<b>62,436</b>	<b>64,304</b>	<b>42,053</b>	<b>15,304</b>	<b>6,823</b>	<b>190,920</b>
<b>COMMUNITIES</b>											
<b>Traffic &amp; Road Safety</b>											
Road Safety Initiatives (20mph Zones etc..)	0	0		0		0	362	362	362	361	1,447
Additional Road Safety - Pedestrian Crossings	0	0		175		175	175	175	0	0	525
Schools Road Safety Measures	245	(13)	28	422	89	422	0	0	0	0	422
Scottish Government Grant - CWSS	(106)	28	(28)	0		0	0	0	0	0	0
20mph Signage Programme - Schools	111	40		129		129	0	0	0	0	129
20mph Signage Programme	0	0		76		76	0	0	0	0	76
Cycling Walking & Safer Routes (CWSR)	987	128	152	1,262	116	1,262	200	200	200	200	2,062
Scottish Government Grant - CWSR	(867)	(128)	(2)	(1,112)		(1,112)	(200)	(200)	(200)	(200)	(1,912)
Third Party Contribution (TACTRAN)	(120)	0	(150)	(150)		(150)	0	0	0	0	(150)
Car Parking Investment	45	15	(1)	291		291	0	0	0	0	291
Car Parking Investment - Pitlochry	0	0		150		150	0	0	0	0	150
Strathmore Cycle Network	0	0		0		0	0	84	0	0	84

PERTH AND KINROSS COUNCIL  
COMPOSITE CAPITAL PROGRAMME  
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28

APPENDIX II

	Approved Budget 26-Apr-23 2022/23 (£'000)	Proposed Brought Forward 2022/23 (£'000)	Proposed Budget Adjustment 2023/24 (£'000)	Revised Budget 13-Sep-23 2023/24 (£'000)	Actual to 31-Jul-23 2023/24 (£'000)	Projected Outturn 2023/24 (£'000)	Revised Budget 13-Sep-23 Report 1 2024/25 (£'000)	Revised Budget 13-Sep-23 Report 1 2025/26 (£'000)	Revised Budget 13-Sep-23 Report 1 2026/27 (£'000)	Revised Budget 13-Sep-23 Report 1 2027/28 (£'000)	Revised Budget Report 1 TOTAL (£'000)
<b>Sub-Total</b>	<b>295</b>	<b>70</b>	<b>(1)</b>	<b>1,243</b>	<b>205</b>	<b>1,243</b>	<b>537</b>	<b>621</b>	<b>362</b>	<b>361</b>	<b>3,124</b>
<b>Asset Management - Roads &amp; Lighting</b>											
Structural Maintenance	13,770	376	394	12,086	4,985	12,086	9,498	9,498	9,706	7,500	48,288
Third Party Contribution (Forestry Commission Timber Routes)	(1,316)	(176)	(109)	(285)	(13)	(285)	0	0	0	0	(285)
Traffic Signal Renewals - Upgrading	105	(21)		73		73	0	0	0	0	73
Third Party Contributions	(3)	0		0		0	0	0	0	0	0
Footways	524	3	100	538	203	538	410	410	410	410	2,178
Third Party Contributions	0	0		0		0	0	0	0	0	0
Investment in Local Footpaths	0	0		0		0	0	100	100	0	200
Road Safety Barriers	10	(1)		22		22	0	0	0	0	22
<b>Sub-Total</b>	<b>13,090</b>	<b>181</b>	<b>385</b>	<b>12,434</b>	<b>5,175</b>	<b>12,434</b>	<b>9,908</b>	<b>10,008</b>	<b>10,216</b>	<b>7,910</b>	<b>50,476</b>
<b>Asset Management - Bridges</b>											
Bridge Refurbishment Programme	629	88	(3)	3,654	193	3,654	2,129	1,445	1,746	1,406	10,380
Dalhenzean Culvert	43	15		15		15	0	0	0	264	279
Dunkeld Golf Course	29	6		6		6	0	0	0	219	225
Vehicular Bridge Parapets Programme - Assess & Upgrade	0	0		0	1	0	29	0	0	0	29
Old Perth Bridge - Strengthening	10	10		190		190	10	2,369	0	0	2,569
Perth Queens Bridge - Strengthening	0	0		335		335	60	70	2,153	0	2,618
Garry Viaduct	0	0		110		110	300	300	1,900	1,790	4,400
Culteuchar Culvert	42	(4)		391	5	391	0	0	0	0	391
Glendevon Bridge	235	(2)	2	0		0	0	0	0	0	0
Tullyfergus Bridge	0	0		0		0	0	0	0	134	134
<b>Sub-Total</b>	<b>988</b>	<b>113</b>	<b>(1)</b>	<b>4,701</b>	<b>199</b>	<b>4,701</b>	<b>2,528</b>	<b>4,184</b>	<b>5,799</b>	<b>3,813</b>	<b>21,025</b>
<b>Improvement Schemes</b>											
A9/A85 Road Junction Improvements	359	271	(1)	270	8	270	0	0	0	0	270
Cross Tay Link Road (CTRL)	37,309	2,661		72,842	18,963	72,842	26,213	0	0	0	99,055
Scottish Government Grant	(20,000)	0		(15,000)		(15,000)	0	0	0	0	(15,000)
A977 Upgrades	0	0		540	8	540	0	0	0	0	540
Brioch Road, Crieff - Road Realignment & Safety Measures	0	0		31		31	0	0	0	0	31
<b>Sub-Total</b>	<b>17,668</b>	<b>2,932</b>	<b>(1)</b>	<b>58,683</b>	<b>18,979</b>	<b>58,683</b>	<b>26,213</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>84,896</b>
<b>Rural Flood Protection Schemes</b>											
Almondbank Flood Protection Scheme	93	17		17	5	17	0	0	0	0	17
Revenue Contribution	(54)	0		0		0	0	0	0	0	0
Perth Flood Protection Scheme (Pump Replacement)	0	0		0		0	0	0	0	0	0
Perth Flood Protection Scheme (South Inch Culvert Reinstatement)	35	3		354	5	354	0	0	0	0	354
Comrie Flood Protection Scheme	1,847	(10)		7,385	1	7,385	16,841	0	0	0	24,226
Milnathort Flood Protection Scheme	112	27		79		79	1,590	0	0	0	1,669
South Kinross Flood Protection Scheme	115	(15)		225	26	225	1,168	1,787	0	0	3,180
Scone Flood Protection Scheme	5	0		90		90	76	601	0	0	767
Coastal Change Adaptation	0	0		100		100	0	0	0	0	100

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<b>Sub-Total</b>	<b>2,153</b>	<b>22</b>	<b>0</b>	<b>8,250</b>	<b>37</b>	<b>8,250</b>	<b>19,675</b>	<b>2,388</b>	<b>0</b>	<b>0</b>	<b>30,313</b>
<b>Perth &amp; Kinross Place-making</b>											
Mill Street Environmental Improvements	0	0		127		127	0	0	0	0	127
Perth, Place, People	0	0		3,599		3,599	0	0	0	0	3,599
Perth City Centre Golden Route (Rail Station)	15	(5)		10	11	10	0	0	0	0	10
City Greening	0	0		31		31	0	0	0	0	31
Perth & Kinross Lighting Action Plan	875	(131)	2	1,071	228	1,071	677	0	0	0	1,748
<b>Sub-Total</b>	<b>890</b>	<b>(136)</b>	<b>2</b>	<b>4,838</b>	<b>239</b>	<b>4,838</b>	<b>677</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,515</b>
<b>Other Planning Projects</b>											
Creative Exchange (former St. John's Primary School)	53	53		53		53	0	0	0	0	53
Town Centre - Regeneration & Economic Improvements	26	0		0		0	0	0	0	0	0
Scottish Government Grant	(66)	0		0		0	0	0	0	0	0
TCF Revenue Contribution	(23)	0		0		0	0	0	0	0	0
Local Full Fibre Network	158	22		22		22	0	0	0	0	22
Third Party Contribution - DCMS	0	0		0		0	0	0	0	0	0
Third Party Contribution - TCF	40	0		0		0	0	0	0	0	0
Third Party Contribution - Tay Cities Deal	(198)	0		0		0	0	0	0	0	0
Low Carbon Transport & Active Travel Hub - Broxden EV Chargers	703	139	(1)	429	179	429	0	0	0	0	429
Third Party Contribution - ERDF	(266)	(52)		(162)		(162)	0	0	0	0	(162)
Third Party Contribution - Tay Cities Deal	(436)	(86)		(267)		(267)	0	0	0	0	(267)
Perth Eco-Innovation Park at Perth West	0	0		3,000		3,000	20,800	9,017	0	0	32,817
Third Party Contributions - Tay Cities Deal	0	0		(990)		(990)	(999)	(550)	(505)	(1,956)	(5,000)
Other Third Party Contributions	0	0		0		0	0	0	(2,000)	(3,000)	(5,000)
Capital Receipts - Ring Fenced Land Disposals	0	0		0		0	0	0	(550)	(725)	(1,275)
Coupar Angus - Strathmore Community Hub	63	0		0		0	0	0	0	0	0
Nature Restoration	206	32	354	386		386	0	0	0	0	386
Third Party Contributions	0	0		0		0	0	0	0	0	0
<b>Sub-Total</b>	<b>260</b>	<b>108</b>	<b>353</b>	<b>2,471</b>	<b>179</b>	<b>2,471</b>	<b>19,801</b>	<b>8,467</b>	<b>(3,055)</b>	<b>(5,681)</b>	<b>22,003</b>
<b>City Centre Developments - Cultural Attractions</b>											
Perth Museum	10,943	301		2,368		2,368	0	0	0	0	2,368
Perth Art Gallery	112	68		3,272	16	3,272	0	0	0	0	3,272
Collections Centre	0	0		0		0	0	0	0	0	0
PH2O	0	0		0		0	30,000	25,000	20,000	15,000	90,000
<b>Sub-Total</b>	<b>11,055</b>	<b>369</b>	<b>0</b>	<b>5,640</b>	<b>16</b>	<b>5,640</b>	<b>30,000</b>	<b>25,000</b>	<b>20,000</b>	<b>15,000</b>	<b>95,640</b>
<b>Community Planning</b>											
Letham Community Wellbeing Hub	2,552	254		1,571	628	1,571	0	0	0	0	1,571
Scottish Government Grant (Regeneration Fund)	(524)	0		0		0	0	0	0	0	0
Third Party Contribution (Letham4All)	0	0		(519)		(519)	0	0	0	0	(519)
Revenue Contribution (Place Based Development Grant)	(735)	0		0		0	0	0	0	0	0
<b>Sub-Total</b>	<b>1,293</b>	<b>254</b>	<b>0</b>	<b>1,052</b>	<b>628</b>	<b>1,052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,052</b>

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<b>Community Greenspace</b>											
Play Areas - Improvements Implementation Strategy	92	6		503	27	503	987	878	150	150	2,668
Third Party Contribution	(47)	(10)		(10)		(10)	0	0	0	0	(10)
Revenue Contribution (Developer Contribution Reserve)	(2)	0		0		0	0	0	0	0	0
3G Pitch, Blairgowrie	38	20		20		20	100	0	0	0	120
Settlement/Neighbourhood Parks	25	(26)	27	1		1	0	0	0	0	1
Countryside Sites	23	(1)	1	0		0	139	0	0	0	139
Community Greenspace Sites	0	0	(30)	(30)		(30)	654	682	682	678	2,666
Community Greenspace Bridges	38	(1)		53		53	0	0	0	0	53
Core Path Implementation	48	9		9	3	9	0	0	0	0	9
Third Party Contribution	(60)	(21)		(21)		(21)	0	0	0	0	(21)
Alyth Environmental Improvements	0	0		0		0	0	0	0	0	0
Premier Parks	39	(6)		8		8	0	0	0	0	8
Auchterarder Public Park	324	32	1	33	18	33	0	0	0	0	33
Revenue Contribution	0	(3)		(3)		(3)	0	0	0	0	(3)
Third Party Contribution	(201)	0		0		0	0	0	0	0	0
The Knock	9	0		0		0	0	0	0	0	0
Third Party Contribution	0	(3)		(3)		(3)	0	0	0	0	(3)
Kinnoull Hill	8	4		4		4	0	0	0	0	4
Cemetery Extensions	25	15		459		459	150	100	100	100	909
<b>Sub-Total</b>	<b>359</b>	<b>15</b>	<b>(1)</b>	<b>1,023</b>	<b>48</b>	<b>1,023</b>	<b>2,030</b>	<b>1,660</b>	<b>932</b>	<b>928</b>	<b>6,573</b>
<b>Waste Strategy</b>											
Recycling Improvement Fund	358	208	(208)	2,363	26	2,363	0	0	0	0	2,363
Scottish Government Grant	(358)	(208)	208	(2,363)		(2,363)	0	0	0	0	(2,363)
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Support Services</b>											
<u>PC Replacement &amp; IT Upgrades</u>											
Hardware	22	1		16	1	16	15	15	14	14	74
Licenses	198	64		152	65	152	112	95	71	71	501
<b>Sub-Total</b>	<b>220</b>	<b>65</b>	<b>0</b>	<b>168</b>	<b>66</b>	<b>168</b>	<b>127</b>	<b>110</b>	<b>85</b>	<b>85</b>	<b>575</b>
<b>Commercial Property Investment Programme</b>											
North Muirton Industrial Estate - Site Servicing & Provision of Units	18	17		57		57	0	0	0	0	57
Broxden Business Park - Additional Infrastructure	17	(10)	20	10		10	0	0	0	0	10
Western Edge, Kinross - Site Servicing	17	4	1	5		5	0	0	0	0	5
Additional Infrastructure Investment - Broxden	46	46	(46)	0		0	0	0	0	0	0
Broxden Drainage Mitigation Works	308	237	401	638		638	866	0	0	0	1,504
Third Party Contribution (Scottish Water)	(239)	(239)	(231)	(470)		(470)	(658)	0	0	0	(1,128)
Ruthvenfield Business Centre	301	18		1,372		1,372	0	0	0	0	1,372
Third Party Contribution	(115)	0		0		0	0	0	0	0	0
North Muirton Drainage	47	17		17		17	0	0	0	0	17
North Muirton Industrial Estate Expansion Land - Servicing	0	0		0		0	0	0	0	0	0

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<b>Sub-Total</b>	<b>400</b>	<b>90</b>	<b>145</b>	<b>1,629</b>	<b>0</b>	<b>1,629</b>	<b>208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,837</b>
<b>Prudential Borrowing Projects</b>											
Wheeled Bin Replacement Programme - Domestic Bins	265	4	(1)	203	12	203	200	200	200	200	1,003
Wheeled Bin Replacement Programme - Commercial Bins	39	15		35		35	20	20	20	20	115
Recycling Containers, Oil Banks & Battery Banks Replacement Prog	54	28		150		150	65	65	65	65	410
Capital Receipts - Disposals	(4)	0		0		0	0	0	0	0	0
Litter Bins	25	0		25	5	25	50	50	50	50	225
Smart Cities - Smart Waste	172	11	1	145	46	145	0	0	0	0	145
Third Party Contribution (ERDF)	(67)	(2)		(53)		(53)	0	0	0	0	(53)
Vehicle Replacement Programme	1,242	57	(1)	1,813	301	1,813	3,300	3,300	3,300	3,000	14,713
Capital Receipts - Vehicle Disposals	(118)	(4)		(276)	(22)	(276)	(377)	(377)	(377)	(347)	(1,754)
Crematorium - Abatement Works	9	(1)	1	0		0	0	0	0	0	0
Street Lighting Renewal - LED & Column Replacement	650	38	(1)	804	120	804	888	825	541	592	3,650
Smart Cities - Intelligent Street Lighting	0	(3)	3	0		0	0	0	0	0	0
LED Traffic Signal Replacement	146	4		4	4	4	0	0	0	0	4
Almondbank Flood Protection Scheme	4	4	(1)	3		3	0	0	0	0	3
Land Purchase & Development (Hotel Development)	0	0		0		0	950	950	0	0	1,900
Technology & Innovation Incubator Units	0	0		0		0	0	0	0	0	0
<b>Sub Total</b>	<b>2,417</b>	<b>151</b>	<b>1</b>	<b>2,853</b>	<b>466</b>	<b>2,853</b>	<b>5,096</b>	<b>5,033</b>	<b>3,799</b>	<b>3,580</b>	<b>20,361</b>
<b>Housing Projects</b>											
Gypsy Travellers Site Improvement Works	207	195		195		195	0	0	0	0	195
Additional Gypsy Traveller Site Improvement Works	225	216	9	225	3	225	0	0	0	0	225
Scottish Government Grant	0	(24)	24	0	(24)	0	0	0	0	0	0
Gypsy Traveller Site Community Improvement Works	33	33	(33)	0		0	0	0	0	0	0
New Gypsy Traveller Site	0	0		2,000		2,000	0	0	0	0	2,000
<b>Sub Total</b>	<b>465</b>	<b>420</b>	<b>0</b>	<b>2,420</b>	<b>(21)</b>	<b>2,420</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,420</b>
<b>TOTAL: COMMUNITIES</b>	<b>51,553</b>	<b>4,654</b>	<b>882</b>	<b>107,405</b>	<b>26,242</b>	<b>107,405</b>	<b>116,800</b>	<b>57,471</b>	<b>38,138</b>	<b>25,996</b>	<b>345,810</b>
<b>Health &amp; Social Care</b>											
Occupational Therapy Equipment	250	0		250		250	250	250	250	250	1,250
Technology Enabled Telecare	450	(13)	(537)	1,000	64	1,000	1,537	1,000	1,000	1,000	5,537
Moving & Handling Office Refurbishment	0	0	(29)	0		0	29	0	0	0	29
Software Licences	43	(10)		53		53	53	53	53	69	281
Developing Supported Tenancies	0	0	(229)	0		0	229	0	0	0	229
<b>TOTAL: HEALTH &amp; SOCIAL CARE</b>	<b>743</b>	<b>(23)</b>	<b>(795)</b>	<b>1,303</b>	<b>64</b>	<b>1,303</b>	<b>2,098</b>	<b>1,303</b>	<b>1,303</b>	<b>1,319</b>	<b>7,326</b>

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<b>CORPORATE AND DEMOCRATIC SERVICES</b>											
<u>Property Services</u>											
DDA Adaptation & Alteration Works Programme	174	10		410	87	410	200	200	200	200	1,210
Property Compliance Works Programme	1,626	198		627	2	627	650	650	650	650	3,227
Capital Improvement Projects Programme	1,937	425		2,275	85	2,275	1,800	1,800	1,800	894	8,569
Pitlochry High School - Upgrade Programme	465	56		316	67	316	0	0	0	0	316
Community School of Auchterarder - Structural Improvements	736	0		0	0	0	0	0	0	0	0
CO2 Monitors for Schools Programme	81	0		0	0	0	0	0	0	0	0
Energy Efficiency Works - Various Properties	0	0	(72)	27	27	27	0	0	0	0	27
Revenue Contribution (Salix Reserve)	0	0	72	(27)		(27)	0	0	0	0	(27)
Decarbonisation - Prudential Borrowing Programme (PB)	0	0	(1,300)	700		700	1,300	0	0	0	2,000
Energy Conservation & Carbon Reduction Programme (PB)	178	(2)		138	43	138	150	150	150	150	738
<u>Information Systems &amp; Technology</u>											
ICT Infrastructure Replacement and Upgrade Programme	2,055	104	(354)	2,416	730	2,416	4,207	4,079	3,017	2,903	16,622
Data & Analytics	415	167	(442)	600	97	600	839	738	761	784	3,722
Third Party Contribution (ERDF)	0	0		0	0	0	0	0	0	0	0
Supporting Digital	700	8	(564)	750	30	750	855	878	901	926	4,310
Software Licences (Revenues & Benefits)	52	0		50	50	50	51	51	51	51	254
School Audio-Visual (AV) Equipment Replacement Programme	1,300	272	(798)	100	9	100	173	35	35	555	898
Mosaic - Swift Social Work System Replacement	412	49	(802)	820	98	820	1,319	0	0	0	2,139
Revenue Contribution	0	0		0	0	0	(124)	(125)	(125)	0	(374)
Customer Service Blueprint	0	0		0	0	0	0	0	0	0	0
<b>TOTAL: CORPORATE AND DEMOCRATIC SERVICES</b>	<b>10,131</b>	<b>1,287</b>	<b>(4,260)</b>	<b>9,202</b>	<b>1,275</b>	<b>9,202</b>	<b>11,420</b>	<b>8,456</b>	<b>7,440</b>	<b>7,113</b>	<b>43,631</b>
<b>TOTAL COMPOSITE NET EXPENDITURE</b>	<b>87,960</b>	<b>6,886</b>	<b>(4,573)</b>	<b>180,346</b>	<b>40,660</b>	<b>180,346</b>	<b>194,622</b>	<b>109,283</b>	<b>62,185</b>	<b>41,251</b>	<b>587,687</b>
<small>(NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)</small>											
<b>CAPITAL RECEIPTS</b>											
General Capital Grant - Scottish Government	(14,739)	0	(353)	(22,500)	(7,457)	(22,500)	(13,847)	(12,639)	(12,150)	(12,150)	(73,286)
Developer Contributions	(1,549)	(747)		(2,847)		(2,847)	(2,300)	(2,367)	(2,600)	(2,600)	(12,714)
General Fund - Capital Receipts/Disposal	(8)	(4)	0	(976)	0	(976)	(250)	(250)	(250)	(250)	(1,976)
Commercial Property - Capital Receipts/Disposal	(1)	(2)	2	(243)	0	(243)	(1,679)	(308)	0	0	(2,230)
<b>Total: Capital Receipts</b>	<b>(16,297)</b>	<b>(753)</b>	<b>(351)</b>	<b>(26,566)</b>	<b>(7,457)</b>	<b>(26,566)</b>	<b>(18,076)</b>	<b>(15,564)</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>(90,206)</b>
<b>Annual Composite Borrowing Requirement</b>	<b>71,663</b>	<b>6,133</b>	<b>(4,924)</b>	<b>153,780</b>	<b>33,203</b>	<b>153,780</b>	<b>176,546</b>	<b>93,719</b>	<b>47,185</b>	<b>26,251</b>	<b>497,481</b>
<b>CAPITAL RECEIPTS BROUGHT FORWARD</b>	<b>(2,556)</b>	<b>0</b>	<b>(88)</b>	<b>(2,245)</b>	<b>(2,245)</b>	<b>(2,245)</b>	<b>(859)</b>	<b>(2,330)</b>	<b>(2,638)</b>	<b>(2,638)</b>	<b>(2,245)</b>
<b>CAPITAL RECEIPTS CARRIED FORWARD</b>	<b>2,157</b>	<b>(88)</b>	<b>(59)</b>	<b>859</b>	<b>2,245</b>	<b>859</b>	<b>2,330</b>	<b>2,638</b>	<b>2,638</b>	<b>2,638</b>	<b>2,638</b>
<b>TOTAL NET COMPOSITE BORROWING REQUIREMENT</b>	<b>71,264</b>	<b>6,045</b>	<b>(5,071)</b>	<b>152,394</b>	<b>33,203</b>	<b>152,394</b>	<b>178,017</b>	<b>94,027</b>	<b>47,185</b>	<b>26,251</b>	<b>497,874</b>

**EDUCATION AND CHILDREN'S SERVICES**

<b>Project</b>	<b>Project Description</b>
MIS - Procurement & Integration	Schools Management Information System
MIS - SEEMIS Licensing	Licencing of Schools Management Information System
Blairgowrie Recreation Centre - Replacement	Replacement of the Recreation Centre in Blairgowrie
Investment in the Learning Estate	Investment to upgrade the infrastructure and environment of our existing school estate
Free School Meal Expansion Programme	Upgrading kitchen and dining facilities to provide the enhanced Free School Meals programme
Methven Primary School Refurbishment	Upgrade of Methven Primary School facilities
Breadalbane Academy, Aberfeldy - 3G Pitch	Additional investment required to upgrade 2G to 3G
Kirkmichael Primary School Upgrades	Upgrade of Kirkmichael Primary School facilities
Early Learning & Childcare	
- Letham Primary School Upgrade Project	1140 hrs project plus upgrade of primary school infrastructure - Completed
- Oakbank Primary School Upgrade Project	1140 hrs project - Completed
- Rattray Primary School Upgrade Project	1140 hrs project plus upgrade of primary school infrastructure - Completed
North/West Perth - New Primary School	New primary school located at Bertha Park
Riverside Primary New School	Replacement of North Muirton and Balhousie primary schools
Technology Upgrades	Upgrade to practical teaching environment within the existing school estate
Perth Academy - Refurbishment	Investment to upgrade the infrastructure and environment of the Perth Academy including structural work to sports block, lighting upgrades, classroom upgrades and science block cladding
Perth Grammar School - Upgrade Programme Phase 3	Investment to upgrade the infrastructure and environment of the Perth Grammar School including structural work to assembly hall, AV and WiFi upgrades, classroom refurbishment and door upgrades
Perth High School - Internal Services & Refurbishment	Necessary works to the infrastructure and environment of the current Perth High School
Perth High School - New School Investment	Replacement of the existing Perth High School
Harris Academy/Invergowrie - Extension	Extension and reconfiguration of existing space at Harris Academy in Dundee for continuation of access for pupils based in Invergowrie

**COMMUNITIES**

<b>Project</b>	<b>Project Description</b>
<b>Traffic &amp; Road Safety</b>	
Road Safety Initiatives (20mph Zones etc.)	A programme of works to improve road safety
Additional Road Safety - Pedestrian Crossings	A programme of works to provide pedestrian crossing facilities
Road Safety Improvement Fund works	Provision of safety barriers on routes where motor cycling is common
Schools Road Safety Measures	A programme of works to improve road safety in the vicinity of schools
20mph Signage Programme - Schools	A programme of works to improve road safety in the vicinity of schools
20mph Signage Programme	A programme of works to introduce 20mph speed limits.
Cycling Walking & Safer Routes (CWSR)	A programme of works providing infrastructure for cycling, walking and safer routes
Car Parking Investment	Construction of new car park in Auchterarder
Car Parking Investment - Pitlochry	Purchase of land and construction of a public car park
Strathmore Cycle Network	Contribution towards a shared use path between Coupar Angus and Blairgowrie
<b>Asset Management - Roads &amp; Lighting</b>	
Structural Maintenance	Road maintenance to extend the life of roads, including predominately road resurfacing, surface dressings, installing new drainage infrastructure and repairs to and replacement of defective embankments and retaining walls

**PERTH AND KINROSS COUNCIL  
DESCRIPTIONS OF CAPITAL PROJECTS**

**APPENDIX II**

<b>Project</b>	<b>Project Description</b>
Traffic Signal Renewals - Upgrading	A programme of works to upgrade existing traffic signal infrastructure
Footways	Replacement of existing deteriorated footway surfaces
Investment in Local Footpaths	A programme of works to improve and provide local footpaths
Road Safety Barriers	Renewal of existing barriers where unrecoverable damage has occurred and renewal of barriers where timber posts have been used in construction

Project	Project Description
<b>Asset Management - Bridges</b>	
Bridge Refurbishment Programme	Used to appoint specialist external inspection teams and consultants to carry out specialist access bridge inspections and assessments
Dalhenzean Culvert	Culvert replacement project (later years)
Dunkeld Golf Course	Culvert replacement project (later years)
Vehicular Bridge Parapets Programme - Assess & Upgrade	Assessment and Upgrading of Vehicle Parapets Programme
Old Perth Bridge - Strengthening	Carry out works recommended by the 2018 Bridge Assessment study, including a range of assessment, investigation, strengthening and improvement works
Perth Queens Bridge - Strengthening	Carry out works recommended by the 2018 Bridge Assessment study, including a range of assessment, investigation, strengthening and improvement works
Garry Viaduct	Replacement of Bearings and Parapets; including strengthening of deck for bearing replacement jacking up, and to cater for increased parapet vehicular deterrent capacity
Culteuchar Culvert	Replace existing temporary steel bridge (on hire) with culvert
Glendevon Bridge	Major bridge repair works required due to severe river scour damage (now complete)
Tullyfergus Bridge	Installation of scour protection to protect existing bridge abutments (later years)
<b>Improvement Schemes</b>	
A9/A85 Road Junction Improvements	New infrastructure including a new A9 overbridge, a bridge over the River Almond and road linking the A85 to Inveralmond and Bertha Park (Phase 1 of Perth Transport Futures Project) - complete
Cross Tay Link Road (CTRL)	New road and major structure over the River Tay, linking the A9 north of Inveralmond and the A94 north of Scone (Phase 2 of Perth Transport Futures Project).
A977 Upgrades	A programme of works to improve road safety along the A977.
Broich Road, Crieff - Road Realignment & Safety Measures	Complete
<b>Rural Flood Protection Schemes</b>	
Almondbank Flood Protection Scheme	Substantially complete
Perth Flood Protection Scheme (Pump Replacement)	Complete
Perth Flood Protection Scheme (South Inch Culvert Reinstatement)	Ground investigation and monitoring then design project to refurbish existing culvert
Comrie Flood Protection Scheme	Design and construction of a scheme to reduce the risk of flooding in Comrie
Milnathort Flood Protection Scheme	Design and construction of a scheme to reduce the risk of flooding in Milnathort
South Kinross Flood Protection Scheme	Design and construction of a scheme to reduce the risk of flooding in South Kinross
Scone Flood Protection Scheme	Design and construction of a scheme to reduce the risk of flooding in Scone
Coastal Change Adaptation	Design and construct projects to deal with incidents of coastal erosion
<b>Perth &amp; Kinross Place-making</b>	
Mill Street Environmental Improvements	Potential compensation payments associated with claims against compulsory land acquisition to enable delivery of environmental improvements to stimulate and support development and investment
Perth, Place, People	Design and development of sustainable transport corridors to improve access to and from Perth and enable additional development and improvement within Perth city centre
Perth City Centre Golden Route (Rail Station)	Design and development of improvements to access, signage and animation from rail and bus station to Perth city centre to complement improvements to integration of transport

**PERTH AND KINROSS COUNCIL  
DESCRIPTIONS OF CAPITAL PROJECTS**

**APPENDIX II**

<b>Project</b>	<b>Project Description</b>
City Greening	Improvements to support enhancement of retail trading environment and residential areas and enhanced use of space for markets, events and alfresco use

Project	Project Description
Perth & Kinross Lighting Action Plan	Architectural and creative lighting to enhance city and towns appearance, reduce energy cost and increase safety at nighttime to increase dwell time, support the hospitality sector, events and grow the evening economy
<b>Other Planning Projects</b>	
Creative Exchange (former St. John's Primary School)	Repurposing old school to offer space to creative industry businesses and create the Famous Grouse Idea Centre, a space to support business innovation. Complete
Town Centre - Regeneration & Economic Improvements	Complete
Local Full Fibre Network	Provision of gigabit fibre connectivity to Council's buildings to unlock gigabit connectivity for surrounding communities. Completed
Low Carbon Transport & Active Travel Hub - Broxden EV Chargers	Provision of fast EV chargers combined with solar power generation and battery storage at Broxden Park & Ride - Near completion
Perth Eco-Innovation Park at Perth West	Provision of enabling infrastructure (access road, A9 underpass and unit platforms) to develop 25ha of employment land supporting clean growth, business innovation and jobs - Phase 1 (11ha) - In development
Coupar Angus - Strathmore Community Hub	Complete
Nature Restoration	Protection and restoration of biodiversity focusing on over-exploitation of the natural environment and addressing its consequences; habitat loss and fragmentation; and invasive non-native species - 22/23 completed - 23/24 started
<b>City Centre Developments - Cultural Attractions</b>	
Perth Museum	Refurbishment of Perth City Hall to create new museum spaces and cafe. Main construction phase complete and install/fit out on schedule for planned opening spring 2024
Perth Art Gallery	Refurbishment of temporary galleries - scheduled for completion November 2023
Collections Centre	Project removed from programme
PH2O	Replacement of Perth Leisure Pool and Dewars Ice Rink. On hold pending outcome of Leisure and Culture Assets Review
<b>Community Planning</b>	
Letham Community Wellbeing Hub	Refurbishment of Letham Wellbeing Hub to offer a range of services to the local community managed by Letham4All - scheduled for completion end 2023
<b>Community Greenspace</b>	
Play Areas - Improvements Implementation Strategy	Regular refurbishment of 146 play areas based on approx. 6-8 per year. Involves community engagement and often co-funding and design of the sites
3G Pitch, Blairgowrie	Two phase community led project to provide a new full sized 3G football pitch and pavilion
Settlement/Neighbourhood Parks	Refurbishment of neighbourhood parks working in partnership with communities to improve, update and renew worn out or obsolete infrastructure
Countryside Sites	Refurbishment of more natural parks and open spaces
Community Greenspace Sites	Main fund for all Community Greenspace Sites which is drawn down to support the overall capital programme of refurbishments and upgrades
Community Greenspace Bridges	Refurbishment programme for all bridges on Community Greenspace sites
Core Path Implementation	Holding budget for Crieff Comrie Core path development mainly funded through Sustrans
Alyth Environmental Improvements	Town centre upgrade including community led refurbishment of the burnside - complete
Premier Parks	Small budget to facilitate refurbishment of former Premier Park upgrades

**PERTH AND KINROSS COUNCIL  
DESCRIPTIONS OF CAPITAL PROJECTS**

APPENDIX II

<b>Project</b>	<b>Project Description</b>
Auchterarder Public Park	Major play area upgrade co-funded and designed with the community
The Knock	Complete
Kinnoull Hill	Complete
Cemetery Extensions	Funding to allow the extension of existing or development of new cemeteries to address the pressure for burial space

**PERTH AND KINROSS COUNCIL  
DESCRIPTIONS OF CAPITAL PROJECTS**

APPENDIX II

Project	Project Description
<b>Waste Strategy</b>	
Recycling Improvement Fund	External Scottish Government funding (Recycling Improvement Fund) to roll out 4th bin to householders for recycling
<b>Support Services - PC Replacement &amp; IT Upgrades</b>	
Hardware	Funding of additional or bespoke IT Hardware for Communities Staff
Licenses	Funding of software contracts
<b>Commercial Property Investment Programme</b>	
North Muirton Industrial Estate - Site Servicing & Provision of Units	Only road adoption works remaining
Broxden Business Park - Additional Infrastructure	Only road adoption works remaining
Western Edge, Kinross - Site Servicing	Only road adoption works remaining
Additional Infrastructure Investment - Broxden	Complete
Broxden Drainage Mitigation Works	Drainage/pumping station works underway and subject to agreement/contribution from Scottish Water
Ruthvenfield Business Centre	Works on redevelopment in progress
North Muirton Drainage	Drainage/pumping station underway
North Muirton Industrial Estate Expansion Land - Servicing	Complete
<b>Prudential Borrowing Projects</b>	
Wheeled Bin Replacement Programme - Domestic Bins	Replacement of damaged and end of life wheeled bins for households. Also supplying bins for new properties
Wheeled Bin Replacement Programme - Commercial Bins	Replacement of damaged and end of life wheeled bins for commercial customers. Also supplying bins for new customers and changes to collection contracts
Recycling Containers, Oil Banks & Battery Banks Replacement Programme	Replacement of damaged and end of life oil and battery banks
Litter Bins	Replacement of damaged and end of life litter bins and/or for general supply of litter bins where required.
Smart Cities - Smart Waste	Programme now complete - included introduction of In Cab system for refuse vehicles, fill level sensors on city centre litter bins
Vehicle Replacement Programme	Fleet vehicle replacement programme
Crematorium - Abatement Works	Complete
Street Lighting Renewal - LED & Column Replacement	Street Lighting LED conversion and column replacement programme
Smart Cities - Intelligent Street Lighting	Complete
LED Traffic Signal Replacement	Complete
Almondbank Flood Protection Scheme	Under Rural Flood
Land Purchase & Development (Hotel Development)	Development agreement secured and release of grant for heritage subject to progression through planning and cost evidence
Technology & Innovation Incubator Units	Complete
<b>Housing Projects</b>	
Gypsy Travellers Site Improvement Works	Programme of works for improvements on Gypsy Traveller sites at Bobbin Mill and Double Dykes
Additional Gypsy Traveller Site Improvement Works	Additional funding to support improvements works programme on Gypsy Traveller sites
Gypsy Traveller Site Community Improvement Works	Funding from Gypsy Traveller Scottish Government Funding Bid for replacement of chalets at Double Dykes
New Gypsy Traveller Site	Feasibility Study for Gypsy Traveller Transient Site

**CORPORATE AND DEMOCRATIC SERVICES**

Project	Project Description
<b>Property Services</b>	
DDA Adaptation & Alteration Works Programme	To provide unhindered accessibility to all Council Buildings - e.g. Ramps/Lifts/Door Access/Accessible Toilets and Changing Areas

**PERTH AND KINROSS COUNCIL  
DESCRIPTIONS OF CAPITAL PROJECTS**

APPENDIX II

<b>Project</b>	<b>Project Description</b>
Property Compliance Works Programme	To ensure compliance with current and changing legislation including - New Fire Alarms; Lighting; Wiring; Fire Protection Works; Gas pipework within buildings and Roof Restraint safety systems
Capital Improvement Projects Programme	Roof Upgrades; Full internal refurbishment works; New Heating Systems; Boilers and pipework; Structural Upgrades; Small extensions; New Windows/Doors; New Fencing; New Cladding
Pitlochry High School - Upgrade Programme	Upgrades to Mechanical and Electrical Infrastructure, including rewiring, heating and controls systems, replacement lighting and consequential building works such as new ceilings, painting and flooring
Community School of Auchterarder - Structural Improvements	Undertake Structural improvement works following recommendations of Edinburgh schools report
CO2 Monitors for Schools Programme	Installation of CO2 monitors throughout the Property estate to monitor air quality and improve ventilation systems where necessary
Energy Efficiency Works - Various Properties	Focusing on a spend to save with projects aiming to reduce energy cost across the property estate
Decarbonisation - Prudential Borrowing Programme (PB)	This budget will support PKCs path to NetZero and focus primarily on the de-carbonisation of heat and replacing inefficient direct emissions heat sources
Energy Conservation & Carbon Reduction Programme (PB)	This budget is focused on works to reduce PKC energy consumption and help achieve annual KPI energy reduction of 3%
<b>Information Systems &amp; Technology</b>	
ICT Infrastructure & Replacement and Upgrade Programme	This Programme delivers the IT / digital environment, digital resources and systems required by staff and young people. The programme maintains, supports and develops computers; networks; telephony; Microsoft systems; connectivity and equipment; datacentres; servers; file storage and back up; security systems and video conferencing
Data & Analytics	Delivers the governance, tools, technologies and organisation-wide skills required for optimising value from Council data, driving informed decision making around resources, priorities and service delivery targets
Supporting Digital	Develops the capabilities we need to be an innovative digital organisation. Including developing the Council's corporate employee (mobile working) and customer (online services) platforms, to create new digital products and services; investment in tools such as Microsoft; resourcing innovation and building digital skills, insight and expertise
Software Licences (Revenues & Benefits)	NAC Live system licensing for Revenues & Benefits team
School Audio-Visual (AV) Equipment Replacement Programme	Ensures all Perth and Kinross classrooms have equitable access to audio visual panels and the digital skills to exploit these resources for learning and teaching
Mosaic - Swift Social Work System Replacement	Purchase and Development of a new Social Work system to replace SWIFT

**PERTH AND KINROSS COUNCIL**  
**HRA CAPITAL INVESTMENT PROGRAMME**  
**SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2026/27**

	Approved Budget 26-Apr-23 2023/24 £'000	Proposed Brought Forward from 2022/23 (£'000)	Proposed Budget Adjustment Report 1 2023/24 £'000	Revised Budget Report 1 2023/24 £'000	Actual to 31-Jul-23 2023/24 £'000	Projected Outturn Report 1 2023/24 £'000	Revised Budget Report 1 2024/25 £'000	Revised Budget Report 1 2025/26 £'000	Revised Budget Report 1 2026/27 £'000	Revised Budget Report 1 2027/28 £'000	Revised Budget Report 1 TOTAL £'000
<b>Council House New Build Programme</b>											
<b>Glebe, Scone - 65 Units</b>	0	17		17		17	0	0	0	0	17
Council Tax (Second Income)	0	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0	0		0		0	0	0	0	0	0
	0	17	0	17	0	17	0	0	0	0	17
<b>Milne Street, Perth - 8 Units</b>	0	2	(2)	0		0	0	0	0	0	0
Council Tax (Second Income)	0	0		0		0	0	0	0	0	0
Third Party Contribution (Commutated Sums)	0	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0	0		0		0	0	0	0	0	0
	0	2	(2)	0	0	0	0	0	0	0	0
<b>Huntingtower, Perth - 70 Units</b>	0	(5)	6	1		1	0	0	0	0	1
Council Tax (Second Income)	0	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0	0		0		0	0	0	0	0	0
	0	(5)	6	1	0	1	0	0	0	0	1
<b>Fairfield, Perth</b>	0	252	(1)	251	129	251	0	0	0	0	251
Council Tax (Second Income)	0	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0	(1)	1	0		0	0	0	0	0	0
	0	251	0	251	129	251	0	0	0	0	251
<b>Lynedoch Road, Methven</b>	821	(123)		698	345	698	0	0	0	0	698
Council Tax (Second Income)	0	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0	0		0		0	0	0	0	0	0
	821	(123)	0	698	345	698	0	0	0	0	698
<b>Newburgh Road, Abernethy</b>	0	(53)	53	0		0	0	0	0	0	0
Council Tax (Second Income)	0	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0	21	(21)	0		0	0	0	0	0	0
Capital Receipts	0	32	(32)	0		0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
<b>Future Developments</b>	4,894	3,751	(4)	8,641		8,641	5,128	6,014	6,014	6,014	31,811
Council Tax (Second Income)	0	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0	0		0		0	0	0	0	0	0
	4,894	3,751	(4)	8,641	0	8,641	5,128	6,014	6,014	6,014	31,811
<b>Total Council House New Build</b>	<b>5,715</b>	<b>3,893</b>	<b>0</b>	<b>9,608</b>	<b>474</b>	<b>9,608</b>	<b>5,128</b>	<b>6,014</b>	<b>6,014</b>	<b>6,014</b>	<b>32,778</b>

	Approved Budget 26-Apr-23 2023/24 £'000	Proposed Brought Forward from 2022/23 (£'000)	Proposed Budget Adjustment Report 1 2023/24 £'000	Revised Budget Report 1 2023/24 £'000	Actual to 31-Jul-23 2023/24 £'000	Projected Outturn Report 1 2023/24 £'000	Revised Budget Report 1 2024/25 £'000	Revised Budget Report 1 2025/26 £'000	Revised Budget Report 1 2026/27 £'000	Revised Budget Report 1 2027/28 £'000	Revised Budget Report 1 TOTAL £'000
<b>Increase in Council House Stock</b>											
Council House Buy-Backs	3,438	(474)		2,964	1,408	2,964	3,000	3,000	3,000	3,000	14,964
Scottish Government Subsidy	(1,050)	0		(1,050)		(1,050)	0	0	0	0	(1,050)
	<b>2,388</b>	<b>(474)</b>	<b>0</b>	<b>1,914</b>	<b>1,408</b>	<b>1,914</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>13,914</b>
Lock-ups and Garage Sites	0	0		0		0	50	0	0	0	50
<b>Standard Delivery Plan</b>											
Heating Upgrade Contract Works	142	(66)	671	747		747	700	700	0	0	2,147
- less Third Party Contribution	0	(29)	29	0		0	0	0	0	0	0
Rewiring, Infrastructure & Property Refurbishment	1,000	515		1,515	65	1,515	1,686	0	0	0	3,201
Triple Glazing	2,500	(34)		2,466	1,486	2,466	0	0	0	0	2,466
Controlled Door Entry	0	(12)	12	0		0	28	0	0	0	28
- less Third Party Contribution	0	10	(10)	0		0	0	0	0	0	0
Kitchen Modernisation Programme	1,782	(8)	(1,400)	374	73	374	1,504	2,025	0	0	3,903
Bathroom Modernisation Programme	0	(14)	1,450	1,436	411	1,436	0	0	0	0	1,436
External Fabric	198	(269)	1,029	958	554	958	0	259	0	0	1,217
- less Third Party Contribution	0	135	(135)	0		0	0	0	0	0	0
Energy Efficiency	0	(172)	279	107	107	107	596	625	0	0	1,328
Multi Storey Flats	2,000	243		2,243	23	2,243	0	0	0	0	2,243
Environmental Improvements	333	66	500	899	283	899	0	0	0	0	899
- less Third Party Contribution	0	1	(1)	0		0	0	0	0	0	0
Fire Precaution Measures	0	(28)	427	399		399	0	0	0	0	399
- less Third Party Contribution	0	1	(1)	0		0	0	0	0	0	0
Sound Insulation	162	127		289		289	100	42	0	0	431
Structural	458	20		478		478	250	522	0	0	1,250
SHQS Future Developments	0	0		0		0	0	4,066	10,030	5,553	19,649
<b>Total Standard Delivery Plan</b>	<b>8,575</b>	<b>486</b>	<b>2,850</b>	<b>11,911</b>	<b>3,002</b>	<b>11,911</b>	<b>4,864</b>	<b>8,239</b>	<b>10,030</b>	<b>5,553</b>	<b>40,597</b>

	Approved Budget 26-Apr-23 2023/24 £'000	Proposed Brought Forward from 2022/23 (£'000)	Proposed Budget Adjustment Report 1 2023/24 £'000	Revised Budget Report 1 2023/24 £'000	Actual to 31-Jul-23 2023/24 £'000	Projected Outturn Report 1 2023/24 £'000	Revised Budget Report 1 2024/25 £'000	Revised Budget Report 1 2025/26 £'000	Revised Budget Report 1 2026/27 £'000	Revised Budget Report 1 2027/28 £'000	Revised Budget Report 1 TOTAL £'000
<b><u>Other Investment in Council House Stock</u></b>											
Total Major Adaptations to Council House Stock	0	4		4		4	100	0	0	0	104
Balmoral Road, Rattray, Refurbishment (3 Units)	0	264	(264)	0		0	0	0	0	0	0
Anchor House, Rannoch Road, Perth - Conversion (5 Units)	100	(13)		87	1	87	0	0	0	0	87
149-151 Dunkeld Road, Perth - Government Grant	0 0	13 0	264	277 0	103	277 0	0 0	0 0	0 0	0 0	277 0
111 Rannoch Road, Perth (Former Driving Test Centre)	0	8		8		8	0	0	0	0	8
St.Catherine's Square Redevelopment	2,991	0		2,991		2,991	402	0	0	0	3,393
Shops & Offices	236	3		239		239	50	0	0	0	289
Greyfriars and Satellite Sites	0	34		34	2	34	50	0	0	0	84
Sheltered Housing	0	(9)	20	11	2	11	0	0	0	0	11
Double Dykes Chalet Replacement - Scottish Government Grant	0 0	(1) 0	1	0 0	5	0 0	0 0	0 0	0 0	0 0	0 0
General Capital Works	0	(7)	77	70	18	70	0	0	0	0	70
Upgrade and Replacements to Lifts Programme	139	(2)		137		137	0	0	0	0	137
ICT Expenditure	228	0	(97)	131		131	50	0	0	0	181
Mortgage to Rent	50	125		175		175	50	0	0	0	225
<b>Total Other Investment in Council House Stock</b>	<b>3,744</b>	<b>419</b>	<b>1</b>	<b>4,164</b>	<b>131</b>	<b>4,164</b>	<b>702</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,866</b>
<b>Total Net Expenditure</b>	<b>20,422</b>	<b>4,324</b>	<b>2,851</b>	<b>27,597</b>	<b>5,015</b>	<b>27,597</b>	<b>13,744</b>	<b>17,253</b>	<b>19,044</b>	<b>14,567</b>	<b>92,205</b>
<b><u>Income</u></b>											
CAPITAL RECEIPTS	0	(1)	1	0		0	0	0	0	0	0
CFCR	(2,055)	90	(90)	(2,055)		(2,055)	(1,918)	(2,248)	(2,520)	(2,752)	(11,493)
<b>TOTAL BORROWING REQUIREMENT</b>	<b>18,367</b>	<b>4,413</b>	<b>2,762</b>	<b>25,542</b>	<b>5,015</b>	<b>25,542</b>	<b>11,826</b>	<b>15,005</b>	<b>16,524</b>	<b>11,815</b>	<b>80,712</b>



**SIGNIFICANT CAPITAL PROJECTS  
PROGRESS UPDATE**

Project Title	Total Gross Budget (£'000)	Third Party Funding (£'000)	Total Net Budget (£'000)	Projected Outturn (£'000)	Completion Date	Contract Awarded	On Site	Status	Change Since Last Report	Additional Commentary
Blairgowrie Recreation Centre - Replacement	36,000	0	36,000	36,000	Easter 2025 - new centre currently scheduled to open late 2024	Yes	Yes	On track	Yes - on-site.	Works are progressing well on-site.
North/West Perth New Primary School*	24,000	0	24,000	24,000	Summer 2026	No	No	On track	Yes.	New Project Request submitted to HubCo in February 2023. Design team selected and early design process has begun.
Riverside Primary New School	19,899	0	19,899	19,899	Early summer 2023	Yes	Yes	Phase 2 On Track	Yes - School operational.	Phase 1 is now complete and school is occupied, phase 2 is on-site being demolition works and new external spaces.
Perth High School - New School Investment	80,200	0	80,200	80,200	Summer 2026 - school building curenly scheduled to open summer 2025	Yes	Yes	On track	Yes - on-site.	FC concluded and construction works have now commenced.
Harris Academy/Invergowrie Extension	5,200	0	5,200	5,200	Late 2023	Yes	Yes	On track	Yes.	Main extension complete, reconfiguration works still to be undertaken.
Cross Tay Link Road (CTLR)	150,500	40,000	110,500	110,500	Spring 2025	Yes	Yes	On programme	No	Works progressing well and on programme. No significant movements in projected spend. Once piling works complete at River Tay structure, the constrution of the bridge deck works will commence - Autumn 2023. Monthly risk meetings taking place with T&T and once bridge deck works ongoing detailed analysis of contingency and compensation events will be undertaken.
Comrie Flood Protection Scheme	28,435	0	28,435	28,435	Spring 2025	No	No	Advance works complete; Main works at tender assessment.	Yes	Detailed design completed April 2023 and tender for main works issued. Preliminary advance works completed in July 2023. Main works tender received in June 2023 but cost higher than anticipated; tender assessment is currently on-going (including independent tender estimate, tender clarification and value engineering). This has delayed the commencement of the main construction works; once started the works will have a duration of 18 months.
Perth Eco Innovation Park*	32,817	11,275	21,542	21,542	Not currently programmed	No	No	Preliminary design works completed	Yes	Following the application for Levelling Up Fund Grant funding of £10m being unsuccessful, the Council approved a net increased of £10m on 1 March 2023 however the balance of £20m remains unfunded. Further contributions and receipts are anticipated in years beyond the current programme to 2027/28.
Perth Museum	27,232	10,300	16,932	16,932	Spring 2024	Yes	Yes	On track	No	Construction phase complete and building handover to CPK completed 8 August. Exhibition fit out underway.
PH2O	90,000	0	90,000	90,000	Not currently programmed	No	No	Outline Business Case reported to Council 23 February 2023, and project on hold pending review.	Yes	Council approved to put the project on hold due to affordability and pending the outcome of a wider review in to leisure and cultural assets and how best to target the required investment in arts and leisure for the benefit of the wider community.

\* Third Party Funding excludes Developer Contributions and receipts to be received in future years beyond the current 5-year programme.



**PERTH AND KINROSS COUNCIL**

**Finance & Resources Committee  
13 September 2023**

**TREASURY ACTIVITY AND COMPLIANCE REPORT  
2023/24 QUARTER 1**

**Report by Head of Finance  
(Report No. 23/244)**

**1. PURPOSE**

- 1.1 The purpose of this report is to update the Committee on Treasury Activity for the quarter ending 30 June 2023 and to report on compliance with the Council's Treasury Management Policy Statement (TMPS); Investment Strategy and Prudential Indicators.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Committee:
- (i) note the content of this report.

**3. STRUCTURE OF REPORT**

- 3.1 This report is structured over the following sections:
- Section 4: Economic Background
  - Section 5: Treasury Activity
  - Section 6: Compliance
  - Section 7: Investment Strategy Compliance and Performance
  - Section 8: Prudential Indicators
  - Section 9: Conclusion

**4. ECONOMIC BACKGROUND**

- 4.1 The Bank of England's Monetary Policy Committee (MPC) increased the UK Bank Base Rate from 4.25% to 4.50% at its meeting on 11 May 2023 and to 5% on 22 June and 5.25% on 3 August 2023. These increases were in response to CPI inflation remaining significantly higher than the Bank's target rate of 2%. However, whilst UK inflation remained unchanged at 8.7% in May, it fell more than expected to 7.9% in June, and then reduced further to 6.8% in July mainly due to lower fuel prices. UK retail sales for June rose by 0.7%, which was higher than forecast. UK unemployment rose to 4% in the period March to May 2023, whilst wages rose 6.9% from a year ago.
- 4.2 UK Gross Domestic Product (GDP) showed little growth in the 3 months to March 2023, rising by 0.1%, with initial indications that growth in the next quarter was around the same level.

- 4.3 Internationally, the Eurozone experienced no GDP growth in the quarter to 31 March 2023. CPI Inflation reduced due to falling energy prices, whilst interest rates were increased by 0.25% in June. In the US, GDP and inflation both fell. The US interest rate was increased to the range of 5.00% to 5.25% in May 2023, with a further increase to between 5.25% and 5.50% in July 2023.
- 4.4 The Public Works Loan Board's (PWLB) certainty fixed interest rates for the quarter, which are based on yields on UK gilts, are shown in the graph at Appendix I. PWLB borrowing rates showed continuing volatility and increased over the quarter, particularly in respect of the shorter borrowing periods. This was due to the impact of base rate increases (including anticipated future increases), continued inflationary pressures, and economic growth prospects in the UK relative to other major economies. Over the 3-month period, all rates were higher by the end of the quarter.
- 4.5 When the Council last undertook significant new borrowing from the PWLB in 2019/20 and 2020/21, £260 million was borrowed at an average interest rate of 1.67% over a period of 47.8 years. Borrowing £260 million from the PWLB over the same duration would now incur an interest rate of approximately 5.06%, equivalent to an annual increase in interest charges of £8.8 million. A similar comparison of the Council's borrowing over the last 10 years at 2.16% also highlights that borrowing at the current time incurs costs that are over double historic costs.
- 4.6 The Council has a requirement to undertake new borrowing of approximately £510 million to finance the approved Capital budget over the period 2023/24 to 2027/28. The expectation is that PWLB rates on long term borrowing will potentially not fall below 4% until mid-2025. As previously reported, this marked increase in the cost of borrowing will be a significant factor when members determine the Council's strategic investment priorities in setting an affordable Capital budget in February / March of next year.

## **5. TREASURY ACTIVITY**

- 5.1 A summary of the Council's treasury position and transactions is shown at Appendix II. The main activities are detailed below.
- 5.2 During the quarter there was no new long-term PWLB borrowing undertaken, however, a 9-year PWLB fixed-rate loan for £5 million at 3.30% matured and was repaid in the quarter. Therefore, over the quarter the Council's total long-term debt reduced from £603.3 million to £598.3 million. The average interest rate on long-term debt was 2.55% at the end of the quarter. There were 2 short-term market loans undertaken to manage cashflow , the first for £5 million for 28 days at 4.14% and the second for £4 million for 16 days at 4.12%. Both of these loans were repaid in the quarter.
- 5.3 Common Good and Charitable Fund balances held on fixed deposit with the Loans Fund remained the same at £2.294 million, with the average interest rate paid increasing from 3.93% to 3.95%. Funds held from associated bodies and organisations increased from £3.117 million to £4.299 million over the quarter, in line with their own cash flow requirements, whilst the average rate paid on these funds increased from 3.63% to 4.46% in line with increases in the Bank Base Rate.

- 5.4 Short term cashflow surpluses are invested in a mixture of fixed term deposits, instant access accounts and money market funds. All investments were made in accordance with the approved Investment Strategy and Permitted Investments.

### **Fixed Term Deposits**

- 5.5 Cashflow surpluses which arise during the year, and which are not immediately required, are generally invested in fixed term deposits for periods of up to 12 months, or up to 3 years where forecast cashflow requirements allow.
- 5.6 There were 9 fixed rate deposits made in the quarter (totalling £53 million) at an average amount of £4.78 million and an average interest rate of 5.58% for an average term of 280 days. Therefore, fixed deposit activity in the current quarter decreased from the previous quarter to 31 March 2023 (£92 million) mainly due to increased expenditure on the Capital programme and cash requirements at the start of the new financial year. The deposits were spread between different banking sectors and other local authorities, and for varying durations. As interest rates increased over the quarter, the average rate on investments also improved. Fixed deposits undertaken in the quarter will generate £1,899,717 in interest at their maturity.

### **Investments for Daily Cashflow Requirements**

- 5.7 Cashflow surpluses which are required for more immediate needs are invested in the Council's instant access and money market funds. These investment transactions in the quarter can be summarised as follows:
- The daily average amount of such funds increased from £4.4 million in the last quarter to £6.1 million in the current quarter.
  - The average interest rate achieved on these accounts over the quarter increased from 3.64% to 4.31% reflecting the increase in the base rate.
  - Money Market Funds, which operate on instant access terms, were used extensively over the quarter. The average amount invested increased from £6.5 million in the previous quarter to £8 million in the current quarter, whilst the average interest rate increased from 3.72% to 4.32%.
  - The increase in activity on these accounts reflected the need to keep more funds for more immediate cashflow purposes over the quarter.
  - Interest generated on these investments over the quarter amounted to £144,782.
- 5.8 The total amount of investments outstanding at 30 June 2023 was £154.050 million compared to £173.650 million at the end of the previous quarter. The overall average rate of interest on the investments outstanding increased from 3.76% at the end of the previous quarter to 4.50% at the end of the current quarter. This reflects increases in the Bank Base Rate over the quarter.

- 5.9 Income generated on investments undertaken during the quarter will total £2,044,499 on maturity. This measure reflects the total return on the investment activity undertaken in each quarter and is lower in comparison to the last quarter as fewer fixed term investments were undertaken. However, investments in the current quarter were undertaken at higher interest rates.
- 5.10 All of the above investment activities are consistent with the Council's current investment strategy and cashflow requirements.

## **6. COMPLIANCE**

- 6.1 For the quarter ending 30 June 2023, there were no breaches in compliance with the Council's approved Treasury Management Policy Statement, Treasury Management Practices (TMP's) or lending limits as detailed in TMP 4 (Approved Instruments, Methods & Techniques).
- 6.2 Appendix III shows the list of approved counterparties, based on the Council's current lending policy, as at August 2023.
- 6.3 For the quarter ending 30 June 2023 the average closing cleared bank balance was £20,195.61 in credit. This reflects the application of the Council's "sweep facility" operated by the bank, with any credit balance in excess of £35,000 being "swept up" overnight to the Council's instant access account.

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

- 7.1 The Treasury Investment Strategy for 2023/24 was approved by the Council at its meeting on 10 May 2023 (report 23/135 refers).
- 7.2 In the current quarter, the level of Council investments peaked at £191.925 million on 19 April 2023 and reduced to £154.050 million by the end of the quarter. The average daily investment balance over the quarter was £168.004 million, which decreased from an average of £205.159 million in the previous quarter and from £256.348 million in the same quarter of last year. This highlights the steady reduction in investment balances over the last year as funds are applied in financing the approved Capital programme.
- 7.3 The Investment Strategy was applied in full over the quarter, with liquidity being maintained using instant access accounts and money market funds as detailed in paragraph 5.7 above. There were no other risks identified in the quarter.
- 7.4 The Investment Strategy also incorporates investments held by the Common Good Funds. All such investments during the quarter were with the Council's Loans Fund. The only Council funds held by external fund managers relate to Council administered Charitable Trusts and are, therefore, not covered by this Investment Strategy.
- 7.5 The budgeted income in 2023/24 for Commercial Property investments is £2,004,000. There were no new property investments entered into during the quarter.

## **8. PRUDENTIAL INDICATORS**

- 8.1 Prudential Indicators for 2023/24 to 2027/28 were approved by the Council at the meeting on 10 May 2023 (report 23/135 refers) as part of the Annual Treasury & Investment Strategy report.
- 8.2 The latest estimates of the Prudential Indicators, in line with the Council's current approved Capital Budget and Capital Financing (borrowing) requirements, are shown in Appendix IV. These show that the Council adhered to all Prudential Limits in the quarter. However, the annual Loan Charges relative to the Net Revenue stream and the Capital Financing (Borrowing) Requirement show an increasing trend which reflects the current Capital Programme and increasing interest rates forecast over the period.

## **9. CONCLUSION**

- 9.1 The Bank of England's MPC increased the Bank Base Rate from 4.25% to 5% over the quarter due to continued inflationary pressures, with a subsequent increase to 5.25% in August 2023.
- 9.2 Public Works Loans Board (PWLB) borrowing rates continued to be volatile over the quarter due to continued inflationary expectations and economic growth prospects. All PWLB borrowing rates increased over the quarter and are now currently around three times higher in comparison to the borrowing rates previously secured by the Council on long-term borrowing undertaken in 2019/20 and 2020/1.
- 9.3 Investment activity in the quarter consisted mainly of the use of fixed deposits, but at a reduced level from the previous quarter. Instant access and Money market funds were used to meet day-to-day cashflow requirement. Investment rates increased over the quarter, however, the total level of investments outstanding reduced.
- 9.4 The Council adhered to its Investment Strategy and policies throughout the quarter, with no breaches in compliance.
- 9.5 The Council's Prudential Indicators were also adhered to throughout the quarter.

**Author(s)**

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

**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Stewart MacKenzie	Head of Finance	30 August 2023
Karen Donaldson	Chief Operating Officer	30 August 2023

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- Tackling Poverty
- Tackling climate change and supporting sustainable places
- Growing a sustainable and inclusive local economy
- Enabling our children and young people to achieve their full potential
- Protecting and caring for our most vulnerable people
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

1.2 This report relates to all of these objectives.

### 2. Resource Implications

#### Financial

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

#### Workforce

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

Asset Management (land, property, IT)

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

**3. Assessments**

Equality Impact Assessment

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

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

Strategic Environmental Assessment

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

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

Sustainability

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

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

**4. Consultation**

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

## **2. BACKGROUND PAPERS**

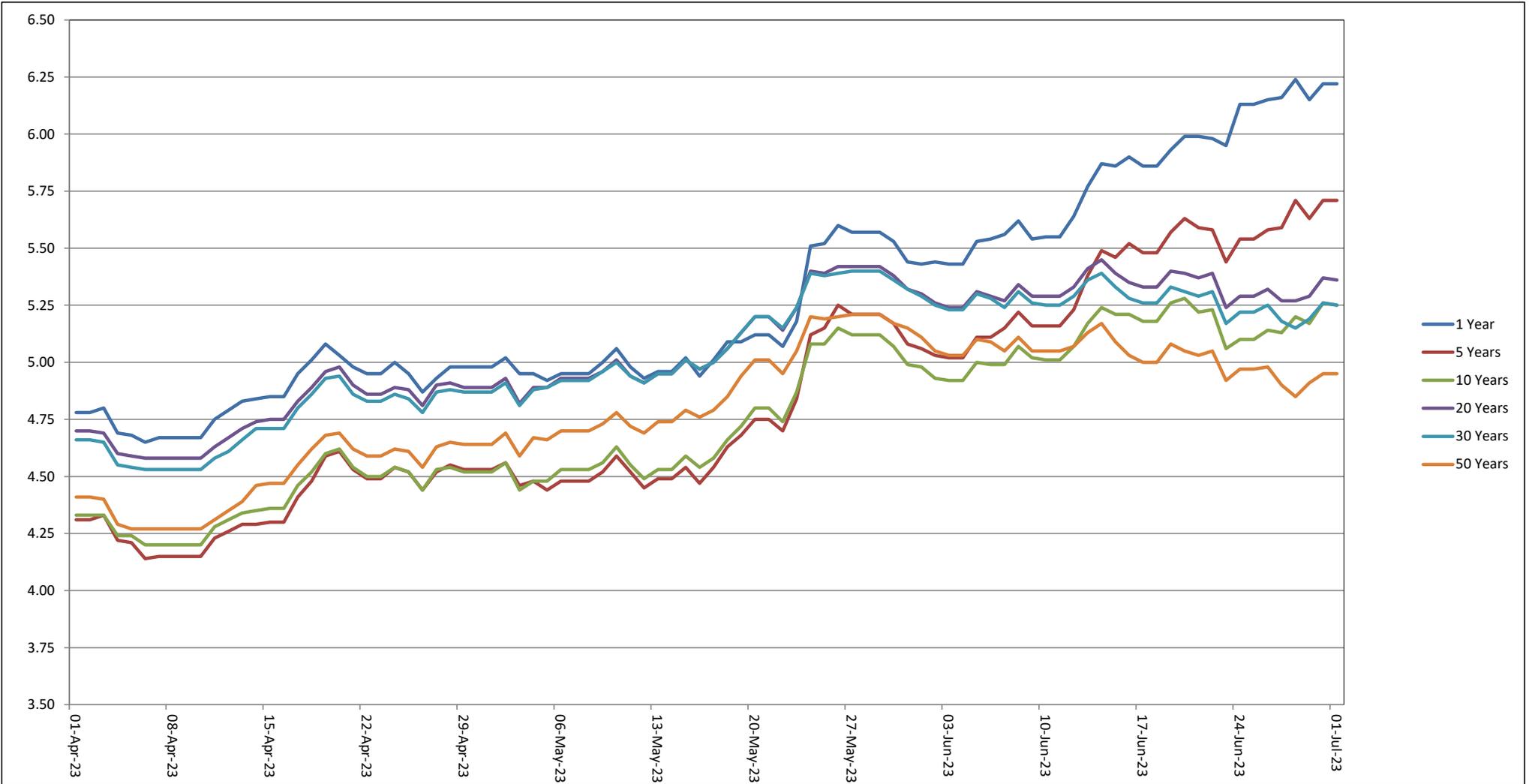
- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

## **3. APPENDICES**

- Appendix I – PWLB Fixed Maturity Interest Rates from 1 April to 30 June 2023.
- Appendix II – Summary of the Treasury Position and Transactions from 1 April to 30 June 2023.
- Appendix III – Approved Investment Counterparty List.
- Appendix IV – Monitoring of Prudential Indicators – Quarter ending 30 June 2023.



### PWLB Fixed Maturity Interest Rates From 1st April to 1st July 2023 (Certainty Rate)





**SUMMARY OF THE TREASURY POSITION AND TRANSACTIONS**  
**1 APRIL TO 30 JUNE 2023**

**APPENDIX II**

**6**

**1 LONG TERM BORROWING**

**(a) Long Term Borrowing 1st April to 30th June 2023**

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

**(b) Long Term Debt Repayments 1st April to 30th June 2023**

	No.	Average Rate (%)	Amount (£)
PWLB - Maturity Loan - Scheduled Repayments	1	3.30%	5,000,000
	1	3.30%	5,000,000

**(c) Long Term Debt Outstanding**

	<b>Outstanding 31-Mar-23</b>	<b>Average Rate</b>	<b>Outstanding 30-Jun-23</b>	<b>Average Rate</b>
	£		£	
Public Works Loan Board	560,000,000	2.40%	555,000,000	2.39%
Money Market Loans (LOBO's)	43,200,000	4.59%	43,200,000	4.59%
Other Long Term Debt	140,000	0.00%	140,000	0.00%
<b>TOTAL</b>	<b>603,340,000</b>	<b>2.56%</b>	<b>598,340,000</b>	<b>2.55%</b>

**2 SHORT TERM BORROWING**

**(a) Short Term Market Borrowing - 1st April to 30th June 2023**

	No.	Average Amount (£)	Average Rate (%)	Average Term (Days)	Interest (£)
Temporary borrowing	2	4,500,000	4.13%	23	23,103.56
	2	4,500,000	4.13%	23	23,103.56

**(b) Short Term Borrowing Outstanding**

	<b>Outstanding 31-Mar-23</b>	<b>Average Rate</b>	<b>Outstanding 30-Jun-23</b>	<b>Average Rate</b>
	£		£	
Market Borrowing	0	0.00%	0	0.00%
Common Good and Charitable Funds	2,293,508	3.93%	2,293,508	3.95%
Local Trusts & Investors	3,117,401	3.63%	4,298,550	4.46%
<b>TOTAL</b>	<b>5,410,909</b>	<b>3.76%</b>	<b>6,592,058</b>	<b>4.28%</b>

**SUMMARY OF THE TREASURY POSITION AND TRANSACTIONS**  
**1 APRIL TO 30 JUNE 2023**

**APPENDIX II**

**3 INVESTMENTS**

**(a) Investment Transactions - 1st April to 30th June 2023**

<u>Fixed Deposits &amp; Investments</u>	<u>No.</u>	<u>Average Amount (£)</u>	<u>Average Rate (%)</u>	<u>Average Term (Days)</u>	<u>Total Interest (£)</u>
Banks	2	7,500,000	5.69%	338	784,349.32
Foreign Banks and Institutions	5	5,600,000	5.53%	249	1,078,586.58
Other Local Authorities	2	5,000,000	4.48%	30	36,780.82
	<u>9</u>	<u>4,777,778</u>	<u>5.58%</u>	<u>280</u>	<u>1,899,716.71</u>

<u>Instant/Notice Accounts &amp; Money Market Funds</u>	<u>Average Amount (£)</u>	<u>Average Rate (%)</u>	<u>Total Interest (£)</u>
Instant Access/Notice accounts	2,212,215	4.24%	34,003.90
Money Market Funds	8,075,298	4.32%	110,777.83
	<u>6,120,937</u>	<u>4.31%</u>	<u>144,781.73</u>

**(b) Investments Outstanding**

	<u>Outstanding 31-Mar-23</u>	<u>Average Rate</u>	<u>Outstanding 30-Jun-23</u>	<u>Average Rate</u>
	£		£	
UK Banks	99,650,000	3.42%	71,050,000	4.33%
Foreign Banks and Institutions	32,000,000	3.89%	53,000,000	4.69%
Money Market Funds	0	0.00%	0	0.00%
Other Local Authorities	42,000,000	4.47%	30,000,000	4.58%
TOTAL	<u>173,650,000</u>	<u>3.76%</u>	<u>154,050,000</u>	<u>4.50%</u>

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

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

(Minimum rating required Fitch A, F1)

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

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

(Minimum rating required Fitch A, F1)

(parent bank shown in brackets)

**Subsidiary Banks**

None

**Building Societies**

Nationwide Building Society	UK	A, F1	No data	6 months
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**Category 4 - Other Local Authorities - 20% of Investment total (or £20M per Counterparty if higher)**

As arranged

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

(Minimum rating required Fitch AAA)

Aberdeen Standard Investments	UK	AAA
Aviva Investors Liquidity Fund	UK	AAA
Federated Sterling Liquidity Fund (Class 3)	UK	AAA
Insight Sterling Liquidity Fund (Class 5)	UK	AAA

**Note:**

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

(2) - All Sovereign credit ratings for above Countries are AAA, unless stated otherwise.

(3) - Banks are part/majority owned by the UK government

(4) - UK Sovereign Rating is AA (Fitch and Standard &amp; Poor's)

(5) - NRFB = Non Ring Fenced Bank, RFB = Ring Fenced B

Last Updated: 01-Aug-23

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - QUARTER ENDING 30 JUNE 2023**

**1 Financing Costs: Net Revenue Stream**

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

	2023/24	2024/25	2025/26	2026/27	2027/28
Prudential Limit - General Fund	15.00%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs to Revenue	7.08%	8.60%	10.09%	10.51%	9.99%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	22.37%	22.31%	23.34%	23.55%	22.74%

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

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

	Actual as at 30-Jun-23	Projected 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Net External Borrowing*	570,637,000	714,533,000	966,316,000	1,066,099,000	1,120,982,000	1,155,864,000
Gross External Borrowing*	724,687,000	744,533,000	986,316,000	1,086,099,000	1,140,982,000	1,175,864,000
Capital Financing Requirement	720,743,000	837,670,000	1,007,726,000	1,105,967,000	1,161,475,000	1,196,084,000

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

**3 Estimates of Gross Capital Expenditure**

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

Composite Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	209,005,000	195,542,000	111,577,000	67,408,000	48,605,000
Original Budget Estimate (including Budget Motion)	192,880,000	182,661,000	111,465,000	67,816,000	46,219,000
Movement in Estimated Capital Expenditure	16,125,000	12,881,000	112,000	(408,000)	2,386,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Composite Capital Budget Report on 1 March 2023  
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 1 on 13 September 2023.

HRA Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	24,746,000	13,853,000	15,519,000	19,044,000	19,044,000
Original Budget Estimate	18,457,000	13,858,000	18,669,000	19,044,000	19,044,000
Movement in Estimated Capital Expenditure	6,289,000	(5,000)	(3,150,000)	0	0

The Original Budget Estimates are those per the 2023/24 to 2027/28 Housing & Social Wellbeing Budget Report on 25 January 2023.  
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 1 on 13 September 2023.

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - QUARTER ENDING 30 JUNE 2023**

**APPENDIX IV**

**4 Estimate of Capital Financing Requirement**

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

Composite Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	157,207,000	175,445,000	93,069,000	46,776,000	25,377,000
Original Budget Estimate (including Budget Motion)	146,850,000	164,688,000	95,082,000	49,184,000	24,991,000
<b>Movement in Estimated Capital Financing Requirement</b>	<b>10,357,000</b>	<b>10,757,000</b>	<b>(2,013,000)</b>	<b>(2,408,000)</b>	<b>386,000</b>

The Original Budget Estimates are those per the 2023/24 to 2027/28 Composite Capital Budget Report on 1 March 2023  
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 1 on 13 September 2023.

HRA Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	22,780,000	11,935,000	13,271,000	16,524,000	16,292,000
Original Budget Estimate	16,402,000	11,940,000	16,421,000	16,524,000	16,292,000
<b>Movement in Estimated Capital Financing Requirement</b>	<b>6,378,000</b>	<b>(5,000)</b>	<b>(3,150,000)</b>	<b>0</b>	<b>0</b>

The Original Budget Estimates are those per the 2023/24 to 2027/28 Housing & Social Wellbeing Budget Report on 25 January 2023.  
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 1 on 13 September 2023.

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

External Borrowing	As at 30-Jun-23	Projected 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Public Works Loan Board	555,000,000	580,000,000	827,000,000	932,000,000	992,000,000	1,032,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	140,000	0	0	0	0	0
Special Loans	2,293,508	2,293,508	2,293,508	2,293,508	2,293,508	2,293,508
Temporary Loans/Other Borrowing	4,298,550	4,000,000	3,700,000	3,400,000	3,200,000	3,000,000
Other Long Term Liabilities (PPP/PFI)	119,755,227	115,039,977	110,122,727	105,205,477	100,288,227	95,370,977
<b>Total Gross External Debt</b>	<b>724,687,285</b>	<b>744,533,485</b>	<b>986,316,235</b>	<b>1,086,098,985</b>	<b>1,140,981,735</b>	<b>1,175,864,485</b>
Short Term Investments	(154,050,000)	(30,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Long Term Investments	0	0	0	0	0	0
<b>Total Net External Debt</b>	<b>570,637,285</b>	<b>714,533,485</b>	<b>966,316,235</b>	<b>1,066,098,985</b>	<b>1,120,981,735</b>	<b>1,155,864,485</b>
<b>Note:</b>						
Operational Boundary	725,000,000	745,000,000	986,000,000	1,086,000,000	1,141,000,000	1,176,000,000
Authorised Limit	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000

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

**PERTH AND KINROSS COUNCIL**  
**PRUDENTIAL INDICATORS - QUARTER ENDING 30 JUNE 2023**

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

The Upper Limit for sums invested for over 1 year up to 3 years is £45 million. There were no amounts invested within this period as at the end of the quarter.

**7 MATURITY STRUCTURE**

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

Borrowing Maturity Structure	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	0.68%
over 12 months and < 24 months	0%	35%	2.50%
over 2 years and < 5 years	0%	50%	4.84%
over 5 years and < 10 years	0%	75%	6.00%
over 10 years	10%	95%	85.99%

The maturity profile for the Council's current long-term portfolio as at 30th June 2023, measured from the start of the financial year, is as follows:

	Less 1 Year	1 - 2 Years	2 - 5 Years	5 - 10 Years	10 - 20 Years	20 - 30 Years	30 - 40 Years	40 - 50 Years	Over 50 Years	Total
PWLB	0	13,000,000	20,000,000	17,500,000	5,000,000	0	50,500,000	449,000,000	0	555,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
Other	140,000	0	0	0	0	0	0	0	0	140,000
other	4,715,250	4,917,250	14,751,750	25,571,000	66,900,000	2,899,977	0	0	0	119,755,227
<b>Total</b>	<b>4,855,250</b>	<b>17,917,250</b>	<b>34,751,750</b>	<b>43,071,000</b>	<b>71,900,000</b>	<b>15,899,977</b>	<b>75,700,000</b>	<b>454,000,000</b>	<b>0</b>	<b>718,095,227</b>
<b>Percentage</b>	<b>0.68%</b>	<b>2.50%</b>	<b>4.84%</b>	<b>6.00%</b>	<b>10.01%</b>	<b>2.21%</b>	<b>10.54%</b>	<b>63.22%</b>	<b>0.00%</b>	<b>100.00%</b>



## PERTH AND KINROSS COUNCIL

### Finance & Resources Committee

13 September 2023

## TRANSFORMATION & CHANGE STRATEGY 2022/23-2027/28 – UPDATE REPORT

**Report by Chief Executive**  
(Report No. 23/245)

### 1. PURPOSE

- 1.1 This report provides an update on the Council's Transformation & Change Strategy ([Report 22/142](#)), approved by Council in June 2022, and the Strategic Planning Update and 2023-26 General Fund Budget Report approved in March 2023 ([Report 23/72](#)). It also shows how the transformation and change programme acts as an enabler to the delivery of the key strategic objectives as outlined within the Medium Term Financial Plan 2023-29 ([Report 22/249](#)) and the Corporate Plan 2022-27 ([Report 22/311](#)).
- 1.2 This report outlines the progress made in setting the conditions to support the organisation through a period of significant change, as well as providing updates on the projects outlined within the Transformation & Change Strategy and how they dovetail with the Leadership Review presented to the Committee in June 2023 (Report No 23/195).

### 2. RECOMMENDATIONS

- 2.1 It is recommended that the Finance & Resources Committee:
- (i) Notes the contents of the report and the progress to date.
  - (ii) Approves the use of **£240,000** from the earmarked Reserve for Transformation & Workforce Management to further support the delivery of key projects as outlined in section 5 of this report.
  - (iii) Notes that update/engagement sessions with all Elected Members will be programmed throughout the year for all Transformation and Change projects when appropriate.

### 3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:
- Section 4: Background and Progress Update
  - Section 5: Proposals
  - Section 6: Conclusion
  - Appendices

## 4. BACKGROUND AND PROGRESS UPDATE

- 4.1 The Transformation & Change Strategy, our Financial Strategy and our Medium-Term Financial Plan, all align to support the delivery of the Council's vision of **“a Perth and Kinross where everyone can live life well, free from poverty and inequality,”** together with the strategic priorities and key objectives outlined with the new Corporate Plan.
- 4.2 The Transformation & Change Strategy recognised that due to the size and complexity of the organisation a range of approaches to change would be required:
- transforming our customer's experience
  - transforming the shape and structure of our organisation
  - transforming our systems and processes
  - transforming our spending and response to demand
- 4.3 It also clearly set out that to support the necessary change we needed to:
- Take a greater collaborative approach to the delivery of our priorities.
  - Create the environment where staff at all levels could take greater responsibility, be risk aware and take greater responsibility and ownership of their own areas of work.
  - Have a more accessible organisation, with the right information at the right time for staff to be able to assist and support people more effectively.
  - Enable staff and managers to adopt more of an enabling and empowering leadership style.
- 4.4 It was agreed that the programme would be developed and phased over a five year period, with work undertaken during year one (2023/24) being key to setting the foundation for the successful delivery of the programme in future years. To build these foundations, our focus during the first year has been around the Strategic Leadership Review and the nine agreed consolidation workstreams. The nine identified consolidation workstreams look to identify opportunities to consolidate functions and activities that are currently disaggregated, with the aim of reducing any areas of duplication, improving our systems and processes and putting the customer at the centre.
- 4.5 We also recognised that to enable change we needed to set the right conditions so that our people feel supported through organisational transformation. Fundamental to supporting staff is our cultural engagement programme, which has a focus on our purpose, vision and values, ensuring that these are reflected in our behaviours. It looks to continue to grow a culture where individuals are valued and treated with respect.
- 4.6 Within the Strategic Planning Update and 2023-26 General Fund Budget Report approved in March 2023 ([Report 23/72](#)), a £500,000 investment was approved. This funding has provided additional capacity, enabling a greater focus on planning and support to the delivery of the overall programme.

4.7 The undernoted diagram is an illustration of the approach we are taking and will continue to be developed.

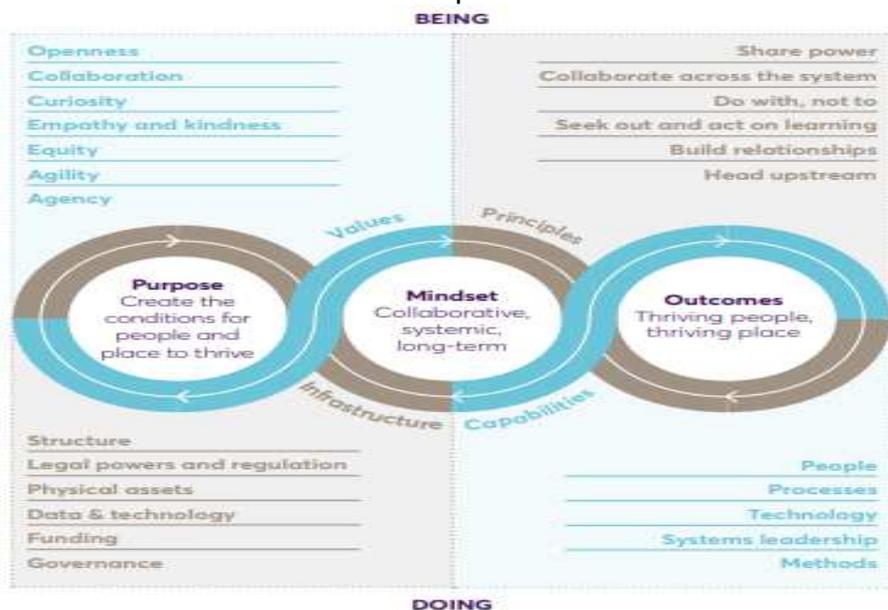


Figure 1 – Nesta (July 2020)

### Progress Update – Culture

4.8 We need to create the right conditions to effectively change the way we work, and which allows us to achieve our aims and objectives.

4.9 In recognising this, since June 2022 we have held a series of workshops with staff with the Chief Executive and Executive Leadership Team (ELT) members where staff have been invited to share their experiences and contribute to transformation and key organisational topics. These sessions have offered staff the opportunity to have discussions around the vision and values of the organisation and give suggestions for change and improvement.

4.10 As previously mentioned, the cultural engagement programme is fundamental to the success of the transformation programme. The Employee Engagement Plan 2023/24 sets out the overall approach and a programme of events and actions to enable staff from across the organisation to become actively involved.

4.11 Since April 2023 we have:-

- Held monthly sessions with the Extended Executive Leadership Team to discuss progress, issues and areas for further collaboration and improvement. These meetings have had a particular focus on our leadership culture and provided an opportunity to engage and consult on the proposals within the leadership review. By holding meetings within different localities across the Perth and Kinross area the team have had an opportunity to better understand each locality and meet with local community representatives to discuss specific priorities and areas for development and improvement.

- Provided monthly opportunities for service managers to give and receive information, collaborate on key issues and work across the organisation, influence strategic decisions and direction, build relationships and connections.
  - Developed and piloted the Leadership Competencies and Performance & Development Discussion framework which sets out the expectations which focus on skills and behaviours.
  - Continued to develop a coaching culture across the organisation with a range of coaching opportunities such as individual coaching, team coaching and coaching conversation programmes to equip participants with the tools, skills, and confidence to have coaching conversations with their staff and colleagues.
  - Launched a revised Induction Welcome Event which included an interactive introduction and welcome to the Council for all new employees.
  - Introduced a Transformation Learning Programme to support staff at all levels impacted by change.
  - Continued our engagement with staff and teams across the organisation and have developed a programme of Transformation and Change - Make the Change You Want to See workshops.
- 4.12 The Transformation & Change Strategy recognises that we need to evolve and change. A significant contributor will be our approach to workforce management as we go through the change process to enable a shift of resources to where they are needed most, whilst also developing and skilling our workforce to meet changing priorities. These changes will take time to be fully effective.

### **Progress Update - Consolidation**

- 4.13 The Transformation & Change Strategy outlined nine consolidation projects and intimated a range of other projects which formed Phase 1 of the overall programme. Since April 2023 good progress has been made. This has been achieved at a time when the Council is going through significant change, whilst continuing to deliver normal business.
- 4.14 The work undertaken through the various consolidation projects informed the strategic leadership structure, which was approved at the Finance & Resources Committee on 20 June 2023.
- 4.15 The consolidation projects are bringing together disaggregated functions across the Council under single points of management, addressing gaps and areas of duplication, delivering efficiencies and a consistent organisational approach. These projects are also progressing a range of system and process improvements. **Appendix 1** to this report outlines the overall status of the programme so far.
- 4.16 Project leads have each undertaken significant consultation and engagement with teams directly impacted by reviews and have also engaged with Elected Members where appropriate. An engagement plan with Elected Members has been developed and will be updated as the programme progresses to

continue to enable ongoing communication, engagement and input into the programme.

- 4.17 Significant work has been undertaken to get each of the projects through the planning phase and to the point of developing transition and improvement plans. This has involved baselining data, understanding need/demand, identifying efficiencies and undertaking benchmarking to determine the optimum operating models. This has been key to developing the map and plan for the future, which has now dovetailed with the leadership review. **Appendix 2** to this report provides further detail on each of the projects, and the benefits realised to date.
- 4.18 Each of the projects have their own benefits and challenges, however there are some which are common to them all:-
- Greater collaborative working, with project team members working together, sharing knowledge and experience, and building relationships.
  - The creation of shadow boards in several projects means that decisions are being made at the right time and by the right people.
  - Baselining and benchmarking information has identified where system and process improvements could be made – placing the customer at the centre.
  - The key challenge for the individual projects teams has been balancing projects whilst undertaking normal business.
  - Feedback from some community groups have highlighted that they have seen positive changes in how we work with local communities.
- 4.19 As highlighted in **Appendix 1**, at the same time as progressing with the consolidation projects, progress is being made with Phase 2 projects. These projects are primarily managed through the relevant Service area(s) and progress reported to appropriate committee(s), however progress is also reported through the Transformation & Change Board and supported through the Programme Management Office. **Appendix 3** to this report provides an overview of the projects and their current status.

### **Leadership Review – Progress**

- 4.20 Work is ongoing to develop and deliver the new strategic leadership structure. The recruitment process for the Director posts is underway and the next stage is the recruitment of the Strategic Leads. The strategic leadership structure will be fully implemented by April 2024.
- 4.21 At the same time the operating model is being developed and workshops have been held with the ELT, EELT, Leadership Forum and existing Service Management Teams to establish the risks, issues, and opportunities and to develop and implement a transition plan.

- 4.22 Transition arrangements for the transfer of responsibilities, including leading consolidation projects, to Strategic Leads are underway to ensure timescales and implementation aligns with the leadership review. It is difficult at this stage to have fixed timescales as this will be dictated by the recruitment process. Indicative timescales are:

Consolidation Programme	Leadership Review	Timeline
Transformation & Change - Committee Approval		Jun-22
Consolidation Reviews - Project Initiation		Jun-22
	Review Initiation & Consultation and Engagement Commenced	Sep-22
Scoping complete		Oct-22
Options Appraisals Complete		Dec-22
Interdependency Mapping & Agreement on Best Fit		Jan-23
Budget & Transformation Report – Council		Mar-23
	Formal Consultation Complete	Jun-23
	Strategic leadership structure approved by F&R Committee	Jun-23
Operating Models Agreed	Director Appointments Commence	Aug-23
	Strategic Lead Appointments Commence (following appointment of Directors)	tbc
Transition Plans Developed		Sep-23
Dovetail with the Leadership Review (ongoing as appointments are made)		Oct-23
	Strategic Leadership Structure Fully Implemented	Apr-24
Project implementation and improvement plans continuing (timescales vary according to the scale and complexity of the project)		Ongoing

### Savings

- 4.23 Savings of £1.042m have been achieved in 2023/24. With further savings planned of £1.713m for 2024/25 and £3.288m for 2025/26 across the whole programme. In addition, the new Executive & Strategic Leadership Structure that was approved by the Finance & Resources Committee on 20 June 2023 (Report No. 23/195) will contribute further recurring savings of £789,000 by 2026/27.
- 4.24 As projects continue to progress, further savings will be identified. Efficiencies will also be achieved through cost avoidance and/or cost efficiency as a result of streamlined processes and a reduction in the duplication of activity. In particular, the Strategic Commissioning and

Procurement project presents opportunities for the delivery of savings and small tests of change in this area have already delivered efficiencies.

## 5. PROPOSALS

- Project Leads will continue to take forward identified improvement activity as well as recognising that transition plans should reflect the impact of both the leadership review and the Council's developing operating model.
- To take forward the approved transformation & change projects there is a requirement to provide non-recurring funding as follows –
  - Transforming Services for Children and Young People with Complex Additional Support Needs - £40,000 in 2023/24 for a Project Manager post to support this project – this is a multi year appointment with the remainder of the funding being included in future revenue budgets that will be agreed by Council in due course.
  - Development of financial systems and capacity to roll out improvements - £100,000 in 2023/24
  - Strategic Procurement & Commissioning - £50,000 to provide capacity in 2023/24
  - ALEOS - £10,000 to engage specialist consultancy
  - Strategic Planning - £40,000 to increase capacity on a temporary basis
- This initial ask of **£240,000** will be funded from the earmarked Reserve for Transformation & Workforce Management.
- Elected members will be kept updated on the progress of with projects through ongoing engagement sessions and workshops as appropriate, throughout the delivery of the programme.

## 6. CONCLUSION

- 6.1 This report provides an update on the progress being made to deliver the Council's Transformation & Change Strategy. It also provides an overview of the progress made to create the conditions for the organisation to change as well as providing and overview of progress on individual projects.
- 6.2 To allow further progress there is also a request to draw additional funding from the earmarked Reserve to support the delivery of the programme.

## Authors

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
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Carole Hendry	Performance & Business Support Manager	

## Approved

<b>Name</b>	<b>Designation</b>	<b>Date</b>
<b>Thomas Glen</b>	<b>Chief Executive</b>	<b>30 August 2023</b>

## APPENDICES

- Appendix 1 – Overall Programme Status
- Appendix 2 – Overview of Consolidation Projects
- Appendix 3 – Overview of Phase 2 Projects

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

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

All Council Services can offer a telephone translation facility.

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- Tackling Poverty
- Tackling climate change and supporting sustainable places
- Growing a sustainable and inclusive local economy
- Enabling our children and young people to achieve their full potential
- Protecting and caring for our most vulnerable people
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

1.2 This report relates to all of these objectives.

## **2. Resource Implications**

### Financial

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

### Workforce

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

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

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

## **3. Assessments**

### Equality Impact Assessment

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

### Strategic Environmental Assessment

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

### Sustainability

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

#### **4. Consultation**

##### Internal

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

#### **2. BACKGROUND PAPERS**

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

#### **3. APPENDICES**

- Appendix 1 – Overall Programme Status
- Appendix 2 – Overview of Consolidation Projects
- Appendix 3 – Overview of Phase 2 Projects

Overall Programme Status

Phases	Transformation & Change Programme	Initiation			Operating Model		Improvement Plan	Transition to Operating Model Complete	Improvement Plan Delivered	Project Delivered/Complete
		Scope	Option Appraisal	Developed	Transition Plan Developed	Plan	Model	Model	Plan Delivered	Complete
Phase 1	<b>Consolidation</b>									
	Finance	C	C	C	C	C	O	N/S	N/S	N/S
	Property	C	C	C	C	C	O	N/S	N/S	N/S
	Strategic Planning & Performance	C	C	C	C	C	O	N/S	N/S	N/S
	Professional & Business Support	C	C	C	C	C	O	N/S	N/S	N/S
	Community Engagement	C	C	C	C	C	O	N/S	N/S	N/S
	Customer Services	C	C	C	C	C	O	N/S	N/S	N/S
	Press & Communication	C	C	C	C	C	O	N/S	N/S	N/S
	Commissioning & Procurement	C	C	C	O	O	O	N/S	N/S	N/S
	Human Resources & Organisational Development	C	C	C	C	C	O	N/S	N/S	N/S
Phase 2	<b>Existing and New Projects</b>									
	Additional Support Needs	C	C	C	N/A	N/A	O	N/A	N/S	N/S
	Whole Family Wellbeing	C	C	C	N/A	N/A	O	N/A	N/S	N/S
	ALEOs	C	O	N/S	N/A	N/A	N/S	N/A	N/S	N/S
	Transport	C	C	O	N/A	N/A	N/S	N/A	N/S	N/S

Key Milestones Status

- C Stage Completed
- O Ongoing
- N/S Not Started
- N/A Not Applicable

## Overview of Phase 1 Consolidation Projects

Project	Overview	Benefits/Achievements
Customer Services	Consolidation of the many dispersed customer service functions including workforce, customer service centres and systems	<p>Consolidation of dispersed contact centres into 2 Customer Solutions Hubs (Money and Customer Services), from previous 11 separate contact centres, to enable a standardised, simplified approach across the Council. This will result in easier access for customers, getting them to the right place first time. There is also a potential reduction in telephone menus and licences required for contact centre technology.</p> <p>The “<b>Money</b>” Hub will specialise in handling customer needs in relation to Council Tax bills, payments, benefits and grants. This aligns strongly with the Council’s priority to tackle poverty and support our most vulnerable citizens.</p> <p>The second “<b>Customer Services</b>” Hub will deal with all other types of enquiries. This aligns well with infrastructure, property and environmental matters.</p> <p>The new model will focus on customer demand; adoption of new ways of working and emerging digital technologies. This includes ‘One Front Door’ which will simplify the customer journey, remove duplication of effort, improve performance reporting and forecasting of demand and decrease training overheads. The Council concession application process will be streamlined to ensure customers receive money/benefits as early as possible. Also, by focusing on digital by default, customers will receive a more efficient and convenient service, whilst costs are reduced.</p>
Press and Communication	A centrally managed communications, design and marketing provision working to a single workplan incorporating consistent service level agreements for each service	<p>Bringing together resources from across the organisation into a consolidated team has enabled additional support to various projects. For example:-</p> <ul style="list-style-type: none"> <li>• Due to a transfer of resource, additional capacity has been introduced in relation to video skills, including filming and editing.</li> <li>• Housing/tenant communication lead now managed as part of corporate team. This has resulted in reduced duplication of effort and ensured that content produced is more effectively shared across relevant channels.</li> </ul>

Project	Overview	Benefits/Achievements
		<ul style="list-style-type: none"> <li>Following a review of the marketing and content creation contract for Perth City and Towns (our consumer-facing visitor and events channels), the management of the Facebook and Instagram channels for Perth City and Towns have been brought into the corporate Communications Team at no additional cost, allowing co-ordinated oversight of content and meaning that the funding available for the external contract can now get a better return on investment by focussing on creating new content and marketing campaigns.</li> </ul>
Finance	<p>A consolidated model which brings together corporate and service teams under one management business model with service business partnering arrangements. The legislative and business requirements for integrated finance functions serving the Integrated Joint Board were acknowledged</p>	<p>Finance Project Board (Shadow Board) established to act as an interim management team during the transition to an integrated Finance function. All resource issues across teams are now managed through the Board.</p> <p>Significant upgrade to the Council's Financial system, Integra, was successfully undertaken, with no disruption to service through the migration to Integra Centros. Operational improvements have been identified which are currently being implemented, however the move to Integra Centros also creates a platform for significant improvements in the automation of transactional activity and reporting.</p> <p>A baseline assessment of activity is being undertaken, supported through engagement with the finance teams and stakeholders, to identify opportunities for efficiencies and the streamlining and improvement of current processes.</p>
Professional & Business Support	<p>Consolidated Professional and Business Support Services under one management model, with staff operating in a business partner model for each Service</p>	<p>A single consistent and streamlined approach across the Council for each of the functions within the remit of professional and business support consolidation workstream. This supports the removal of silo working, improves and standardises processes, delivers efficiencies/savings and brings a Team PKC approach to the areas in scope</p> <p>The approved model sets out the two aspects of business support provision being:</p> <ul style="list-style-type: none"> <li>➤ <b>Centrally Designed &amp; Centrally Managed Business Support</b></li> <li>➤ <b>Centrally Designed, Locally Delivered Business Support</b></li> </ul> <p>Improvements also being made around:-</p>

Project	Overview	Benefits/Achievements
		<ul style="list-style-type: none"> <li>➤ Committee report writing/political awareness training sessions – Right First Time approach.</li> <li>➤ New system for handling information requests (Freedom of Information / Subject Access Requests ARS) is being rolled out, resulting in a reduced staffing resource being required.</li> <li>➤ Consolidated Teams and working practices for Business Support.</li> <li>➤ A series of “quick wins” being considered for implementation.</li> </ul>
Strategic Planning and Performance	A strategic planning, performance, and risk function under one business management model that will support continuous improvement evidence-based decision making and delivery on our priorities	<p><b>Systems Mapping</b> – systems mapping exercise carried out, with the aim being to streamline, consolidate and review the various performance management systems currently in use. This will generate efficiencies and potentially savings in terms of system costs.</p> <p><b>Consolidation</b> – work is underway to find ‘quick wins’, in terms of staff and team consolidations.</p>
Human Resources & Organisational Development	Consolidated Organisational Development and Human Resources activity under one management business model with business partnering arrangements for each Service	<p>Systems Mapping exercise undertaken, leading to the following service improvements –</p> <p><b>Chatbot (Erica)</b>– rollout of webchat function developed to provide managers and employees with a live chat function to assist in finding policies/procedures, guidance and template letters and forms etc both via the external website and EDMS managers’ site.</p> <p><b>DASH</b> – Internal staff portal for case creation and management. Phase 1 and Phase 2 are complete, with Phase likely to be rolled out in September. The use of DASH will realise efficiency savings, which are being monitored.</p> <p><b>Recruitment Processes</b> – processes are being reviewed, with the aim of making the process more effective and efficient for both managers and the recruitment team.</p> <p><b>Resourcelink</b>- a procurement exercise for the HR &amp; Payroll System (Resourcelink) is required in 24/25 and a scoping and evaluation exercise will be undertaken. Other</p>

Project	Overview	Benefits/Achievements
		<p>processes and efficiencies in payroll and systems will be considered as part of this exercise.</p> <p><b>Teacher Supply System</b> - developed in conjunction with IT and live from 17 April 2023 – this arrangement has capability to be used for other types of temporary resourcing i.e. for social care and/or Environmental Consumer Services.</p>
Community Engagement	Activity is integrated at a locality level. Streamlining of local decision making, local community action plans and community grant schemes	This Review is examining how we engage with communities: to inform and improve the services we deliver and to widen community participation in local democracy. The information-gathering and analysis stage was completed in early 2023 and the Review is now focused on three workstreams: the future shape of local democratic forums; the future delivery model for community engagement within the Council including partnership links; and business efficiency measures. The Review will report to Council in February 2024.
Property	Consolidation of all property related activity into a single service in a corporate landlord model, (includes property development programmes, including housing new builds and improvements and facilities management)	<p>Early work and improvement actions carried out so far include:</p> <ul style="list-style-type: none"> <li>• Shadow consolidation arrangements in place involving ECS, Housing and Property staff allowing consolidated approach and sharing of resources.</li> <li>• Developing a consolidated action plan</li> <li>• Arrangements for Property Helpdesk has been agreed.</li> <li>• Procurement centralised / shared with Property Services QS team– consistency, planned, efficiency. Linking with “Strategic Procurement &amp; Commissioning” workstream to maximise value.</li> <li>• Contract review across Tayside with Test of Change.</li> <li>• Head of Establishment compliance improvements.</li> <li>• Improved Property Asset planning with shadow arrangements in place.</li> </ul>
Strategic Commissioning and Procurement	Work is ongoing to develop a cohesive commissioning strategy aligned to priorities, supported by an effective procurement function to ensure spend is directed to where it is most needed	<p>Early work and improvement actions carried out so far include:</p> <ul style="list-style-type: none"> <li>• Repurposed Corporate Procurement Group to; <ul style="list-style-type: none"> <li>- have a more whole system strategic focus.</li> <li>- support transformation programme and the development of the new strategy</li> <li>- facilitate better internal collaboration and identify opportunities for savings, efficiencies and innovation in the interim.</li> </ul> </li> </ul>

Project	Overview	Benefits/Achievements
		<ul style="list-style-type: none"> <li>- review existing contracts and support more effective contract management.</li> <li>• Review/revise contract rules – pilot increased threshold from £50k to £250k for works contracts to reduce workload and encourage more local SMEs.</li> <li>• Review and reduce suppliers on PECOS and remove all sundry suppliers – all sundry suppliers have been removed from PECOS.</li> <li>• Pilot product switch with janitorial supplies in schools to demonstrate potential savings – resulting in cost reduction based on February 2023 prices of £88k (42%)</li> <li>• Working with Scotland Excel on pilot for trades products.</li> </ul>

## Overview of Phase 2 Projects

Project	Overview	Progress
Transforming Services for Children and Young People with Complex Additional Support Needs	To transform the experience children and young people with additional support needs and their families have when accessing education and learning so that they thrive, maximising their knowledge and skills and confidence to increase independent living, contribute to society and lead a fulfilling adult life. A key challenge is to address failure demand and continuing to lower/stem increases in external placement spend.	<ul style="list-style-type: none"> <li>• Reviewed Nurture classes to form Outreach Team, launched Aug 2022</li> <li>• Allocated additional teachers to target additional support needs</li> <li>• Introduced new support staff roles - Family Learning Practitioners, Community Learning Assistants, Pupil Care and Welfare Officers</li> <li>• Reduced independent school placements = £300k redirected to earlier intervention</li> <li>• Re-organisation of Inclusion management</li> </ul> <p>The Transformation Board approved funding for a Project Manager to take this forward.</p>
Whole Family Wellbeing	Families should be able to access the help they need, where and when they need it, for as long as it is needed. Holistic family support will address the needs of children and adults in a family at the time of need rather than at crisis point.	<ul style="list-style-type: none"> <li>• Initially focus on priority groups from SG Child Poverty Delivery Plan, then widened out to universal provision. Services must be able to demonstrate transformation and be self-sustaining by 2026</li> <li>• Identification and evaluation of current support provision</li> <li>• Consultation with key stakeholders regarding current good practice and identification of gaps in provision</li> <li>• Collaboration with stakeholders and third-sector partners to co-design and develop evidence based family support options.</li> <li>• Development of the infrastructure to deliver transformation and evaluation of the impact of provision.</li> <li>• Commissioning of services to meet needs (including tests of change and workforce/leadership development)</li> <li>• Consolidation of aligned workstreams providing a range of support to families (including SEF, PEF, MH&amp;W, ADP etc)</li> </ul>
ALEOs	To review the Council's arms-length delivery models for culture and leisure and recommend any structural/wider changes required to maximise Council investment in culture and sport services.	<p>Political and ALEO engagement on options for future delivery is ongoing.</p> <p>The Transformation Board has approved funding for financial analysis from Glasgow Audit at an estimated cost £10k.</p>

Project	Overview	Progress
Transport	This project will consider how subsidised local bus services might be configured to be more efficient, effective, economic, resilience and tackle poverty and the climate emergency.	<p>This project will include a review of how available funding is spent, routes and the potential to further employ responsive transport to meet need and community provided transport including the use of Council vehicles, as well as how financial support could be offered to people to enable the use of public transport including collaboration with businesses in our area.</p> <p>This project is at Project Initiation stage. A Project plan, Risk and Issue logs and communication plans are currently being developed.</p>
Locality Working	Building stronger relationships with our communities and developing new ways of working to deliver services in a more joined-up flexible way by being responsive to needs of different localities	<p>Different approaches are currently being tested out within localities.</p> <p><b>Letham</b> – Building on findings from Love Letham and listening to the wider community groups. Workshop being arranged to develop our response to the findings and how we can take an integrated approach.</p> <p><b>Highland</b> – Initial work has been to make internal connections. Improvement Services working with the Steering Group and have developed workstreams and project plan to move forward. This will also look to engage with local communities.</p> <p><b>Coupar Angus</b> – Following the completion of the Coupar Angus Action Plan a multi-disciplinary team approach is being adopted to implement the plan. This is in the initial stages.</p> <p><b>Crieff</b> – Local community assets mapped, and data reviewed to identify key inequality issues. The existing Crieff Community Action Plan to be considered before initiating actions in order to avoid duplication and identify potential gaps.</p> <p>Overall Project Plan is currently being developed.</p>



### Overall Programme Status

Phases	Transformation & Change Programme	Initiation	Scope	Operating		Improvement		Transition to		Project Delivered/ Complete	Key Milestones Status
				Option Appraisal	Model Developed	Transition Plan Developed	Plan	Model Complete	Improvement Plan Delivered		
<b>Phase 1</b>	<b>Consolidation</b>										
	Finance	C	C	C	C	C	O	N/S	N/S	N/S	C Stage Completed
	Property	C	C	C	C	C	O	N/S	N/S	N/S	O Ongoing
	Strategic Planning & Performance	C	C	C	C	C	O	N/S	N/S	N/S	N/S Not Started
	Professional & Business Support	C	C	C	C	C	O	N/S	N/S	N/S	N/A Not Applicable
	Community Engagement	C	C	C	C	C	O	N/S	N/S	N/S	
	Customer Services	C	C	C	C	C	O	N/S	N/S	N/S	
	Press & Communication	C	C	C	C	C	O	N/S	N/S	N/S	
	Commissioning & Procurement	C	C	C	O	O	O	N/S	N/S	N/S	
	Human Resources & Organisational Development	C	C	C	C	C	O	N/S	N/S	N/S	
<b>Phase 2</b>	<b>Existing and New Projects</b>										
	Additional Support Needs	C	C	C	N/A	N/A	O	N/A	N/S	N/S	
	Whole Family Wellbeing	C	C	C	N/A	N/A	O	N/A	N/S	N/S	
	ALEOs	C	O	N/S	N/A	N/A	N/S	N/A	N/S	N/S	
	Transport	C	C	O	N/A	N/A	N/S	N/A	N/S	N/S	



## Overview of Phase 1 Consolidation Projects

Project	Overview	Benefits/Achievements
Customer Services	Consolidation of the many dispersed customer service functions including workforce, customer service centres and systems	<p>Consolidation of dispersed contact centres into 2 Customer Solutions Hubs (Money and Customer Services), from previous 11 separate contact centres, to enable a standardised, simplified approach across the Council. This will result in easier access for customers, getting them to the right place first time. There is also a potential reduction in telephone menus and licences required for contact centre technology.</p> <p>The “<b>Money</b>” Hub will specialise in handling customer needs in relation to Council Tax bills, payments, benefits and grants. This aligns strongly with the Council’s priority to tackle poverty and support our most vulnerable citizens.</p> <p>The second “<b>Customer Services</b>” Hub will deal with all other types of enquiries. This aligns well with infrastructure, property and environmental matters.</p> <p>The new model will focus on customer demand; adoption of new ways of working and emerging digital technologies. This includes ‘One Front Door’ which will simplify the customer journey, remove duplication of effort, improve performance reporting and forecasting of demand and decrease training overheads. The Council concession application process will be streamlined to ensure customers receive money/benefits as early as possible. Also, by focusing on digital by default, customers will receive a more efficient and convenient service, whilst costs are reduced.</p>
Press and Communication	A centrally managed communications, design and marketing provision working to a single workplan incorporating consistent service level	<p>Bringing together resources from across the organisation into a consolidated team has enabled additional support to various projects. For example:-</p> <ul style="list-style-type: none"> <li>• Due to a transfer of resource, additional capacity has been introduced in relation to video skills, including filming and editing.</li> </ul>

Project	Overview	Benefits/Achievements
	agreements for each service	<ul style="list-style-type: none"> <li>Housing/tenant communication lead now managed as part of corporate team. This has resulted in reduced duplication of effort and ensured that content produced is more effectively shared across relevant channels.</li> <li>Following a review of the marketing and content creation contract for Perth City and Towns (our consumer-facing visitor and events channels), the management of the Facebook and Instagram channels for Perth City and Towns have been brought into the corporate Communications Team at no additional cost, allowing co-ordinated oversight of content and meaning that the funding available for the external contract can now get a better return on investment by focussing on creating new content and marketing campaigns.</li> </ul>
Finance	A consolidated model which brings together corporate and service teams under one management business model with service business partnering arrangements. The legislative and business requirements for integrated finance functions serving the Integrated Joint Board were acknowledged	<p>Finance Project Board (Shadow Board) established to act as an interim management team during the transition to an integrated Finance function. All resource issues across teams are now managed through the Board.</p> <p>Significant upgrade to the Council's Financial system, Integra, was successfully undertaken, with no disruption to service through the migration to Integra Centros. Operational improvements have been identified which are currently being implemented, however the move to Integra Centros also creates a platform for significant improvements in the automation of transactional activity and reporting.</p> <p>A baseline assessment of activity is being undertaken, supported through engagement with the finance teams and stakeholders, to identify opportunities for efficiencies and the streamlining and improvement of current processes.</p>
Professional & Business Support	Consolidated Professional and Business Support Services under one management model, with staff operating in a business partner model for each Service	<p>A single consistent and streamlined approach across the Council for each of the functions within the remit of professional and business support consolidation workstream. This supports the removal of silo working, improves and standardises processes, delivers efficiencies/savings and brings a Team PKC approach to the areas in scope</p> <p>The approved model sets out the two aspects of business support provision being:</p>

Project	Overview	Benefits/Achievements
		<ul style="list-style-type: none"> <li>➤ <b>Centrally Designed &amp; Centrally Managed Business Support</b></li> <li>➤ <b>Centrally Designed, Locally Delivered Business Support</b></li> </ul> <p>Improvements also being made around:-</p> <ul style="list-style-type: none"> <li>➤ Committee report writing/political awareness training sessions – Right First Time approach.</li> <li>➤ New system for handling information requests (Freedom of Information / Subject Access Requests ARS) is being rolled out, resulting in a reduced staffing resource being required.</li> <li>➤ Consolidated Teams and working practices for Business Support.</li> <li>➤ A series of “quick wins” being considered for implementation.</li> </ul>
Strategic Planning and Performance	A strategic planning, performance, and risk function under one business management model that will support continuous improvement evidence-based decision making and delivery on our priorities	<p><b>Systems Mapping</b> – systems mapping exercise carried out, with the aim being to streamline, consolidate and review the various performance management systems currently in use. This will generate efficiencies and potentially savings in terms of system costs.</p> <p><b>Consolidation</b> – work is underway to find ‘quick wins’, in terms of staff and team consolidations.</p>
Human Resources & Organisational Development	Consolidated Organisational Development and Human Resources activity under one management business model with business partnering arrangements for each Service	<p>Systems Mapping exercise undertaken, leading to the following service improvements –</p> <p><b>Chatbot (Erica)</b>– rollout of webchat function developed to provide managers and employees with a live chat function to assist in finding policies/procedures, guidance and template letters and forms etc both via the external website and EDMS managers’ site.</p>

Project	Overview	Benefits/Achievements
		<p><b>DASH</b> – Internal staff portal for case creation and management. Phase 1 and Phase 2 are complete, with Phase likely to be rolled out in September. The use of DASH will realise efficiency savings, which are being monitored.</p> <p><b>Recruitment Processes</b> – processes are being reviewed, with the aim of making the process more effective and efficient for both managers and the recruitment team.</p> <p><b>Resourcelink</b>- a procurement exercise for the HR &amp; Payroll System (Resourcelink) is required in 24/25 and a scoping and evaluation exercise will be undertaken. Other processes and efficiencies in payroll and systems will be considered as part of this exercise.</p> <p><b>Teacher Supply System</b> - developed in conjunction with IT and live from 17 April 2023 – this arrangement has capability to be used for other types of temporary resourcing i.e. for social care and/or Environmental Consumer Services.</p>
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Property	Consolidation of all property related activity into a single service in a corporate landlord model, (includes property development programmes, including housing new builds and improvements and facilities management)	<p>Early work and improvement actions carried out so far include:</p> <ul style="list-style-type: none"> <li>• Shadow consolidation arrangements in place involving ECS, Housing and Property staff allowing consolidated approach and sharing of resources.</li> <li>• Developing a consolidated action plan</li> <li>• Arrangements for Property Helpdesk has been agreed.</li> <li>• Procurement centralised / shared with Property Services QS team– consistency, planned, efficiency. Linking with “Strategic Procurement &amp; Commissioning” workstream to maximise value.</li> </ul>

Project	Overview	Benefits/Achievements
		<ul style="list-style-type: none"> <li>• Contract review across Tayside with Test of Change.</li> <li>• Head of Establishment compliance improvements.</li> <li>• Improved Property Asset planning with shadow arrangements in place.</li> </ul>
Strategic Commissioning and Procurement	Work is ongoing to develop a cohesive commissioning strategy aligned to priorities, supported by an effective procurement function to ensure spend is directed to where it is most needed	<p>Early work and improvement actions carried out so far include:</p> <ul style="list-style-type: none"> <li>• Repurposed Corporate Procurement Group to; <ul style="list-style-type: none"> <li>- have a more whole system strategic focus.</li> <li>- support transformation programme and the development of the new strategy</li> <li>- facilitate better internal collaboration and identify opportunities for savings, efficiencies and innovation in the interim.</li> <li>- review existing contracts and support more effective contract management.</li> </ul> </li> <li>• Review/revise contract rules – pilot increased threshold from £50k to £250k for works contracts to reduce workload and encourage more local SMEs.</li> <li>• Review and reduce suppliers on PECOS and remove all sundry suppliers – all sundry suppliers have been removed from PECOS.</li> <li>• Pilot product switch with janitorial supplies in schools to demonstrate potential savings – resulting in cost reduction based on February 2023 prices of £88k (42%)</li> <li>• Working with Scotland Excel on pilot for trades products.</li> </ul>



## Overview of Phase 2 Projects

Project	Overview	Progress
Transforming Services for Children and Young People with Complex Additional Support Needs	To transform the experience children and young people with additional support needs and their families have when accessing education and learning so that they thrive, maximising their knowledge and skills and confidence to increase independent living, contribute to society and lead a fulfilling adult life. A key challenge is to address failure demand and continuing to lower/stem increases in external placement spend.	<ul style="list-style-type: none"> <li>• Reviewed Nurture classes to form Outreach Team, launched Aug 2022</li> <li>• Allocated additional teachers to target additional support needs</li> <li>• Introduced new support staff roles - Family Learning Practitioners, Community Learning Assistants, Pupil Care and Welfare Officers</li> <li>• Reduced independent school placements = £300k redirected to earlier intervention</li> <li>• Re-organisation of Inclusion management</li> </ul> <p>The Transformation Board approved funding for a Project Manager to take this forward.</p>
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Project	Overview	Progress
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Locality Working	Building stronger relationships with our communities and developing new ways of working to deliver services in a more joined-up flexible way by being responsive to needs of different localities	<p>Different approaches are currently being tested out within localities.</p> <p><b>Letham</b> – Building on findings from Love Letham and listening to the wider community groups. Workshop being arranged to develop our response to the findings and how we can take an integrated approach.</p> <p><b>Highland</b> – Initial work has been to make internal connections. Improvement Services working with the Steering Group and have developed workstreams and project plan to move forward. This will also look to engage with local communities.</p> <p><b>Coupar Angus</b> – Following the completion of the Coupar Angus Action Plan a multi-disciplinary team approach is being adopted to implement the plan. This is in the initial stages.</p> <p><b>Crieff</b> – Local community assets mapped, and data reviewed to identify key inequality issues. The existing Crieff Community Action Plan to be considered before initiating actions in order to avoid duplication and identify potential gaps.</p> <p>Overall Project Plan is currently being developed.</p>