

PERTH & KINROSS COUNCIL

23 FEBRUARY 2022

CAPITAL BUDGET

Report by Chief Executive and Head of Finance
(Report No. 22/36)

1. PURPOSE

1.1 This report:

- provides an update, seeks consideration and approval of the budget for the Council's 6-year capital Delivery Programme
- further updates and seeks approval on two projects including a recommended option for the PH20 project
- sets out proposed next steps, including a refreshed approach to corporate asset management, as part of a long-term approach to capital investment.

2. RECOMMENDATIONS

2.1 It is recommended that Council:

- approve a total increase of **£23.5 million** to the budgets for Perth High School, Blairgowrie Recreation Centre, primary school at Bertha Park, Schools Audio Visual Programme and Priority Flood Protection Schemes
- approve the move to a 6-year funded Capital Delivery Programme covering the period 2022/23 to 2027/28.
- approve a £6 million investment in technology enabled care to facilitate the mandated move to a digital service.
- approve the preferred option (option 1) identified at Outline Business Case stage for PH20 at an outline cost of £85-90 million.
- approve the ring fencing of growth in the Council Tax Base from 2023/24 to fund the capital expenditure included within this report – see paragraph 7.5
- note that officers will develop a new Corporate Asset Management Strategy as part of our long-term approach to capital investment which will be brought back to Council for consideration and approval in 2022/23.

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3. STRUCTURE OF REPORT

3.1 This report is structured over the following sections:

- Section 4 Background
- Section 5 Approved Capital Budget Update
- Section 6 New Capital Investment Proposals
- Section 7 Proposed Funding Strategy
- Section 8 Next Steps
- Appendices

4. BACKGROUND

- 4.1 The Council approved the Composite Capital Budget 2020/29 on 31 March 2021 (Report Number 21/41 refers). At that time, the Council was advised of total resources and spending proposals of **£605.785 million**.
- 4.2 Since 31 March 2021, the Strategic Policy and Resources Committee have received regular updates and approved various adjustments throughout 2021/22 (Report No's 21/147, 21/215 and 22/25 refer).
- 4.3 Finance Circular 9/2021, which was published on 20 December 2021, provided the 2022/23 capital funding allocations which are set out in section 5 below.
- 4.4 As part of its current capital programme, Council has approved a number of major investment projects, including the replacement of Perth High School, a recreation centre at Blairgowrie and a new primary school at Bertha Park. These budgets have been reviewed in light of new cost estimates for these and other projects which now require an additional £23.5million funding. Ongoing programmes including maintenance and repair of roads, bridges, property, greenspace, digital and fleet will also require to be reviewed regularly and updated to take account of construction inflation and other factors.
- 4.5 In addition to the approved programmes and projects referred to above, in October 2021, Council instructed officers to further develop the Strategic Business Case for the PH20 project to outline stage to enable formal consideration of the capital investment required, related revenue implications and an appraisal of potential funding routes. (See Section 6 below).
- 4.6 In the course of 2021, Council has also made significant strategic decisions in relation to priority areas for investment; approving the Investment Blueprint (Report No.21/180 refers), Economic Wellbeing Plan, (Report No. 21/37 refers), Climate Change Strategy & Action Plan (Report No. 21/245 refers) and the Perth and Kinross Offer Framework (Report No. 21/246 refers). It is recognised that effective implementation of these strategies and plans will require significant funding which, as yet is not reflected within the current

capital budget, but which will require to be built into our 30-year Plan for capital investment.

- 4.7 A funding strategy is proposed (in section 7) which will resource the present programme of approved projects and create capacity to support the development of a 30-Year investment Plan. This strategy will address the pressures within the current capital budget as well as providing a solution for funding the PH20 project, should Council approve it. In turn, this will enable a budget to be set for the 6 Year approved Capital Delivery Programme.
- 4.8 In further developing our long-term strategic approach to capital investment, we will be taking a whole Council approach to corporate asset management, including a comprehensive review and refresh of our asset management strategies and plans to ensure that these are fit for purpose and support sustainable service delivery. This work will form one element of the Council's new transformation programme, as referenced in the Revenue Budget 2022/23 and Reserves Strategy Report (Report No. 22/35 refers) before Council at this meeting and set out in more detail in section 8 of this report. A new Corporate Asset Management Strategy will be reported to Council during 2022-23.

5 APPROVED CAPITAL BUDGET UPDATE

- 5.1 The Strategic Policy & Resources Committee considered the most recent Capital Monitoring report on 2 February 2022 (Report No. 22/25 refers). The projected income and expenditure of **£489.181** million through to 2027/28 is set out in detail in Appendix 1.

Adjustment to Approved Projects

- 5.2 Within the latest approved Capital Budget (Report No. 22/25 refers), the projected costs of five approved projects have increased. This is a consequence of increased inflation within the construction sector as well as supply chain issues and increased demand for commodities. The projected increase for these five projects is **£23.5 million**, which is set out in the following table.

	Approved Budget (£M)	Latest Estimate (£M)	Increase (£M)
Perth High School	58.3	68.7	10.4
Blairgowrie Recreation Centre	24.0	26.7	2.7
Primary school at Bertha Park	14.3	24.0	9.7
Schools Audio Visual Programme	2.9	3.4	0.5
Priority Flood Protection Schemes	32.3	32.5	0.2
Increase in Projected Costs			23.5

- 5.3 It is proposed that the **£23.5 million** of additional costs for the five projects identified in the table above are added to the budget for the approved 6-year Delivery Plan.
- 5.4 After the application of the additional capital grant of £740,000 (see paragraph 5.9), the net increase in borrowing will be £22.8 million.
- 5.5 Beyond the additional costs identified above, the Council is likely to experience further pressures over the short to medium term. Inflation will reduce the buying power of the Council's various capital programmes, e.g., roads maintenance, bridges and infrastructure and IT. The Council will face significant costs in responding to climate change and economic wellbeing/regeneration. New pressures to support the delivery of Council services will also emerge in the coming years.

6-Year Capital Delivery Programme

- 5.6 At its meeting on 2 February 2022 (Report No. 22/25 refers), the Strategic Policy & Resources Committee approved the Composite Capital Budget to 2028/29, totalling £606.199 million. In accordance with the Council's agreed strategic approach, it is proposed to move to a 6-year funded Capital Delivery Programme, covering the period 2022/23 to 2027/28.
- 5.7 The current approved budget for 2028/29, amounting to £28.958 million is entirely allocated to annual programmes (e.g., structural repairs and maintenance of roads, bridges, greenspace, property assets and digital). Whilst the required works for 2028/29 are out with the scope of the 6-year Delivery Programme, the medium to long-term requirements for maintenance and repair will be built into the 30-year Investment Plan. Specific proposals for inclusion in the 6-Year Delivery Plan in relation to capital programmes for 2028/29 will form part of next year's capital budget considerations.

Capital Funding Update

- 5.8 A review of all current estimated available resources over the six years 2022/23 to 2027/28 has been undertaken. Movements from the resources approved by Strategic Policy & Resources Committee on 2 February 2022 are described below.
- 5.9 The draft Local Government Finance Settlement for 2022/23, issued by the Scottish Government on 20 December 2021, includes General Capital Grant of £11.872 million for Perth & Kinross Council. After allowing for adjustments in respect of the Council's approved flood schemes, this leaves £10.272 million for general allocation. This compares to the previous estimate of £15.479 million and represents a reduction on previous assumptions of £5.207 million. This reflects a rephrasing of the flood grant, with an increase of £5.947 million assumed in future years. Therefore, overall, there has been an increase of £740,000 in Capital Grants, of which £141,000 relates to flood schemes and £599,000 is general grant available for distribution.

- 5.10 In addition to the General Capital Grant, the settlement also includes £665,000 of Specific Ring-Fenced Grant for the Cycling, Walking & Safer Streets (CWSS) in 2022/23. This has been included in the proposed CWSS programme.
- 5.11 A review of Developers Contributions has been undertaken. However, as the payment of these contributions is dependent on the rate of house building in the area, there remains a significant level of uncertainty over the timing of the contributions. It is therefore not proposed to make a change to the estimated amounts at this stage, and they will continue to be closely monitored. There are no other Third-Party Contributions, Revenue Contributions or capital receipts identified at this stage.
- 5.12 **RECOMMENDATION: The Council is asked to approve an increase in the budgets for Perth High School, Blairgowrie Recreation Centre, primary school at Bertha Park, Schools Audio Visual Programme and Priority Flood Protection Schemes totalling £23.5 million.**
- 5.13 **RECOMMENDATION: The Council is asked to approve the move to a 6-year funded Capital Delivery Programme covering the period 2022/23 to 2027/28.**

6 NEW CAPITAL INVESTMENT PROPOSALS

- 6.1 In addition to the adjustment to the approved Capital budget set out in section 5 above, it is proposed that Council consider two further Capital projects for inclusion in the 6-year Delivery Plan - Technology Enabled Care and PH20. These proposals have been included either because they are time critical (technology enabled care) or at the instruction of Council.

Technology Enabled Care

- 6.2 Perth & Kinross Health & Social Care Partnership currently provides analogue community alarm devices to around 4,000 clients with a further 1,400 in Telecare. BT Openreach have announced that the analogue telephone network will be terminated by 2025 and replaced with digital networks.
- 6.3 The Health & Social Care Partnership have been working in conjunction with the Local Authority Digital Office Programme, who are employed by the Scottish Government, to support Local Authorities through the migration from an analogue to digital network and infrastructure, to transition to a fully digital community alarm and telecare service. The final stage in this transition to the digital network requires the use of fully compatible digital units to replace all existing analogue equipment.

- 6.4 Technology Enabled Care (TEC), including Telecare and Telehealth, will play an integral role in the Council and the Health and Social Care Partnership achieving their strategic objectives over the coming years. The contribution of TEC will increase with the rapid development of TEC options and will be included in the Older People's Strategy Delivery Plan which will be considered by the Integration Joint Board in March 2022. Demographics show that the number of over 65s in Perth and Kinross is expected to rise by nearly 20% by 2028 reinforcing the business case for optimising TEC.
- 6.5 The Strategic Business Case anticipates that the cost of transferring all clients from analogue to digital, as well as dealing with increased demand, will be £6 million over six years. It is proposed that this is added in to the 6-year Capital Delivery Programme on the basis that the project is time critical, given the lead in time for procurement and timescales for implementation. The project will be subject to the Council's approved project governance framework.
- 6.6 RECOMMENDATION: approve a £6 million investment in technology enabled care to facilitate the mandated move to a digital service.**

PH20 Leisure Vision

- 6.7 PH20 is proposed to replace Perth Leisure Pool/Dewars Centre with a major new facility able to grow usage and income and reduce running costs and carbon emissions. Since 2019, a business case has been under development with key stages as follows:
- **February 2019:** Council instructed development of a strategic business case (SBC) for PH20 and outline design scheme and allocated £500,000 to support this work.
 - **2019/20:** market appraisal, cost modelling to find the optimum facility mix and site options appraisal carried out.
 - **Sept 2019, Feb 2020, Aug 2020:** elected member briefings on emerging preferred option, accommodation schedule and outline costs.
 - **December 2019:** Passivhaus/low carbon principles approved within Interim Climate Emergency Report considered by Council.
 - **April 2021:** Strategic Business Case with preferred option approved by Strategic Investment and Improvement Board.
 - **22 September 2021:** further elected member briefing prior to Council 6 October 2021.
 - **9 February 2022:** further elected member briefing prior to Special Council on 23 February 2022.
- 6.8 The strategic case for change can be summarised as follows:
- Pre-Covid these facilities attracted over 400,000 annual usages of which 300,000 were Perth and Kinross residents.
 - They deliver key economic, educational, community and health benefits to residents and visitors, but they are at end of life.
 - Their combined operating deficit of £790,000 per annum is projected to grow by over 50% by 2023/24.

- Flood mitigation work following catastrophic floods at Perth Leisure Pool in 2020 is needed, estimated at £1 million and further repair and maintenance work will be required over the next 5-10 years for which Live Active Leisure does not have sufficient reserves
- The existing buildings are also a major constraint on our ability to meet the 2030 75% emissions reduction target. They generate over 1.6MKg of carbon emissions pa and cost over £500,000 each year in energy bills, projected to increase to £700,000 in 2022/23.

6.9 In April 2021, the SBC identified a preferred option comprising large leisure water and traditional pool/training pool, bowling, ice, health spa, family/play facilities, conference space and café costed at £70 million.

6.10 At Council on 6 October 2021, officers were asked to:

- Develop the SBC to Outline Business Case (OBC) stage to support consideration of PH20 in February 2022 within the wider capital programme.
- Investigate funding solutions to the revenue pressure which additional borrowing for PH20 will create for the Council and Live Active Leisure (LAL), including potential commercial solutions to a) support capital construction costs or b) generate commercial revenue, for example through rental income from office/other facilities owned or developed by the Council.

6.11 The OBC has been developed since October 2021, as per Council instruction, and elected members were briefed on 9 February 2022 on findings. The SBC and OBC have been made available on a commercially confidential basis to elected members to support consideration of this project.

6.12 The OBC reconfirms key conclusions at SBC stage, in particular:

- ☐ The preferred option provides the optimum mix of different leisure facilities to grow usage/income and create running cost efficiencies
- ☐ The indicative capital cost in October 2021 of £70m was within a reasonable range at that time (the OBC includes an independent review of the SBC cost plan for the preferred option)

6.13 The OBC also reassessed the capital cost, usage and revenue assumptions for the preferred option and highlights these changes:

- Since October 2021, the estimated capital cost of the preferred option (Option 1) has risen markedly due to construction inflation. It is now estimated at £85-90m including contingency, inflation allowance and fees.
- Usage, income, and expenditure projections were also reassessed in the OBC. They show the reduction in current operating deficit from £790,000 to £248,000 per annum projected at SBC stage will no longer be achievable taking Covid-19 and rising cost factors into account. The Year 1 operating deficit is likely to be around £598,000 in Year 1, rising to £724,000 by Year 5.

- The OBC also reassessed income/expenditure assumptions for the current buildings under a 'do nothing' scenario. These show the current annual operating deficit will grow by over 50% by 2023/24, to around £1.7 million pa.

6.14 For these reasons, the OBC also scoped an alternative option for a smaller facility offering core activities within the original indicative cost of £70m. Leisure water, bowling, gym/fitness, and health spa are excluded, and the estimated capital cost is £67-70million (Option 2). This option is for comparative purposes to support the Council in its consideration/decision-making and has not been developed to OBC stage. Income growth and running cost efficiencies would reduce. A summary of the key points from the OBC and more detail on the alternative option is attached at Appendix 2.

6.15 The OBC examined alternative funding routes to the Public Works Loans Board (PWLB), via an independent market specialist, who concluded there is no cheaper borrowing alternative to PWLB. Other routes would tie the Council into long-term and potentially disadvantageous lending terms. Market appraisal has also reconfirmed local market conditions offer no real potential to generate income by leasing part of the PH20 site for office, retail, or hotel space.

6.16 The table below compares the financial implications of borrowing via the PWLB for both the preferred option and a smaller core facility:

	Option 1 - preferred	Option 2 – smaller core	Difference
Capital Cost	£85-90,000,000	£67-70,000,000	£18 to 23,000,000
Average annual Loan Charge	£3,903,000	£2,886,000	£1,017,000
Incremental Annual Increase in Loan Charge Budget	£200,000	£150,000	£50,000
Total Loan Charges over 40 years	£164,000,000	£123,000,000	£41,000,000
Total usage Yr1	562,000	324,000	238,000
Annual Revenue Deficit in Year 1	£598,751	£661,910	(£63,159)

- 6.17 If it proceeds, PH20 will be delivered in a fast-changing world, to which LAL's current business model will need to adapt. Significant business transformation will be required both to ensure business continuity whilst PH20 is under construction, and post-completion to fully realise project benefits. This scale of transformation for LAL will require support from the Council through our wider Transformation Programme. This will require a review/reassessment of commissioning priorities and targets to ensure the Council's investment in sport is balanced appropriately across Perth and Kinross: before, during and after PH20 comes on stream.
- 6.18 Work on the PH20 business case from initiation to SBC and through to OBC stage has now comprehensively examined options best able to grow usage/income and cut running costs. 'Do nothing' is not an option given the projected escalating running costs, declining usage and high likelihood that the current buildings will fail within the next 5 years.
- 6.19 RECOMMENDATION: The Council is asked to approve Option 1 for the PH20 Leisure Vision at an estimated cost of £85-90 million.**

7. PROPOSED FUNDING STRATEGY

- 7.1 Within sections 5 and 6 of the report, additional expenditure of **£118.8 million** is proposed. This is a consequence of the inflationary pressures, set out in section 5, and the new investment proposals, set out in section 6, relating to Technology Enabled Care and PH20. The financial impact of these is summarised in the following table, alongside an adjustment to Capital grant.

	£m
Additional expenditure – approved projects	23.5
Additional capital grant	(0.7)
Technology Enabled Care	6.0
Sub Total	28.8
PH20 – preferred option	90
TOTAL	118.8

- 7.2 Beyond the additional costs of **£28.8 million** identified in the table above, there are other emerging pressures that the Council will face in the short to medium term. No allowance has yet been made for the impacts of rising construction inflation across the wider Capital budget, including capital programmes such as digital and the wider infrastructure. The key strategies and plans set out in paragraph 4.6 including the Economic Well-Being Plan, Climate Change Strategy & Action Plan and the Perth and Kinross Offer Framework will require significant investment. New pressures to support the delivery of Council services will also emerge in the coming years. These elements will be reflected in the development of the long term 30 Year Investment Plan and the proposed Corporate Asset Management Strategy set out at section 8.

- 7.3 To deal with additional pressures including the £28.8m identified above and build further capacity for future investment needs, the Loan Charges budget will require to be increased by **£250,000** each and every year from 2023/24. The 2022/23 Revenue Budget has made provision for the first uplift in the loan charges budget.
- 7.4 The preferred option for PH20 will result in the Council incurring additional full year loan charges of approximately £3.9 million on a recurring basis. To meet this additional cost, it is proposed that the Loan Charges budget is increased by **£200,000** each and every year.
- 7.5 Therefore, to fund the investment set out in this report, the loan charges budget must increase by **£450,000 in total each and every year**. It is proposed that future growth in the Council Tax base is ring fenced and applied to supporting the borrowing. This would mean that from 2023/24, £450,000 of new Council Tax income would be required to fund the borrowing costs. This means that in the first year, the Council Tax income from 360 new properties would be ring fenced.
- 7.6 The mid-range scenario in the Medium-Term Financial Plan assumes growth in the Council Tax base of 600 Band D properties each year. The consequence of ringfencing Council Tax growth, however, is that it is not then available to support the other demand pressures associated with servicing an increasing number of households and this revenue pressure will require to be managed in some other way.
- 7.7 The ring fencing of Council Tax growth may be revisited over the medium term if other options become available including discussions with the operator of the PH20 venue or reviews of other Council budgets.
- 7.8 The following table sets out the timing of the additional capital expenditure of £119.5 million identified above.

	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>26/27</u>	<u>27/28</u>	<u>Total</u>
	£m	£m	£m	£m	£m	£m	£m
Blairgowrie RC	0.0	0.0	2.7	0.0	0.0	0.0	2.7
Bertha Park PS	0.0	0.0	9.7	0.0	0.0	0.0	9.7
Perth HS	0.0	0.0	10.4	0.0	0.0	0.0	10.4
PH20	0.5	3.5	26.0	25.0	20.0	15.0	90.0
Flood Schemes	(1.6)	(2.8)	4.6	0.0	0.0	0.0	0.2
Schools AV	0.0	0.5	0.0	0.0	0.0	0.0	0.5
Tech Care	1.0	1.0	1.0	1.0	1.0	1.0	6.0
Total	(0.1)	2.2	54.4	26.0	21.0	16.0	119.5

- 7.9 The Capital Fund can support Loan Charges for an extended period due to the current prolonged period of low interest rates, previous rephasing of capital expenditure estimates and pro-active Treasury Management in managing the Council's debt portfolio. The revised phasing of the proposed Composite programme will be managed by the continuation of the Capital Fund Strategy over the medium to long term. The projections show that, on current assumptions, Loan Charges can be contained with the use of the Capital Fund until 2045/46, with a projected growing deficit on the Loan Charges budget in the following years. This position is consistent with previous Capital Fund estimates based on current plans. However, these projections will be kept under continuous review to identify if any short-term remedial action is required in the medium term to ensure that the Loan Charges remain within available budget resources.
- 7.10 Prudential Indicators, based on the Capital Budget approved at this meeting, will be included in the Treasury & Investment Strategy report to be considered by the Council at its next meeting on 9 March 2022.
- 7.11 **RECOMMENDATION: The Council is asked to approve the ring fencing of growth in the Council Tax Base from 2023/24 to fund the capital expenditure included within this report.**

8 NEXT STEPS

- 8.1 Our future capital investment needs will be determined by our agreed strategic priorities, legislative and policy requirements and how we, as a Council, design and deliver our services going forward. Work is currently underway in relation to the implementation of the Perth and Offer Framework (Report No. 21/246 refers) which will see us working differently with and within our communities. This, together with the proposed programme of Transformation and Change (as outlined in the Revenue Budget 2022/23 and Reserves Strategy report, Report No. 22/35 refers) and a new and ambitious Digital Strategy (currently being developed), will challenge us to rethink why, when, what and how we currently deliver many of our services. We will then work with our local communities and our public, private and third sector partners, to make the best use of our available resources to create more effective and sustainable services for the future.
- 8.2 As part of our programme of transformation, we will also assess our current asset portfolio. We will apply the same degree of challenge to ensure that our physical corporate assets are fit for purpose; providing us with the infrastructure and assets that we need to deliver modern, cost-efficient, sustainable public services. This review of our assets will help us identify the gaps, pressures, risks, over-provision and new investment priorities which in turn will shape and influence our 30-year Investment Plan.
- 8.3 Council assets are managed under the following streams, each with their own strategy and plan:

- Roads, including structures, flood protection assets, street lighting and street furniture
- Housing, Housing Revenue Account properties
- Property - non-domestic and education estates
- Community Greenspace, including associated physical assets such as play equipment
- Digital and IT, including hardware and software
- Fleet, including all other mobile mechanical equipment

8.4 Over the next 12 months, we will undertake a comprehensive review of our current assets to assess their fitness for purpose, optimising opportunities which may arise from:

- our need to address climate change
- new technology
- a new Corporate Plan and Local Outcome Improvement Plan
- changing workstyles
- service redesign through our Transformation and Change programme
- new models of service delivery developed through the Perth and Kinross Offer

8.5 At present, each of the asset workstreams have their own strategies and plans which support the effective operational management of our assets and infrastructure. Significant work has already been undertaken in terms of condition surveys and this will be further refined to give a more comprehensive overview of life cycle to help identify future investment requirements.

8.6 In 2022/23, we will also develop an overarching Corporate Asset Strategy to support the agreed long term holistic approach to capital investment based on the strategic assessment of need, public value, commercial viability, affordability, and deliverability. The new strategy will be underpinned by the following principles:

- our approach to investment is long-term and prudent
- we only hold or invest in the assets that we need to achieve our strategic objectives
- we take a whole Council approach and maximise the efficiency and use of our existing assets
- we strike the right balance between the need to deliver short term savings and the impact of lack of investment on the value of our assets
- we target capital investment where it will achieve the greatest long-term benefit

8.7 As part of the Corporate Asset Management Strategy, we will develop a robust methodology for assessing the need to retain, maintain or upgrade our physical assets (fleet, housing, roads, non- domestic property, IT, greenspace etc). Managing our assets will: -

- ensure the efficient allocation of assets across the organisation
- facilitate better integration of public services from single multi-purpose locations across Perth and Kinross
- support innovative online non-property asset dependent service delivery
- encourage and enable greater community use
- support more sustainable service delivery
- lower operating costs and make more efficient use of capital
- ensure that we dispose of assets timeously where they no longer best support the delivery of our strategic objectives.

8.8 Once our Corporate Asset Management Strategy is approved, we will then review and refresh the existing strategies and plans for each of the asset workstreams to ensure that they align and mutually support a prudent and effective long-term approach to asset management and investment.

8.9 **RECOMMENDATION: Note that officers will develop a new Corporate Asset Management Strategy as part of our long-term approach to capital investment which will be brought back to Council for consideration and approval in 2022/23**

Author(s)

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Approved

Name	Designation	Date
Thomas Glen	Chief Executive	16 February 2022
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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Corporate Plan

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

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

1.2 This report relates to all these objectives.

2. Resource Implications

Financial

2.1 There are significant financial implications which are 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 direct asset management implications arising from this report which are 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 Revenue Budget Executive Summaries have been subject to an equalities assessment where appropriate.

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 Executive Officer Team have been consulted in the preparation of the updated 2021/22 Provisional Revenue Budget.

2. BACKGROUND PAPERS

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

3. APPENDICES

Appendix 1 -	Approved Budgets
Appendix 2 –	PH20 Summary of Outline Business Case Conclusions