

## Notice of Meeting and Agenda Council

Date	Time	Venue
Friday, 02 March 2018	14:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM  
Head of Corporate Governance

### Membership

Councillor Jennifer Marion Adam-McGregor: Councillor Tom Begg: Councillor Derek Bibby: Councillor Bill Binks: Councillor Bill Brown: Councillor Stephen Burns: Councillor Jacqueline Cameron: Councillor Michelle Campbell: Councillor Carolann Davidson: Councillor Eddie Devine: Councillor Andy Doig: Councillor Audrey Doig: Councillor Natalie Don: Councillor Alison Jean Dowling: Councillor Edward Grady: Councillor Neill Graham: Councillor Jim Harte: Councillor John Hood: Councillor Lisa-Marie Hughes: Councillor Karen Kennedy: Councillor Scott Kerr: Councillor Paul Mack: Councillor Alistair Mackay: Councillor James MacLaren: Councillor Kenny MacLaren: Councillor Mags MacLaren: Councillor Eileen McCartin: Councillor Colin McCulloch: Councillor Marie McGurk: Councillor John McIntyre: Councillor John McNaughtan: Councillor Kevin Montgomery: Councillor Will Mylet: Councillor Emma Rodden: Councillor Jim Sharkey: Councillor John Shaw: Councillor James Sheridan: Councillor Andy Steel: Councillor Jane Strang:

Provost Lorraine Cameron (Convener): Councillor Cathy McEwan (Depute Convener): Councillor Iain Nicolson (Leader): Councillor Jim Paterson (Depute Leader)

### Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at [www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx](http://www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx)

For further information, please either email [democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk) or telephone 0141 618 7112.

### Chair

## **In Attendance**

## **Apology**

## **Sederunt**

## **Additional Item**

## **Sederunt**

## **Emergency Motion by Councillors Don and Rodden**

## **Members of the Press and Public**

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

## **Webcasting of Meeting**

This meeting will be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Provost will confirm if all or part of the meeting is being filmed.

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To find the webcast please navigate to

<http://renfrewshire.cmis.uk.com/renfrewshire/meetings.aspx> and select the meeting from the calendar.

## **Section 112 Statement**

Members' attention is drawn to the enclosed statement regarding declarations in terms of Section 112 of the Local Government Finance Act, 1992.

## **Procedures**

Copies of the notes of the procedures to be followed in respect of consideration of (i) the Revenue Estimates and Council Tax; and (ii) the Housing Revenue Account Budgets, Rent Levels and Capital Investment Plans are also attached to the relevant reports.

## Items of business

### Apologies

Apologies from members.

### Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

## 1 Minutes of Meetings of Council, Boards and Panels

Minutes attached separately:

Council, 21 December 2017, pages 1-22  
Communities, Housing and Planning Policy Board, 16 January 2018, pages 23-36  
Regulatory Functions Board, 17 January 2018, pages 37-42  
Education and Children's Services Policy Board, 18 January 2018, pages 43-48  
Audit, Risk and Scrutiny Board, 22 January 2018, pages 49-54  
Infrastructure, Land and Environment Policy Board, 24 January 2018, pages 55-62  
Petitions Board, 29 January 2018, pages 63-64  
Appointment Board, 30 January 2018, pages 65-66  
Finance, Resources and Customer Services Policy Board, 31 January 2018, pages 67-88  
Regulatory Functions, 1 February 2018, pages 89-92  
Council, 8 February 2018, pages 93-96  
Regulatory Functions, 15 February 2018, pages 97-98  
Cross Party Sounding Board, 15 February 2018, pages 99-100  
Renfrew and Gallowhill Local Area Committee, 20 February 2018 (to follow)  
Leadership Board, 21 February 2018 (to follow)  
Paisley North Local Area Committee, 22 February 2018 (to follow)

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|----------|--|------------------|
| <b>2</b> | <b>Revenue Budget and Council Tax 2018/19</b>  | <b>11 - 78</b>   |
|          | Report by Director of Finance and Resources  |                  |
| <b>3</b> | <b>Non-housing Capital Investment Programme 2018/19-20/21</b>  | <b>79 - 122</b>  |
|          | Report by Director of Finance and Resources  |                  |
| <b>4</b> | <b>Housing Revenue Account Budget &amp; Rent Levels 2018/19 and Housing Capital Investment Plan 2018/19 to 2020/21</b> | <b>123 - 142</b> |
|          | Joint Report by Director of Finance and Resources and Acting Director of Development and Housing Services              |                  |
| <b>5</b> | <b>Remuneration of Elected Members</b>   | <b>143 - 146</b> |
|          | Report by Director of Finance and Resources  |                  |

- 6 Hub West Scotland: Update to Notice of Motion 5 at Council Meeting on 28 September 2017** **147 - 152**  
Report by Chief Executive
- 7 Governance Arrangements** **153 - 158**  
Report by Director of Finance and Resources
- Planning Applications**  
Members must deal with planning applications in an objective manner to ensure that they cannot be challenged with accusations of bias or predetermination. Votes on planning applications must be seen to be impartial and not influenced by party political issues.
- 8 Planning Application - Planning Application - 17/0394/PP - BAe Systems Ltd - Use of land within the Core Development Area for residential development (in principle), Royal Ordnance, Station Road, Bishopton** **159 - 180**  
Report by Acting Director of Development and Housing Services
- 9 Notice of Motion 1 by Councillors Dowling and Grady**  
"School meal price increases will add further financial hardship to families who are just over the income threshold for free school meals, and especially on families with more than one child to feed.  
  
Council accepts the need to maintain Primary and Secondary School meal prices at current levels, and will not increase prices as a practical step to ensure that school meals remain affordable."
- 10 Notice of Motion 2 by Councillors Davidson and Sharkey**  
"Toilet Signage - Hawkhead Cemetery  
  
Council calls upon the department responsible to properly sign the toilets located in Hawkhead Cemetery."
- 11 Notice of Motion 3 by Councillors Bibby and McCartin**  
"Day Centres  
  
Council acknowledges the attempts to work with Capability Scotland and potential alternative providers for the Learning Disability Service at Whitehaugh and West Lane Gardens Day Centres, but notes the requirements set out on the e motion approved at the special council meeting of 30 August 2017 have not been fulfilled.  
  
Council recognises the primacy of Self Directed Support and the wishes of service users to continue to attend Whitehaugh and West Lane Gardens."

Council understands that a proposal in regard to the future of the Learning Disability Service is under consideration by the Health and Social Partnership and Capability Scotland, and agrees that this should be taken forward only if acceptable to the service users and their carers. This proposal and any other alternative proposal being considered, should be clarified and put to Service users and their carers prior to the next meeting of the Integrated Joint Board for Health and Social Care to be held on the 23rd March.

Should the proposals presented not be acceptable to service users and their carers, Council and the Health and Social Care Partnership will take the necessary action to uphold both the wishes of service users and their carers and the democratic view of elected members and assume operational responsibility for the continuation of the current services at the Whitehaugh and West Lane Centres with effect from the 1st May 2018."

**12 Notice of Motion 4 by Councillors McCartin and Andy Doig**

"Chief Executive Responsibilities

At each council cycle the council may pass a motion put forward by opposition councillors. Where the Chief Executive or her staff are required to carry out a task, set up a process or other such activity it is often difficult for opposition members to follow up what, if anything, has been done to meet the terms of that council motion.

The Chief Executive and/or relevant staff must be proactive in involving the councillor who moved the motion, to inform her/him of the action taken, by whom, and the outcomes expected.

The council asks that, within 10 working days of the decision being taken, a specific relevant member of staff is identified who will be tasked with taking forward the action agreed at the council and this name is given to the mover of the original motion."

**13 Notice of Motion 5 by Councillors Andy Doig and McCartin**

"Commemorative Plaque to Habbie Simpson, Kilbarchan's Musician and Bard

Council notes that it is the official policy of Renfrewshire Council that all villages in Renfrewshire have the right to designate themselves as "Villages of Heritage and Culture", and accordingly Council encourages all village communities to promote their own distinctive cultural and historical narratives to highlight their contribution to Renfrewshire as a county.

Council therefore agrees to erect a commemorative plaque in Church Street, Kilbarchan, to the memory of Kilbarchan's legendary Musician and Medieval Bard, Habbie Simpson, who is buried in the former West

Kirk graveyard, and who made a significant contribution to the development of Kilbarchan as a community."

**14 Notice of Motion 6 by Councillors J MacLaren and Strang**

"This council recognises that there is an ongoing problem of dog fouling in Renfrewshire and commends Daventry District Council for making it illegal to walk your dog without carrying a dog poo bag. A similar law exists in Australia.

Council instructs the Director of Environmental & Communities to investigate and bring a report back to Committee on the feasibility of making it illegal to walk your dog on public ground without carrying a bag to pick up your dog poo."

**15 Notice of Motion 7 by Councillors Begg and Kerr**

"Reinstatement of Bargarran Multi-Use Games Area (MUGA)

This Council should be congratulated in creating a joint campus in which the two primary schools of St John Bosco and Bargarran representing different faiths share common facilities within the Bargarran neighbourhood of Erskine in Renfrewshire.

We regret that the planned multi-use games area to be used by the school and local youngsters, at no charge, appears to have been dropped from the original plans.

As many as 800 supporters have signed a petition to reinstate the MUGA. We ask for Council support to make a conscious and positive decision to reinstate the project to build this Multi-Use Games Area in Bargarran."

**16 Notice of Motion 8 by Councillors K MacLaren and Mylet**

"Council recognises the benefits of volunteering within our communities which includes boosting self-esteem, health and employment prospects.

Council congratulates volunteer-friendly organisations such as Environmental Training Team who work in partnership with a wide range of organisations across many sectors to provide volunteering opportunities and training. Council notes that Environmental Training Team have a proven track record of volunteers obtaining employment or entering further education."

**17 Notice of Motion 9 by Councillors Burns and K MacLaren**

"Council agrees to join the Final Straw campaign to stop the use of plastic straws in all facilities owned or run by the council.

Council understands that items such as these can take up to 500 years to decompose, posing a danger to both the onshore and marine environment and notes that, in Scotland, an estimated three billion such straws are thrown away each year.

Council will encourage all other businesses and organisations in Renfrewshire to support the Final Straw campaign and congratulates

those who have already made a commitment to this, such as Cafe Su in Paisley.

**18 Notice of Motion 10 by Councillors Harte and Dowling**

"Muga

Council notes that the removal of the Muga from the new joint campus in Bargarran, Erskine, would erode the leisure facilities that is available to the residents in the area. Therefore, Council agrees to re-instate the Muga at the earliest opportunity, in conjunction with local residents, the Community Council and C@fe, to ensure that it is sited at the correct spot."

**Emergency Motion Don/Rodden**

The 8 and 19 McGill's Services - "Council agrees to support every effort to retain the continuation of these bus services and calls on McGills and Strathclyde Passenger Transport to work together to ensure that the current level of service and the direct links provided by the No 8 and 19 services are maintained". "Council calls upon the Scottish Government to consider re-regulation of bus services".





## **LOCAL GOVERNMENT FINANCE ACT 1992 - SECTION 112**

### **RESTRICTIONS ON VOTING BY MEMBERS**

The attention of Members is drawn to the provisions of Section 112 of the Local Government Finance Act, 1992. This section has the effect of restricting the voting rights of Members on certain issues if they are in arrears with Council Tax payments.

The legislation applies to a Member in attendance at a meeting of the Council, or of a Committee or Sub-Committee of the Council or representing the Council's interest at a Joint Committee meeting or Sub-Committee thereof.

If at the time of the meeting a Member is 2 months or more in arrears in payment of the Council Tax, the Member will be restricted in voting on matters which relate to:

1. Setting or adjusting the rate of Council Tax;
2. Matters relating to the administration, enforcement and collection of the Council Tax or Council Water Tax.

If a Member falls into arrears as defined by the legislation, the Member is required to disclose this fact at any relevant meeting as soon as practical after it starts. The Member may participate in any debate on the relevant agenda item but the Member should not vote on any matters related to the agenda item.

If the Member does not disclose the restriction due to arrears of Tax and/or votes on a restricted issue the Member will have committed an offence, and on convictions, will be liable to a fine not exceeding level 3 on the standard scale (currently £1,000). The Member will not be guilty of the offence if he/she can prove he/she did not know:

- (a) that Section 112 of the 1992 Act applied to him/her at the time of the meeting;
- (b) the tax item was the subject of consideration at that meeting.

The responsibility for identifying whether a Member is in arrears with Council Tax rests with the Member.



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**PROCEDURE TO BE FOLLOWED AT THE  
MEETING OF RENFREWSHIRE COUNCIL  
TO BE HELD ON 1 MARCH  
DURING CONSIDERATION OF ITEM 2 CONCERNING  
REVENUE ESTIMATES AND COUNCIL TAX  
FOR THE FINANCIAL YEAR 2018/19**

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The purpose of this note is to give Members advance notice of the procedure which Provost Cameron has agreed should be followed at the Meeting of the Council on 1 March 2018.

1. The Convener of the Finance, Resources & Customer Services Policy Board (the Convener) will make his budget statement for financial year 2018/19 and move as appropriate. He will then speak to the principal points of his proposals. The motion will require to be seconded.
2. The Leader of the Council will second the motion and may address the meeting then or reserve the right to speak at a later stage of the debate.
3. For the purposes of the subsequent discussion and voting, the Convener's proposals will be taken as one motion.
4. An opportunity will then be given to the Leader of the opposition group and any other Members to move, and to have duly seconded, comprehensive amendments to the motion (i.e. taking together proposals for resource allocations, budget proposals, revenue estimates and the level of the council tax for the financial year 2018/19).
5. The motion and any amendments will require to be produced in writing and a copy given to each of the Members present prior to being spoken to at the meeting.
6. There shall be no formal restriction upon the length of time given to the Convener and the Leader of the opposition group to move their respective budget statements and speak in support of the principal points of their proposals. However, Provost Cameron shall have the power to require any person speaking to limit their speech in order to facilitate the conduct of the meeting.
7. Provost Cameron will then invite other Members to take part in the debate including Conveners of the Policy Boards who may wish to take the opportunity to respond concerning the services for which they have responsibility.
8. The debate will conclude with Provost Cameron giving the Convener the opportunity to reply.
9. A vote or votes will then be taken in accordance with the provisions of standing orders.



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**To: Council**

**On: 1 March 2018**

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**Report by: Director of Finance & Resources**

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**Heading: Revenue Budget and Council Tax 2018/19**

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**1. SUMMARY**

- 1.1. This report provides members with an overview of the Council's anticipated financial position on the General Fund revenue budget and sets out the information required for the Council to set its budget and council tax for 2018/19. Members are expected to bring forward proposals to secure a balanced budget, and to assist in this, Directors have been providing details of the financial, service and equality implications of any changes to current service levels, as requested by members.
- 1.2. In setting the 2018/19 budget, members will wish to consider the medium and longer term financial context for the Council and the ongoing financial pressures and challenges facing the public sector more generally as set out in more detail in the main body of this report.
- 1.3. The Scottish Government has not provided any material details of spending plans beyond 2018/19. It has however published some high-level figures at an overall budget level for 2019/20. Generally, the outlook for revenue resources presents very shallow growth of 0.8% in cash terms to 2019/20. In contrast, capital resources are expected to increase by around 8% in cash terms. As members will be aware and as outlined in the Financial Outlook report to the Leadership Board on 12 December, the Scottish Government has re-affirmed their policy priorities over the course of the current parliamentary period in relation to growing in real terms spending in the NHS, protecting Police spending in real terms and the commitment to almost double the level of free early years nursery hours over the course of this Parliament.
- 1.4. In the context of this outlook for public finances in Scotland coupled with the Government's stated policy and spending commitments, the medium term prospects for the local government budget are likely to remain challenging and subject to a return to year on year contraction in both cash and real terms. Members should also remain aware that as previously reported to Council, a much larger proportion of the Scottish Budget is driven by devolved tax powers, which brings additional risk to the level of funding available for public services in Scotland. Forecast tax receipts in turn are intrinsically linked to the state of the economy – forecasts of GDP growth produced by the Scottish Fiscal Commission over the medium term average at less than 1% - almost half of the average forecast rate for the UK

as a whole over the same period. Therefore, significant uncertainty remains over the scale of the reduction in resources which local government may experience over the medium term, which along with an expected continuation of annual cost pressures will drive a need for further significant and sustained savings in the Council's planned spending just to achieve a balanced and sustainable budget position each year.

- 1.5. Members should note that similar to previous years and as detailed in paragraph 3.3 of this report, the Council's financial settlement for 2018/19 is conditional upon the package of measures linked to the local government finance settlement. To date the Cabinet Secretary for Finance and the Constitution has not provided any confirmation of the financial sanction of not agreeing to the full package of measures other than to indicate that any Council that does not sign up to the full package will suffer a downward revision to their financial settlement.
- 1.6. In setting out the terms of the local government finance settlement, the Scottish Government have continued the condition not to increase council tax by any more than 3%. There is no element of the grant award directly linked to this condition but equally no detail provided by the Scottish Government of any adjustment that would be made to the financial settlement were the Council to increase council tax beyond the 3% cap.
- 1.7. The Council takes a medium term view of its financial position, previously agreeing savings measures which have supported temporary investment in priority areas, principally covering economic and cultural regeneration, digital connectivity in Renfrewshire's town centres and investment in parks across Renfrewshire. Over the past number of months, budget assumptions have been updated and confirmed, including most notably the confirmed grant available to the Council in 2018/19 and the associated conditions, the impact of new statutory obligations, the potential impact of increasing demographic and demand pressures and expected council tax yield levels for 2018/19. In addition, the Council has continued to take a number of decisions as part of the medium term financial strategy linked to the Better Council Change Programme and Debt Smoothing Strategy that support the release of savings in 2018/19, as well as Directors continuing to identify areas of existing resource that can be re-directed to mitigate the impact of emerging cost pressures. After taking account of the cumulative impact of each of these issues there is, as presented in this report, a temporary revenue surplus of £13.638 million for 2018/19 subject to any further decisions taken by members.
- 1.8. Members should note that this movement to an in year revenue surplus from the forecast deficit for 2018/19 outlined in previous Financial Outlook reports is temporary in nature and is linked to positive movements on areas of previous uncertainty, the better than anticipated outcome on the Council's grant settlement received from the Scottish Government for 2018/19, as well as the actions the Council has progressed in the intervening period to deliver budget savings and mitigate cost growth. As referred to later in this report, additional resource made available to the local government finance settlement following the passage of the Scottish Government 2018/19 budget through Parliament, has not at this stage been confirmed or otherwise as forming part of local government's recurring baseline moving into 2019/20. There remains the risk that all or an element of this funding may subsequently be confirmed as being for a single year only. However, additional funding provided to local government in a similar fashion in 2017/18 has subsequently been baselined within the local government settlement in 2018/19. On this basis, the current financial planning assumption is that similar confirmation of the baselining of this funding will be secured in 2019/20.
- 1.9. Notwithstanding this uncertainty, and given the anticipated financial outlook beyond 2018/19 requires an annual saving of some scale, the in year budget surplus for 2018/19 is expected to be temporary and consequently it is recommended by the Director that members should consider carefully any investment decisions that are not one-off or time limited in nature.
- 1.10. The Council's financial projections beyond 2018/19 include, by necessity, a range of key assumptions and there remains significant and in some cases increasing uncertainty in

relation to key elements of the Council's future financial position. Most notably the areas of key uncertainty are focused upon:

- *Future grant settlement* – as referred to above, the Scottish Government has not provided any material details of spending plans beyond 2018/19 but merely high level figures which present an indication of relatively shallow cash growth in their anticipated revenue budget for 2019/20. In addition, and as outlined to members in previous Financial Outlook reports, the Scottish Government's budget now carries increased risk as more revenue raising powers are devolved as part of the Scotland Act 2016. As the transition of powers moves the Scottish budget towards almost 50% of spending being supported by devolved tax raising powers, the economic performance of the Scottish economy relative to the UK becomes a key risk factor and determinant in the overall level of resources that will be available to the Scottish Government's budget each year. At present, economic growth in Scotland is currently and is forecast to continue to significantly lag that of the UK. In this context, the Scottish Government's budget will experience new and uncharted levels of uncertainty and risk moving forward. This context, coupled with the Scottish Government's stated commitments over the course of the current parliamentary period in relation to growing in real terms spending on the NHS, protecting Police spending in real terms, and the commitment to almost double the level of free early years nursery hours over the course of this Parliament, presents what is likely to be material levels of uncertainty over the medium term prospects for local government grant levels in Scotland. In 2018/19, the Scottish Government exercised devolved tax raising powers to generate an increase in their budgeted resources for 2018/19 which provided additional spending capacity to support local government, improving the confirmed grant settlement outcome for 2018/19 from that previously anticipated. The opportunity for the Scottish Government to generate further resources growth of this nature in the short to medium term may be limited. In this context and taking account of the relatively flat growth in revenue resources moving into 2019/20 outlined by the Scottish Government, the scale of confirmed spending commitments to other areas of their budget and relatively flat economic growth prospects in Scotland over the medium term, it remains the expectation that grant levels made available to local government are likely to return to a period of cuts in both cash and real terms, with uncertainty over both the scale of the cuts and period over which they will continue.
- *Future Pay Settlements* - at present no national agreement has been reached on a pay settlement for 2018/19 for any of the Council's employee groups. Pay increases of 1.0% were agreed for 2017/18 for non-teaching staff with 1% agreed for teachers to December 2017 and a further 1% from January 2018. The public sector pay policy announced by the Scottish Government alongside the Draft Budget outlined a 3% pay increase for 2018/19 for those employees earning up to £36,500 with 2% predominantly applying thereafter. Local government negotiates and sets its own pay arrangements however the public sector pay policy has a significant contextual influence in this regard. Initial pay claims from trade unions have been submitted at 6.5% for non-teaching staff (or a flat £1,500 whichever is greater) and 10% for teachers. Financial provision for the 2018/19 settlement is included within the figures outlined in this report, however pay growth remains and indeed represents an increasing area of significant risk for the Council's financial outlook moving forward.
- *Demand led Pressures* – demographic and socio-economic demand led cost pressures, in particular on both Children's Services and Adult Social Care, continue to be a key financial risk moving forward. In response, the Council in partnership with Renfrewshire Health and Social Care Partnership continues to actively progress a wide range of key demand and cost management actions which have sought to mitigate the financial impact of these pressures over many years whilst seeking to achieve better outcomes for clients and their families. The Council set aside £4.4 million for adult services pressures in 2017/18 which has been managed jointly by the Council and the HSCP. It

is anticipated that around £1.5 million of this resource will remain unallocated in 2017/18, with £1 million available on a recurring basis moving into 2018/19. The resources unallocated at the end of 2017/18 will be carried forward to assist in managing future risk and change within Adult Services. Similar to 2017/18, there remains a range of known risks which have uncertainty in relation to the associated quantum of cost growth that will emerge over the course of 2018/19, including contractual price uplifts, impact of demand growth and impact of new Carers legislation. In this context and similar to the approach adopted in 2017/18, it is recommended that financial provision of £2.112 million is made by the Council to manage the potential net impact of recurring service pressures in 2018/19. Such pressures remain a key area of financial risk both in the short term for the Council and moving forward over both the medium and longer term. The forecasts outlined in this report take account these pressures and expectations of the scale of mitigation that is achievable. There will however always remain the risk that as these pressures continue to grow in their scale and impact, the ability of the Council and partners to mitigate and dampen them over the medium term is not able to keep pace and this will be a key determinant on the Council's medium term financial position.

- 1.11. The nature of the Council's financial outlook beyond 2018/19, both in scale and potential for movement, means that the Council should continue to adopt a strategic and sustainable financial plan linked to the delivery of priorities approved in the Council Plan and agreed with partners in the Community Plan. These strategic priorities will continue to provide a focus in future budget decisions, where the delivery of core services must be balanced with the resources that will be available to the Council. It is also important that the Council's underlying financial strategy maintains a medium term perspective focused on financial sustainability, recognising the uncertainty around key elements, the variation in potential scale of savings that will be required over the medium term and the ambitions of the Council to direct investment to support the delivery of key outcomes.
- 1.12. In addition, members should continue to be alert to the timing of future spending plan announcements from the Scottish Government. It is likely that the next substantive announcement from the Government with regards local government funding will not be until the Draft Budget is again announced, possibly in November or December 2019, two months before the Council would normally look to set the 2019/20 budget. There is an expectation that at some point the Scottish Government will revert to multi-year budgeting but with no confirmation of when this may occur there remains the risk that 2019/20 will continue to provide only a single year position. The Council should therefore continue to progress financial planning on the basis that over future financial years there may be limited time to respond to the confirmed grant settlements and that these may continue to be focused on single year announcements. Consequently, it is important that the Council continues to pro-actively progress financial planning work in the context of the medium term outlook through the Better Council Change Programme and to plan for a continuation of the current financial uncertainty.
- 1.13. In setting the 2018/19 budget, members should remain aware that any commitments to additional recurring expenditure will increase the projected medium term deficit in future years unless they are offset by sustainable savings or increase in resources arising from an increase in Council Tax. Finally, members are encouraged to take a holistic view of the Council's total resources, covering both capital and revenue, in coming to final budget decisions and attention is drawn to capital resources available to the Council of £7.5 million, as detailed at Item 3 of this agenda.



## **2. RECOMMENDATIONS**

Members are asked to:-

- 2.1 Submit for approval proposals for any savings and/or investments and any service changes as part of delivering a balanced budget for 2018/19, and in doing so, to consider the equality impact of any proposed service changes as referred to at paragraph 8.7 and also to assess whether adequate provision is being made in the 2018/19 budget to deliver against the specified commitments linked to the Council's grant settlement for 2018/19, as detailed at paragraph 3.3.
- 2.2 Approve the provisions for inflationary pressures as recommended at Section 5 and the proposed change to the weekly self funders rate for local authority care homes.
- 2.3 Approve the revenue estimates for all services for 2018/19 subject to adjustment for the allocation of central support costs, central repairs costs, capital charges, specific grants, inflationary allowances and any proposals for service changes approved by Council.
- 2.4 Approve the continuation of the agreed mechanism to manage the release of additional resources being made available in 2018/19 to Renfrewshire Health and Social Care Partnership as set out in paragraph 4.5.
- 2.5 Approve that the Council retains unallocated general fund balances of at least £7 million in 2018/19.
- 2.6 Submit for approval the council tax banding levels A to H inclusive to apply for 2018/19.

## **3. GRANT SETTLEMENT**

- 3.1 On the 14<sup>th</sup> December 2017 the Scottish Government published their draft budget for 2018/19 which was subject to parliamentary approval over the course of January and February 2018. At the same time, the draft local government finance settlement was published, which set out the provisional revenue and capital grant allocations for local government across Scotland.
- 3.2 The Local Government Finance Circular 5/2017 was issued to councils on 14<sup>th</sup> December 2017, providing details of the provisional revenue and capital funding allocations for 2018/19. Revisions and corrections to the circular were issued over the course of December and January following a number of issues identified and during the course of the checking process undertaken by the Scottish Government in partnership with council officers and COSLA.
- 3.3 Updated for notified adjustments, circular 5/2017 confirmed 2018/19 Scottish Government revenue grant funding for the Council of £299.581 million. The Cabinet Secretary for Finance and the Constitution has outlined the set of associated conditions that make up the provisional funding allocation and which constitute:-
  1. Maintaining at a national level the overall pupil teacher ratio (PTR) at 13.7 and providing places for all probationers who require one.
  2. The continued prioritisation of financial support for social care including the use of funding provided through the health budget, which has reduced marginally from £357 million nationally to £355 million to support Adult Social Care services provided through

Renfrewshire Health and Social Care Partnership (the Council's share of these resources in 2018/19 totals £12.254 million).

3. The continuation of the Council Tax cap of 3%, representing the maximum increase that can be applied locally by an individual council as part of setting the 2018/19 budget.

There is sufficient resource included within the proposed budget set out in this report to meet conditions 1 and 2 above with condition 3 being subject to elected member's decision in setting council tax levels for 2018/19. If the Council elects not to take up this package on offer from the Scottish Government, it has been confirmed that the financial settlement outlined above will be revised downwards although it has not been confirmed by the Scottish Government what the scale of the reduction would be in respect to any individual element of the conditions or in totality.

- 3.4 The grant floor (which doesn't include all revenue funding but the majority) was originally set by the Scottish Government at a maximum reduction of 0.6% but was subsequently revised on 24 January 2018 to a maximum reduction of 0.4%. Eight councils are immediately on the floor, with a further eleven pulled down onto the floor once the floor calculation mechanism is applied. There are therefore nineteen, of the thirty two councils, on the grant floor with the grant change ranging from a grant increase of 2.08% down to a cut of 0.40%. Renfrewshire is one of the thirteen councils not on the grant floor.
- 3.5 The Council's settlement figure includes a number of adjustments for new spending burdens and responsibilities, most notably approximately £0.700 million linked to implementation of the Carers (Scotland) Act and £0.783 million linked to the 2017/18 teachers pay award. There is also a range of differences in the planned timing of distribution of resources linked to discretionary housing payments, criminal justice, early years expansion, the council tax reduction scheme and probationer teachers from the settlement position outlined for 2017/18.
- 3.6 After adjusting for these areas of new spending burdens, new responsibilities and timing differences in the distribution of funding, the Council's 2018/19 grant figure as set out in the provisional local government finance settlement has, on a like for like basis, decreased by 0.8% from 2017/18. The Council's share of the overall local government revenue funding settlement has remained broadly static at 3.19%.
- 3.7 Subsequent to the draft local government settlement announcement on 14<sup>th</sup> December, the Cabinet Secretary for Finance and the Constitution on 31 January announced the release of additional resources to local government in 2018/19 following the Budget Bill Stage 1 debate in Parliament. These changes were subsequently approved in the final stages of the Budget Bill on the 21<sup>st</sup> February and are expected to be detailed in the Local Government Finance (Scotland) Order 2018 due to be considered by parliament on the 6<sup>th</sup> March. This change confirmed that a further £125 million revenue grant will be made available to local government in 2018/19 over and above the sums previously confirmed in Local Government Finance Circular 5/2017. In addition, a further £34.5 million will be made available in 2017/18 with the expectation that this funding will be available to support 2018/19 spending, providing an overall uplift of £159.5 million in revenue funding.
- 3.8 Based on the information released by the Scottish Government, the additional resources made available were part of an overall package of additional spending plans for 2018/19 of £170 million for local government (in addition to the £159.5 million referred to above, this figure includes £10.5 million of ferry support specifically for Orkney and Shetland). The Scottish Government has not confirmed the full details of how this additional funding boost was delivered, nor if this funding will form part of local government's recurring baseline moving into 2019/20. There remains the risk that all or an element of this funding may

subsequently be confirmed as being for a single year only. However, additional funding provided to local government in a similar fashion in 2017/18 has subsequently been baselined within the local government settlement in 2018/19. On this basis, the current assumption underpinning financial planning moving forward is that similar confirmation of the baselining of this additional funding will be secured in 2019/20.

- 3.9 Notwithstanding this uncertainty moving forward, the availability of this additional £159.5 million of revenue grant, of which the Council will receive £1.132 million in 2017/18 and £4.101 million in 2018/19, reduces the like for like cut in government grant for the Council in 2018/19 from the 0.8% reflected in the provisional local government finance settlement to an increase of approximately 1% against an all Scotland increase of 0.7%.
- 3.10 The Scottish Government has also confirmed that there is £52 million included within the local government settlement to support the commencement of the planned expansion in free childcare towards 1140 hours that has yet to be distributed. The Scottish Government and COSLA Leaders recently agreed the distribution mechanism for this funding but the allocation to each council has not, as yet been published. In this context no provision has been made in the budget in relation to this funding stream and it would be expected that progress that will be advanced over the course of 2018/19 in Renfrewshire will be driven by the scale of resources subsequently distributed to the Council and the expansion plans agreed with the Scottish Government. This expansion programme will be subject to appropriate reporting to the Education and Children's Services policy board throughout the year.

**Table 1 – Grant Settlement 2018/19**

	<b>2018/19 £000</b>
<b>Allocated Government Grant Funding</b>	
Specific Grants	4,294
Non Domestic Rate Income	120,105
Revenue Support Grant	179,283
<b>TOTAL CONFIRMED ALLOCATED GOVERNMENT GRANT FUNDING</b>	<b>303,682</b>
Revenue Support Grant paid in 2017/18 c/fwd to 2018/19	1,132
<b>TOTAL CONFIRMED GOVERNMENT GRANT</b>	<b>304,814</b>

- 3.11 As detailed above, beyond 2018/19, although no specific grant figures are available for local government across Scotland and consequently for Renfrewshire, it is anticipated that local government in Scotland will continue to face a challenging medium term financial outlook with further reductions in both cash and real terms in the levels of revenue grant made available by the Scottish Government. At present there is significant uncertainty over what the scale of this reduction, however the economic outlook provided by the Scottish Fiscal Commission outlines economic growth averaging at less than 1% over the next 5 years – lower than the OBR forecast for the UK over the same period. Low and sustained growth forecasts of this nature increases the risk of more limited growth in future tax receipts which may be an additional constraining factor on future spend across the public sector in Scotland.
- 3.12 There also remain wider risks that could yet further influence the level of resources made available to the Scottish Government budget through what continues to be a fluid and fast

changing political and economic environment, within Scotland, the UK, across Europe and indeed globally. Moving forward members will be kept appropriately briefed and informed as announcements are made by the Scottish Government during the course of 2018 and in addition, of any significant developments in the wider economy which are likely to materially change the future financial outlook for the Council.

#### **4. SPENDING PRESSURES, MANAGING DEMAND, AND AGREED SAVINGS**

4.1 An analysis has been enclosed with this report detailing, for each service, the proposed budget changes between 2017/18 and 2018/19. The budget has been adjusted to reflect:-

- (i) the continuing costs of the current level of service;
- (ii) the financial impact of any decisions already taken by the Council or its Policy Boards; and
- (iii) the implementation of the approved medium term debt smoothing strategy which will support the delivery of further budget savings on financing charges in 2018/19;

4.2 Demographic and socio-economic factors continue to play a major role in driving spending pressures for the Council, specifically in relation to both Adult and Children's Services and relating mainly to:-

- older people's services linked to the shift in the balance of care, supporting older people to live safely at home for as long as possible, and facilitating prompt discharge from hospital;
- the increasing number and complexity of care packages required to support adult clients to live as independently as possible in the community; and
- the ongoing impact of the formal and informal looked after children population, which although plateauing in scale is set alongside statutory changes which has extended the age through to which support is provided.

4.3 The Council has for a number of years and more recently in conjunction with the Health and Social Care Partnership been taking forward a range of mitigation strategies designed to dampen the impact of demand led growth. These strategies have extended across multiple perspectives including:-

- Seeking to provide more cost effective services - for example Children's Services has been focusing significantly on a strategy to shift a number of care arrangements to in-house provision, reducing reliance on arrangements sourced through more expensive external agencies.
- Investing in preventative measures and redesigned services to reduce longer term demand growth - for example within Adult Service delivering intensive short term reablement service to support older people to be cared for at home when they leave hospital and reduce demand for more expensive residential care.
- Better service provision to reduce ongoing demand - for example Children's Services has focused on improving how well the service is able to support children through to places of permanency, principally aimed at delivering better sustainable outcomes for the children but at the same time reducing ongoing demand for temporary care arrangements.

- 4.4 As a result of the ongoing positive impact of the range of measures implemented over the years, the Director of Children's Services has confirmed that there is no requirement for any additional resources to manage demographic pressures.
- 4.5 In relation to Adult Services, although similar outcomes are being achieved through mitigation strategies, the scale of demand and cost pressures is significant. In addition, over the course of 2018/19 Adult Services will again be exposed to potentially significant cost pressures arising from the renewal of contractual arrangements, the financial impact of the negotiated application of the increased living wage across the sector, legislative changes impacting upon the cost of delivering support to Carers and the negotiated increase on the National Care Home Contract, agreement of which remains outstanding. Based upon a broad range of projections, it has been estimated that the demand and cost growth across Adult Services may extend to £2.112 million net of any mitigation measures taken by the Chief Officer. It is recognised that within this estimate there remains uncertainty over the actual cost and demand pressures that will emerge over the course of 2018/19, in particular from contractual renewal processes and negotiation arrangements associated with the living wage and National Care Home Contract. In these circumstances, it is proposed that the Council makes provision in 2018/19 for £2.112 million of additional resources to be made available for drawdown by the Health and Social Care Partnership in 2018/19 to manage these pressures. Of this proposed resource increase made available to the Partnership, £1 million is fundable from existing financial provision set aside in 2017/18 by the Council and therefore results in a net cost pressure of £1.112 million in 2018/19. Similar to arrangements agreed in 2017/18, it would be proposed that the actual level of drawdown over the course of 2018/19 will be agreed between the Council Director of Finance & Resources and the Chief Finance Officer of the Partnership on the basis of the actual financial impact of the cost pressures that crystallise over the course of the financial year. Full updates in relation to the application of this resource drawdown mechanism will be appropriately reported over the course of the year through the existing budget monitoring arrangements within the Council and the Health and Social Care Integrated Joint Board.
- 4.6 Table 2 below summarises the recommended base budget adjustments to reflect the pressures facing the Council in 2018/19. Also included in the table is an adjustment arising from the ongoing implementation of the Council's medium term debt smoothing strategy and Better Council Change Programme which continue to support the delivery of budget savings in 2018/19.

**Table 2 - Summary of Recommended Base Budget Adjustments 2018/19**

	2018/19	
	£000	£000
Net Impact of previous Council and Board Decisions	(4,298)	<b>(16,534)</b>
Reversal of 2017/18 single year investments	(6,236)	
Debt Smoothing Saving against Financing Costs	(6,000)	
<b>Total (Net Reductions)</b>		
<b>Add:</b>		
Landfill tax increase	107	
Financial Settlement adjustments	(1,827)	
Adult Services Cost and Demand Provision	1,112	
Contract Payment Adjustments	1,334	
Other Unavoidable Adjustments	(66)	
<b>Total (Net Increases)</b>		<b>660</b>
<b>Net Base Budget (Reduction)/Increase</b>		<b>(15,874)</b>

## 5. PAY AND PRICE PRESSURES

- 5.1 The 2018/19 budget position detailed in Table 3 at paragraph 8.1, includes an adjustment of £3.730 million which will allow for a provision for pay inflation at £6.730 million for 2018/19 across all pay groups (£3 million of budgeted resource is available from pay and pension provisions made in setting the 2017/18 budget). This provision reflects the budget uplift to account for the impact of the uplift in the living wage to be applied to appropriate staff groups and a provision for the 2018/19 pay award across all staff groups which at present remain subject to ongoing negotiation through the national arrangements.
- 5.2 In setting previous budgets, the Council decided not to apply any general inflationary uplift to non-pay budgets. Given the financial challenges facing the Council, in particular over the medium term and in line with historic practice, general non pay inflation is not provided for in the 2018/19 budget.
- 5.3 The Financial Regulations require charges for services to be reviewed at least annually and a 2.5% increase in charges would generate additional income of £0.150 million. The overview of the Council's spending in Table 3 at paragraph 8.1 makes provision for an inflation adjustment at this level. In addition, it is proposed to closer align the self funder rates applied in Council provided Care homes to £686 per week to that applied across the external market which will provide an additional £0.100 million. This proposed rate remains materially below that of other external providers across Renfrewshire.

## **6. FINANCING COSTS**

- 6.1 The provision for financing costs includes both debt charges payable as a result of the Council's capital investment programme and the interest gained on temporary investment of cash. In assessing financing cost requirements, an assumed average interest rate of 4.44% has been applied. A minor adjustment has been made to the temporary interest income budget reflecting existing cash management approaches, the anticipated temporary cash deposits levels over the course of 2018/19 and an expectation that interest rate levels are unlikely to materially increase over the course of the year.
- 6.2 As previously reported to members, a strategy of debt smoothing, with the intention of releasing budget savings over the medium term, is incorporated into the Council's medium term financial planning assumptions. As referred to earlier in this report, £6 million of savings are being released from the financing cost budget in 2018/19 as part of the strategy to address the underlying medium term budget deficit and overview position outlined in section 8.
- 6.3 As reported to members in the December 2017 Financial Outlook report to the Leadership Board, given it is anticipated that the Council will be moving into a further period of sustained cost reductions beyond 2018/19, a review was completed to reassess the approach employed to implement the final stages of the current debt smoothing strategy. The strategy has been adapted and resources previously earmarked to deliver accelerated debt repayment will now be utilised to directly support the revenue budget over the medium term, providing relief from annual debt charges. This change in approach will allow a further phase of debt smoothing savings moving beyond 2018/19 to be established for a defined medium term period. This adjustment to the strategy has and will provide the opportunity through this period of financial challenge to protect core priority services and mitigate reductions in service provision over the short to medium term. It would be expected that an anticipation of a return to growth in resources over the medium to longer term will facilitate a smooth exit as the associated debt smoothing resource comes to a natural end. In addition, the change in approach will also provide access to a flexible resource to support the Council to deliver the inevitable scale and pace of change that will be required to meet the overall financial challenge, including costs associated with a need to continue to resize and reshape the workforce.

## **7. TRADING ORGANISATIONS**

- 7.1 The detailed revenue estimates include within Miscellaneous Services the projected surpluses to be earned by the Council's Trading Operations in 2018/19. The current policy is for any surpluses and deficits to return to the General Fund. The exception to this policy is Building Services where a proportionate element of any trading surplus/deficit is currently transferred in to the Housing Revenue Account based on the level of Housing related turnover. The practice of maintaining trading operations is currently under review and a future report is expected to be provided to the Finance, Resources and Customer Services Policy Board outlining options with regards the future management of trading operations. Any budget implications flowing from this review will be addressed within the above report to the Board.

## **8. SPENDING OVERVIEW**

- 8.1 The Council approved spending for 2017/18 at the meeting on 16 February 2017 of £387.523 million. It is estimated that £375.129 million (as detailed in Table 3) is needed to fund the costs of maintaining present service levels, provide for new responsibilities and cost burdens and addressing known pressures and demands in 2018/19.

**Table 3 – Estimated Spending Need 2018/19**

	<b>£000</b>
<b>Spending approved 2017/18 budget</b>	<b>387,523</b>
<i>Add:</i>	
Recommended Budget Adjustments (per Table 2)	660
Net reductions Applied (per Table 2)	(16,534)
Revised Budget per Appendix 1	371,649
Net Increase in Provision for inflationary pressures (see paragraph 5.1 - 5.3)	3,480
<b>Estimated spending need for 2018/19</b>	<b>375,129</b>

- 8.2 Significant cost pressures are anticipated to persist beyond 2018/19 for the Council. Some cost pressures, such as those related to some contractual commitments and cost increases linked to landfill taxation are easier to predict for future years. Others such as future pay increases, the impact of legislative and national policy changes, movement on key commodity prices and increasingly demand led pressures are more difficult to estimate and are not necessarily within the direct control of the Council. In addition, and as referred to in section 3 above, there is significant uncertainty in respect to how much of a reduction is likely to be experienced in government grant levels over the medium term.
- 8.3 In this context there is significant uncertainty in relation to the scale of savings that the Council may be required to deliver over the medium term period through to 2021. Based on existing assumptions, the position for 2018/19 presented in this report and subject to any decisions taken by Council for 2018/19, it is forecast that a residual funding gap of approximately £12 million is likely to remain for 2019/20, with further annual funding gaps of significant scale continuing over the medium term.
- 8.4 In addition, members should be alert to the likely timing of future spending plan announcements by the Scottish Government. It is likely that the next substantive announcement from the Government with regards local government funding will not be until the Draft Budget is again announced, possibly in November or December 2018, two months before the Council would normally look to set the 2019/20 budget. In addition there is no certainty that future budget announcements by the Scottish Government will extend beyond a single year.
- 8.5 Consequently, the Council will continue to operate with a medium term financial outlook that remains inherently uncertain, both in scale and potential for variability. It is important that the Council continues to adopt a flexible medium term perspective to the delivery of savings and maintains a strategic and sustainable focus to its financial planning linked to the delivery of priorities approved in the Council Plan and agreed with partners in the Community Plan. The Council should plan for the possibility that over the future financial years, there may continue to be limited time to respond to confirmed grant settlements and manage both unexpected and higher levels of cost pressures than is currently being forecast. Consequently, the Council needs to continue to pro-actively progress financial planning work for 2019/20 and beyond through the Better Council Change Programme to prepare for what is anticipated to be a highly challenging and uncertain financial period for the Council.



- 8.6 Members will continue to be updated on developments for future years, but should be aware that in setting the 2018/19 budget any commitments to additional recurring expenditure will increase the projected deficit in future years unless they are offset by recurring savings or increases in Council Tax. Similarly, any decisions taken now to address the future year budget deficits provides greater certainty for service planning and the workforce, and also supports the future financial stability of the Council.
- 8.7 Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. This means that the Council must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
  - Advance equality of opportunity between people who share a relevant characteristic and those who do not; and
  - Foster good relations between people who share a protected characteristic and those who do not.
- 8.8 To meet this requirement, where necessary the Council must assess the impact of applying a new policy or decision against these three "needs" and at the point where a decision is made elected members must have sufficient information available to them to assess that impact. Members in considering their budget proposals prior to presentation at the Council meeting are therefore encouraged to seek advice from Directors on the equality implications of each proposal.

## **9. RESOURCE ALLOCATIONS**

- 9.1 Appendix 1 attached summarises the provisional resource allocation for each service in terms of the revenue estimates which accompany this report at Appendix 2. The resource allocations will be subject to amendment to reflect the Council's views on budget proposals, inflationary pressures and the allocation of central support costs, specific grants and capital charges.

## **10. PROBABLE OUTTURN 2017/18, BALANCES AND RESERVES**

- 10.1 Appendix 3 to this report details an overview of the Probable Outturn for 2017/18.
- 10.2 The Council's general fund balances as at 1<sup>st</sup> April 2017 were £48.726 million, and as outlined in Table 4 below, the majority of this was earmarked for specific purposes. The Council in setting the budget for 2017/18 planned to draw £2.350 million from available Investment Capital Fund reserves, with no draw from planned from general working balances. As reported to members during the course of 2017/18, it is projected that unallocated reserves on the closure of the 2017/18 accounts will be £7.065 million after accounting for planned resource transfer to the Investment Capital Fund and the Service year end flexibility reserve arising from financial provisions released from the 2017/18 budget and an over-recovery on Council Tax income. As referred to earlier, the Scottish Government have also confirmed a planned payment of £1.132 million of revenue support grant in 2017/18 which is intended to support the 2018/19 budget and these resources will be carried forward and are reflected in the unallocated general fund balances in Table 4 below.
- 10.3 It is important that the Council maintains sufficient reserves to protect it during the course of the financial year. Audit Scotland will continue to closely monitor the Council's position to ensure unallocated general working balances remain at an appropriately prudent level and it is recommended that in the context of the Council's risk profile moving into 2018/19,

unallocated reserves are maintained at least at £7.0 million, approximately 1.9% of the Council's net expenditure.

- 10.4 Table 4 below summarises the forecast movement and year end position of the General Fund balances, including those earmarked for agreed purposes and estimated future liabilities.

**Table 4 – General Fund Balances 2017/18**

	Balances as at 1/4/2017 £000	Forecast In Year Change and Year End Transfers £000	Forecast Closing Position as at 31/3/18 £000
Service Modernisation and Reform Fund	5,411	(2,410)	3,001
PPP Reserve	12,670	-	12,670
M74 Contribution	566	-	566
Development Contribution - Paisley Town Centre	1,059	-	1,059
Early Years Strategy	2,721	(266)	2,455
Waste Management Strategy	4,245	(1,998)	2,247
Invest in Renfrewshire	2,850	(2,650)	200
Community Safety	121	-	121
Private Sector Housing Grant	2,135	196	2,331
Support Credit Unions	340	(340)	-
Paisley Town Centre Heritage Strategy	5,612	118	5,730
City Deal	1,561	(75)	1,486
Commission on Tackling Poverty	1,066	(561)	505
Youth Employment Strategy	82	-	82
Service Year End Flexibility	1,222	1,501	2,723
Public Wi Fi Project	-	543	543
Pupil Equity Funding	-	1,500	1,500
Revenue Support Grant for 2018/19	-	1,132	1,132
Unallocated General Fund Balances	7,065	-	7,065
<b>Total General Fund Balances</b>	<b>48,726</b>	<b>(3,310)</b>	<b>45,416</b>

- 10.5 As previously reported to Council in its consideration of the 2016/17 accounts, and as detailed in Table 5 below, other specific reserves continue to be maintained.

**Table 5 – Specific Reserves 2017/18**

	Balances as at 1/4/2017 £000	Forecast In Year Movement £000	Forecast Balance as at 31/3/18 £000
Insurance Fund	2,543	-	2,543
Reservoir Repair Fund	314	-	314
Education Capital Items Fund	766	206	972
Investment Programme Capital Fund	80,742	2,950	83,692
<b>Total Specific Reserves</b>	<b>84,365</b>	<b>3,156</b>	<b>87,521</b>

- 10.6 The Insurance Fund covers the main classes of insurance and is earmarked for insurance purposes such as the cost of insurance excesses and premiums.

- 10.7 The Reservoir Repairs Fund represents funding received from a developer for repairs in perpetuity in relation to the Thornly Dam.
- 10.8 The Education Capital Items fund is earmarked for specific schools for the planned purchases of a capital nature such as digital and technology equipment.
- 10.9 The Investment Capital Fund is used to hold planned contributions to the delivery of the ongoing capital investment programmes as well as resources which support the debt smoothing strategy operating across the General Fund. These debt smoothing resources are utilised to manage both the debt levels linked with the capital investment programme and the associated debt servicing costs charged to the revenue account each year.

## **11. COUNCIL TAX**

- 11.1 The Council's council tax (Band D) for 2017/18 is £1,164.69 and is £8 (0.8%) below the Scottish average. It is estimated that in 2018/19 each £1 of council tax will yield £71,653 which is higher than 2017/18. The increase in the yield reflects actual and anticipated growth in the council tax base in the context of the recovery being experienced in the housing development market along with a drop in the level of discounts being awarded, primarily linked to the Council Tax Reduction Scheme.
- 11.2 A maximum net yield of £83.453 million can be anticipated from the expected Council Tax base and present council tax levels. Within the context of the current service resources, specific collection initiatives continue to be implemented to support the collection of council tax, including the recovery of arrears for prior years. It is anticipated that £0.500 million will be collected next year from prior years.
- 11.3 Members are required to determine the level of council tax for Bands A to H inclusive which should apply for 2018/19, and in doing so, are reminded of the grant conditions detailed at paragraph 3.3.

## **12. BUDGET OVERVIEW – 2018/19**

- 12.1 The overview budget position for the Council for 2018/19, prior to any changes in service levels or council tax levels, is outlined in Table 6 below. This overview position confirms an in year revenue surplus for 2018/19, subject to decisions by members in setting the final budget for 2018/19.

**Table 6 – Budget Overview 2018/19**

	<b>£000</b>
<b>Income:</b>	
Confirmed Government Grant (per table1)	304,814
Council Tax Income	83,453
Council Tax / Community Charge Arrears Recovery	500
<b>Total Income</b>	<b>388,767</b>
Less: Estimated Spending Need (Table 3)	375,129
<b>Estimated Funding Surplus 2018/19</b>	<b>13,638</b>

**13. BUDGETARY CONTROL**

- 13.1 Directors are expected to manage their approved budgets on a bottom line basis in accordance with the Financial Regulations. If an overspend emerges during the year on any approved budget line the Director is expected to take corrective action, seeking Policy Board approval for any policy changes involved in such actions.

**14. FURTHER ACTION**

- 14.1 Members wishing clarification of the details of this report or the enclosed Revenue Estimates pack should contact the Director of Finance & Resources or the Chief Executive or any Director in relation to their specific service responsibilities.
- 14.2 Members wishing advice on budget proposals should contact the appropriate service Director.

## **Implications of this Report**

**Financial** – The report and enclosures provide the background information on the 2018/19 budget, identifying a temporary in year surplus. As detailed in the report, if the Council does not formally agree to the specified set of commitments as part of agreeing the 2018/19 budget, a further grant reduction will be applied by the Scottish Government, albeit the extent of this reduction has not been confirmed.

**HR & Organisational Development** - Employee numbers will be subject to any budget proposals agreed.

**Community/Council Planning** - implications will be subject to any budget proposals agreed.

**Legal** - The Council is required to set a balanced budget for 2018/19.

**Property/Assets** – implications will be subject to any budget proposals agreed.

**Information Technology** - implications will be subject to any budget proposals agreed.

**Equality & Human Rights** - in considering the budget proposals, the Council must have due regard to any impact on equalities and human rights and complying with the public sector equality duty.

**Health & Safety** - implications will be subject to any budget proposals agreed.

**Procurement** – implications will be subject to any budget proposals agreed.

**Risk** - As outlined in the report, the Council continues to be faced with risk and uncertainty in setting its 2018/19 budget and future financial outlook over the medium term, principally in relation to factors outwith its direct control. In addition, the scope of ongoing change underway within the Council and scale of ongoing budget reduction necessary to realign Council spending with available resources over the medium term brings with it additional risk for the Council. In recognition of this it is important that the Council's unallocated balances remain at an appropriately prudent level and that decisions taken by the Council pay due regard to the medium term financial outlook.

**Privacy Impact** - implications will be subject to any budget proposals agreed.

**Cosla Policy Position** – COSLA have continued to make formal representations to the Scottish Government for confirmation of the baselining of £159.5 million of additional resources made available for 2018/19 and for a commitment moving forward beyond 2018/19 to multi year sustainable financial settlements to support more effective financial and service planning decisions across councils.

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**Author – Alan Russell, Director of Finance & Resources**



**REVENUE ESTIMATES 2018/19**  
**PROVISIONAL RESOURCE ALLOCATION STATEMENT**  
(subject to amendment for any budget proposals approved by Council)

	<b>RESOURCES ALLOCATION £000</b>
<b><u>Service</u></b>	
Chief Executive's Service	6,168
Children's Services	174,540
Leisure Services	9,768
Environment & Communities	43,388
SPTA	3,228
Finance and Resources	32,159
Valuation Joint Board	1,254
Development and Housing	7,243
Adult Services	62,515
Miscellaneous Services	32,953
<b>NET EXPENDITURE PER APPENDIX 2</b>	<b>373,217</b>
Less: Recoveries from accounts outwith service resource allocations	1,567
<b>Total per Table 3</b>	<b>371,649</b>

**(Note: No allowance has been included in the resource allocations at this stage for inflation identified in section 5 of the report)**





**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : CHIEF EXECUTIVE**

£                      £                      £

### Analysis of Change between 2017-2018 and 2018-2019

**2017-2018 Estimates** **1,131,981**

Adjustments for items outwith Resource Allocation  
less: capital charges

Central support costs	(502,410)
Central support recoveries	5,132,630
Corporate and Democratic core costs	-

4,630,220

4,630,220

Adjusted 2017-2018 Estimates	5,762,201
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### Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) ( PAPER 2)	(122,920)
Transfers (PAPER 3)	529,153

406,233

2018-2019 Estimates (Before budget decisions)	6,168,434
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**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : CHIEF EXECUTIVE**

[illegible]

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**TRANSFERS**

**DEPARTMENT : CHIEF EXECUTIVE**

CE		£
1	Realignment of Events Budget	222,651
2	Realignment of Communication and Marketing Budget	123,634
3	Realignment of staffing budget	125,000
4	Distribution of 2017/18 pay award funding	58,718
5	Realignment of Overtime Budgets	(850)
<b>Total Increase (Decrease) to Budget</b>		<b>529,153</b>



**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : CHILDRENS SERVICES**

	£	£	£
<b>Analysis of Change between 2017-2018 and 2018-2019</b>			
<b>2017-2018 Estimates</b>			203,178,399
Adjustments for items outwith Resource Allocation			
Less: capital charges	(15,997,590)	(15,997,590)	
Central support costs	(9,262,080)		
Central support recoveries			
Corporate and Democratic core costs	234,200	(9,027,880)	
			(25,025,470)
<b>Adjusted 2017-2018 Estimates</b>			<u>178,152,929</u>
<b>Adjustment to Current Year Estimates</b>			
Unavoidable Increase (Decrease) ( PAPER 2)		(4,418,760)	
Transfers (PAPER 3)		<u>806,172</u>	
			<u>(3,612,588)</u>
<b>2018-2019 Estimates</b>			<u><b>174,540,341</b></u>
<b>(Before budget decisions)</b>			

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : CHILDRENS SERVICES**

ED		£
1	Annual Contractual PPP Contract Indexation Adjustment	400,000
2	Demand adjustment across early years service	(540,000)
3	Impact of demand management of ASN transport arrangements	(400,000)
4	Long term demand management impact on childcare placements	(885,000)
5	Review of Management Structure	(200,000)
6	Settlement Adjustments - Criminal Justice grant (funding yet to be distributed in 2018/19)	(2,793,760)
	<b>Total Increase (Decrease) to Budget</b>	<b>(4,418,760)</b>

## RENFREWSHIRE COUNCIL

### SUMMARY OF 2018-2019 REVENUE ESTIMATES

#### TRANSFERS

**DEPARTMENT : CHILDRENS SERVICES**

[illegible]





**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : LEISURE SERVICES**

£                      £                      £

**Analysis of Change between 2017-2018 and 2018-2019**

**2017-2018 Estimates** 12,441,275

Adjustments for items outwith Resource Allocation  
Less: capital charges

(2,535,410)                      (2,535,410)

Adjustments for Central Support  
Central support costs  
Corporate and Democratic core costs

(685,960)  
  
-                      (685,960)

(3,221,370)

**Adjusted 2017-2018 Estimates** 9,219,905

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)  
Transfers (PAPER 3)

164,000

384,398

548,398

**2018-2019 Estimates** 9,768,303  
**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : LEISURE SERVICES**

<b>LS</b>		<b>£</b>
<b>1</b>	Renfrewshire Leisure Contract Payment adjustment	164,000
	<b>Total Increase (Decrease) to Budget</b>	<b>164,000</b>

## RENFREWSHIRE COUNCIL

### SUMMARY OF 2018-2019 REVENUE ESTIMATES

#### TRANSFERS

**DEPARTMENT : LEISURE SERVICES**

LS		£
1	Residual cultural services budget transfers	384,398
	<b>Total Increase (Decrease) to Budget</b>	<b>384,398</b>



**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : ENVIRONMENT & COMMUNITIES**

£                      £                      £

**Analysis of Change between 2017-2018 and 2018-2019**

**2017-2018 Estimates** **54,464,184**

Adjustments for items outwith Resource Allocation less: capital charges	(7,840,400)	(7,840,400)	
Adjustments for Central Support			
Central support costs	(3,545,810)		
Central support recoveries	159,400		
Corporate and Democratic core costs	180,190	(3,206,220)	
			(11,046,620)
<b>Adjusted 2017-2018 Estimates</b>			<b>43,417,564</b>

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)		(625,400)	
Transfers (PAPER 3)		595,882	
			(29,518)

**2018-2019 Estimates** **43,388,046**  
**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : ENVIRONMENT & COMMUNITIES**

CR		£
1	Increase In Landfill Tax	107,000
2	Contract Price Increase for Waste Disposal	53,000
3	Impact of Better Council Change Programme	(930,000)
4	Full year effect of prior year decisions	(195,000)
5	Impact of New Housing Developments on Refuse Collection and Disposal	69,000
6	Impact of Common Good budget decision	7,000
	<b>Payments to Trading Operations</b>	
7	Contract Payment - Catering Trading Operation	84,600
8	Contract Payment - Vehicle Maintenance Trading Operation	47,800
9	Contract Payment Increase - Roads Trading	64,300
10	Contract Payment - Building Services	66,900
	<b>Total Increase (Decrease) to Budget</b>	<b>(625,400)</b>

# RENFREWSHIRE COUNCIL

## SUMMARY OF 2018-2019 REVENUE ESTIMATES

### TRANSFERS

**DEPARTMENT : ENVIRONMENT & COMMUNITIES**

[illegible]





**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT**

£                      £                      £

### Analysis of Change between 2017-2018 and 2018-2019

### 2017-2018 Estimates

Adjustments for items outwith Resource Allocation	3,287,700
less: capital charges	-

Adjustments for Central Support  
Central support costs  
Corporate and Democratic core costs

### Adjusted 2017-2018 Estimates

3,287,700

### Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) ( PAPER 2)  
Transfers (PAPER 3)

(60,000)

(60,000)

**2018-2019 Estimates**  
**(Before budget decisions)**

**3,227,700**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT**

SPT		£
1	Impact of reduced Requisition	(60,000)
	<b>Total Increase (Decrease) to Budget</b>	<b>(60,000)</b>

## RENFREWSHIRE COUNCIL

### SUMMARY OF 2018-2019 REVENUE ESTIMATES

#### TRANSFERS

**DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT**

SPT		£
	Total Increase (Decrease) to Budget	-



**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : FINANCE AND RESOURCES**

£                      £                      £

**Analysis of Change between 2017-2018 and 2018-2019**

**2017-2018 Estimates** 8,175,447

Adjustments for items outwith Resource Allocation capital charges	(2,555,201)		
		(2,555,201)	

Adjustments for Central Support			
Central support costs	(15,174,746)		
Central Support recoveries	<u>39,898,040</u>		
		24,723,294	

			<u>22,168,093</u>
<b>Adjusted 2017-2018 Estimates</b>			<b>30,343,540</b>

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)		258,576	
Transfers (PAPER 3)		<u>1,557,208</u>	
			<u>1,815,784</u>

<b>2018-2019 Estimates</b>			<b><u>32,159,324</u></b>
<b>(Before budget decisions)</b>			

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : FINANCE AND RESOURCES**

<b>FAR</b>		<b>£</b>
<b>1</b>	ICT licensing and maintenance contract price increase	356,386
<b>2</b>	Public Sector Network (PSN) Compliance	25,000
<b>3</b>	GDPR Compliance	80,000
<b>4</b>	Impact of Better Council Change Programme	(202,810)
	<b>Total Increase (Decrease) to Budget</b>	<b>258,576</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**TRANSFERS**

**DEPARTMENT : FINANCE AND RESOURCES**

<b>FAR</b>		<b>£</b>
<b>1</b>	Realignment of Non domestic rates	165,313
<b>2</b>	Realignment of Communication and Marketing Budget	2,599
<b>3</b>	Transfer of HQ Service Charge	(110,000)
<b>4</b>	Realignment of utilities budgets	(82,413)
<b>5</b>	Distribution of 2017/18 pay award funding	924,359
<b>6</b>	Charging & Payments team budget transfer	70,000
<b>7</b>	Realignment of Overtime Budgets	(12,650)
<b>8</b>	Realignment of ICT hosting budget	600,000
	<b>Total Increase (Decrease) to Budget</b>	<b>1,557,208</b>





**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD**

£	£	£
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**Analysis of Change between 2017-2018 and 2018-2019**

<b>2017-2018 Estimates</b>			1,212,800
----------------------------	--	--	-----------

Adjustments for items outwith Resource Allocation  
less: capital charges

-
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-
---

Adjustments for Central Support

Central support costs

-
---

Corporate and Democratic core costs

-
---

-
---

**Adjusted 2017-2018 Estimates**

-
1,212,800

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)

41,000
--------

Transfers (PAPER 3)

-
---

41,000
--------

**2018-2019 Estimates**

1,253,800
-----------

**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD**

JVB		£
1	Impact of Increased Requisition	41,000
		41,000

# **RENFREWSHIRE COUNCIL**

## **SUMMARY OF 2018-2019 REVENUE ESTIMATES**

### **TRANSFERS**

**DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD**

JVB		£
		-



**RENFREWSHIRE COUNCIL**

## SUMMARY OF 2018-2019 REVENUE ESTIMATES

**DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING**

£

£

### Analysis of Change between 2017-2018 and 2018-2019

### 2017-2018 Estimates

6,198,231

Adjustments for items outwith Resource Allocation  
less: capital charges

(17,100)

(17,100)

### Adjustments for Central Support

Central support costs

(189,310)

### Corporate and Democratic core costs

8,700

(180,610)

(197,710)

### Adjusted 2017-2018 Estimates

6,000,521

### Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) ( PAPER 2)

(1,435,000)

Transfers (PAPER 3)

33,684

(1,401,316)

### 2018-2019 Estimates

**4,599,205**

(Before budget decisions)

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING**

[illegible]

## RENFREWSHIRE COUNCIL

### SUMMARY OF 2018-2019 REVENUE ESTIMATES

#### TRANSFERS

**DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING**

[illegible]





**RENFREWSHIRE COUNCIL****SUMMARY OF 2018-2019 REVENUE ESTIMATES****DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC  
DEVELOPMENT**

	£	£	£
<b>Analysis of Change between 2017-2018 and 2018-2019</b>			
<b>2017-2018 Estimates</b>			4,556,229
Adjustments for items outwith Resource Allocation less: capital charges	(675,800)	(675,800)	
Adjustments for Central Support Central support costs	(1,308,720)		
Corporate and Democratic core costs	147,560	(1,161,160)	
			(1,836,960)
<b>Adjusted 2017-2018 Estimates</b>			2,719,269
<b>Adjustment to Current Year Estimates</b>			
Unavoidable Increase (Decrease) ( PAPER 2)		(151,000)	
Transfers (PAPER 3)		75,118	
			(75,882)
<b>2018-2019 Estimates (Before budget decisions)</b>			<b>2,643,387</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC DEVELOPMENT**

PED		£
1	Impact of Better Council Change Programme	(151,000)
	<b>Total Increase (Decrease) to Budget</b>	<b>(151,000)</b>

## RENFREWSHIRE COUNCIL

### SUMMARY OF 2018-2019 REVENUE ESTIMATES

#### TRANSFERS

**DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC DEVELOPMENT**

PED		£
1	Realignment of Non domestic rates	24,483
2	Utilities budgets realignment	(27,764)
3	Distribution of 2017/18 pay award funding	83,549
4	Realignment of Overtime Budgets	(5,150)
<b>Total Increase (Decrease) to Budget</b>		<b>75,118</b>



**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : ADULT SERVICES**

£                      £                      £

**Analysis of Change between 2017-2018 and 2018-2019**

**2017-2018 Estimates** 65,021,582

Adjustments for items outwith Resource Allocation  
Less: capital charges

-                      -

Adjustments for Central Support  
Central support costs  
Corporate and Democratic core costs

\_\_\_\_\_ -

**Adjusted 2017-2018 Estimates** 65,021,582

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)  
Transfers (PAPER 3)

-  
(2,506,598) (2,506,598)

**2018-2019 Estimates** 62,514,984  
**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : ADULT SERVICES**

[illegible]

# **RENFREWSHIRE COUNCIL**

## **SUMMARY OF 2018-2019 REVENUE ESTIMATES**

### **TRANSFERS**

**DEPARTMENT : ADULT SERVICES**

[illegible]





**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**DEPARTMENT : MISCELLANEOUS**

	£	£	£
<b>Analysis of Change between 2017-2018 and 2018-2019</b>			
<b>2017-2018 Estimates</b>			22,675,446
Adjustments for items outwith Resource Allocation			
Less: capital charges	29,824,034	29,824,034	
Adjustments for Central Support			
Central support costs	(11,955,050)		
Trading Operations	(2,257,599)		
Corporate and Democratic core costs	(570,650)	(14,783,299)	
			15,040,735
<b>Adjusted 2017-2018 Estimates</b>			<b>37,716,181</b>
<b>Adjustment to Current Year Estimates</b>			
Unavoidable Increase (Decrease) ( PAPER 2)		(3,288,000)	
Transfers (PAPER 3)		(1,475,021)	
			(4,763,021)
<b>2018-2019 Estimates</b>			<b>32,953,160</b>
<b>(Before budget decisions)</b>			

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : MISCELLANEOUS**

MS		£
1	Reversal of single year funding provision for 2017 Scottish Council Election	(400,000)
2	Impact of IFRS9 accounting standards change	50,000
3	Debt Smoothing Strategy savings	(6,000,000)
4	Reversal of single year financial provision for Changeover Impact of New £1 coin	(100,000)
5	Approved Contribution to Kilbarchan AAC	250,000
6	Impact of increased Insurance costs	100,000
7	Impact of Better Council Change Programme	(709,000)
8	Energy Efficiency Savings	(208,000)
9	Adjustment to War Veterans Funding	245,000
10	Public entertainment licence cost	10,000
11	Uplift in financial provision to support adult social care funding drawdown in 2018/19	1,112,000
12	Local government finance settlement adjustments	2,362,000
	<b>Total Increase (Decrease) to Budget</b>	<b>(3,288,000)</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2018-2019 REVENUE ESTIMATES**  
**TRANSFERS**

**DEPARTMENT : MISCELLANEOUS**

MS		£
1	Realignment of Non- domestic rates Budgets	(703,384)
2	Realignment of Events Budget	(222,643)
3	Realignment of Communication and Marketing Budget	(126,233)
4	Transfer of HQ Service Charge	110,000
5	Utilities budgets realignment	396,644
6	Realignment of staffing budget	(125,000)
7	Realignment of overtime Budgets	169,950
8	Realignment of ICT hosting budget	(600,000)
9	Residual cultural services budget transfers	(383,000)
10	Distribution of 2017/18 pay award funding	(2,958,401)
11	Realign 2017/18 HSCP resource	2,967,046
	<b>Total Increase (Decrease) to Budget</b>	<b>(1,475,021)</b>



Renfrewshire Council  
Estimates of Expenditure and Income for the Year Ended 31st March 2019  
General Fund Summary  
Objective Summary

Line No	Net Expenditure	2017/18 Estimates* £	2018/19 Estimates £
1	Children's Services	177,840,337	174,540,341
2	Leisure Services	9,102,215	9,768,303
3	Environment & Communities	43,417,569	41,130,447
4	Finance and Resources	31,590,078	32,159,324
5	Valuation Joint Board	1,212,800	1,253,800
6	Other Housing	4,021,383	4,599,205
7	Planning and Economic Development	2,727,964	2,643,387
8	SPT	3,287,700	3,227,700
9	Chief Executives	5,761,271	6,168,434
10	Miscellaneous	31,962,929	35,210,759
11	Adult Services	64,103,701	62,514,984
12	<b>Net Expenditure</b>	<b>375,027,947</b>	<b>373,216,684</b>

\* Estimates as per Report to Council 16 February 2017, prior to Council decisions and in-year redeterminations and adjustments

## Renfrewshire Council

## General Fund Probable Outturn for 2017-18

Line		2017/18	2017/18
No	Net Expenditure	Revised Estimates £000	Probable Outturn £000
1	Children's Services	204,811	204,811
2	Leisure Services	12,443	12,443
3	Environment & Communities	56,958	56,958
4	Finance and Resources	9,741	9,741
5	Valuation Joint Board	1,213	1,213
6	Other Housing	4,345	4,345
7	Planning and Economic Development	4,838	4,838
8	SPT	3,288	3,288
9	Chief Executives	2,324	2,264
10	Miscellaneous	21,279	16,347
11	Adult Social Care	65,490	65,490
12	Net Expenditure	386,729	381,737



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**To:** Council

**On:** 1 March 2018

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**Report by:** Director of Finance & Resources

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**Heading:** Non Housing Capital Investment Programme 2018/19 – 2020/21

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**1. Summary**

- 1.1 This report details the planned capital investment for non housing services, which as well as covering a range of Corporate projects encapsulates projects across all service areas within the Council with the exception of Council Housing. The resources available to support investment include, prudential borrowing and capital grants as well as contributions from revenue, partners and external funding bodies.
- 1.2 On the 14 December 2017 the Scottish Government published the draft Scottish Government budget for 2018/19 along with the provisional local government finance settlement which confirmed the total capital grant for Renfrewshire Council in 2018/19 of £16.333 million, of which £0.239 million is specific grant relating to cycling and walking safer streets. This capital grant settlement, was subsequently confirmed following approval of the Scottish Government's budget by the Scottish Parliament on 21 February 2018. The Cabinet Secretary has opted to further defer the £3.231 million of capital grant deferred in 2016/17 to the 2019/20 settlement. Nationally, the local government settlement also includes £150 million of capital resources which will be directed towards projects which support the expansion of Early Years Education and Childcare provision. This sum is as yet undistributed to individual councils and as such there is no identified programme for Renfrewshire detailed in this report. Confirmation of the Council's share of these resources and the

associated investment proposals will be subject to appropriate reporting as the expansion planning and funding distribution for Early Years progresses in consultation with the Scottish Government.

- 1.3 The UK government Autumn Budget Statement announced on 22 November 2017 outlined further improvement to the capital settlement for the devolved administrations. The capital departmental expenditure limit for Scotland will be £3.9 billion in 2018/19, rising to £4.3 billion in 2020/21<sup>1</sup>. Should the Scottish Government choose to reflect this growth outlook in the local government capital grant settlement then it is possible that the level of capital grant outlined in 1.2 above would be maintained or improve moving beyond 2018/19. However this is subject to uncertainty and will ultimately be determined as part the Scottish Government's consideration and development of future year budgets.
- 1.4 In this context of uncertainty and in line with practice adopted in previous years, it is proposed that the Council continues to restrict making any new capital investment commitments funded by capital grant beyond that level of grant which is known and allocated. It should be noted that the capital plan outlined in this report extends beyond 2018/19 reflecting approved programmes already in place which are funded by other arrangements eg prudential borrowing or specific funding related to the City Deal. It should be further noted that this approach does not preclude the Council taking further investment decisions as part of the budget process where separate funding arrangements are established.

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## 2. **Recommendations**

It is recommended that Council:

- 2.1 Approves the investment programme covering the period up to 2020/21 as summarised in Table 2 of the report, and detailed in Appendices 1-5 attached.
- 2.2 Notes that, subject to the approval of the proposed investment programme, there are uncommitted resources of £7.500 million held in the Strategic Asset Management Fund, available for allocation to new investment priorities for the Council.
- 2.3 Notes the ongoing uncertainty in relation to the Council's capital grant funding position beyond 2018/19 and that no assumptions are included within the planned programme beyond this financial year in respect to future grant levels, with the exception of the £3.231 million deferred by

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<sup>1</sup> Table 1.8, UK Autumn Budget 2017



the Scottish Government from the 2016/17 capital grant to the 2019/20 settlement.

- 2.4 Delegates to the Head of Property Services and Head of Amenity Services, in consultation with the Director of Finance and Resources, authority to adjust where appropriate resources across individual components of the lifecycle maintenance and roads and structures programmes respectively.
- 2.5 Approves the suite of prudential indicators set out in Appendix 6 to this report, subject to any required adjustments arising from decisions taken by the Council in relation to the capital and revenue budget reports being presented to this Council meeting.
- 2.6 Approve the treasury management strategy for 2018/19, including the treasury management indicators, set out in Appendix 6 to this report.
- 2.7 Consider the equality impact of any decisions being taken by members relating to the recommendations outlined in 2.1 to 2.6 above.

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### 3. **Overview of Capital Resources and Current Programme**

- 3.1 Given there is little visibility of capital grant funding for local government beyond 2018/19, the updating of the capital programme outlined in this report focuses on the 2018/19 financial year. It is against this background that this report is presented and which includes:
  - Confirmation of the roll forward of projects already approved as part of the existing Capital Investment Plan. This includes the major projects already underway as part of the existing investment programme.
  - In line with the Council's agreed medium term financial planning principles and as reconfirmed at the November 2017 Leadership Board meeting, general capital grant for 2018/19 be directed in the first instance to maintain the delivery of the Council's rolling lifecycle maintenance programmes across the Council's key asset classes as follows:
    - the life cycle maintenance programme for the Council's property portfolio (£4 million);
    - maintaining the annual replacement programme for the Council's vehicle fleet (£1.5 million);
    - maintenance programmes for the Council's transport infrastructure covering roads & footpaths (£2.6 million), bridges (£0.5 million) and streetlighting (£0.250 million). It should be

noted that the roads programme would support a steady state and would not deliver any material improvement in the overall measured condition of the roads infrastructure.

- maintaining delivery of the private sector housing programme (£1.2 million).
- Unallocated capital resource held within the Strategic Asset Management Fund (SAMF), which is available for consideration and direction to priority investment areas.

3.2 Table 1 and Table 2 below provides a high level summary of the current resources and investment programmes over this period with full details outlined in Appendices 1-5.

**Table 1: Resource Availability 2018/19 - 2020/21**

Project Title	Programme 2018/19 £000s	Programme 2019/20 £000s	Programme 2020/21 £000s
Prudential Borrowing	20,138	29,514	37,646
<b>TOTAL BORROWING</b>	<b>20,138</b>	<b>29,514</b>	<b>37,646</b>
Specific Grant	239	49	0
General Capital Grant	16,094	3,182	0
City Deal Grant	4,659	6,995	7,915
City Deal interim borrowing	12,780	47,469	19,993
Usable Capital Receipts	4,617	5,796	18,679
C.F.C.R.	4,869	4,847	297
<b>Total Resource Availability</b>	<b>63,396</b>	<b>97,852</b>	<b>84,530</b>

**Table 2: Programme 2018/19 - 2020/21**

Project Title	Programme 2018/19 £000s	Programme 2019/20 £000s	Programme 2020/21 £000s
<b>Major Programmes</b>			
Schools Estate Programme	10,263	2,034	400
Grass Pitches & Changing Facilities	1,330	7	0
Transformation & ICT	900	400	400
Private Sector Housing Programme	1,320	1,865	0
City Deal Projects	17,439	54,464	37,076
Paisley Learning & Cultural Hub*	1,531	4,500	500
Paisley Museum*	1,900	3,400	35,853
Investment in Heritage Venues & Town Centre Infrastructure	8,358	25,917	7,925
Townscape Heritage 2	1,255	1,529	976
<b>Asset Lifecycle Maintenance Programmes</b>			
Vehicle Replacement	1,500	0	0
Roads & Footpaths	3,239	449	400
Bridges	500	0	0
Lighting Columns	250	0	0
Buildings Capital Lifecycle	6,111	3,287	1,000
Strategic Asset Management Fund - unallocated	7,500	0	0
<b>Total Planned Spend</b>	<b>63,396</b>	<b>97,852</b>	<b>84,530</b>

\* Note – the Paisley Museum project budget includes anticipated grant support of £18 million as outlined in the report to the Leadership Board in June 2017; while the Paisley Learning & Cultural Hub budget has been adjusted to a total of £7m through utilising approved funding to increase borrowing capacity within the overall capital programme.

### 3.3 Strategic Asset Management Fund

As detailed in table 2 above, there is £7.500 million of unallocated resources currently held in the Strategic Asset Management Fund (SAMF). These available resources are linked to capital receipts from asset disposals secured during previous years, and unallocated capital grant.

## 4. Lifecycle Maintenance of Existing Assets

- 4.1 As indicated earlier in this report, the Council has committed to a financial planning principle that capital grant resources would be directed in the first instance to supporting appropriate lifecycle maintenance programmes to protect the Council's existing assets and infrastructure. Annual lifecycle investment across the Council's key asset classes during 2018/19 is included within the capital programme detailed in Appendix 3.

#### Property Lifecycle Maintenance

- 4.2 The Council's property portfolio was predominantly built prior to statutory and health and safety legislation and guidance and as such the current identified priorities focus primarily on undertaking investment to improve health and safety standards, compliance with statutory duties and improving energy efficiency across the property portfolio. In addition, priority investment is also required to deliver further access improvements within Council properties. A summary programme, reflecting those projects considered to be of the highest priority is outlined in Appendix 4.
- 4.3 It is recognised that a sufficient degree of flexibility in the management of the lifecycle maintenance fund is required to allow resources to be directed in a timely and appropriate manner to address changing priorities that may emerge. It is therefore proposed that as in previous years, the Head of Property Services, in consultation with the Director of Finance and Resources, is delegated authority to adjust the allocation of resources within this proposed programme, with appropriate reporting to the Finance and Resources Policy Board. This flexibility has been utilised in 2017/18 to re-phase £3.4m of resource to 2018/19 in order to accommodate planned works schedules and ensure effective procurement.

#### Roads & Footpaths

- 4.4 The proposed investment level detailed in this report for 2018/19 will provide a broadly standstill level of condition across the network. However, members should note that as has been previously recognised, the Council's road network, as is common across Scotland, has a significant level of backlog maintenance requirements. Appendix 5 provides a breakdown of the proposed use of the resources across key programmes for 2018/19. Similarly to property lifecycle maintenance, it is proposed that the Head of Amenity Services, in consultation with the Director of Finance & Resources, is delegated authority to adjust the allocation of resources within this programme.

#### Streetlighting and Bridges & Other Road Structures

- 4.5 Council agreed in June 2015 to a significant investment in streetlighting, replacing largely sodium-vapour lights with more energy efficient LED lighting. This replacement programme is practically complete, however it is proposed that in order to maintain the overall condition of lighting columns, that a lighting column rolling replacement programme is continued.
- 4.6 Similar to the Council's property portfolio, a maintenance backlog has historically existed across the bridges and structures portfolio. Progress has been made over recent years with a range of significant bridge improvement projects, however it is recommended that a rolling maintenance programme of £0.5 million is maintained.

#### Vehicle & Plant Replacement Strategy

- 4.7 The Council has invested approximately £1.5 million per annum over recent years to support a vehicle replacement strategy. Continued investment at this level is required in order to sustain planned vehicle replacement cycles and maintain the ability of the existing vehicle & plant fleet to meet the needs of services and mitigate against increased revenue pressures arising from

additional maintenance and temporary hire costs due to increased vehicle failure rates.

#### Private Sector Housing Grant (PSHG)

- 4.8 The PSHG is utilised to support a range of support programmes for private sector housing owners and is funded through a mix of revenue and capital funding. A priority component of this programme has been to support owner occupiers in meeting the costs of common works being delivered in mixed tenure blocks as part of the housing business case investment programme.

### **5. Prudential Framework for Capital Finance and Treasury Management Strategy 2018/19**

- 5.1 The Local Government in Scotland Act 2003 and supporting regulations require local authorities to have regard to the following codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA):
- The Prudential Code for Capital Finance in Local Authorities (“the Prudential Code”);
  - Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (“the Treasury Management Code”).
- 5.2 The Prudential Code & Treasury Management Code play a key role in capital finance in local authorities. Local authorities determine their own programmes for capital investment in assets that are central to the delivery of services. The Prudential Code and Treasury Management Code were developed to support local authorities in taking decisions relevant to their capital investment plans.
- 5.3 Their key objectives are to ensure that:
- capital investment plans are affordable, prudent and sustainable;
  - treasury management decisions are taken in accordance with professional practice and support affordability, prudence and sustainability;
  - capital investment decisions are consistent with, and support, local strategic planning, local asset management planning and proper option appraisal.
- 5.4 The Prudential Code and the Treasury Management Code require the Council to set prudential and treasury management indicators for the following three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
- 5.5 In addition, the Treasury Management Code further requires the Council to approve, annually in advance, a strategy for its treasury management activities. This strategy sets out the Council’s policies and plans for the year ahead in relation to the management of cash flows, money market transactions and capital market transactions (including borrowing and investing), the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

- 5.6 Attached at Appendix 6 to this report are full details of the Council's prudential indicators for 2018/19 and treasury management strategy for 2018/19 based upon the details outlined in this report.

## 6. Equalities

- 6.1 Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. This means that the Council must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
  - Advance equality of opportunity between people who share a relevant characteristic and those who do not; and
  - Foster good relations between people who share a protected characteristic and those who do not.
- 6.2 To meet this requirement, where necessary the Council must assess the impact of applying a new policy or decision against these three "needs" and at the point where a decision is made elected members must have sufficient information available to it to assess that impact. Members in considering their capital investment proposals prior to presentation at the Council meeting, are therefore encouraged to seek advice from Directors on the equality implications of each proposal.

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## Implications of the Report

1. **Financial** – The Capital Plan outlines the planned investments in council assets over a three year period; along with the associated funding sources. The Capital Plan, Prudential Framework and Treasury Management Strategy ensures that investment in council assets is undertaken in a prudent and financially sustainable fashion, is consistent with the council's agreed financial planning principles and is affordable for the Council now and in future years.
2. **HR & Organisational Development** - none
3. **Community/Council Planning** –
  - **Reshaping our place, our economy and our future** – the Capital Plan outlines investment in facilities and infrastructure which will support the regeneration of the local economy.
  - **Creating a sustainable Renfrewshire for all to enjoy** – the Capital Plan outlines investment in council and community facilities which will ensure these remain available for community use well into the future.
4. **Legal** - none

5. **Property/Assets** – the Capital Plan outlines significant investment in council assets and infrastructure over the medium term in order to ensure they remain fit for purpose and support efficient service delivery.
6. **Information Technology** – the Capital Plan outlines investment in ICT assets which will ensure the council continues to have access to secure, efficient ICT services.
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – the Capital Plan outlines investment in council assets and facilities to ensure they remain safe and accessible in line with statutory obligations.
9. **Procurement** – the Capital Plan outlines significant investment in council assets which will be procured in conformance with all relevant contract standing orders and procurement legislation.
10. **Risk** – investment in council assets ensures they remain fit for purpose and meet all statutory requirements in terms of accessibility, sustainability and safety.
11. **Privacy Impact** - none
12. **Cosla Policy Position** – none

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2018/19 – 2020/21 Capital Investment Programme Resources

Project Title	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<a href="#">Prudential Borrowing</a>	20,138	29,515	37,646
<a href="#">Specific Grant</a>	239	49	0
<a href="#">General Capital Grant</a>	16,094	3,182	0
<a href="#">City Deal Interim borrowing</a>	12,780	47,469	19,993
<a href="#">Useable Capital Receipts</a>	9,276	12,791	26,594
<a href="#">CFCR</a>	4,869	4,847	297
<b>TOTAL</b>	<b>63,396</b>	<b>97,852</b>	<b>84,530</b>

## 2018/19 – 2020/21 Capital Investment Programme Summary

Department	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<a href="#">Schools Investment</a>	10,263	2,034	400
<a href="#">Leisure Estate</a>	1,331	7	0
<a href="#">Environment &amp; Communities</a>	5,489	449	400
<a href="#">Development &amp; Housing Services</a>	30,482	89,811	82,330
<a href="#">Corporate Projects</a>	14,511	3,687	1,400
<a href="#">Childrens' Social care</a>	0	0	0
<a href="#">Private Sector Housing Grant</a>	1,320	1,865	0
<b>TOTAL GENERAL SERVICES PROGRAMME</b>	<b>63,396</b>	<b>97,852</b>	<b>84,530</b>

## 2018/19 – 2020/21 Capital Programme

Project Title	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<b>SCHOOLS INVESTMENT PROGRAMME</b>			
<a href="#">Primary Schools Estate Programme(SEMP)</a>	9,263	1,634	0
St John Ogilvie PS - Extension	600	0	0
<b>TOTAL SCHOOLS INVESTMENT PROGRAMME</b>	<b>9,863</b>	<b>1,634</b>	<b>0</b>
<b>OTHER PROGRAMMES</b>			
Technology Replacement Strategy ICT	400	400	400
<b>TOTAL CHILDRENS SERVICES PROGRAMME</b>	<b>10,263</b>	<b>2,034</b>	<b>400</b>

Project Title	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<b>Primary Schools Estate Programme(SEMP)</b>			
St John Bosco/Bargarran PS - Refurb Shared Campus & Exter	3,913	0	0
St Paul's PS/Foxlea Nursery Co-location/Refurb	1,279	0	0
St Anthony's PS/Spateson Pre 5 Co-location/ Refurb	3,032	1,173	0
Spateston Nursery - New Build	1,039	461	0
<b>Primary School Estate Programme Sub-Total</b>	<b>9,263</b>	<b>1,634</b>	<b>0</b>

Project Title	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<b>LEISURE INVESTMENT PROGRAMME</b>			
Grass Pitches & Changing Facilities	1,331	7	0
<b>TOTAL LEISURE SERVICES PROGRAMME</b>	<b>1,331</b>	<b>7</b>	<b>0</b>

## 2018/19 – 2020/21 Capital Programme

Project Title	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<b>PROGRAMME FUNDED BY SPECIFIC GRANT</b>			
Cycling, Walking & Safer Streets - Outwith Travel Plans	239	49	0
<b>Total Programme Funded By Specific Consent</b>	<b>239</b>	<b>49</b>	<b>0</b>
<b>ASSET LIFECYCLE MAINTENANCE PROGRAMMES</b>			
Vehicle Replacement Programme	1,500	0	0
Bridge Assessment/Strengthening	500	0	0
Roads/Footways Upgrade Programme	3,000	400	400
Lighting Columns Replacement	250	0	0
<b>TOTAL ENVIRONMENT &amp; COMMUNITIES</b>	<b>5,489</b>	<b>449</b>	<b>400</b>

Project Title	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<b>CITY DEAL</b>			
Airport Access	2,204	3,623	4,804
Glasgow Airport Investment Area	9,132	21,194	691
Clyde Waterfront & Renfrew Riverside	6,103	29,647	31,581
<b>Total CITY DEAL</b>	<b>17,439</b>	<b>54,464</b>	<b>37,076</b>
<b>OTHER PROGRAMMES</b>			
Townscape Heritage CARS 2	1,255	1,529	976
Paisley Learning & Cultural Hub	1,531	4,500	500
Paisley Museum	1,900	3,400	35,853
<b>Investment in 2021 Venues &amp; Town Centre Infrastructure</b>			
Paisley Town Hall	3,300	14,300	4,400
Paisley Arts Centre	375	1,500	625
Upgrade to St James Playing Field	3,182	4,118	400
Flexible Outdoor Facility/Travel & Accessibility Infrastructure	1,500	6,000	2,500
<b>TOTAL DEVELOPMENT &amp; HOUSING PROGRAMME</b>	<b>30,482</b>	<b>89,811</b>	<b>82,330</b>

## 2018/19 – 2020/21 Capital Programme

Project Title	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<b>ICT PROGRAMME</b>			
ICT Infrastructure Maintenance & Renewal Programme	900	400	400
<b>Total ICT Programme</b>	<b>900</b>	<b>400</b>	<b>400</b>
<b>OTHER CORPORATE PROGRAMMES</b>			
Strategic Asset Management Fund	7,500	0	0
Lifecycle Capital Maintenance (LCM) Fund	6,111	3,287	1,000
<b>TOTAL CORPORATE PROJECTS PROGRAMME</b>	<b>14,511</b>	<b>3,687</b>	<b>1,400</b>

Project Title	Revised Programme 2018/19	Revised Programme 2019/20	Revised Programme 2020/21
<b>PRIVATE SECTOR HOUSING GRANT PROGRAMME</b>			
General PSHG Programme	1,320	1,865	0
<b>TOTAL PSHG PROGRAMME</b>	<b>1,320</b>	<b>1,865</b>	<b>0</b>



**Appendix 4****Property Lifecycle Maintenance Programme 2018 - 19**

	<b>2018/19</b>	<b>2019/20</b>
	<b>£m</b>	<b>£m</b>
Minor Works & Roofing Programme	4.594	1.043
Energy Programme	0.100	0.100
Asbestos Works – compliance with Asbestos legislation following inspections	-	0.100
Electrical Installations Works – compliance with Electrical testing inspections	1.417	1.244
Gas Installations Works – compliance with Gas testing inspections	-	0.500
Demolitions – Various locations	-	0.100
Office Accommodation	-	0.100
Design and Pre Contract Works Allocation	-	0.100
<b>TOTAL</b>	<b>6.111</b>	<b>3.287</b>

## Appendix 5

### Roads & Footpaths Lifecycle Maintenance Programme 2018 - 19

	<b>2018/19 £ms</b>
Patching programme in advance of future surface dressing programmes	0.220
Footway Resurfacing	0.270
Carriageway Resurfacing	2.200
Drainage Improvements	0.100
Defect Patching	0.210
Walking, Cycling and Safer Streets	<u>0.239</u>
<b>Total</b>	<b><u>3.239</u></b>



## **Prudential Framework for Capital Finance 2018-2021 (estimates) and Treasury Management Strategy Statement 2018-2021**

### **1. Summary**

- 1.1 The Local Government in Scotland Act 2003 and supporting regulations require local authorities to have regard to the following codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA):
  - The Prudential Code for Capital Finance in Local Authorities (“the Prudential Code”);
  - Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (“the Treasury Management Code”).
- 1.2 The revised 2009 edition of the Treasury Management Code was adopted by the General Management and Finance Policy Board of 3 March 2010.
- 1.3 The Prudential Code and the Treasury Management Code require the Council to set prudential and treasury management indicators for the following three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
- 1.4 The Treasury Management Code further requires Council to approve, annually in advance, a strategy for its treasury management activities. This strategy (at sections 8 to 12 of this appendix) sets out the Council’s policies and plans for the year ahead in relation to the management of cash flows, money market transactions and capital market transactions (including borrowing and investing), the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- 1.5 Revised editions of the Treasury Management Code and the Prudential Code were published in late December 2017 and will be adopted for the Prudential Framework for Capital Finance 2019-2022 and Treasury Management Strategy 2019-2022.

### **2. Prudential framework for capital finance: purpose, governance and affordability considerations**

- 2.1 The Prudential Code plays a key role in capital finance in local authorities. Local authorities determine their own programmes for capital investment in fixed assets that are central to the delivery of quality services. The Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy

(CIPFA) as a professional code of practice to support local authorities in taking decisions relevant to their capital investment plans.

2.2 The key objectives of the Prudential Code are to ensure that:

- the capital investment plans are affordable, prudent and sustainable;
- treasury management decisions are taken in accordance with good professional practice and support affordability, prudence and sustainability;
- capital investment decisions are consistent with, and support, local strategic planning, local asset management planning and proper option appraisal.

2.3 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used and the factors that must be taken into account. The Prudential Code does not include suggested indicative limits or ratios – these are for the Council to set itself.

2.4 The prudential indicators required by the Prudential Code are designed to support and record local decision-making. They are not designed to be comparative performance indicators, and the use of them in this way would be likely to be misleading and counter-productive. In particular, local authorities have widely different debt positions and these differences are likely to increase over time as the result of the exercise of local choices. The system is specifically designed to support such local decision-making in a manner that is publicly accountable.

2.5 The Prudential Code sets out a clear governance procedure for the setting and revising of prudential indicators. This will be done by the same body that takes the decisions for the Council's budget, that is, the full Council. The chief finance officer is responsible for ensuring that all matters required to be taken into account are reported to the decision-making body for consideration, and for establishing procedures to monitor performance.

2.6 Prudential indicators for previous years will be taken directly from information in the Council's Annual Accounts. If any item within the Accounts that is relied upon for a prudential indicator is the subject of audit qualification, this must be highlighted when the prudential indicators are set out or revised.

2.7 The Local Government in Scotland Act 2003 refers to affordability. The Council must consider the affordability of its capital investment during all the years in which it will have a financial impact on the Council. In doing so, the Council needs to pay due regard to risk and uncertainty. Risk analysis and risk management strategies should be taken into account. The Prudential Code also requires local authorities to have regard to wider management processes (option appraisal, asset management planning, strategic planning and achievability) in accordance with good professional practice.

- 2.8 The fundamental objective in the consideration of the affordability of the Council's capital plans is to ensure that the total capital investment of the Council remains within sustainable limits, and in particular to consider its impact on the Council's 'bottom line' and council tax levels. Affordability is ultimately determined by judgement about acceptable council tax levels and, in the case of the Housing Revenue Account, acceptable rent levels.
- 2.9 In considering the affordability of its capital plans, the Council is required to consider all of the resources currently available to it and estimated for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the following two years. The Council is also required to consider known significant variations beyond this time frame. This requires the development of medium term revenue forecasts as well as three-year capital investment plans. The capital plans are rolling scenarios, not fixed for three years.
- 2.10 Prudential indicators in respect of external debt must be set and revised taking into account their affordability. It is through this means that the objectives of sustainability and prudence are addressed year on year.
- 2.11 It is also prudent that treasury management is carried out in accordance with good professional practice. The Prudential Code requires compliance with the Treasury Management Code.
- 2.12 A soundly formulated capital programme must be driven by the desire to provide high quality, value-for-money public services. The Prudential Code recognises that in making capital investment decisions the Council must have explicit regard to option appraisal, asset management planning, strategic planning for the Council and achievability of the forward plan.
- 2.13 The Prudential Code does not specify how the Council should have regard to these factors. All of them represent elements of good practice for which guidance has already been provided by CIPFA and other authoritative sources. The Prudential Code instead concentrates on the means by which the Council will demonstrate that its proposals are affordable, prudent and sustainable.
- 2.14 The Prudential Code promotes transparency in decision-making by using information contained within the Council's Annual Accounts and by having definitions for prudential indicators that are consistent with the definitions used within the Accounts.

### **3. Prudential framework for capital finance: prudential indicators for capital expenditure**

#### **3.1 Capital expenditure**

Capital expenditure is defined in the CIPFA *Code of Practice on Local Authority Accounting in the United Kingdom 2017/18* and must be consistent with financial reporting standards for accounting purposes. In addition, under the Local Government in Scotland Act 2003, local authorities have a duty to observe proper accounting practices.

- 3.2 Under section 35(1) of the Local Government in Scotland Act 2003, it is the duty of the Council to determine and keep under review the maximum amount which it can afford to allocate to capital expenditure.
- 3.3 The Council is required to make estimates of the capital expenditure it plans to incur for the forthcoming financial year and at least the following two years, and to keep these estimates under review. Separate estimates should be made for the Housing Revenue Account (“housing”) and for General Fund (“non-housing”) services. Details in relation to the planned investment programmes for non-housing services are presented to this Council meeting in the main body of this report, and take account of the capital resources that will be made available to the Council from the Scottish Government over the spending review period 2018-2019 through 2020-2021.
- 3.4 In addition to the approved capital investment plans, there may be projects which emerge throughout the year which will take advantage of the opportunities arising from the flexibility offered by the Prudential Code, and as a consequence the capital expenditure totals may change. Any required changes to the prudential indicators arising from new projects will be considered as part of the reports presented to Policy Boards or to the Council. It is recommended that the Council approves the following as the indicator for capital expenditure for the next three financial years:

<b>Capital expenditure</b>	<b>2018-19 estimate £m</b>	<b>2019-20 estimate £m</b>	<b>2020-21 estimate £m</b>
Non-housing	63.396	97.852	84.530
Housing	15.440	18.746	19.716
<b>Total</b>	<b>78.836</b>	<b>116.598</b>	<b>104.246</b>

- 3.5 The capital investment plans are to be funded from various sources, such as general and specific capital grants, contributions from revenue resources and secured capital receipts, as well as long-term borrowing. As a direct consequence of managing the increased risk in relation to the disposal of surplus land, and in line with practice adopted in previous years, there is no reliance on the funding of the capital investment plans from unrealised capital receipts.
- 3.6 After the year-end, the actual capital expenditure incurred during the financial year will be recorded for housing and for non-housing. These figures will be included in the Council’s Annual Accounts, with explanations of significant variations from expectations. The actual capital expenditure incurred in 2016-2017 was £61.737 million.
- 3.7 **Capital financing requirement**  
Local authorities have available to them a number of ways of financing traditionally procured capital investment. The term “financing” does not refer to

the payment of cash, but the resources that are applied to ensure that the underlying amount arising from capital payments is dealt with absolutely, whether at the point of spend or over the longer term. A number of financing options that are available to local authorities involve resourcing the investment at the time that it is incurred. These are:

- the application of usable capital receipts;
- a direct charge to revenue for the capital expenditure;
- the application of capital grants;
- up-front contributions from project partners.

- 3.8 Capital expenditure which is not financed up front by one of the above methods will increase the capital financing requirement of the Council. It has often been referred to as “capital expenditure financed by borrowing”, however this is incorrect as borrowing provides the cash, not the resource, since borrowing has to be repaid. Also, “borrowing” in this context does not necessarily imply external debt since, in accordance with best professional practice, the Council has an integrated treasury management strategy and therefore does not associate borrowing with particular items or types of expenditure. The Council will at any point in time have a number of cash flows both positive and negative and will be managing its position in terms of its borrowing and investments in accordance with its treasury management strategy.
- 3.9 In measuring external debt, as detailed in section 4, the Prudential Code encompasses all borrowing, whether for a capital or for a revenue purpose. In day-to-day cash management no distinction is made between ‘revenue cash’ and ‘capital cash’. External borrowing arises as a consequence of all the financial transactions of the Council and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Council’s underlying need to borrow for a capital purpose.
- 3.10 The Council is required to make reasonable estimates of its capital financing requirement at the end of the forthcoming financial year and the following two years, showing separately figures for housing and non-housing, and keep this under review. The capital financing requirement will increase whenever capital expenditure is incurred. If this capital expenditure is resourced immediately, through usable capital receipts, direct financing from revenue or application of capital grants/contributions, then the capital financing requirement will reduce at the same time that the capital expenditure is incurred, resulting in no net increase to the capital financing requirement. The capital financing requirement also will be reduced by charges to the revenue account in respect of past capital expenditure or where the Council may initiate voluntary early charges to revenue as part of longer term financial planning decisions. Where capital expenditure is not resourced immediately, this will result in a net increase to the capital financing requirement that represents an increase in the underlying need to borrow for a capital purpose. This will be the case whether or not external borrowing actually occurs.

- 3.11 It is recommended that the Council approves the following as the indicator for the capital financing requirement at the end of each of the next three financial years:

Capital financing requirement	31 March 2019 estimate £m	31 March 2020 estimate £m	31 March 2021 estimate £m
Non-housing	282	352	404
Housing	131	138	146
<b>Total</b>	<b>413</b>	<b>490</b>	<b>550</b>

- 3.12 After the year-end, the actual capital financing requirement as at the year-end will be calculated for housing, for non-housing and the total of the two. These figures will be included in the Council's Annual Accounts, with explanations for significant variations from expectations. At 31 March 2017 the capital financing requirement was £349.938 million.

**3.13 Statutory repayment of loans fund advances**

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year in accordance with the Local Authority (Capital Finance and Accounting)(Scotland) Regulations 2016. The repayment of loans funds advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

A variety of options are provided to the Council so long as prudent provision is made each year. The Council is recommended to approve the following policy on the repayment of loans fund advances:-

For pre-existing loans advances made up to 31<sup>st</sup> March 2016 and for forward capital expenditure plans made after 1 April 2016, the policy for the repayment of loan advances will be the Statutory Method (option 1), with loan fund advances being repaid by the annuity method.

The repayment of loan advances will therefore be equal to the annual amount determined in accordance with Schedule 3 of the Local Government (Scotland) Act 1975. The Council is permitted to use this option for a transitional period only, of five years until 31<sup>st</sup> March 2021, at which time it must change its policy to use alternative approaches based on depreciation, asset life periods or a funding/income profile.

**4. Prudential framework for capital finance: prudential indicators for external debt**

- 4.1 External debt is referred to as the sum of external borrowing and other long-term liabilities (such as finance leases). The prudential indicators for external debt must be set and revised taking into account their affordability. It is through this means that the objective of ensuring that external debt is kept within sustainable prudent limits is addressed year on year.

- 4.2 External debt indicators are at two levels: an *operational boundary* and an *authorised limit*. Both of these need to be consistent with the Council's plans for capital expenditure and financing, and with its treasury management policy statement and practices.

4.3 **Operational boundary**

This is the focus of day-to-day treasury management activity within the Council, and is an estimate of the most likely, but not worst case, scenario in terms of cash flow. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes. It is possible that this boundary could be breached occasionally and this should not be regarded as significant. However, a sustained or regular trend would be significant and would require investigation and action.

- 4.4 The Council is required to set for the forthcoming financial year and the following two years an operational boundary for its total external debt (gross of investments), identifying separately borrowing from other long-term liabilities. It is recommended that the Council approves the following as the indicator for the operational boundary over the three-year period 2018-2019 through 2020-2021:

<b>Operational boundary for external debt</b>	<b>2018-19 estimate £m</b>	<b>2019-20 estimate £m</b>	<b>2020-21 estimate £m</b>
Borrowing	339	419	480
Other long-term liabilities	74	71	69
<b>Total</b>	<b>413</b>	<b>490</b>	<b>550</b>

4.5 **Authorised limit**

This is based on the same assumptions as the operational boundary, with sufficient "headroom" to allow for unusual/exceptional cash movements. Headroom has been added to the operational boundary to arrive at an authorised limit which is sufficient to allow for cash flow management without breaching the limit.

- 4.6 The authorised limit will be reviewed on an annual basis and any changes will require approval by Council.
- 4.7 The Council is required to set for the forthcoming financial year and the following two years an authorised limit for its total external debt (gross of investments), identifying separately borrowing from other long-term liabilities. It is recommended that the Council approves the following as the indicator for the authorised limit over the three-year period 2018-2019 through 2020-2021:

Authorised limit for external debt	2018-19 estimate £m	2019-20 estimate £m	2020-21 estimate £m
Borrowing	356	441	504
Other long-term liabilities	74	71	69
<b>Total</b>	<b>430</b>	<b>512</b>	<b>573</b>

- 4.8 After the year-end, the balance of actual external debt as at the year-end will be calculated and reported to Council, with borrowing and other long-term liabilities being shown separately.
- 4.9 The Council's actual external debt at 31 March 2017 was £319.209million of which £239.325million related to borrowing and £79.884million to outstanding obligations on finance leases.
- 4.10 The actual external debt is not directly comparable to the authorised limit nor to the operational boundary, since the actual external debt reflects the position at one point in time. In addition, the external debt indicators are set based on the Council's potential external borrowing requirements for capital investment purposes. However, as part of the ongoing treasury management strategy the Council may utilise internal borrowing where it is deemed appropriate to avoid unnecessary exposure to interest rate risk. The adoption of this strategy results in the Council's net external borrowing being lower than the capital financing requirement. The projected external debt compared to the estimated capital financing requirement for the three-year period 2018-2019 through 2020-2021 is detailed at section 10.3.

## 5. Prudential framework for capital finance: prudential indicator for treasury management

- 5.1 The prudential indicator in respect of treasury management is that the Council has adopted the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* ("the Treasury Management Code"). Indeed, the revised 2009 edition of the Treasury Management Code was adopted by the General Management and Finance Policy Board of 3 March 2010. This requires that the annual treasury management strategy statement is approved by Council, along with treasury limits for the three-year period 2018-2019 through 2020-2021.
- 5.2 In adopting the Treasury Management Code, the aim is to ensure that treasury management is led by a clear and integrated treasury management strategy, and a recognition of the pre-existing structure of the Council's borrowing and investment portfolios. The prime policy objectives of the Council's investment activities are the security and liquidity of funds, and the avoidance of exposure of public funds to unnecessary or unquantified risk. The Council should consider the return on its investments; however, this should not be at the expense of security and liquidity. It is therefore important that the Council adopts an appropriate approach to risk management with regard to their investment activities. Borrowing more than, or in advance of, the Council's needs purely in



order to profit from the investment of the extra sums borrowed should not be undertaken. In those circumstances where borrowing is taken in advance of need, the security of such funds must be ensured and consideration should be given as to whether value-for-money can be demonstrated. These principles should be borne in mind when investments are made, particularly for the medium to long term.

- 5.3 The Treasury Management Code requires, amongst other things, that the Council approves, annually in advance, a strategy for its treasury management activities. The treasury management strategy for 2018-2019 is set out at sections 8 to 12 of this report.

## **6. Prudential framework for capital finance: prudential indicators for prudence**

- 6.1 It is possible that, while a council's financial strategy may be affordable in the short term, it is imprudent and unsustainable because in the medium term it would, if pursued, be dependent on the use of borrowing to fund revenue expenditure. For this reason the Prudential Code makes it necessary, if a financial strategy is to be prudent, that it is one in which the medium-term net borrowing is only to be used for capital purposes.
- 6.2 In the Prudential Code, this requirement is to be demonstrated through a comparison of net borrowing with the capital financing requirement. Except in the short term, net external borrowing should not exceed the total capital financing requirement in the previous year, plus the estimates of any additional capital financing requirements for the current and next two financial years.
- 6.3 The projected capital financing requirement at 31 March 2021 is £550 million (section 3.11). Net external borrowing should not exceed this level and, indeed, the projected operational boundary at 31 March 2021 is £550 million (section 4.4). The Council had no difficulty in meeting this requirement at 31 March 2017 and no difficulties are anticipated in meeting this requirement in the future.
- 6.4 In addition, ensuring that treasury management is carried out in accordance with good professional practice is an essential feature of prudence. The treasury management indicators required by the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* ("the Treasury Management Code") are designed to help demonstrate prudence. The prudential indicator is that the Council has adopted CIPFA's Treasury Management Code. Indeed, the revised 2009 edition of the Treasury Management Code was adopted by the General Management and Finance Policy Board of 3 March 2010. As mentioned at section 1.5 above, a revised Code has very recently been issued and indicators will be reviewed in line with the revised Code.

## 7. Prudential framework for capital finance: prudential indicators for affordability

- 7.1 A key measure of affordability is the incremental impact of investment decisions on council tax or housing rents. Estimates of the ratio of financing costs to net revenue stream provide an indication of how much of the Council's revenue is committed to the repayment of debt. The estimated ratios for the next three financial years are:

Ratio of financing costs to net revenue stream	2018-2019 estimate	2019-2020 estimate	2020-2021 estimate
Non-housing	4.76%	5.08%	5.37%
Housing	40.49%	39.88%	41.73%

† 2019-2021 Non-housing estimates are currently based on the 2018-2019 settlement figures because the current local government settlement does not extend past 2018-2019.

- 7.2 Financing costs include the interest payable with respect to borrowing, interest payable on finance leases, interest and investment income, loans fund and finance lease principal repayments and gains/losses on the repurchase or early settlement of borrowing.
- 7.3 Revenue streams relate either to the amounts received in terms of government grant and local taxpayers ("non-housing") or to the amounts received from tenants in respect of housing rents ("housing").
- 7.4 The estimate of the incremental impact of the capital investment proposals outlined in this report for non-housing services, and as outlined in the *Housing Capital Investment Plan*, are:

Impact of capital investment decisions ....	2018-2019 estimate	2019-2020 estimate	2020-2021 estimate
... on Band D Council Tax	£0.00	£0.00	£0.00
... on weekly housing rents	£2.15	£4.79	£7.56

- 7.5 The impact on Band D council tax is nil due to the fact that the financing costs resulting from any additional capital expenditure and related borrowing will be funded from government grant support and savings in other areas of expenditure.

## 8. Treasury management strategy statement: compliance with the Prudential Code

- 8.1 In order to comply with the treasury management requirements of the Prudential Code, local authorities are required to adopt the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* ("the Treasury Management Code").

- 8.2 The revised 2009 edition of the Treasury Management Code was adopted by the General Management and Finance Policy Board of 3 March 2010.
- 8.3 The Council's **treasury management strategy statement** for 2018-2019 is set out here at sections 8 through 12, and constitutes the Council's annual strategy and plan in relation to its treasury management activities as defined by the Treasury Management Code.

## **9. Treasury management strategy statement: objectives and responsibility for decision-making**

- 9.1 The overall objectives of the Council's treasury management strategy are:

for **borrowings**:

- to minimise the revenue costs of borrowing,
- to manage the borrowing repayment profile,
- to assess interest rate movements and borrow accordingly,
- to monitor and review the level of variable rate loans held in order to take advantage of interest rate movements and
- to reschedule borrowing to improve the Council's repayment profile or to reduce the revenue costs of borrowing.

for **temporary investments**:

- to protect the capital security and liquidity of the invested funds and
- to obtain an acceptable market rate of return subject to protecting capital security and liquidity of invested funds.

These objectives are set within the context of the Council's over-arching objective in relation to treasury management activities: the effective management and control of risk.

- 9.2 The Council has a contract with Arlingclose Ltd for the provision of treasury management consultancy services. It is recognised that there is value in employing such external service providers in order to acquire access to specialist skills and resources, however the responsibility for treasury management decisions remains with Renfrewshire Council at all times and undue reliance is not placed upon our external service providers.
- 9.3 The suggested treasury management strategy for 2018-2019 is based upon the views on interest rates, supplemented with market forecasts provided by Arlingclose, and covers the following aspects of the treasury management function:
- treasury limits in force which will limit the treasury risk and activities of the Council:  
prudential and treasury management indicators;
  - the current treasury position;
  - the identified borrowing requirement;
  - prospects for interest rates;
  - the borrowing strategy;
  - policy on borrowing in advance of need;

- debt rescheduling;
- the investment strategy;
- creditworthiness policy;
- policy on use of external service providers.

## 10. Treasury management strategy statement: borrowing strategy

### 10.1 Current external borrowing position

The Council's external borrowing position as at 26 January 2018 was as follows:

External borrowing position	borrowing position as at 31.03.2017		borrowing position as at 26.01.2018		change in the year
	£m	average interest rate	£m	average interest rate	£m
<b>Long-term borrowings:</b>					
PWLB: fixed rate	186.409	4.80%	175.197	4.79%	-11.212
PWLB: variable rate	0.000	0.00%	0.000	0.00%	0.000
Market loans	52.916	4.70%	52.916	4.70%	0.000
<b>Total long-term borrowings</b>	<b>239.325</b>	<b>4.78%</b>	<b>228.113</b>	<b>4.77%</b>	<b>-11.212</b>
<b>Short-term borrowings:</b>					
Renfrewshire Leisure deposit/loan	0.000	0.54%	-0.829	0.45%	-0.829
<b>Total short-term borrowings</b>	<b>0.000</b>	<b>0.54%</b>	<b>-0.829</b>	<b>0.45%</b>	<b>-0.829</b>
<b>Total of all external borrowings</b>	<b>239.325</b>	<b>4.78%</b>	<b>227.284</b>	<b>4.77%</b>	<b>-12.041</b>

- 10.2 The decrease in Public Works Loan Board (PWLB) borrowing represents the scheduled repayment of five loans that matured during the period 1 April 2017 to 26 January 2018. These repayments were funded from investment balances. The Renfrewshire Leisure deposit/loan represents funds which are invested temporarily in the Council's loans fund as part of Renfrewshire Leisure's short-term cash flow management arrangements. The movement is expected to be short term.

### 10.3 Projected borrowing position

The Council's anticipated borrowing position for the forthcoming financial year and the following two financial years is summarised in the following table. This shows the projected external debt compared to the estimated capital financing requirement (the underlying need to borrow for a capital purpose) at the end of each of the next three financial years.

Borrowing Position	31 March 2018 estimate £m	31 March 2019 estimate £m	31 March 2020 estimate £m
Borrowing	283.936	364.339	425.089
Other long-term liabilities	77.178	74.274	71.437
<b>Total external debt</b>	<b>361.114</b>	<b>438.613</b>	<b>496.526</b>
Capital financing requirement	413.000	490.000	550.000
<b>Under-borrowing</b>	<b>51.886</b>	<b>51.387</b>	<b>53.474</b>

10.4 A number of the prudential indicators are designed to ensure that the Council carries out its treasury management activities within well-defined limits. One of these indicators is that gross external debt does not, except in the short term, exceed the total of the capital financing requirement in 2017-2018 plus the estimates of any additional capital financing requirement for 2018-2019 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not taken in order to fund revenue expenditure.

10.5 The Council has complied with this prudential indicator during 2017-2018 and it is envisaged this will remain the position moving forward over the forthcoming three-year period. As detailed in the table above, it is anticipated that the borrowing strategy will continue to progress on the basis of utilising internal borrowing where possible over the medium term to mitigate both interest rate risk exposure for the Council, and also risks associated with maintaining adequate capacity with appropriate investment counterparties. However, significant shorter term borrowing will be required to fund the City Deal projects. This borrowing is required as the grant income for City Deal is phased over a 20 year period from 2015/16, while the project expenditure is incurred from 2015/16 to 2024/25. The requirement for borrowing to cover this period in advance of grant receipt is continually monitored and refined as projects develop and are refined, and this requirement is incorporated into the overall Council borrowing forecast.

### 10.6 Interest rate forecast

As part of Arlingclose's treasury management consultancy service to the Council, assistance is provided in preparing a forecast of short-term and longer-term fixed interest rates. Current interest rate forecasts for the official bank rate paid on commercial bank reserves (the "Bank Rate") and for PWLB borrowings are:

<b>Interest rate forecast: Bank Rate</b>	<b>March 2018</b>	<b>June 2018</b>	<b>Sept 2018</b>	<b>Dec 2018</b>	<b>March 2019</b>	<b>March 2020</b>	<b>March 2021</b>
Bank Rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%

<b>Interest rate forecast: PWLB borrowings</b>	<b>March 2018</b>	<b>June 2018</b>	<b>Sept 2018</b>	<b>Dec 2018</b>	<b>March 2019</b>	<b>March 2020</b>	<b>March 2021</b>
5-year loans	1.85%	2.15%	2.20%	2.30%	2.35%	2.50%	2.45%
10-year loans	2.45%	2.60%	2.65%	2.70%	2.80%	2.95%	2.85%
20-year loans	2.80%	2.90%	2.95%	2.95%	3.00%	2.95%	3.00%
50-year loans	2.60%	2.75%	2.80%	2.80%	2.85%	2.80%	2.85%

#### 10.7 **Borrowing decisions**

The main borrowing decisions to be made for 2018-2019 are:

- when to borrow,
- for how long to borrow and
- whether to borrow externally or to use cash balances.

10.8 Based on the capital investment programme, it is anticipated that the Council may need to borrow up to £33.399 million to fund new capital expenditure during 2018-19 and to replace loans due to mature that year.

10.9 The Council's borrowing strategy will give consideration to new borrowing in the following order of priority:

- (i) The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However, in view of the overall forecast for long-term borrowing rates to increase over the next few years, consideration will also be given to weighing the short-term advantage of internal borrowing against potential long-term costs if the opportunity is missed for taking loans at long-term rates which will be higher in future years.
- (ii) PWLB borrowing for periods under 10 years where interest rates are expected to be significantly lower than interest rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration at longer-dated time periods.
- (iii) Short-dated borrowing from non-PWLB sources.

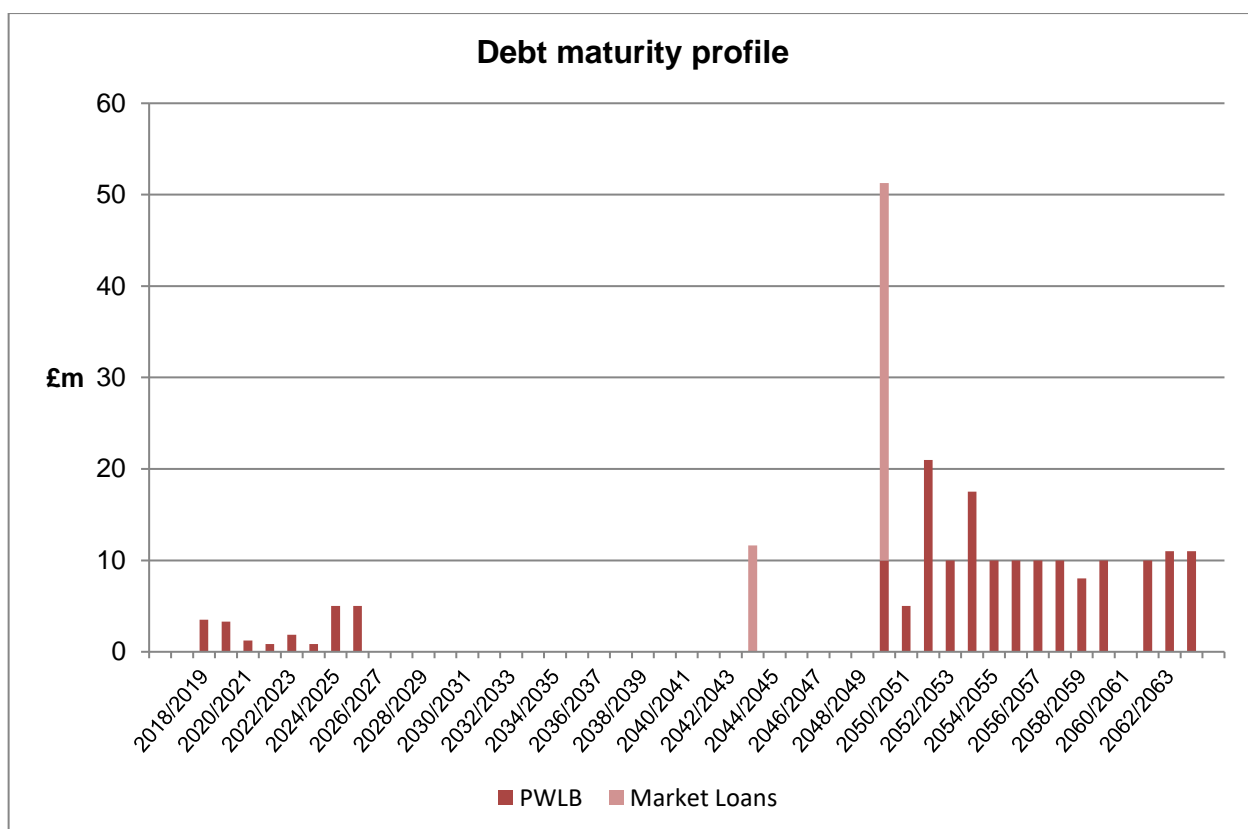
- (iv) Long-term borrowing arranged in advance, in order to achieve certainty on future borrowing costs and reduce exposure to interest rate risk.
- (v) Long-term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available), with due regard to maintaining an appropriate balance between PWLB and market debt in the debt portfolio.

#### 10.10 **Sensitivity of the interest rate forecast**

The Council officers, in conjunction with the Council's treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, and will respond appropriately to material changes in interest rate forecasts, for example:

- If it were felt that there was a significant risk of a sharp fall in long- and short-term interest rates than that currently forecast, then long-term borrowings will be postponed, with focus shifting to consideration of short-term borrowing to meet the Council's borrowing need along with any opportunities for rescheduling.
- If it were felt that there was a significant risk of a much sharper rise in long- and short-term interest rates than that currently forecast, then the portfolio position will be reappraised with potentially a move to take on required borrowing whilst interest rates were still relatively cheap.

10.11 The forecast debt maturity profile at 31 March 2018 per the graph below shows the amount of debt maturing in future years. The Council has less than 15% of its total borrowings redeeming in any one of the next 30 years. This is well within the Council's treasury indicators for debt maturity, and therefore provides the Council with the flexibility needed to structure new borrowing over this period in a manner that minimises debt interest costs.



10.12 Since the Council has a capital investment plan covering the period to 2020-2021 and detailed investment/borrowing analyses, advantage can be taken of opportunities that may arise to achieve beneficial borrowing rates over the same period, minimising interest rate risk. The Council will not borrow more than, or earlier than, required with the primary intention to profit from the investment return of the extra sums borrowed. Pre-borrowing of this nature will only be taken for risk management reasons and subject to sound justification. The timing of any new borrowing of this nature will take into account the management of liquidity and counterparty risk, and also the projected movement in interest rates.

10.13 Caution will continue to be adopted and the Director of Finance and Resources will monitor the interest rate market. Should long-term rates start to rise or fall sharply, the debt portfolio position will be reappraised and appropriate action taken.

**10.14 Debt rescheduling opportunities**

The purpose of debt rescheduling is to reorganise existing borrowings in such a way as to amend the repayment profile of the borrowing portfolio, or to secure interest rate savings.

10.15 As short-term borrowing rates could be considerably cheaper than longer-term rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, such potential savings will be considered in the light of their short-term nature and risks associated with



potential longer-term costs of refinancing those short-term loans, once they mature.

- 10.16 Consideration will also be given to the potential for making savings by running down investment balances to repay debt prematurely, as short-term rates on investments are likely to be lower than rates paid on current debt.

## 11. Treasury management strategy statement: annual investment strategy

### 11.1 Investment policy

In carrying out investment activities, the Council will have regard to The Local Government Investment (Scotland) Regulations 2010, the accompanying Scottish Government Finance Circular 5/2010 and the 2011 CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* (“the Treasury Management Code”). The Council’s investment priorities are:

- the security of capital and
- the liquidity of its investments.

- 11.2 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of the Council is low-to-medium, with absolute priority given to the security of its investments.

- 11.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

- 11.4 Investment instruments identified for use in the financial year are listed in Annex A, and counterparty limits will be set as defined within the Council’s treasury management practices (TMPs) documentation.

### 11.5 External investment position

The Council’s external investment position as at 26 January 2018 was as follows:

External investment position	investment position as at 31.03.2017		investment position as at 26.01.2018		change in the year
	£m	average interest rate	£m	average interest rate	£m
Temporary investments:	133.450	0.49%	143.220	0.51%	9.77

- 11.6 The increase in the Council’s short-term investments (“temporary deposits”) during the period reflects:

- the short-term cash flow position of the Council over the holiday period;
  - the re-profiling of elements of the current capital programme;
- 11.7 The average rate of interest received on the Council's temporary deposits has increased slightly over the period. This reflects the Bank of England's decision to increase the base rate to 0.5% in November 2017. The Council has continued to lock into longer-term temporary deposit deals with counterparties of particularly high creditworthiness, thus securing a higher overall rate of return across the portfolio without compromising the security of investments.
- 11.8 **Creditworthiness policy**  
In order to maintain an approved list of counterparties (institutions with which the Council will invest funds), the Council refers to the institutions listed on the Counterparty Lists provided by Arlingclose. These lists show all the institutions that Arlingclose are comfortable with the Council lending to and are based on the credit ratings from the three major credit rating agencies: Fitch, Moody's and Standard & Poor's. The Council understands that credit ratings are a good, but not perfect, predictor of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests including:
- credit default swap (CDS) spreads, to give early warning of likely changes in credit ratings;
  - financial statements;
  - sovereign ratings, to select counterparties from only the most creditworthy countries;
  - credit ratings relevant to the specific investment or class of investment are used where available;
  - financial press,
- 11.9 The approved list of counterparties (Annex B) also defines a maximum limit on the aggregate value of deposits placed with each counterparty. The purpose of this is to ensure that the Council does not deposit an excessive proportion of its funds with any single institution. Currently the counterparty limit for each bank has been set at 5% (with the exception of the Royal Bank of Scotland, for which the counterparty limit has been set at 2.5%). The limits for building societies, money market funds and enhanced cash funds has also been set at 5% of the total cash balances held by the Council at the time the investment is made, and taking into account the relevant investment period. This approach allows the Council to meet its cash flow management objectives whilst appropriately spreading investments over a range of counterparties.
- 11.10 Arlingclose also recommend the maximum deposit period for each counterparty and this is used as a guide when setting the investment period for each institution shown on the Council's approved list of counterparties.

- 11.12 All credit ratings are monitored daily. Arlingclose alert the Council to rating changes made by any of the three rating agencies and if a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- 11.13 Sole reliance is not placed on the use of this external service: in addition the Council will make its own judgement based on the Advisers suggestions but will also use market data and market information, the quality financial press, information on government support for banks and the credit ratings of that government support.
- 11.14 **Investment decisions**  
The Bank Rate was increased by the Bank of England in November last year to 0.5%. The current forecasts from Arlingclose indicate that the Bank Rate will remain stable over the medium term. Arlingclose recognise that there is some upside risk to this forecast but do not expect significant movement from their forecast position. Bank Rate forecasts are outlined at section 10.6 above.
- 11.15 The Council's investment strategy will therefore continue to include the avoidance of locking into longer-term deals whilst investment rates remain at historically low levels. However, if attractive rates become available with counterparties of particularly high creditworthiness, thus making longer-term deals worthwhile and within the risk parameters set by the Council, then longer-term investments will be considered.

## **12. Treasury management strategy statement: treasury management indicators**

- 12.1 The *Guidance Notes for Local Authorities* which accompany the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* ("the Treasury Management Code") specify four treasury management indicators covered by the Prudential Code: (i) acceptance of the Treasury Management Code, (ii) authorised limit, (iii) operational boundary and (iv) actual external debt. These indicators are dealt with in detail at sections 4 and 5 of this report.
- 12.2 The *Guidance Notes for Local Authorities* which accompany the Treasury Management Code specify a further two treasury management indicators which are covered by the Treasury Management Code itself: (i) interest rate exposures and (ii) maturity structure of borrowing.
- 12.3 **Interest rate exposures**  
The Council is required to set for the forthcoming financial year, and the following two financial years, upper limits to its exposures to the effects of changes in interest rates. These indicators are required to relate both to fixed interest rates and to variable interest rates. The effect of setting these upper limits is to provide ranges within which the Council will manage its exposures to fixed and variable rates of interest. It is recommended that the Council

approves the following as the indicator for interest rate exposures for each of the next three financial years:

Interest rate exposures	2018-19	2019-20	2020-21
Upper limit for fixed interest rate exposure	100%	100%	100%
Upper limit for variable rate exposure	25%	25%	25%

#### 12.4 **Maturity structure of borrowing**

The Council is required to set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowing. This is to ensure that the Council is not exposed to large concentrations of debt maturing in a single year and requiring to be replaced when interest rates are unfavourable. It is recommended that the Council approves the following as the indicator for the maturity structure of borrowing for the forthcoming financial year:

Maturity structure of borrowing	2018-19	
	lower limit	upper limit
under 12 months	0%	15%
12 months and within 24 months	0%	15%
24 months and within 5 years	0%	45%
5 years and within 10 years	0%	50%
10 years and above	0%	100%

## Annex A: Permitted investments

The Council approves the forms of investment instrument for use as **permitted investments** as set out in tables 1, 2 and 3. Please also refer to section 11 in the body of Appendix 6.

A.1 Table 1 lists the permitted investments of a cash-type nature available for use by the Council's in-house treasury management team:

Permitted investments table 1: cash-type instruments arranged in-house	minimum credit criteria	liquidity risk	market risk	maximum share of total invest- ments	maximum maturity period
Debt Management Account Deposit Facility (DMADF)	not applicable	term	no	100%	2 years
Term deposits with local authorities	not applicable	term	no	75%	2 years
Call accounts and notice accounts with banks and building societies	per approved counter- party list	instant / notice period	no	100%	up to 100 days
Term deposits with banks and building societies	per approved counter- party list	term	no	100%	per approved counter- party list
Certificates of deposit issued by banks and building societies	per approved counterpar ty list	T+1	yes	10%	per approved counter- party list
Treasury Bills	UK sovereign rating	T+1	yes	75%	1 year
UK Government Gilts	UK sovereign rating	T+1	yes	75%	2 year
Enhanced cash funds	long-term AAA vol- atility rating	T+1 to T+5	yes	75%	not applicable
Money market funds	long-term AAA vol- atility rating	instant	no	75%	not applicable

† An objective of money market funds is to maintain the net asset value of unit shares in the fund, although such funds hold assets which can in fact vary in value. However, the credit rating agencies require the fluctuation in unit values held by investors to vary by almost zero.

A.2 Table 2 lists the permitted investments of a cash-type nature available for use by the investment managers of the Council's Insurance Fund:

Permitted investments table 2: cash-type instruments used by Insurance Fund investment managers	minimum credit criteria	liquidity risk	market risk	maximum share of total invest- ments	maximum maturity period
Equities	delegated to investment managers	term	yes‡	33% ±10%	not applicable
Fixed-interest securities	delegated to investment managers	term	yes‡	33% ±10%	not applicable
Other assets	delegated to investment managers	term	yes‡	33% ±10%	not applicable

‡ Market risk is mitigated since investment managers have been instructed to maintain low volatility by investing in a diversified portfolio which incorporates (i) a broad spread of equities, both directly and indirectly (through pooled funds), and (ii) a proportion of fixed-interest securities and cash.

### A.3 Treasury risks

All the investment instruments listed in tables 1 and 2 above are subject to the following risks:

- (i) *Credit and counterparty risk*: This is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA-rated organisations have a very high level of creditworthiness.
- (ii) *Liquidity risk*: This is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, in this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument.
- (iii) *Interest rate risk*: This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. The Council has set limits for its fixed and variable rate exposure in its treasury indicators as detailed in this report.
- (iv) *Legal and regulatory risk*: This is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities,

fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

- (v) *Market risk*: This is the risk that, through adverse market fluctuations, the value of investments may decline over a given time period simply because of economic changes or other events that impact large portions of the market.

#### A.4 Controls on treasury risks

- (i) *Credit and counterparty risk*: The Council has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to enable investments to be made safely.
- (ii) *Liquidity risk*: The Council has a cash flow forecasting model to enable it to determine the duration for which individual investments can be made, and how much can be invested.
- (iii) *Interest rate risk*: The Council manages this risk by having a view of the future course of interest rates and formulating a treasury management strategy accordingly. The strategy aims to maximise investment earnings consistent with control of risk and minimise expenditure on interest costs on borrowing.
- (iv) *Legal and regulatory risk*: The Council will not undertake any form of investing until it has ensured that it has all necessary powers to do so. The Council will ensure that it complies with all applicable regulations in the carrying out of its treasury management operations.
- (v) *Market risk*: Asset allocation and diversification can protect against market risk because different portions of the market tend to under-perform at different time times. The Director of Finance and Resources has the authority to invest the funds of the Insurance Fund in or upon such investments, securities or property as deemed fit. The Director and officers rely on professional investment managers (currently Standard Life Wealth) for the day-to-day management of the assets of the Council's Insurance Fund. The investment managers are responsible for the allocation of assets between types of investments and for the selection of individual stocks within each type of investment. The investment fund is focused on the objective of achieving moderate capital growth in combination with low volatility to mitigate the impact of market risk. In order to achieve these objectives the investment manager operates within predefined asset allocation limits as outlined in table 2 above.

#### A.5 Objectives of each type of investment instrument

The objectives of the investment instruments listed in table 1 above are outlined below.

- (i) *Debt Management Account Deposit Facility (DMADF)*: This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with central government. It is also easy to use as it is

a deposit account and avoids the complications of buying and holding UK government-issued treasury bills or gilts. As it is low risk it also earns low rates of interest, however it is useful where there may be a short-term priority to avoid credit risk. The longest term deposit that can be made with the DMADF is six months.

- (ii) *Term deposits with high credit worthiness banks and building societies:* This is the most widely used form of investment used by local authorities. It offers a much higher rate of return than the DMADF (dependent on the deposit term) and, now that measures have been put in place to avoid any over reliance on credit ratings, there is greater confidence that the residual risks around using such banks and building societies are at a low, reasonable and acceptable level.

The Council will ensure diversification of its portfolio of deposits ensuring that no more than 15%<sup>†</sup> (30% for nationalised/part-nationalised UK banks) of the total portfolio can be placed with any one institution or group. In addition, longer-term deposits offer an opportunity to increase investment returns by locking into relatively high interest rates ahead of an expected fall in interest rates. At other times, longer-term rates can offer good value when the markets incorrectly assess the speed and timing of interest rate increases.

This form of investing, therefore, offers flexibility and a higher level of earnings than the DMADF. Where it is restricted is that once a longer-term investment is made, that cash is 'locked in' and cannot be accessed until the maturity date. This type of deposit includes callable deposits, whereby the principal deposited is protected and earns a fixed rate of interest but can be terminated early at the bank's discretion.

<sup>†</sup> In recognition of the restricted number of approved counterparties that now meet our more stringent lending criteria, there is an added degree of flexibility introduced to the maximum deposit level. The deposit level with any one institution can now extend to a maximum of £25million, where the element which exceeds the 15% threshold is deposited on the basis of a call account deposit with the institution.

- (iii) *Call accounts and notice accounts with high credit worthiness banks and building societies:* The objectives are as for (ii) above, but there is access to recalling cash deposited over short call periods (call account periods vary from short-term such as 7 days, but can extend to 35- and 95-day notice periods). This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. However, call accounts can offer interest rates two to three times more than term deposits in the DMADF. A certain level of call account use is highly desirable to ensure that the Council has ready access to cash when required.
- (iv) *Certificates of deposit (CDs).* These are shorter term securities issued by deposit taking institutions (mainly financial institutions). They are negotiable instruments, so can be sold ahead of maturity and also purchased after they have been issued. However, that liquidity can come at a price, where the yield could be marginally less than placing a deposit with the same bank as the issuing bank



- (v) *Money market funds*: By definition, money market funds (MMFs) are AAA-rated (the highest security rating available) and are widely diversified, using many forms of money market securities including types which this Council does not currently have the expertise or risk appetite to hold directly. However, due to the high level of expertise of the fund managers and the significant amounts of funds invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities.

They are particularly advantageous in a falling interest rate environment as their 60-day WAM means they have locked-in investments earning higher rates of interest than are currently available in the market. MMFs also help an organisation to diversify its own portfolio, for example a £2million investment placed directly with a specific bank is a 100% risk exposure to that specific bank, whereas £2million invested in an MMF may result in only 1% being invested with that specific bank through the MMF. MMFs offer an effective way of minimising risk exposure while still getting better rates of return than available through the DMADF.

- (vi) *Enhanced Cash Funds (ECFs)*. These funds are similar to MMFs, can still be AAA rated but have variable net asset values (VNAV) as opposed to a traditional MMF which has a Constant Net Asset Value (CNAV). They aim to achieve a higher yield and to do this either take more credit risk or invest out for longer periods of time, which means they are more volatile. These funds can have WAM's and Weighted Average Life (WAL's) of 90 – 365 days or even longer. Their primary objective is yield and capital preservation is second. They therefore are a higher risk than MMFs and correspondingly have the potential to earn higher returns than MMFs.

- (vii) *Treasury bills*. These are short term bills (up to 12 months, although none have ever been issued for this maturity) issued by the Government and so are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales could incur a net cost during the period of ownership.

- (viii) *Gilts*. These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales may incur a net cost. Market movements that occur between purchase and sale may also have an adverse impact on proceeds. The advantage over Treasury bills is that they generally offer higher yields the longer it is to maturity (for most periods) if the yield curve is positive.

A.6 Table 3 lists the permitted investments of a non-cash nature available for use by the Council:

<b>Permitted investments table 3: instruments of a non-cash nature</b>	<b>treasury risks</b>	<b>mitigating controls</b>	<b>maximum share of total investments</b>
Share holdings, unit holdings and bond holdings, including those in a local authority-owned company	Service investments which may exhibit market risk; likely to be highly illiquid	Each equity investment requires Member approval and each application will be supported by the service rationale behind the investment and the likelihood of loss	Policy driven, managing all associated risks; authorised limit and operational boundary apply
Loans to a local authority-owned company or other entity formed by a local authority to deliver services	Service investments either at market rates of interest or below (soft loans); may exhibit credit risk; likely to be highly illiquid	Each loan to a local authority company requires Member approval and each application will be supported by the service rationale behind the loan and the likelihood of full or partial default	Policy driven, managing all associated risks; authorised limit and operational boundary apply
Loans made to third parties, including soft loans (for example, employee loans)	Service investments either at market rates of interest or below (soft loans); may exhibit credit risk; likely to be highly illiquid	Each third party loan (or tranche of loans) requires Member approval and each application will be supported by the service rationale behind the loan and the likelihood of full or partial default	Policy driven, managing all associated risks; authorised limit and operational boundary apply
Investment property	Non-service properties which are being held pending disposal or for a longer-term rental income stream; these are highly illiquid assets with high risk to value	Property holding will be revalued regularly and reported at appropriate periodic intervals for a property investment portfolio in respect of rental levels; in terms of surplus assets held for disposal, the Council has an active surplus property disposal strategy which ensures a coordinated and managed approach is adopted to the disposal of such sites in a way which is reflective of current and future anticipated market conditions, seeks to maximise market interest in site disposals and secures best value for the Council	Policy driven, managing all associated risks; authorised limit and operational boundary apply

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**PROCEDURE TO BE FOLLOWED AT THE  
MEETING OF RENFREWSHIRE COUNCIL  
TO BE HELD ON 1 MARCH 2018  
DURING CONSIDERATION OF ITEM 4 CONCERNING  
THE HOUSING REVENUE ACCOUNT BUDGET, RENT LEVELS  
2018/2019 AND HOUSING CAPITAL INVESTMENT PLAN  
2018/2019-2020/2021**

The purpose of this note is to give Members advance notice of the procedure which Provost Cameron has agreed should be followed at the Meeting of the Council on 1 March 2018 viz:

1. The Convener of the Communities, Housing & Planning Policy Board (the Convener) will make her budget statement for financial year 2018/2019 and move as appropriate. She will then speak to the principal points of her proposals. The motion will require to be seconded.
2. For the purposes of the subsequent discussion and voting, the Convener's proposals will be taken as one motion.
3. An opportunity will then be given to the Leader of the opposition group and any other Members to move, and to have duly seconded, comprehensive amendments to the motion (i.e. taking together budget proposals, the rent levels and the capital investment plans).
4. The motion and any amendments will require to be produced in writing and a copy given to each of the Members present prior to being spoken to at the meeting.
5. There shall be no formal restriction upon the length of time given to the Convener and the Leader of the opposition group to move their respective budget statements and speak in support of the principal points of their proposals. However, Provost Cameron shall have the power to require any person speaking to limit their speech in order to facilitate the conduct of the meeting.
6. Provost Cameron will then invite other Members to take part in the debate.
7. The debate will conclude with Provost Cameron giving the Convener an opportunity to reply.
8. A vote or votes will then be taken in accordance with the provisions of standing orders.



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**To: Council**

**On: 1 March 2018**

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**Report by: Director of Development & Housing Services and Director of Finance & Resources**

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**Heading: Housing Revenue Account Budget & Rent Levels 2018/19 and Housing Capital Investment Plan 2018/19 to 2020/21**

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## **1. Summary**

- 1.1 This report details the proposed Housing Revenue Account (HRA) budget for financial year 2018/19 and sets out the information which allows consideration of rent levels for 2018/19.
  - 1.2 The report provides an update on the consultation process with tenants on the annual rent setting process and also details the Housing Capital Investment Plan for the three year period 2018/19 to 2020/21.
  - 1.3 In setting the 2018/19 HRA budget, members will wish to consider the medium and longer term context for the HRA in light of the ongoing risks and challenges facing the HRA. This includes the slower than expected roll out of welfare reform including universal credit and direct payments in addition to areas of improved performance in bad debt recovery and rental loss through voids.
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## **2. Recommendations**

- 2.1 It is recommended that Council:
  - i. Notes the findings of the recent Tenant Consultation exercise;
  - ii. Considers the contents of this report and approves an average weekly rent increase of 1% for 2018/19;
  - iii. Approves the Housing Revenue Account Budget for financial year 2018/19 as detailed in appendix 2;

- iv. Notes the Council's continued commitment to mitigate the impacts of welfare reform on Council tenants by incorporating the delivery of measures intended to support tenants, previously funded from 2013/14 to 2017/18 through the earmarked HRA resources, into the mainline service provision;
  - v. Approves the Housing Capital Investment Plan 2018/19 to 2020/21 as detailed in appendix 3 of the report; and
  - vi. Notes the continuing requirement to achieve best value and an optimum workflow over the 3 years of the investment plan and authorises the Director of Development and Housing Services to work in conjunction with the Director of Finance and Resources to re-profile the capital programme and available resources, as necessary, in line with the appropriate limits established under the Council's capital prudential framework arrangements.
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### **3. Background and Medium Term Financial Context**

- 3.1. The HRA operates on the basis of a rolling 30 year Business Plan model which is the standard operating practice amongst local authorities and Registered Social Landlords. The 30 year basis of the model reflects the need for a long term planned approach to replacement of major items such as rewiring, central heating etc aligned to the lifecycle of the element. The model ensures that rental income is sufficient over the term of the plan to cover the costs of servicing capital expenditure, the costs of appropriately maintaining the housing stock and staffing costs.
- 3.2. The Business Plan model is reviewed annually to take account of the adjusted base budget position over the previous year and to update any key assumptions. This review process allows consideration to be given to the setting of rent levels for the next and future financial years.
- 3.3. The HRA has continued to operate in a period of uncertainty as a result of the UK Government's Welfare Reform policy changes, which have placed additional financial stress on families, pressure on Council services and present a significant financial risk to the HRA.
- 3.4. The launch in October 2016 of the Fairer Scotland Action Plan provided clarity around the Scottish Government's policy intention to utilise devolved powers in relation to social security under the Scotland Act 2016, by giving claimants the option to choose to have Universal Credit payments paid fortnightly instead of monthly and also offering to pay housing costs direct to social landlords.
- 3.5. Regulations to implement the two priority flexibilities of managed payment of rent to landlords and more frequent payments were laid before the Scottish Parliament on 29 June 2017 and came into force on 4 October 2017. This allows tenants to opt for managed payments direct to the landlord, where previously the landlord had to request this if the tenant reached the trigger point of eight weeks arrears. The implementation of this option is limited at

this stage to those making new claims in full service areas and after January 2018 to those already receiving UC in a full service area or those who transfer from a live to full service. The full service roll out is not expected to be introduced in Renfrewshire until September 2018.

- 3.6 In light of the factors outlined in paragraphs 3.3 to 3.5 the current planning assumption for financial year 2018/19 assumes that the planned provision for bad debt should remain at 2.5%. This level of bad debt is considered prudent and reflects the expected pace of the roll out of Universal Credit over the short term and the introduction of the full service roll out.
- 3.7 The numbers affected remain small (c. 410 at January 2018), however initial reviews have highlighted that it is more likely that this group will fall into arrears due to many having existing arrears prior to migration and due to the procedural delays in making payments by DWP.
- 3.8 The introduction of managed payment of rent to landlords will assist in the management of debt levels, however it is projected that levels may reach 4.5% in 2019/20 as tenants still require to opt for managed payments until arrears reach the trigger point of eight weeks and implementation of this option is linked to the full service roll out.
- 3.9 The HRA is a ringfenced account and any financial strategy must ensure that service delivery can be maintained within the available resources on the account. It is therefore essential to maintain a level of general reserves which provides adequate protection to the HRA against the short term impact of the materialisation of any risks, including the uncertainty over the impact of welfare reform on arrears and rental collection. It is considered prudent, therefore, to maintain the level of unallocated balances on the HRA at £6.8m entering financial year 2018/19.

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#### 4. **HRA Budget Planning Assumptions**

- 4.1. The rental income generated by the HRA must support service delivery, the costs of appropriately maintaining the housing stock and the financing costs to service the investment required in HRA assets. Details are provided in appendices 1 and 2.
- 4.2. Key assumptions are:
  - Estimated housing stock for 2018 is 11,696.
  - At present no national agreement has been reached on a pay settlement for 2018/19 for any of the Council's employee groups. The public sector pay policy announced by the Scottish Government outlined a 3% pay increase for 2018/19 for those employees earning up to £36,500 with 2% predominantly applying thereafter. Local government negotiates and sets its own pay arrangements however the public sector pay policy has a significant contextual influence in this regard. Financial provision for the 2018/19 settlement is included within the figures outlined in the report reflecting the wider public sector pay environment.

- An allowance has also been made for the impact of pay inflation on payments to contractors in the 2018/19 budget.
- Savings of £200,000 will be delivered in 2018/19 through a review of Hard and Soft Facilities Management as part of the Better Council Change Programme.
- Rental loss from voids is reduced from 2.5% to 2.25% as a result of improved letting times.
- The bad debt provision is maintained at 2.5% for 2018/19, given the slower than expected roll out of universal credit, but will be subject to review thereafter.
- The budget presented for 2018/19 includes the continuation of the £500,000 investment in enhanced planned maintenance programmes approved in 2017/18, which will assist in managing the number of responsive repairs over the medium to long term, together with the £500,000 approved in 2015/16 for decoration in voids given the positive impacts on letting performance and tenant satisfaction.
- Resources to support tenants manage the implications of welfare reform are included in the mainline budget.
- Implementation of the 2018/19 rent increase will be aligned to the rent charging structure previously agreed by Council and introduced from April 2011. The revised rent structure is being implemented in phases with a transitional premium cap of £1.50 per week for any rent which requires to be increased. Consequently, the increase will exceed the rent increase agreed for 2018/19 for some tenants and for others will be less as rents move toward the target level. By the end of financial year 2018/19 it is anticipated that approximately 96% of tenants will have reached the target rent for their property.
- The strategy of using HRA surpluses and Capital Financed from Current Revenue (CFCR) to reduce new debt and smooth debt repayments will continue to be used to ensure the medium to long term sustainability of the HRA.

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## 5. Tenant Consultation

- 5.1 Renfrewshire Council is committed to ongoing consultation with tenants on key aspects of service, including rent charges. Previously, consultation on the annual rent increase was conducted through the tenants' newsletter, the People's News. In recent years, a telephone survey of a 5% sample of Council tenants has been carried out as a means of seeking views on rent levels.
- 5.2 In order to seek views on rent levels for 2018/19, a total of 601 telephone interviews were undertaken with Renfrewshire Council tenants between 8 and 16 January 2018. Tenants were asked if the Council should continue to keep



any rent increase as low as possible while budgeting to raise sufficient rental income to cover costs. Almost all respondents (99%) said they agreed with this approach.

- 5.3 When asked last year what were the most important things that the Council should take into account when setting the annual rent increase – tenants responded that affordability for tenants, funding for improvement to existing housing stock and building new council houses were the most important. When the tenants surveyed this year were asked if they agreed that these priorities remained relevant for the financial year 2018/19, almost all respondents (99%) agreed.
- 5.4 When asked for their views on the rent increase for 2018/19, just under half of tenants (48%) felt that rents should increase slightly below the rate of inflation; 45% felt that rents should increase in line with inflation; and 6% thought that rents should increase slightly above inflation to allow scope of additional investment.
- 5.5 Tenants were then asked which two things they felt were most important to consider when setting the rent increase for 2018/19. The top priorities identified by tenants were affordability for tenants, building new Council houses, and funding for improvements to existing housing stock.

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## 6. Housing Capital Investment Plan – 2018/19 to 2020/21

- 6.1 The proposed Housing Capital Investment Plan for the 3 year period from 2018/19 to 2020/21 is attached at appendix 3. The total value of the plan is £53.902m and includes allowances for new build homes, regeneration and the planned investment programmes required to ensure council house stock is maintained at the Scottish Housing Quality Standard (SHQS).
- 6.2 The planned capital investment in 2018/19 will be £15.440m, followed by £18.746m in 2019/20 and £19.716m in 2020/21. The plan will be reviewed on an annual basis incorporating an ongoing assessment of risk.
- 6.3 Authority is granted to the Director of Development & Housing Services to flexibly manage the capital investment programme as necessary to ensure optimum use of resources within the corporate limits of prudential borrowing. It is proposed that this facility remains in place over the life of the new three year plan detailed in appendix 3.
- 6.4 The table below sets out the proposed composition of the plan for 2018/19 and how it will be funded.

2018/19 Programme			Funding	
Planned Investment Programmes		£9.899m	Prudential Borrowing	£15.440m
Regeneration & New Build		£5.541m		
<b>Total</b>		<b>£15.440m</b>	<b>Total</b>	<b>£15.440m</b>

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## 7 Planned Investment Programmes

7.1 Since achieving compliance with the Scottish Housing Quality Standard (SHQS) in April 2015, there has been an ongoing requirement to ensure our housing stock continues to be maintained at this standard. This requirement will continue to be the driver for the planned investment programmes which will focus on:

- Investing in properties which had been assessed as complying prior to 2015 but which subsequently drop below the standard
- Ensuring properties in the abeyance category which subsequently become void are upgraded prior to being relet

The capital programme for 2018/19 to 2020/21 will deliver a total investment of £30.742m in planned investment programmes.

7.2 The Council is required to ensure that all stock achieves the minimum energy rating under the Energy Efficiency Standard for Social Housing (EESH) by the first milestone of 31 December 2020. In April 2017 over 66% of the Council's housing stock met the 2020 standard and it is anticipated this will rise to 70% by April 2018 as the external improvement programme improves the energy efficiency of properties of solid wall construction. The Council's position is that EESH will be achieved through the capital funding plans for planned investment programmes, together with Government sourced supplementary funding (e.g. HEEPS:ABS) and other external sources such as ECO.

7.3 It should be noted that the Scottish Government has commenced an EESH review to assess progress and consider further milestones beyond 2020. The outputs of this review will be publicised in due course and the impact of any increase in the energy rating requirement will be assessed and reported to a future meeting of the Communities, Housing and Planning Policy Board.

7.4 As a result of the level of investment during the SHQS programme which saw internal improvements delivered to 10,700 homes, the main focus of the planned investment programme continues to be external improvements which will also contribute to the achievement of EESH. There will continue to be a programme of heating renewals in 2018/19 and the smaller programme of kitchen, bathroom and rewiring combinations will only be carried out in properties which are void or were otherwise in abeyance at the end of the SHQS programme. This is likely to remain the position with internal upgrades until 2020 at least.

7.5 The main categories of planned investment programmes are:

- external improvements which includes renewal of roofs, rainwater goods and external fabric;
- internal improvements which includes replacing or upgrading kitchens, bathrooms, electrical wiring and heating systems;
- multi storey flat and sheltered housing improvements; and
- other investment including disabled adaptations, asbestos removal and rotworks.

7.6 The main elements of the planned investment programme for next year will include the following:

<b>2018/19 Planned Improvements</b>	<b>Number of Properties</b>
External fabric upgrading	300
Kitchen, bathroom and rewiring replacement	200
Heating renewals	250

7.7 The council owns and manages over 60 launderette blocks, outwith those which are contained within our high rise blocks, which are utilised by both tenants and homeowners in terms of their lease agreement or property title deeds.

7.8 It is proposed that an assessment of future needs and investment is conducted together with a review of charging arrangements, in consultation with launderette users and a report presented to a future meeting of the Communities, Housing and Planning Policy Board.

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## **8 Regeneration & New Build**

8.1 The capital investment plan for 2018/19 to 2020/21 also includes an allowance of c. £5.5m for the Council's contribution to planned regeneration programmes. Allowance has also been made for the acquisition of privately owned houses and the demolition of vacant blocks associated with the regeneration of Johnstone Castle, which will be progressed over the course of the next few years.

8.2 The Strategic Housing Investment Plan (SHIP) 2018/19 to 2022/23 approved by the Communities, Housing and Planning Policy Board on 7 November 2017 provides the context for the new build investment provision included in the Capital Investment Plan detailed at appendix 3.

- 8.3 The Capital Investment Plan includes provision for new build investment in affordable social housing in Renfrewshire at sites in Dargavel Village and Johnstone Castle, together with new build homes on sites across Renfrewshire including Ferguslie, Foxbar, Gallowhill, Millarston South West Johnstone and a further site at Dargavel taking the Council's total commitment to approximately 420 new homes.
- 8.4 It is intended to secure Scottish Government grant funding from the Affordable Housing Supply Programme to help deliver these new homes. The current grant benchmark for Council new build is £57,000 per unit with the remainder of the development cost being funded through the HRA.
- 8.5 The ambition over the coming 5 year period is to deliver a further 200 new affordable homes each year, which will be provided in part through Council new build and in partnership with RSL partners. An additional pipeline of projects is actively being developed to ensure that potential funding which may become available through the Scottish Government's Affordable Housing Supply Programme is maximised.
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## Implications of the Report

1. **Financial** – The report and appendices detail the proposed HRA budget and average weekly rent increase for 2018/19 and the Housing Capital Investment Plan for 2018/19 to 2020/21.
2. **HR & Organisational Development** – None.
3. **Community/Council Planning**
  - *Our Renfrewshire is well* – enabling communities to have their voices heard, and influence the places and services that affect them by consulting tenants on the proposed changes to rents for 2018/19
  - *Building strong, safe and resilient communities* - continuing housing regeneration programmes across Renfrewshire to create sustainable communities.
  - *Creating a sustainable Renfrewshire for all to enjoy* – accessing supplementary external funding where available to support the achievement of the minimum energy rating under the Energy Efficiency Standard for Social Housing.
  - *Working together to improve outcomes* – consulting tenants on the proposed changes to rents for 2018/19 and involving tenant representatives in the specification and monitoring of the investment programme.
4. **Legal** – The council is required to set an HRA budget for 2018/19 and agree rent changes for notification to tenants.
5. **Property/Assets** – The report proposes the Housing Capital Investment Plan for 2018/19 to 2020/21.

6. **Information Technology** – None.
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None.
9. **Procurement** – The proposed Capital Investment Plan for 2018/19 to 2020/21 will include procurement of contracts.
10. **Risk** – The HRA Business Plan remains subject to a number of risks including the impact of welfare reform and relevant cost.
11. **Privacy Impact** – None.
12. **Cosla Policy Position** – Not applicable.

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## List of Background Papers

None.

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21 February 2018

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**Housing Revenue Account – Budget Changes for 2018/19**

<b>Expenditure</b>					
Subjective Heading	2017/18 Budget	Change	2018/19 Budget	Major Changes	Change
	£000	£000	£000		£000
Employee Costs	7,413	356	7,769	Funding for 4 additional housing assistants to manage Universal Credit cases.	100
				Allowance for pay inflation for APT&C and manual staff (including the apprenticeship levy).	256
				<b>Total Movement in Employee Costs</b>	<b>356</b>
Property Costs	13,679	93	13,772	Reduction in repairs budget to reflect efficiencies made by Building Services.	(200)
				Increase in the repairs budget to reflect an allowance for pay inflation on payments to contractors	218
				Increase in factoring, commercial property repairs and cleaning budgets to reflect additional requirements.	75
				<b>Total Movement in Property Costs</b>	<b>93</b>
Supplies & Services	323	0	323		
Contractors	23	0	23		
Transport	17	(13)	4		
Administration Costs	3,055	57	3,112		
Payments to Other Bodies	3,731	(113)	3,618	Reduction in void loss budget to reflect continuing efficiencies made in this area and some minor changes to reflect the impact of the rent increase on void and irrecoverables.	(113)
Loan Charges	22,551	(699)	21,852	Realignment of repayment of principal debt to reflect the debt smoothing strategy.	(699)
<b>Total Expenditure</b>	<b>50,792</b>	<b>(319)</b>	<b>50,473</b>		

## Housing Revenue Account – Budget Changes for 2018/19 (cont'd)

Income					
Subjective Heading	2017/18 Budget	Change	2018/19 Budget	Major Changes	Change
	£000	£000	£000		£000
House Rents	45,807	349	46,156	Reduction in income to reflect stock movements	(108)
				Rental Increase	457
				<b>Total Movement in House Rents</b>	<b>349</b>
Transfer from balances to fund Welfare Reform activity	581	(581)	0	Realignment of transfer from balances to reflect the inclusion in mainline service delivery of Welfare Reform activity to support tenants	(581)
Supporting People Income	897	0	897		
Commercial Rents	1,131	0	1,131		
SHQS Professional Fees	915	0	915		
Service Charges	317	25	342		
Building Services Rebate	224	0	224		
Temporary Interest	131	0	131		
Lock Up Rents	290	3	293		
Renewable Heat Initiative (RHI) income	100	0	100		
Other Income	399	(115)	284	Removal of recovery from Building Services for Clark Street refurbishment upon completion of repayment period.	(145)
<b>Total Income</b>	<b>50,792</b>	<b>(319)</b>	<b>50,473</b>		
HRA surplus transferred to balances	0	0	0		



## Appendix 2

1

Renfrewshire Council  
Estimates of Expenditure and Income for the Year Ending 31st March 2019  
Housing Revenue Account  
Subjective Summary

Line No	Expenditure	2017/18 Estimates £	Virements £	Tsfrs, Savings & Unavoidables £	Rent Increase/ Inflation, etc £	2018/19 Estimates £
<b>1</b>	<b>Employee Costs</b>	<b>7,413,580</b>	<b>0</b>	<b>99,600</b>	<b>256,050</b>	<b>7,769,230</b>
2	Salaries - APT&C	4,971,250	103,030	99,600	181,090	5,354,970
3	Superannuation - APT&C	911,750	(11,780)	0	31,500	931,470
4	National Insurance - APT&C	567,190	(75,820)	0	17,200	508,570
5	Overtime - APT&C	1,000		0	40	1,040
6	Salaries - manual workers	436,440	18,420	0	15,920	470,780
7	Superannuation - manual workers	75,180	27,710	0	3,600	106,490
8	National Insurance - manual workers	52,260	5,440	0	2,020	59,720
9	Overtime - manual workers	200,610	(67,000)	0	4,680	138,290
10	Travel and Subsistence	85,300		0	0	85,300
11	Pension Increases	65,100		0	0	65,100
12	Training Costs	47,500		0	0	47,500
<b>13</b>	<b>Property Costs</b>	<b>13,678,870</b>	<b>75,550</b>	<b>(200,000)</b>	<b>217,650</b>	<b>13,772,070</b>
14	Community alarm maintenance	55,000		0	0	55,000
15	Contract trading service - cleaning	153,400	31,000	0	0	184,400
16	Electricity	273,380	3,000	0	0	276,380
17	Factoring & common charges	39,000	26,000	0	0	65,000
18	Garden assistance scheme	371,200		0	0	371,200
19	Gas	209,560	50	0	0	209,610
20	Improve garden / close cleaning	494,400		0	0	494,400
21	Maintenance of Gardens and Open Spaces	233,800		0	0	233,800
22	Maintenance of Commercial Units		30,000	0	0	30,000
23	Maintenance of houses	11,082,430		(200,000)	217,650	11,100,080
24	Property insurance	334,200		0	0	334,200
25	Rates	104,700	8,000	0	0	112,700
26	Office Rent	32,000	15,000	0	0	47,000
27	Water metered charges	16,000	(2,500)	0	0	13,500
28	Repairs direct	23,000		0	0	23,000
29	Special uplift service	198,900		0	0	198,900
30	Commercial Refuse	3,200		0	0	3,200
31	Supply of bins	11,700		0	0	11,700
32	Running costs of Home Exchange shop	35,000	(35,000)	0	0	0
33	Other Property Costs	8,000		0	0	8,000
<b>34</b>	<b>Supplies and Services</b>	<b>322,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>322,700</b>
35	Clothing/Uniforms	25,700		0	0	25,700
36	Computer software & licenses	146,600		0	0	146,600
37	Equipment maintenance & replacement	43,400		0	0	43,400
38	Publicity	26,000		0	0	26,000
39	Removal costs	25,300		0	0	25,300
40	Temporary Accommodation	11,500		0	0	11,500
41	Other supplies & services	44,200		0	0	44,200
<b>42</b>	<b>Contractors</b>	<b>23,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,300</b>
43	Customer research	23,300		0	0	23,300
<b>44</b>	<b>Transport</b>	<b>16,950</b>	<b>(12,750)</b>	<b>0</b>	<b>0</b>	<b>4,200</b>
45	Internal Transport - Hire	9,850	(7,650)	0	0	2,200
46	Internal Transport - Maintenance	2,500	(1,500)	0	0	1,000
47	Internal Transport - Garaging	2,000	(2,000)	0	0	0
48	Vehicle Licenses	100	(100)	0	0	0
49	Internal transport - Fuel	2,500	(1,500)	0	0	1,000
<b>50</b>	<b>Carried Forward</b>	<b>21,455,400</b>	<b>62,800</b>	<b>(100,400)</b>	<b>473,700</b>	<b>21,891,500</b>

2  
Renfrewshire Council  
Estimates of Expenditure and Income for the Year Ending 31st March 2019  
Housing Revenue Account  
Subjective Summary

Line No	Income	2017/18 Estimates £	Virements £	Tsfrs, Savings & Unavoidables £	Rent Increase/ Inflation, etc £	2018/19 Estimates £
1	<b>Other Income</b>	<b>50,791,650</b>	<b>(90,000)</b>	<b>(688,570)</b>	<b>459,900</b>	<b>50,472,980</b>
2	District heating income - Tenants	29,700		0	0	29,700
3	District heating income - Owner Occupiers	60,100	25,000	0	0	85,100
4	Renewable Heat Incentive (RHI) income	100,000		0	0	100,000
5	Launderette income - Tenants	65,000		0	0	65,000
6	Launderette income - Owner Occupiers	161,900		0	0	161,900
7	Other charges to Owners	20,000		0	0	20,000
8	Supporting People - Sheltered	150,000		0	0	150,000
9	Supporting People - Customer Support Team	746,990		0	0	746,990
10	Rental income - commercial properties	1,131,000		0	0	1,131,000
11	Rental income - houses	45,807,070		(107,570)	457,000	46,156,500
12	Rental income - lock ups	289,790		0	2,900	292,690
13	Rechargeable Repairs Income (net of write offs)	150,000	30,000	0	0	180,000
14	Temporary interest	131,500		0	0	131,500
15	SHQS Professional Fees	915,000		0	0	915,000
16	Admin Recoveries	30,000		0	0	30,000
17	Building Services Rebate	224,000		0	0	224,000
18	Commission on Insurance	8,000		0	0	8,000
19	Recharge of Capital costs to Building Services	145,000	(145,000)	0	0	0
20	Other income	40,600		0	0	40,600
21	Property Enquiry Fees	5,000	0	0	0	5,000
22	Transfer from balances to fund Welfare Reform Activity	581,000		(581,000)	0	0
23	<b>Carried Forward</b>	<b>50,791,650</b>	<b>(90,000)</b>	<b>(688,570)</b>	<b>459,900</b>	<b>50,472,980</b>

3  
Renfrewshire Council  
Estimates of Expenditure and Income for the Year Ending 31st March 2019  
Housing Revenue Account  
Subjective Summary

Line No	Expenditure	2017/18 Estimates £	Virements £	Tsfrs, Savings & Unavoidables £	Rent Increase/ Inflation, etc £	2018/19 Estimates £
51	<b>Expenditure Brought Forward</b>	<b>21,455,400</b>	<b>62,800</b>	<b>(100,400)</b>	<b>473,700</b>	<b>21,891,500</b>
52	<b>Administration Costs</b>	<b>3,054,700</b>	<b>15,680</b>	<b>41,400</b>	<b>0</b>	<b>3,111,780</b>
53	Advertising	21,600		0	0	21,600
54	Apportionment of Central Administration	1,287,490	112,000	41,400	0	1,440,890
55	Apportionment of Central Administration Business Support	394,110		0	0	394,110
56	MSS Recharge	507,300	(49,670)	0	0	457,630
57	MSS Recharge - Centralised Printing	38,850	(38,850)	0	0	0
58	ASIST & Mediation recharge from Environmental Services	245,250		0	0	245,250
59	Bank Charges - Costs of Giro Collection	7,000		0	0	7,000
60	Conference/Course Expenses	5,500		0	0	5,500
61	Insurance	123,000		0	0	123,000
62	Legal expenses	83,600		0	0	83,600
63	Membership fees & subscriptions	33,750		0	0	33,750
64	Tenant Consultation	15,000		0	0	15,000
65	Postage	93,600		0	0	93,600
66	Printing and stationery	55,050		0	0	55,050
67	Telephones	105,000		0	0	105,000
68	Other Administration Costs	30,800		0	0	30,800
69	path/hnda	7,800	(7,800)	0	0	0
70	<b>Payments to Other Bodies</b>	<b>3,730,550</b>	<b>0</b>	<b>(132,440)</b>	<b>19,880</b>	<b>3,617,990</b>
71	Council tax re empty properties	238,500		0	0	238,500
72	Garden competition prizes	9,700		0	0	9,700
73	Grants to tenants / housing associations	12,000		0	0	12,000
74	Irrecoverable rent - housing	1,137,900		(16,000)	11,200	1,133,100
75	Employment Initiatives	250,000		0	0	250,000
76	Neighbourhood housing forums	269,500		0	0	269,500
77	Voids - commercial	200,000		0	0	200,000
78	Voids - operational	939,040		(116,440)	8,200	830,800
79	Voids - lock ups	47,710		0	480	48,190
80	Strategy & Quality Initiatives	67,690		0	0	67,690
81	Commissioned Costs - Customer Support	558,510		0	0	558,510
82	<b>Loan Charges</b>	<b>22,551,000</b>	<b>(168,480)</b>	<b>0</b>	<b>(530,810)</b>	<b>21,851,710</b>
83	Loan charges - expenses	141,000		0	0	141,000
84	Loan charges - interest	6,200,000		0	0	6,200,000
85	Loan charges - principal	16,210,000	(168,480)	0	(530,810)	15,510,710
86	Capital Financed from Current Revenue (CFCR)	0		0	0	0
87	<b>Total Expenditure</b>	<b>50,791,650</b>	<b>(90,000)</b>	<b>(191,440)</b>	<b>(37,230)</b>	<b>50,472,980</b>

4  
Renfrewshire Council  
Estimates of Expenditure and Income for the Year Ending 31st March 2019  
Housing Revenue Account  
Subjective Summary

Line No	Income	2017/18 Estimates £	Virements £	Tsfrs, Savings & Unavoidables £	Rent Increase/ Inflation, etc £	2018/19 Estimates £
88	Income Brought Forward	50,791,650	(90,000)	(688,570)	459,900	50,472,980
89	Total Income	50,791,650	(90,000)	(688,570)	459,900	50,472,980
90	Total Expenditure	50,791,650	(90,000)	(191,440)	(37,230)	50,472,980
91	Net Expenditure	0	0	497,130	(497,130)	0

**Housing Capital Investment Plan – 2018/19 to 2020/21**

<b>Expenditure Category</b>	<b>2018-19 £m</b>	<b>2019-20 £m</b>	<b>2020-21 £m</b>
<b>Existing Housing Stock</b>			
Internal Investment	2.374	1.846	1.883
Low Rise External Improvements	2.464	4.051	4.133
Multi Storey Flats Improvements	0.253	0.256	0.262
Sheltered Housing Improvements	1.010	0.103	0.105
Other Investments	1.980	2.215	2.260
Professional Fees	1.818	1.846	1.883
<b>Total Existing Housing Stock</b>	<b>9.899</b>	<b>10.317</b>	<b>10.526</b>
<b>Regeneration and New Build</b>			
General	0.805	0.210	3.825
Johnstone Castle Regeneration	2.073	3.606	0.510
Tannahill Regeneration	0.000	1.950	2.985
Dargavel New Build	2.663	2.663	0.000
Seedhill Regeneration	0.000	0.000	1.870
<b>Total Regeneration and New Build</b>	<b>5.541</b>	<b>8.429</b>	<b>9.190</b>
<b>Overall Housing Investment Total</b>	<b>15.440</b>	<b>18.746</b>	<b>19.716</b>





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**To:** Council

**On:** 1 March 2018

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**Report by:** Director of Finance and Resources

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**Heading:** Remuneration of Elected Members

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**1. Summary**

- 1.1 Renfrewshire Council's remuneration arrangements for elected members are in accordance with prevailing Scottish Government regulations, and the current arrangements were approved by Council on 18 May 2017. Amendments to the regulations were laid before the Scottish Parliament on 8 February 2018 and come into force from 1 April 2018. The regulation outlines an increase in Elected Member remuneration. Increases in local government Elected Member salaries are linked to the movement in the median annual earnings of public sector workers in Scotland.
- 

**2. Recommendations**

- 2.1 It is recommended that Council notes the 0.4% increase in remuneration levels mandated by The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2018 for the Leader of the Council, the Provost and for Councillors with effect from 1 April 2018; their salaries therefore being £33,992, £25,494 and £16,994 respectively.

- 2.2 It is recommended that Council agrees to apply a 0.4% increase in the pay of Senior Councillors with effect from 1 April 2018. Senior Councillors comprise (i) Policy Board Conveners, (ii) the Council representative nominated as, on rotation, the chair or the depute chair of Renfrewshire Health and Social Care Partnership's Integration Joint Board, (iii) the Council representative nominated as the chair of Renfrewshire Leisure Limited's Board of Directors, (iv) Regulatory Board Conveners and (v) the Leaders of the largest and second largest Opposition groups. The salaries of Senior Councillors in classifications (i), (ii) and (iii) above will therefore be £25,200 from 1 April 2018; and the salaries of Senior Councillors in classifications (iv) and (v) above will therefore be £20,783 from 1 April 2018.

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## Implications of the Report

1. **Financial** – The financial implications of the recommendations in the report have been incorporated into proposed budgets and provisions for the 2018/19 financial year.
2. **HR & Organisational Development** - none
3. **Community/Council Planning** – none
4. **Legal** - The Council is statutorily required to put in place appropriate arrangements for the remuneration of its elected members. This includes complying with all relevant legislation and regulations and, in the case of the Provost and Senior Councillors, deciding on appropriate levels of remuneration consistent with the remuneration limits set by regulations.
5. **Property/Assets** - none
6. **Information Technology** - none
7. **Equality & Human Rights** - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If



required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** - none
9. **Procurement** – none
10. **Risk** - none
11. **Privacy Impact** - none
12. **Cosla Policy Position** – the pay awards outlined are consistent with the COSLA position.

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**Author:** Alastair MacArthur – Ext 7363





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**To:** Council

**On:** 1<sup>st</sup> March 2018

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**Report by:** Chief Executive

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**Heading:** Hub West Scotland: Update to Notice of Motion 5 at Council Meeting on 28 September 2017

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**1. Summary**

- 1.1 The purpose of this report is to provide an update to Council regarding the usage of Hub West Scotland. This report will outline the relative advantages and potential risks of utilising Hub West Scotland and will provide an update on current and potential future projects.
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**2. Recommendations**

- 2.1 The Council is asked to note this report.
- 2.2 The Council is also asked to note that specific recommendations to award any contract to Hub West Scotland will be brought to future Boards for approval in accordance with the terms of our Standing Orders Relating to Contracts.
- 

**3. Background**

- 3.1 Hub West Scotland is a joint-venture organisation which is owned by both the public and private sectors. The procurement process to

establish the hubco for the hub West Territory was conducted in accordance with the above EU Threshold Competitive Dialogue Procedure for Services.

- 3.2 On 5 March 2012 the Finance and Policy Board agreed that Renfrewshire Council could participate in the Hub West Territory Partnering Agreements. This means that when developing the procurement strategy for infrastructure projects which encompass an element of design and build, partnership with Hub West can be considered as an option if it satisfies the requirement to achieve Value for Money, including adding social value through the project.
- 3.3 The Finance and Policy Board agreed to the principle of participation, however it was also agreed that prior to proceeding with formal appointment for Design and Build, a Contract Authorisation Report would be brought to the appropriate Board, seeking approval to enter into an agreement with Hub West Scotland for the full delivery of the project.
- 3.4 Hub West Scotland have previously delivered Johnstone Town Hall and the Community Safety Hub in Paisley.
- 3.5 On 8 November 2017, the Finance, Resources and Customer Service Policy Board agreed a recommendation to appoint Hub West Scotland to complete the initial stages of the contract for Paisley Town Hall.
- 3.6 A report will also be submitted to the Finance, Resources and Customer Services Policy Board on 28 March 2018 seeking authority to appoint Hub West Scotland as the preferred delivery partner for the construction of the new Paisley Learning and Cultural Hub.
- 3.7 At the Council meeting of 28 September 2017, a motion was agreed in the following terms:
- "Renfrewshire Council notes with concern, the lack of transparency and democratic accountability when procuring contracts through West Hub Scotland or any other HubCos.
- The lack of democratic control over procurement, community benefits, our construction charter, paying the living wage and blacklisting means that elected members cannot exercise their duty of scrutiny for the lifetime of a project.

Council therefore instructs officers to bring back regular update reports to the Finance, Resources and Customer Services Policy Board, and, to produce a report for Council on the advantages and disadvantages of using HubCos and comparisons made with our own procurement process."

(Item 15 – Notice of Motion 5)

3.8 Responses to the concerns raised are noted as follows:

3.8.1 Lack of transparency and democratic accountability over:

Procurement and tender: The Hub Initiative was set up by the Scottish Government and is managed on behalf of the Scottish Government by the Scottish Futures Trust. One of the stated aims of the initiative is to "Provide continuous improvement in both cost and quality in public procurement". Hub West have an established supply chain who are required to complete a Pre Qualification Questionnaire (PQQ) to qualify, if successful, the contractors are invited to complete an Invitation to Tender (ITT) for each new contract opportunity.

The PQQ includes mandatory questions, assessed on a pass fail basis in accordance with legislation, including assessing responses in relation to The Employment Relations Act 1999 (Blacklists) Regulations 2010. At ITT stage tenderers are asked about their approach to fair working practices, including opportunities for flexible working, training, equal pay and the Living Wage.

3.8.2 Community Benefits: - Hub West have their own Community Benefits Strategy, key objectives of this strategy include:

"Supporting the delivery of national and local sustainability targets; and Increasing opportunities for the delivery of community benefits, including SMEs and local companies and the employment of local people;"

Hub West have agreed to ensure that community benefits requested align to Renfrewshire Council's Community Benefits Strategy and reflect the social objectives of each individual project. The corporate procurement team will link in closely with Hub at the point of engagement and throughout the life of the contract to agree and monitor the delivery of community benefits.

3.8.3 Construction Charter: - The Council will share their Construction Charter with Hub and ask them to ensure that they include relevant Fair

Work Practices questions aligned to the core principles of the Charter within their Invitation to Tender for a main contractor.

3.9 The relative advantages of appointing Hub West as the delivery partner for select projects include:

- Reduced timescales to market as Hub West has already been through a procurement process and so is not bound by the timescales associated with OJEU procurements;
- Access to a broad range of specialist resources;
- Hub West provide project management services at competitive rates and provide open and transparent cost information from the early stages of design to ensure transparency and assist with affordability decisions;
- Procuring the project through Hub West facilitates early contractor engagement, allowing the contractor to contribute to the design process;
- Hub West Scotland have a Community Benefits Strategy aligned to national objectives, which confirms that their approach aims to support;

“the reduction of youth unemployment, individuals who are mid-long term economically inactive, reduce inequalities, address skills gaps and promote and inspire people into the construction industry.”

- Hub West Scotland will work closely with the Council to support the delivery of community benefits and to ensure that the benefits targeted for each commissioned project align to the Council’s objectives.

3.10 Potential disadvantages of utilising Hub West could include the following:

- Possible loss of direct control. To address this the Council will name a Council officer as our representative on the design team to ensure that full oversight of the project development and progress is maintained. All decisions relating to design control, programme and cost will be taken by the Council.
- Perceived additional cost of appointing Hub West to manage the project. Hub West Scotland charge a management fee of 1.53% of the cost, plus additional fees for legal services. These fees are comparable to costs of obtaining services elsewhere that the Council would need to deliver a similar project.

- 3.11 Any future recommendation to appoint Hub West Scotland to deliver a contract will be brought to the appropriate Board as a Contract Authorisation Report, specific to the individual contract.

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### **Implications of the Report**

1. **Financial** - None
2. **HR & Organisational Development** - None
3. **Community/Council Planning** – None
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** - None
8. **Health & Safety** – None
9. **Procurement** –None
10. **Risk** – None
11. **Privacy Impact** – None
12. **Cosla Policy Position** – None.

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### **List of Background Papers**

None

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**Author:** Bridget Lambert (Strategic Procurement Manager)  
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**To: Council**

**On: 1 March 2018**

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**Report by: Director of Finance and Resources**

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**Heading: Governance Arrangements**

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## **1. Summary**

### **1.1 Scheme of Delegated Functions – Planning**

1.1.1 The Council at its meeting held on 21 December 2017 agreed that the Scheme of Delegated Functions as it relates to the planning function be amended as set out in the appendix to this report. It was noted that these changes required to be referred to Scottish Ministers for approval and that confirmation of this process would be reported to a future meeting of the Council.

1.1.2 Correspondence dated 22 January 2018 has now been received from the Planning and Architecture Division of the Local Government and Communities Directorate of the Scottish Government confirming on behalf of Scottish Ministers approval of the revised Scheme of Delegation and advising that Renfrewshire Council may now proceed to adopt the revised scheme with a view to its operation from the formal date of adoption.

1.1.3 In terms of Regulation 5 of the Town and Country Planning (Schemes of Delegation and Local Review Procedures) (Scotland) Regulations 2008 the updated scheme will be made available for inspection.

### **1.2 Police and Fire and Rescue Scrutiny Sub-committee**

1.2.1 The Police and Fire and Rescue Scrutiny Sub-committee as it is currently established comprises five fixed members of the Communities, Housing and Planning Policy Board. It is proposed that, rather than the sub-committee having a fixed membership, that the members are drawn for each meeting from the pool of members of the Policy Board. This would still be on the same basis as the fixed membership, ie three members from the Administration including the Convener or Deputy Convener of the Policy Board and two members from the opposition groups or parties.

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### **1.3 Appointment Board for Directors and Heads of Service**

- 1.3.1 The Council has established an appointment board for vacant posts at Chief Executive, Director, Assistant Director - Schools and Head of Service level to shortlist and interview candidates for these posts. It is proposed that the Convener and Depute Convener of the Appointment Board be Councillors Nicolson and Paterson respectively.

### **1.4 Flag Pole, Ferry Green, Renfrew**

- 1.4.1 The Renfrew and Gallowhill Local Area Committee previously recommended an award of £5,330 from the Renfrew Burgh Citizens Fund to cover the cost of removal and reinstatement of the flagpole at Ferry Green, which was subsequently approved by the Finance & Resources Policy Board. Members of the community have requested that the Renfrew 600 flag (appendix 2) be flown from this flagpole. The office of the Lord Lyon has been contacted and they do not have any objections to this. It is proposed therefore that the Council approve that the Renfrew 600 flag be flown from the Ferry Green flagpole, subject to any requirement on the Council to fly a different flag.

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## **2. Recommendations**

- 2.1 That it be noted that the Scottish Ministers have approved the revised Scheme of Delegation in relation to the planning function as set out in Appendix 1 to this report.
- 2.2 That it be noted that the updated Scheme will be made available for inspection as required in terms of Regulation 5 of the Town and Country Planning (Schemes of Delegation and Local Review Procedures) (Scotland) Regulations 2008;
- 2.3 That the membership of the Police and Fire & Rescue Sub-committee be drawn from the pool of members of the Communities, Housing & Planning Policy Board on the basis of three members of the opposition, including the Convener or Depute Convener of the Policy Board and two members of the opposition;
- 2.4 That Councillors Nicolson and Paterson be the Convener and Depute Convener respectively on the Appointment Board for vacant posts of Chief Executive, Director, Assistant Director - Schools and Head of Service.
- 2.5 That the Renfrew 600 flag, as shown in Appendix 2 to this report, be flown from the Ferry Green, flagpole, Renfrew, subject to any requirement on the Council to fly a different flag.

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## **Implications of this report**

1. **Financial Implications** – none
2. **HR and Organisational Development Implications** – none

3. **Community Plan/Council Plan Implications** – none
4. **Legal Implications** – as detailed in the report.
5. **Property/Assets Implications** – none
6. **Information Technology Implications** – none
7. **Equality and Human Rights Implications**
  - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health and Safety Implications** – none
9. **Procurement Implications** – none
10. **Risk Implications** – none
11. **Privacy Impact** – none
12. **CoSLA Policy Position** – not applicable

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**List of Background Papers** – letter dated 22 January 2018 from Local Government and Communities Directorate Planning and Architecture Division

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**Author:** Lilian Belshaw, Democratic Services Manager, 0141 618 7112



- “3. All planning and related decisions, including the signing and service of notices, within the scope of the Planning (Hazardous Substances) (Scotland) Act 1997.

### **Exceptions**

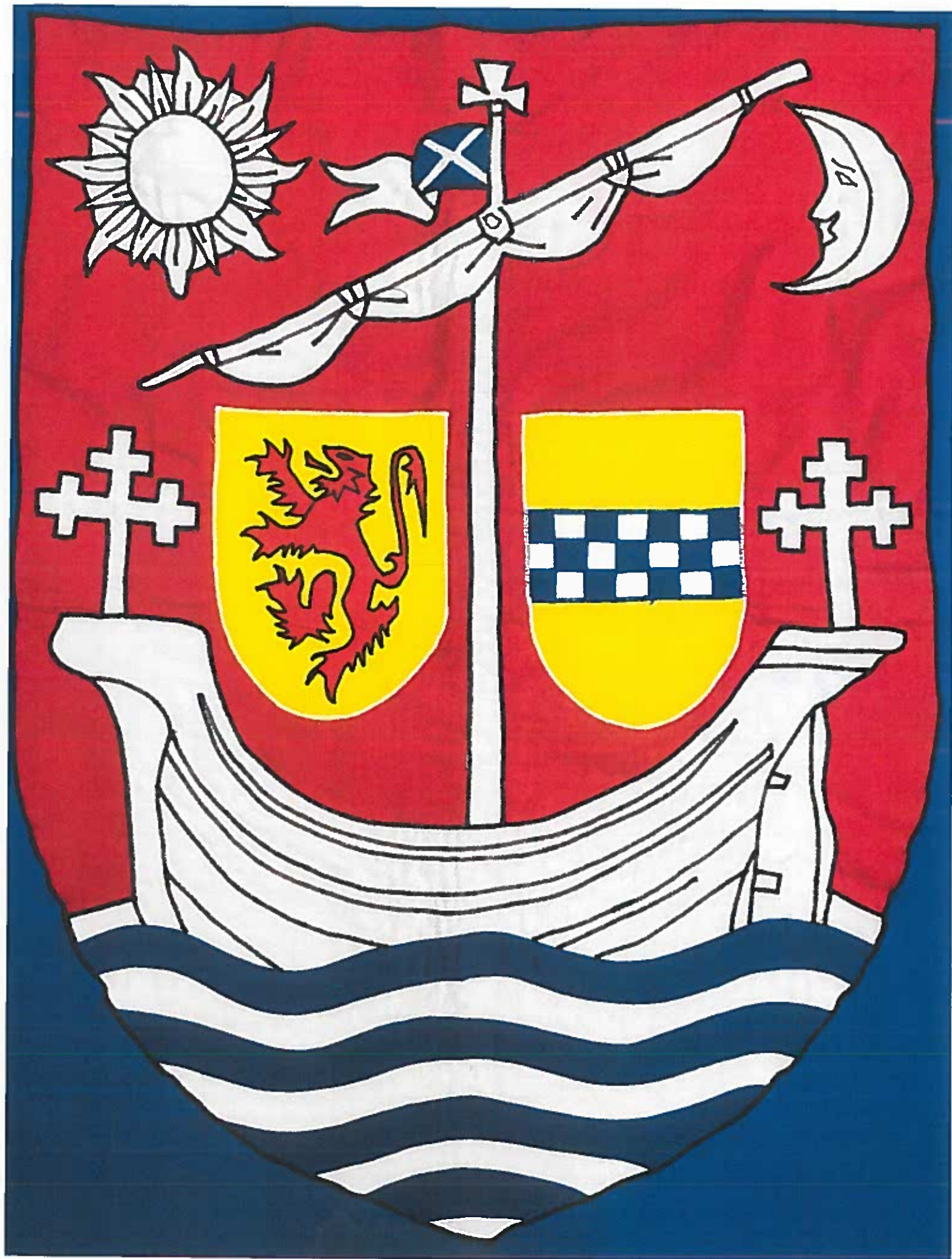
The above delegations are subject to the exception of the following categories of application, which are for decision by elected members, as follows:

#### **To be determined by the Council:**

- (a) national development as specified in the National Planning Framework; and
- (b) major developments which are significantly contrary to the local development plan.

#### **To be determined by a Board of the Council:**

- (a) which the Planning authority decides to determine which would otherwise fall to be determined by a person appointed to do so under this scheme;
- (b) major developments as set out in the Schedule to the Town and Country Planning (Hierarchy of Developments) (Scotland) regulations 2009;
- (c) listed building consent for demolition of listed buildings and conservation area consent for demolition of a building in a conservation area;
- (d) applications involving residential development of 10 or more units on greenfield or undeveloped land; or on a site greater than 0.5 ha which is greenfield or undeveloped land;*
- (e) applications involving residential development of five or more units on sites within the greenbelt; or on a site greater than 0.3 ha which is within the green belt;*
- (f) applications which if approved are considered to be significantly contrary to the Local Development Plan and also those applications which, if approved, would be significantly contrary to the overall objectives, and would undermine the aims and strategic priorities, of the Local Development Plan.*
- (g) where, within 21 days of an application appearing on the Weekly List, a letter signed by three members is received, and where it sets out reasons why the matter should go before the Board, the Convenor in consultation with the Head of Planning and Housing shall consider such a request and shall be authorised to decide whether or not to agree to the request.”*



RENFREWSHIRE COUNCIL

Application No: 17/0394/PP

DEVELOPMENT AND HOUSING SERVICES  
RECOMMENDATION ON PLANNING APPLICATION

Regd: 26/05/2017

Applicant

Agent

BAE Systems  
Georgetown Reception Centre  
Houston Road  
Houston  
PA6 7BGCass Associates  
204 The Tea Factory  
82 Wood Street  
Liverpool  
L1 4DQ

Nature of proposals:

Use of land within the Core Development Area for residential development (in principle).

Site:

Royal Ordnance, Station Road, Bishopton, PA7 5NJ

Application for:

Planning Permission in Principle

**Introduction**

This application was the subject of a Pre-Determination Hearing in line with the requirements set out in Section 38A of the Planning etc. (Scotland) Act 2006 and the related Development Management Regulations.

Section 14(2) of the Planning etc (Scotland) Act 2006 requires that where an application has been the subject of a Pre Determination Hearing under Section 38A, then the application must thereafter be referred to the Full Council for determination.

The Pre Determination Hearing took place at the Communities, Housing and Planning Policy Board on 16th January 2018.

The issues raised at the Pre Determination Hearing and through objection have been summarised in this report under the section 'Objections/Representations' and 'Pre-Determination Hearing' and have been fully considered in the assessment of the application.

**Description**

Planning permission in principle is sought for the redevelopment of land (previously identified for industrial purposes) for housing. The site area extends to some 37 hectares of development land with an indicative capacity for some 1000 housing units (and a further 6 hectares of strategic landscape corridors).

The site lies to the south and west of, and forms part of, the Core Development Area which is the central/east portion of the former Royal Ordnance Factory (ROF) site in Bishopton. The Core Development Area is the part of the site on which most physical development is to be concentrated and which has been the subject of previous approvals for various development land uses. The area surrounding the Core Development Area comprises the proposed Community Woodland Park. BAe Systems Environmental Test Facility is located to the south and east of the site.

Outline planning permission (06/0602/PP) was granted subject to a Section 75 Agreement for the formation of a mixed use Community Growth Area in 2009. The outline consent was for the erection of a residential development of 2500 units; 150,000m<sup>2</sup> of commercial/employment related floorspace; a community woodland park; recreation and open space areas; community facilities; local services and retail and educational provision; infrastructure works; Northern and Southern Access Roads; improvements to station approach and park and ride facilities and the construction of a motorway junction off the M8.



Considerable progress has been made including the implementation of very significant elements of advance infrastructure including the northern and southern access roads (the latter including a rail bridge spanning the Glasgow - Gourock - Wemyss Bay rail line), the main internal distributor road linking the northern and southern access roads; residential access roads and services, structural landscaping, core paths and pedestrian links, upgrading of perimeter routes (Birch Road) and off-site junction improvements, strategic drainage infrastructure and SUDS ponds, landfill containment, park and ride facilities, and preparatory land engineering for the new motorway junction. Extensive earthworks and remediation activities, site levelling and platforming have also been concluded for much of the core development area to make the land suitable for the new uses and in anticipation of receiving new development. Detailed consent is already in place for some 1430 new private houses many of which are either occupied, nearing completion or under construction. By the end of 2016 some 569 houses were occupied representing a completion rate of approximately 200 units per annum. Two phases of affordable, social rented housing units are expected to commence on site in the near future.

### **History**

06/0602/PP - Regeneration of the site to form a mixed use community growth area. Granted subject to conditions/Section 75 Agreement 10 August 2009.

06/1065/PP - Construction of a motorway junction. Granted subject to conditions 6 February, 2009.

09/0527/PP - Engineering operations comprising remediation and bulk earthworks. Granted subject to conditions 24/03/2010.

09/0456/PP - Construction of a landfill facility. Granted subject to conditions 24 March, 2010.

09/0796/PP - Construction of an access road (Northern Access Road. Granted subject to conditions 18 January, 2010.

11/0630/PP - Construction of an access road, including the formation of a railway bridge, and associated landscaping and SUDS pond (Southern Access Road). Granted subject to conditions 31 October, 2011.

There have been numerous subsequent applications to address detailed matters such as remediation activities, the provision of strategic infrastructure in the form of SUDS ponds, roads, landscaping, the realignment of the Cordite and Craigton Burns, and residential layouts.

16/0818/NO - Proposal of Application Notice relating to the use of land within the Core Development Area for residential development. Accepted 12 December, 2016.

16/0819/EO - Request for screening opinion as to the requirement for an Environmental Impact Assessment for the use of land within the Core Development Area for residential development. Determined that an EIA was not required. 6 January, 2017.

A further, separate application has been submitted for the expansion of the northern residential areas for approximately 350 units (and this was considered under reference 17/0393/PP and was approved subject to conditions/Section 75 Agreement at the Communities, Housing and Planning Policy Board on 16 January, 2018).

### **Policy & Material Considerations**

#### **National Planning Framework 3**

#### **Scottish Planning Policy**

Scottish Planning Policy highlights the primacy of the Development Plan. The extant Development Plan is Clydeplan's Strategic Development Plan (2017) and the Adopted Renfrewshire Local Development Plan 2014 as detailed below with relevant policies identified.



### Clydeplan's - Strategic Development Plan (2017)

The SDP is a material consideration and was approved, subject to modifications, by the Scottish Ministers on 24 July, 2017.

Policy 1: Placemaking

Policy 5: Strategic Economic Investment Locations

Policy 7: Joint Action Towards the Delivery of New Homes

Policy 8: Housing Land Requirement

Policy 16: Managing Flood Risk and Drainage

Policy 18: Strategic Walking and Cycling Network

Table 1: Placemaking Principles

Schedule 14: Strategic Scales of Development

Diagram 11: Assessment of Development Proposals

### Adopted Renfrewshire Local Development Plan 2014

Policy E1: Renfrewshire's Economic Investment Locations

Policy P1: Renfrewshire's Places

Policy P2: Housing Land Supply

Policy P5: Community Growth Areas

Policy I5: Flooding and Drainage

Policy ENV2: Natural Heritage

### New Development Supplementary Guidance

Delivering the Places Strategy: Places Development Criteria and Places Checklist

Delivering the Environment Strategy: Green Belt; Trees, Woodland and Forestry; Local Designations: Sites of Importance for Nature Conservation (SINCs)/Local Nature Reserves (LNR); and Scheduled Ancient Monuments & Archaeological Sites

Delivering the Infrastructure Strategy: Flooding and Drainage

Delivering the Economic Strategy

### Material considerations

Renfrewshire's Places Residential Design Guide is non-statutory guidance and sets out the objectives of sustainable placemaking, design considerations and the process through which high quality designs can be achieved. In addition, Renfrewshire's Housing Land Supply Supplementary Guidance requires to be considered in addressing the Council's shortfall in housing land supply. The Renfrewshire Local Development Plan Main Issues Report 2017 sets out a framework for new and appropriate housing sites for meeting housing need and demand in Renfrewshire. In the context of Bishopton, the preferred option is a masterplan approach based on the overall provision of an additional 1500 new homes and associated supporting facilities within the boundary of the existing Community Growth Area.

Planning legislation requires that planning decisions are made in accordance with the Development Plan unless material considerations indicate otherwise. In this case the proposal requires to be considered against the policies and guidance set out above, the supporting information submitted, the comments of the consultees, any objections received and any other relevant material considerations.

### **Publicity**

Neighbour notification has been carried out in accordance with statute. The application was also advertised in the Paisley and Renfrewshire Gazette, with a deadline for representations to be received of 5 July, 2017.

### **Objections/Representations**

Three letters of representation have been received; from Dargavel Residents Association, from an individual, and from Bishopton Action Group. The first two are caveated to the effect that those elements of infrastructure and supporting amenities set out in the Section 75 Agreement should be implemented.

The substance of Bishopton Action Group's objection is that the current application and the proposed northern expansion (17/0393/PP) should not be treated as separate applications; that the applicant has not demonstrated the need for additional housing in Renfrewshire; a full Environmental Impact Assessment of the whole Community Growth Area (CGA) has not been provided; brownfield land

should be developed ahead of green belt land; reducing the employment area and increasing housing means that the CGA is not sustainable; and that the applicant has repeatedly requested postponement of fulfilling planning conditions and mitigation measures.

### **Consultations**

**Transport Scotland** - No objection subject to conditions in respect of junction improvements, contributions to M8 capacity improvement, bus service delivery strategy, and a Travel Plan.

**Director of Environment and Communities (Roads Traffic)** - No objection subject to conditions in respect of the submission of a Travel Plan and the introduction of junction/traffic signalling.

**Director of Environment and Communities (Design Services)** - Comments provided on the FRA Addendum, Drainage Strategy Revisions Report and the SUDS Design and Maintenance Manual. These reports have not been finalised, and there are still technical matters outstanding with regard to flood routing and SUDS design. A condition is recommended to be attached to address these matters.

**Director of Environment and Communities (Environmental Services)** - No objection subject to conditions in respect of site investigation, remediation strategy and verification reporting to ensure that the land is suitable for the proposed use.

**Glasgow Airport Safeguarding** - No objection subject to conditions in respect of soft and water landscaping and bird hazard.

**NATS Safeguarding** - No objection. Further consultation was welcomed once more details on the proposed mix of buildings becomes available to ensure that large buildings do not degrade the performance of the technical infrastructure used to provide air traffic services.

**Scottish Environmental Protection Agency** - No objection subject to a condition in respect of the submission of a Surface Water Management Plan.

**Scottish Water** - No comment.

**Scottish Natural Heritage** - No objection subject to appropriate mitigation being carried out in respect of potential impacts on protected species.

**Forestry Commission** - No comment.

**Health and Safety Executive** - No consultation required as the site does not lie within the consultation distance of a major hazard or major accident hazard pipeline.

**Health and Safety Executive (Explosives Inspectorate)** - No comment.

**Bishopton Community Council** - No objection. It was commented that the increase in the overall number of houses should be addressed in a new section 75 Agreement which should ensure that school provision is increased proportionally, as should the community/resource centre facility. The Community Council comment that all original Section 75 Agreement items should be increased proportionally including development trust payments; and that the health centre provision/contribution should be brought forward and increased. It is also suggested that some land for industrial use should also be retained and that the proposed 're-zoned' land should be developed last for housing.

**Strathclyde Partnership for Transport** - No objection. SPT welcomes the recognition given to the commitments on the previous version of the Public Transport Strategy that any new bus service to Dargavel should not duplicate or abstract passengers from existing bus services and that the new bus service should be freestanding. SPT is broadly in agreement with the proposed bus service level but notes that no evening or Sunday provision is proposed and are of the view that it is required. It is commented that it is essential that the road layout is favourable for bus operations. SPT is disappointed to note that there is no further increase in park and ride or cycle parking capacity proposed at Bishopton Station to accommodate the increase in residential units. SPT would welcome further discussion as the project moves forward.

### **Pre-Determination Hearing**

The applicant, BAe Systems, provided an overview of the proposal. The presentation outlined the future of Dargavel Village, referenced the original masterplan and planning permission, the land owner-led programme that supported Scottish Government targets for housing, the redevelopment of brownfield land in a sustainable location, community engagement and the high-profile collaborative programme to deliver a high quality and sustainable village community. Reference was also made to the provision of strategic off-site infrastructure, education and health facilities, affordable housing and retail, and community green spaces.

Representatives of Bishopton Community Council and Dargavel Residents Association set out their representations on the application during which reference was made to the historical background of the proposal, concerns were expressed regarding the increased number of houses, capacity of the new-

build school, the lack of engagement by Renfrewshire Community Health Partnership in respect of the health centre facility, the potential loss of employment/industrial areas, the lack of facilities for the elderly and infirm, the impact on parking and volume of traffic in Craigton Road resulting from the proposed retail development, drainage issues, and the loss of sports pitches and pavilion.

### **Summary of Main Issues**

Environmental Statement - A request for a screening opinion determined that although the proposal would fall within Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) (Scotland) Regulations 2011, it was not considered likely that the proposed works would have a significant environmental impact which would require an Environmental Impact Assessment be undertaken on the basis of no significant long term impacts on the environment having had regard to the characteristics of the development, the location of the development, and the characteristics of the potential impact.

Appropriate Assessment - N/A

### Other Assessments

Design Statement and Access Statement - Assesses the context of the development and demonstrates how the design of development takes that context into account. It recognises local and national policy principles including placemaking. The design is proposed to create a strong urban edge to housing blocks; enhance the landscape framework along road and pedestrian corridors, create high quality useable open space, create permeability and connectivity through the new neighbourhoods, create a framework for new development, and provide high quality new homes in line with latest guidance on carbon reduction.

Planning Statement and Planning Obligation - Considers the need for comprehensive regeneration through a Masterplan approach, considers the key parameters for the development and a review of the original Masterplan, sets out the planning policy context, provides a planning justification in terms of housing and industrial/business land supply and sets out the applicants views of the key benefits and the planning obligation. The key revision to the Masterplan locates the proposed primary school and community facility more centrally within the core development area. Indicative phasing suggests that following completion of development originally consented within the core development area, the northern expansion land would follow with much of the re-zoned, former industrial land being developed in the later phases of the development. The applicant's justification relies on a focus on Community Growth Areas, strengthening the population base in Renfrewshire through a better choice of housing, effective use of planned physical infrastructure and services, priority being given to previously developed land and regeneration, through the creation of strong and sustainable communities, and, through access to a range of transport and travel networks.

The Planning Statement notes both national and local objectives to provide a generous supply of land for new housing and advances the potential contribution that the proposal site could make to achieving these effective land requirements. It emphasises the potential for ROF Bishopton, as a formerly developed brownfield site, to be developed in preference to other green field or green belt sites.

In addition to an opportunity to review the Masterplan, it is suggested that an opportunity exists to refresh the planning obligation so that it is more closely aligned with the Masterplan. The refreshed Section 75 offers a mechanism to assist with the delivery of affordable housing in Renfrewshire; to increase the size of the proposed primary school, locate it more centrally within the core development site and to integrate community facilities; to set out how and when facilities for recreation and play will be delivered with the focal point on Central Park (which is conceived as a general purpose, amenity based parkland containing footpaths, play areas and open grass for informal games and village events); improved bus services; health care facilities; M8 capacity improvements; the Community Woodland Park; and the Community Development Fund and the infrastructure for sporting facilities.

Surface Water Drainage and SUDS - Notes that the basis of the design of the SUDS ponds is addressed in the original SUDS Design and Maintenance Manual. It is commented that each SUDS pond has been sized to attenuate up to and including a 1 in 200 year storm event. Flow control devices

are in place at the outlet structure for each pond. This is to reduce the discharge flow rate from the ponds to a calculated greenfield runoff rate to mirror discharge rates previously seen prior to site development and manage the impact of development on the receiving watercourses. Although catchments have altered the discharge rates agreed with SEPA for each SUDS pond has been maintained.

Flood Risk Addendum - Identifies that the report has been prepared to supplement the original Flood Risk Assessment which outlined the flood protection measures for the whole site. These included increasing the capacity of the Craigton Burn which runs through the development and the provision of a flood compensation area along the Dargavel Burn. In combination, these flood alleviation proposals are considered to remove the flood risk from the proposed Bishopton development and manage the flood risk downstream of the site. The proposed additional development is assessed to have no impact on the general principles of flood and surface water management of the site established by the original site wide surface water management strategy which remains applicable. The additional housing plots in the north west will require SUDS ponds to be relocated and to be re-sized to ensure that the peak discharge rates from it remain as previously designed and approved.

The conversion of employment land along the western margin has limited effect on the development area of those plots but will increase the percentage of permeable surfacing through the provision of gardens in lieu of commercial car parks and hard standings. The peak surface water discharges from the SUDS ponds serving these sites will remain unaffected but it may be possible at the detailed design stage to effect modest reductions to the pond storage requirements to reflect the increase in surface permeability of the development proposals.

Transport Assessment - Provides the background and planning history of the site, sets out the local, regional and national policy framework, assesses the existing situation and considers transport measures to support the development, and considers the development land travel characteristics (for both the expansion land and the change from industry/business to residential).

It concludes that all existing and consented junctions will operate within capacity in the year of the completed development. Mitigation measures are proposed in the form of widening works to allow for a right turn flare lane on the A8 Greenock Road west arm; and modifications to signal phasing to allow for a better no-net-detriment solution at the A8 Greenock Road/Ferry Road/Rossland Crescent junction with the junction operating within practical capacity during both the AM and PM peak periods. The Transport Assessment notes that the proposed development will be designed to ensure that pedestrians and cyclists are afforded a high quality and well linked infrastructure in the form of a mix of shared surfaces, footways, shared pedestrian/cycle paths and dedicated routes.

In terms of public transport infrastructure, it is proposed to provide a bus service between Dargavel village and Bishopton Railway Station during peak periods and with Erskine Bridgewater Shopping Centre during the inter-peak. Multiple points of vehicular access are to be provided to the expansion land and to the phases of development associated with the land currently zoned for business/industry. A network of internal roads are to be provided which will link to the adjacent residential areas and the primary road network through Dargavel Village. A Travel Plan is also to be provided which will seek to encourage travel by walking, cycling, public transport and car sharing.

Public Transport Study - Considers public transport provision, the demand for public transport, and providing access by public transport. It recognises that the village of Bishopton has a limited network of local bus services and bus is the minority form of public transport. The mechanism proposed for the delivery of the new/improved bus services to serve the proposed development at Bishopton remains management and administration by SPT using Section 75 Agreement funding. It notes the frequency rate and travel times of the train service travelling through Bishopton, with rail providing the principal and fastest means of travelling to Paisley and Glasgow city centre.

Ecological Appraisal - Sets out the background and scope of the survey, identifies the survey and evaluation methodologies, sets out the desktop and field survey results, provides an evaluation and assessment and includes recommendations. It recognises that the site and wider BAe Systems' site ecology is monitored daily by Ecological Clerks of Works with regular up-dated protected species surveys; these under the terms of the extant consent for remediation and bulk earthworks and land

engineering activities. Recommendations include mitigation activity related to habitats, otter, badger, birds, bats and general activities to minimise potential impacts and disturbance.

Arboricultural Report - Considers the site and its surrounding, the tree population, impact of the proposed development and tree protection measures. It also sets out the structural landscape proposals and outline landscape proposals for Dargavel Road and the Craigton Burn.

It is not proposed to remove any trees but removal of dead branches and piles of materials near some of the trees is proposed. Trees to be planted will be predominantly locally native species. Long term management plans will be prepared for the retained trees. Tree protection measures are also considered and these would take the form of root protection areas, temporary protective fencing, ground protection, and ensuring that all utilities would be installed outside of the construction exclusion zone. All tree works would be undertaken outwith the bird nesting season.

Utilities Statement - Indicates that the increased unit numbers from the additional residential plots should not exceed the capacity available within the local electrical, gas, telecommunications, and potable water supply networks.

Ground Condition Report - Considers the environmental setting, the investigation works, assessment and reporting approaches and remediation works. The general approach continues that which has previously been implemented for the earlier parts of the site which involves sub-division into smaller-scale Land Quality Management Areas and treatment through site investigation, remediation method statements, remediation works and finally verification reporting.

Pre-Application Consultation Report - Outlines the process which has been undertaken and confirms that pre-application consultation set out by statute, including a public exhibition, was satisfied. Presentations were given to the Bishopton Community Liaison Group, and a public exhibition was held in Bishopton Community Centre with an attendance of 420 people. The questionnaire responses generally concluded that the majority of respondents were in favour of Dargavel village being a good location to meet the need for housing, the earlier delivery of a larger primary school, early access to areas of community woodland, a firm programme for the construction of the new motorway junction, and the new Masterplan for the village being positive. There was an equal split between those who thought the industrial zone was now appropriate and those who did not (i.e. 40% did, 40% did not and 20% did not know).

Scottish Ministers Direction - N/A

### **Environmental Assessment**

The proposals contained within this application have been considered having regard to the requirements set out in the Town and Country Planning (Environmental Impact Assessment) (Scotland) Regulations 2011, and in particular those relating to a multi-stage consent. A request for a screening opinion determined that although the proposal would fall within Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) (Scotland) Regulations 2011, it was not considered likely that the proposed works would have a significant environmental impact which would require an Environmental Impact Assessment to be undertaken on the basis of no significant long term impacts on the environment having had regard to the characteristics of the development, the location of the development, and the characteristics of the potential impact. The substance of the proposals remains consistent with the matters assessed in the EIA submitted in support of the original outline permission and related detailed permissions. There are no changes which would materially affect the content or conclusions of the earlier EIA which is considered to have taken into account all potential environmental effects.

### **Planning Assessment**

Scottish Planning Policy (SPP) sets out national planning policies which reflect Scottish Ministers' priorities for the operation of the planning system and for the development and use of land. SPP sets out two overarching policy principles namely a presumption in favour of development that contributes to sustainable development; and, placemaking which seeks the creation of high quality places.

SPP considers that the planning system should support economically, environmentally and socially sustainable places by enabling development that optimises the use of existing resource capacities such as infrastructure investment including transport, water and drainage, education facilities, etc. It also aims to guide development to land within or adjacent to settlements, considering the re-use or re-development of brownfield land before new development takes place on greenfield sites. The aim is to achieve the right development in the right place by promoting sustainable patterns of development appropriate to the area. The location chosen for this development is considered to accord with the aims of SPP.

In relation to placemaking, the applicant has submitted an indicative masterplan layout which demonstrates that residential development could be accommodated sensitively, as a complementary use of the site consistent with the wider surrounding area.

For proposals that do not accord with development plans, the primacy of the plan is maintained. The presumption in favour of development that contributes to sustainable development is a material consideration. The proposal subject of this application comprises a significant housing development on a brownfield site where services are and can be made available and a supporting infrastructure network exists. The proposal is therefore considered in principle to be sustainable development in terms of location.

SPP further states that Development Plans should identify a generous supply of land to meet the housing land requirement across all tenures, enabling the provision of a range of attractive, well-designed, energy efficient, good quality housing, contributing to the creation of successful and sustainable places.

The former ROF site at Bishopton is identified as a Community Growth Area (CGA). These are areas where there is an opportunity to create low carbon sustainable communities through a master planned and design led approach by incorporating a range of housing types, tenures and density, integrated green infrastructure, active travel links, renewable energy options and mixed uses. The direction of planned growth to CGA's is considered to be compliant with the policies and principles of the SPP as they constitute sustainable locations for development.

National Planning Framework 3 (NPF) states that much of the future development within the Glasgow and Clyde Valley Area will be focused on a number of CGA's within the city region. This statement is reflected in Clydeplan 2017 which indicates that CGA's remain an important component of the planned sustainable growth of the city region and form an integral part of the Spatial Development Strategy.

The vision set out in Clydeplan is centred on delivering a number of objectives including development being directed to sustainable brownfield locations, maximising the use of existing infrastructure and assets, integrating land use with sustainable transport networks, and, recycling previously developed land.

Clydeplan recognises the importance of the CGA's in providing a range of housing types, tenures and density, integrated infrastructure, active travel links, mixed uses including community infrastructure and local scale employment.

Clydeplan also identifies a Spatial Development Strategy setting out 22 Strategic Economic Investment Locations (SEILs), one of which is Bishopton. SEILs are selected as priority locations to promote the Scottish Government's key economic sectors and Scottish Enterprise's locational priorities and are in sustainable locations. Policy 5 indicates that local authorities should safeguard and promote investment in the SEILs. In this case both Renfrewshire Council and the applicant has promoted the site as a key economic investment location. Despite the applicant actively marketing the site through Dargavel Village Employment Strategy, there has been limited interest in delivering strategic economic or employment development within this area of the site.

Having regard to Clydeplan Schedule 14, the proposals are assessed to fall within the scale of development which is strategic in nature. Further assessment against Diagram 10 Box 1 confirms that the proposals are not compliant with the strategic development plan and require to be assessed against Box 2 as a strategic departure. The development proposed is considered to make a significant

contribution to sustainable development; making use of a significant area of brownfield land and with good fixed public transport linkages which enable modal shift to sustainable transport options. Assessing the proposals against the salient criteria in Box 2 it can be concluded that the proposals are an acceptable departure from the Strategic Development Plan (which do not undermine the vision, spatial development strategy or placemaking policy of Clydeplan) and should therefore then be subject to local development plan assessment.

The role of the Renfrewshire Local Development Plan is to facilitate investment within the right locations and policies that will deliver growth sustainably. The focus is on the development of previously used sites, concentrating on existing built-up areas and key development sites aiming to facilitate sustainable development. Policy E1, Renfrewshire's Economic Investment Locations, promotes and guides significant investment opportunities to Strategic Economic Investment Locations.

The proposed development seeks to alter the terms of the original masterplan by promoting residential development in the south west quadrant of the site which was previously designated as land to be developed for industrial and business uses. Under the terms of the proposed amendment to the masterplan, the urban form would be extended southwards and westwards, whilst still remaining within the parameters of the originally defined core development area, but dedicated to residential use rather than industrial/business activities.

Renfrewshire Council's Industrial and Business Land Supply 2017, confirms that Renfrewshire currently has 180 hectares of available industrial land, with a current take up of just over 5 hectares per annum, with supply significantly exceeding demand across Renfrewshire.

Re-designation of this land to residential will be off-set by the emergence of the land recently acquired at Netherton Farm as part of the Glasgow Airport Investment Area. Renfrewshire's economic strategy is to focus strategic scale business and industrial investment to development opportunities around Glasgow Airport and Hillington Business Park.

Overall, the loss of the site from the Renfrewshire's industrial land supply is considered acceptable in principle, subject to consideration of the proposal against other relevant policies and guidance set out in the Renfrewshire Local Development Plan.

The Places Section of the Renfrewshire Local Development Plan aims to support sustainable mixed communities concentrated in existing built up areas with a focus on available brownfield land to meet the majority of the housing land requirements. In particular, the Renfrewshire Local Development Plan emphasises the continued delivery of Renfrewshire's Community Growth Areas at Bishopton and Johnstone South West.

Policy P1 and the New Development Supplementary Guidance, Places Development Criteria, set out a number of criteria which new residential developments are required to meet. It considers that development proposals require to ensure that the layout, built form, design and materials of all new developments will be of a high quality. In addition, density will require to be in keeping with the density of surrounding areas, surrounding land uses should not have an adverse effect on the proposed residential development and development proposals should create attractive and well connected street networks which will facilitate movement.

As the application is in principle only at this stage, assessing the development in terms of these criteria is not possible. However, the requirement for the developer to prepare and submit for approval a Design Code would provide the appropriate mechanism for these matters to be safeguarded by condition. The other parts of the development current being progressed have been addressed in a similar manner. An appropriate design can be ensured through the submission of an approval of matters specified in condition (AMSC) application.

With regard to layout, the applicant has provided a revised masterplan for the site, which identifies the proposed road network, open space provision, SuDS arrangements and strategic landscaping, building heights and densities; and a centrally-located site for the provision of a primary school, and commercial opportunities, all of which are considered appropriate for the location. The appropriateness of those detailed matters can be determined through the assessment of any subsequent AMSC applications.

The Renfrewshire Local Development Plan identified land across the Renfrewshire area to meet the housing land requirements with the focus on brownfield land to meet the majority of the housing land requirements. Bishopton CGA is recognised as providing a sustainable site which has the potential to deliver on many of the future priorities for Renfrewshire, including housing land supply.

Policy P2 considers housing land supply and advises that planning permission will be granted for residential development where it is in accordance with detailed guidance and does not undermine the spatial strategy of the plan.

A material consideration in the determination of this application is the Renfrewshire Local Development Plan Housing Land Supply Supplementary Guidance 2015 which identifies a shortfall of private sector housing units over the LDP period. In addressing the Housing Land Supply deficit, Scottish Planning Policy states that housing land requirements to meet the housing need and demand can be met from a number of sources, including windfall development. The current application demonstrates such a site, as brownfield land is considered to be in accordance with Policy P2 and the Council's Housing Land Supply Supplementary Guidance 2015.

The Renfrewshire Local Development Plan Main Issues Report (2017)' notes that "...the Council will continue to investigate new opportunities to increase the Housing Land Supply including the potential for an additional 1500 homes at Bishopton Community Growth Area..." The report states that increasing the supply of new homes at the Bishopton CGA would allow a sustainable approach to future housing growth in Renfrewshire. The preferred option in the report is for the provision of additional homes, and associated supporting facilities and services, within the boundary of the CGA which is guided by a revised masterplan.

Bishopton CGA, as formerly developed 'brownfield' land, has the potential to relieve pressure on other sites within Renfrewshire and in particular those within the green belt, those in less sustainable locations without good public transport links, and those which require substantial new infrastructure which is not otherwise being provided. Development for residential purposes would therefore contribute to meeting Renfrewshire's housing need and demand at a sustainable location, whilst also reducing the need to identify sites within the greenbelt.

Policy P5 within the LDP states that the Council will support and encourage development within CGA's where it supports the principles set out in the approved masterplan for the site. The approved masterplan for the ROF provides an overarching framework to guide development of the site, and seeks to create a sense of place and a strong movement framework by focusing on routes and links and environmentally sustainable design.

Bishopton has been identified as a sustainable location for a CGA given its proximity to a public transport link which provides good connectivity with Glasgow City Centre and the wider city region, and the fact that development will take place on a brownfield site. There is clear support in principle at national (NPF and SPP), regional (Clydeplan) and local (LDP) level for the continued direction of planned growth, including new residential development, towards CGA's.

With regard to the applicant's Transport Assessment and proposed internal and external network enhancements, the Director of Environment and Communities (Roads) has raised no objections to the proposals subject to delivery of the required pedestrian and additional cycle linkages, roads infrastructure, travel plans and junction improvements, commensurate with and consistent with Policy I1.

Strategic landscaping and open space provision has been incorporated into the applicant's overall masterplan for the site and includes a central park (formed around the Cordite Burn and linked semi-circular SuDs ponds) and children's play areas with pedestrian/active travel linkages to the Community Woodland Park to the south and west. In terms of natural heritage and protection of the natural environment and bio-diversity (Policy ENV2), the applicant has satisfactorily addressed and considered these elements variously within the Arboricultural Assessment and the Preliminary Ecological Appraisal. These, combined with the demonstrated commitment to continue to implement the processes already successfully embodied within the Ecological Design and Management Plan



arrangements which have been implemented over the remainder of the CGA site are considered to fulfil the ecological policy requirements of the LDP subject to the imposition of safeguarding conditions.

Policy I5, and the Flooding and Drainage advice contained within the SG, set out a series of criteria which require to be considered. These generally require minimum standards to reduce the risk of flooding in new developments and to ensure that the risk of flooding is fully considered in the assessment of new development proposals. The applicant has, through the submission of a Drainage Strategy and Flood Risk Assessment (FRA), demonstrated that the buildings and persons occupying the developed site would not be put at risk from flooding. The Director of Environment and Communities (Design Services) is satisfied that an appropriate condition can be imposed to ensure the development is delivered in accordance with the applicant's supporting documentation. SEPA have also offered no objection in this regard subject to the inclusion of a safeguarding condition requiring the preparation of a surface water management plan prior to works commencing.

In terms of ground contamination, the Director of Environment and Communities (Environmental Services) is satisfied that conditions could be imposed on any consent given requiring the submission of a site investigation, including remediation measures and a verification report (prior to the commencement of use of the site for residential development and subsequent occupation of any dwelling) to ensure the site is suitable to accommodate development of the nature proposed. (Although it is recognised that previous consents have sought to address these matters, the criteria would require to be more stringent for the proposed residential use than the previously approved business/industry end-use. Former commercial plot E1 has been investigated, remediated and verified to commercial standard and further work would require to be undertaken to make it suitable for residential use.) These processes, already carried out in other residential phases of the CGA through a Land Quality Management Area (LQMA) appraisal and treatment regime have and continue to be successfully addressed through sequential submissions of site investigation, remediation method statement and verification reports.

In relation to air quality and noise, a number of best practice measures require to be implemented on site during earthworks and construction of the development, to the satisfaction of the Director of Environment and Communities (Environmental Services). These will mirror the best practice measures already employed on other aspects of the CGA development including dust management and the continuation of the 'remediation buffer zones extension areas' whereby a fully remediated buffer will be maintained for each plot to ensure no remediation works take place within 130 metres of occupied residential properties.

As the site was formally covered by the explosives licensing regime, it has been necessary to consult with the Health and Safety Executive on the current proposals, although the operations covered ceased with the operation of the previous use. The continuation of the BAe Environmental Test Facility and the surrender/revocation of former explosives licences does not preclude the use of the land for residential use in lieu of industry/business. The Health and Safety Executive has confirmed that it does not advise against the current proposals.

With regard to traffic issues, both Transport Scotland and The Director of Environment and Communities (Head of Roads - Traffic) have not objected to the application. Transport Scotland have requested conditions in respect of timings and upgrades to junction 29 on the M8 and I am satisfied that the conditions can be applied in this instance. M8 capacity improvement and bus service contributions will be controlled through conditions and revisions to the Section 75 agreement which also includes contributions to local road network upgrades. Both consultation responses have also made reference to the requirement for a Travel Plan. A condition can therefore be attached to this effect. Overall I am satisfied that the local and trunk road network has capacity to serve the proposed development, subject to the imposition of conditions described above.

The consultation response from Strathclyde Partnership for Transport is noted. It is accepted that revision of the recommendations within the Public Transport Study is sought. However it is considered that provision of a bus service delivery strategy, with associated financial contributions, is most appropriately addressed through an update to the Section 75 agreement.

With regard to the comments from the Director of Environment and Communities, it is acknowledged that amendments to the Flood Risk Addendum, Drainage Strategy and SUDS Design and Maintenance Manual are required. It should be noted that the Core Development Area within the ROF site benefits from a flooding and drainage strategy approved as part of the original 2006 application. It is not considered that flooding and drainage matters render the principle of residential development within the former business/industry land unacceptable. However the original strategies will require revision to take into consideration residential development on an area which was originally designated for different land uses albeit that residential development, incorporating gardens, could reduce the amount of impermeable surface areas. It is considered that these matters can be addressed via condition.

The requirements from the Scottish Environment Protection Agency for a Surface Water Management Plan are noted, and these documents will be requested through the imposition of a safeguarding condition. Site wide ecological issues are addressed in the Preliminary Ecological Appraisal which also makes various recommendations regarding further ecological survey, licensing and mitigation work. It is considered that a condition should be attached which requires development on the site to accord with these recommendations. This condition is also considered to address the points raised in the consultation response for Scottish Natural Heritage.

Glasgow Airport Safeguarding have requested submission of soft and water landscaping details to ensure compliance with safeguarding criteria. The Design and Access statement advises that a new landscape strategy will be developed. It is considered that details of the strategy should be submitted via condition, to be approved in consultation with Glasgow Airport Safeguarding.

In addressing the points raised by the representees and the community council at the pre-determination hearing, it should be noted that the LDP zoning would not preclude the re-introduction of industrial/business type uses on the 're-designated' land should such a demand emerge in the future. Both the Council and the applicant will support economic development in the right locations.

In terms of car parking for the individual phases of housing, a revised Design Code would also be required to guide the detailed submissions which would emerge over time. It is recommended that this should be based on the higher standards set out in the National Roads Development Guide which have now been adopted by the Council rather than those previously prevailing in the Guidelines for Development Roads.

With regard to education provision the applicants have agreed to the enhancement of the primary school provision, as well as reviewing all other educational requirements, the details of which will require to be negotiated and enshrined within a new Section 75 Agreement.

In terms of affordable housing, the applicants have also committed to make provision for an element of self-build housing and the detail of this will also require to be negotiated and secured through the Section 75 process.

In view of the above assessment, I am satisfied that the principle of additional residential development within the core development area of the Bishopton CGA, in lieu of business and industrial floorspace, is acceptable as it represents an acceptable departure from national, regional and local policy whilst continuing to direct growth to the most sustainable locations. This would also contribute towards meeting Renfrewshire's housing land requirement in a way which is sustainable. The changes to the masterplan are also considered to be acceptable with regard to ensuring that an appropriate 'gateway' to the core development area is created, which interfaces with the adjacent residential development particularly on the northern side of Barangarry Road, and would integrate successfully with the surrounding countryside in the form of the proposed Community Woodland Park.

Consideration thereafter must be given to associated supporting facilities and services which are required to support an additional 1000 residential properties within the CGA. It is noted that the original 2006 application was approved subject to a Section 75 agreement which covers developer obligations in respect of affordable housing, education and community facilities, roads infrastructure, public transport, health provision, place of worship, employment land, sports, recreation and play facilities, and the community woodland park. Some of these obligations have already been met and others require to be re-appraised. For example, within the context of affordable housing, the applicant has

indicated a willingness to make provision for alternative delivery models such as self-build housing. However it is clear that certain aspects of the agreement will need to be revised to take into consideration the additional residential properties proposed within the land to be re-designated for residential purposes and to ensure that matters such as education provision are adequate to address the increased number of residential units. It is therefore recommended that the application is only approved subject to the satisfactory conclusion of a revised Section 75 agreement.

### **Recommendation and Reasons for Decision**

The proposal has been assessed against the relevant policies in the Development Plan and the relevant material considerations. The above assessment has concluded that while the development does not accord with Development Plan policy, it has been demonstrated that the proposed use can be accommodated at this location, subject to conditions, without undermining the vision, aims and objectives of the strategic and local components of the development plan and without significant detrimental impacts. It is also acknowledged that the proposed development will result in the re-use of previously used land, or land which was contaminated and requires remediation. The residential use would also result in an enhancement in the visual amenity of the site by offering the significant potential for an attractive gateway into the southern portion of the ROF development site and complementing the housing areas immediately to the north. The provision of housing at this location would contribute to Renfrewshire's Housing Land supply at a sustainable location with good fixed public transport links (railway station) and connections to the wider local and strategic road network.

It is therefore recommended that the members be disposed to grant planning permission in principle subject to the successful conclusion of a Section 75 legal obligation including securing the provision of a financial contribution in mitigation for education impacts directly arising from the development; affordable/self-build housing units and roads infrastructure, public transport, health provision, sports recreation and play facilities, and community woodland park.

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### **RECOMMENDATION**

**GRANT** subject to a Section 75 Agreement

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### **Other Action**

- 1 A Section 75 Agreement requires to be concluded to secure financial contributions or delivery mechanisms in relation to affordable housing, education and community facilities, roads infrastructure, public transport, health provision, community safety, renewable energy, sports, recreation and play facilities, and community woodland park.

### **Conditions and Reasons**

- 1 **Reason for Decision**  
The proposal does not fully accord with the provisions of the Development Plan but other material considerations were considered to carry sufficient weight to justify the grant of planning permission.
- 2 Prior to any demolition, clearance, enabling, building or other works commencing on site, the following documents shall be submitted to, and approved in writing by, the Planning Authority. The proposed content of each document shall be approved in writing with the Planning Authority, and thereafter all works shall be undertaken in accordance with the approved documents;
  - (a) Water Management Plan (including impact of remediation);
  - (b) Logistics Management Plan;
  - (c) Materials Handling and Storage Plan;
  - (d) Site Clearance Method Statement;
  - (e) Building Decontamination Method Statement;
  - (f) Asbestos Monitoring Plan;

- (g) Detailed Verification Plan;
- (h) Detailed Monitoring Plan; and
- (i) Remediation & Construction Traffic Management Plan.

Reason: To ensure that all appropriate detailed documentation is provided to, and approved by, the Planning Authority.

- 3 That prior to the commencement of works on site, a plan sub-dividing the site into defined Land Quality Management Areas (LQMA's), for the purposes of land contamination assessment and remediation, shall be issued for the written approval of the Planning Authority. Thereafter all works shall be undertaken in accordance with the approved plan.

Reason: To ensure the appropriate sub-division of a) the entire site and b) the proposed phases of investigation, remediation and verification into manageable sub-areas to allow clear management of land quality issues and allow future sign off of related conditions in a staged manner.

- 4 That prior to any remediation and earthworks commencing within a specific LQMA as defined by condition 3, the applicant shall provide a revised Interpretive Report for that specified area to the satisfaction of the Planning Authority in relation to proposed land use. This shall include the interpretation of factual data; justification of the interpretations provided; the revision of detailed risk assessment processes and a revised Conceptual Site Model(s) with regards to all relevant receptors, for the written approval of the Planning Authority in consultation with SEPA.

Reason: To ensure that the factual data is suitably interpreted and assessed to ensure that potential risks to future users and the wider environment are appropriately considered.

- 5 Prior to commencement of remediation and earthworks within each specific LQMA as defined by Condition 3, a Remedial Strategy and Implementation Plan which incorporates details of the various remediation and earthworks activities within that specific area shall be submitted to, and approved in writing by, the Planning Authority.

Each Remedial Strategy and Implementation Plan shall include details of earthworks to be completed; remedial techniques to be employed; the locations where those techniques will be used; the types of contaminant(s) and materials handled; estimated areas and volumes of contaminated material to be remediated/relocated; items of plant and equipment to be used; monitoring of emissions and control measures; and any required environmental authorisations. These strategies and plans thereafter agreed shall be implemented in the approved manner.

Reason: To ensure that an appropriate level of detail is provided on the type and location of remediation and earthwork activities within each phase of works; to demonstrate that the works will be completed in line with best practice at the time of each phase of works; and to minimise adverse environmental impacts.

- 6 That prior to the commencement of development within a specific LQMA as required by Condition 3, site Verification Reports for that area which confirm that the required remediation works for that area have been satisfactorily completed, shall be submitted to, and approved in writing by, the Planning Authority. In areas where no development is to occur, a Verification Report shall be submitted to, and approved in writing by, the Planning Authority within 3 months of completion of the remediation works.

Reason: To ensure that all appropriate steps have been taken in respect of remediation; that the required levels of remediation have been achieved in the interests of environmental and public safety; and to ensure that all remediation is properly validated and recorded.

- 7 The disposition of the land uses hereby approved shall accord with those demonstrated in approved plan 715/2504 Revision A titled 'Change of Use of Industrial Land to Housing Parameter Plan D'; the gross plot areas of the land use development areas shall not exceed those levels demonstrated in approved plan 715-2501 Revision A titled 'Change of Use of Industrial Land to Housing Parameter Plan A'; and, the maximum height of any building within the land use development areas shall not exceed the heights shown in approved plan 715/2505 Revision A titled 'Change of Use of Industrial Land to Housing Parameter Plan E'.

Reason: To define the permission.

- 8 That prior to the submission of an application for Approval of Matters Specified in Conditions for development within Plot H23, H24 and H25 as shown in approved drawing 715-2501 Revision A titled 'Change of Use of Industrial Land to Housing Parameter Plan A - Development Zones', the developer shall first submit a development brief (Design Code) for the area to be approved in writing by the Planning Authority. The development brief shall set out the design philosophy and planning parameters for the development plot, taking into consideration the site wide design strategies which apply to the Core Development Area as a whole.

Reason: In the interests of the proper planning of the site, and to establish a development framework.

- 9 That before development starts within each development plot, a revised Masterplan for the Bishopton CGA demonstrating the integration of the development hereby approved with the remainder of the former ROF site (and in particular the development approved under the terms of planning permission reference 06/0602/PP) shall be submitted for the written approval of the Planning Authority. Thereafter, following approval of the Masterplan, a written application and plans in respect of the following required Approval of Matters Specified in Conditions shall be submitted to, and approved in writing by, the Planning Authority:

1. a site layout plan at a scale of not less than 1:200 showing the position of all buildings, roads, footpaths, parking areas (distinguishing where appropriate between private and public spaces), play areas, open space, walls and fences and landscaping;
2. plans and elevations of each house and garage type, or other buildings, showing their dimensions and type and colour of external materials;
3. a landscaping plan at a scale of not less than 1:200 showing the location, species and ground spread of existing trees, shrubs and hedges (including details of those to be retained or removed) and proposed trees, shrubs and hedges;
4. details for management and maintenance of the areas identified in 3 above;
5. details of the phasing of the development;
6. details of existing and finished ground levels, and finished floor levels, in relation to a fixed datum, preferably ordnance datum;
7. details of the provision of drainage works;

8. details for the disposal of sewage.

Reason: To provide a Masterplan context for the subsequent consideration of detailed phases of development and to enable the Planning Authority to consider these phased aspects in detail.

- 10 That prior to the occupation of the 1,200th residential dwelling or the occupation of employment space in excess of 50,000 square metres, the proposed M8 junction at Bishopton (as generally set out in DBA drawing DBA/00014/100/100 rev C) shall be constructed and brought into use to the satisfaction of the Planning Authority in consultation with Transport Scotland Trunk Road Management Directorate.

Reason: To minimise interference with the safety and free flow of the traffic on the trunk road network.

- 11 That prior to the occupation of;

- The 651st residential unit, the proposed improvements at Junction 29 (St James Interchange) as shown on plan reference SCT/4191/L/J29/001 shall be implemented; and

- The 1000th residential unit, the proposed improvements at Junction 29 (St James Interchange) as shown on plan reference SCT/4191/L/J29/002 shall be implemented.

These improvements must be implemented to the satisfaction of the Planning Authority in consultation with Transport Scotland's Trunk Road Network Management Directorate.

Reason: To minimise interference with the safety and free flow of traffic on the trunk road.

- 12 No part of the development shall be occupied until a comprehensive Travel Plan that sets out proposals for reducing dependency on the private car has been submitted to, and approved in writing by, the Planning Authority after consultation with Transport Scotland, as the Trunk Roads Authority. In particular the Travel Plan shall identify measures to be implemented, the system of management, monitoring, review and reporting, and the duration of the plan. The measures identified in the plan shall thereafter be implemented in the approved manner, and shall be maintained as such for the duration that dwelling units on the site are occupied.

Reason: To be consistent with the requirements of Scottish Planning Policy (SPP) and PAN 75 Planning for Transport.

- 13 That the agreed contribution framework for mitigation measures which improve the capacity on the M8 between Junction 26 Hillington and Junction 29a Bishopton, shall be fully implemented in the approved manner:
- Prior to the occupation of the 411th Residential Unit, the Landowner will pay the first M8 Capacity Improvements Contribution Instalment to the Council.
  - Prior to the occupation of the 902nd Residential Unit, the Landowner will pay the second M8 Capacity Improvements Contribution Instalment to the Council.
  - Prior to the occupation of the 1097th Residential Unit, the Landowner will pay the third M8 Capacity Improvements Contribution Instalment to the Council.
  - Prior to the occupation of the 1714th Residential Unit, the Landowner will pay the fourth M8 Capacity Improvements Contribution Instalment to the Council.

The Council shall pay each M8 Capacity Improvements Contribution to Transport Scotland for the sole purpose of assisting Transport Scotland to fund measures to manage traffic movements between Junctions 26 and 29 on the M8.

Reason: To minimise interference with the safety and free flow of the traffic on the trunk road.

- 14 That prior to the occupation of any Residential Unit, the Landowner will, in consultation with Strathclyde Partnership for Transport or its statutory successor, prepare and submit a bus service delivery strategy to the Planning Authority for written approval. Occupation of any Residential Unit shall not occur until the bus service delivery strategy has been approved by the Planning Authority.

The approved bus service delivery strategy shall be implemented by the Landowner, but may be varied in writing by agreement of the parties, both parties acting reasonably.

The Landowner shall pay the Bus Services Contribution to the Council on the dates specified in the bus service delivery strategy.

The Council shall pay the Bus Services Contribution into an interest bearing deposit account and shall thereafter only pay the Bus Services Contribution to Strathclyde Partnership for Transport or its statutory successor for the purposes of assisting in funding delivery of bus services to serve the Development.

In the event that the Bus Services Contribution has not been spent or committed in full by the date falling ten (10) years from the last date of payment by the Landowner to the Council of any part of the Bus Service Contribution, then the Council shall repay any unspent or uncommitted amount of the Bus Service Contribution to the Landowner, together with all interest which has accrued thereon.

Reason: To be consistent with the requirements of Scottish Planning Policy (SPP) and PAN 75 Planning for Transport.

- 15 That prior to the commencement of development on site, a Surface Water Management Plan for the site shall be submitted to, and approved in writing by, the Planning Authority in consultation with SEPA's Regulatory Services. The recommendations within the Surface Water Management Plan shall thereafter be implemented on site to the satisfaction of the Planning Authority;

Reason: In the interests of safeguarding the water environment and ecology of the site.

- 16 That prior to the commencement of development on site, a revised Flood Risk Assessment Addendum to supplement the Flood Risk Assessment Addendum ref. 30119/2057/F (September 2017), the Drainage Strategy Revisions Report (September 2017) - Revisions to UMG Report Ref 185/0003/JT/JC/GR ) and the SUDs Design & Maintenance Manual Rev G (September 2017), ref. 30119/2079 and to the site wide Flood Risk Assessment prepared by Upton McGougan, a Drainage Strategy Revisions Report to supplement the site wide drainage strategy prepared by Upton McGougan, reference 185.0003/JT/JC/GR, and an associated SUDS Design and Maintenance Manual shall be submitted to, and approved in writing by, the Planning Authority.

All subsequent applications for Approval of Matters Specified in Conditions related to development areas geographically covered by this application shall thereafter be designed in detail and maintained in accordance with the content, requirements and recommendations of the approved Flood Risk Assessment Addendum, Drainage Strategy Revisions Report, and SUDS Design & Maintenance Manual to the satisfaction of the Planning Authority.

Reason: In the interests of amenity and to ensure that the development is carried out in accordance with the supporting information.

- 17 That all works on site shall be undertaken in accordance with the recommendations set out in Section 6.0 of the Preliminary Ecological Appraisal by 'Solum Environment' dated May 20th 2016, to the satisfaction of the Planning Authority.

Reason: In the interests of safeguarding the ecology of the site.

- 18 The consent hereby approved shall comprise a maximum of 1000 residential units.

Reason: To define the permission.

- 19 That prior to the commencement of development on site, a statement setting out the phased submission of soft and water landscaping details for all areas of the site including those defined as 'structural landscaping' as shown in approved plan 715/2504 Revision A titled 'Change of Use of Industrial Land to Housing Parameter Plan D' shall be submitted to, and approved in writing by, the Planning Authority. The scheme(s) of landscaping shall thereafter be submitted in accordance with the approved phasing details.

The landscaping scheme(s) shall include (a) details of any earth moulding and hard landscaping including paths, grass seeding and turfing; (b) a scheme of tree and shrub planting, incorporating details of the number, species, spacing and size of trees and shrubs to be planted; and (c) drainage details including SUDS and areas of open water. The scheme must comply with Advice Note 3 'Potential Bird Hazards from Amenity Landscaping and Building Design' and Advice Note 6 'Potential Bird Hazards from Sustainable Urban Drainage Schemes (SUDS)', and must be submitted to, and approved in writing by, the Planning Authority in consultation with Glasgow Airport Safeguarding. The scheme shall thereafter be implemented on site as approved.

No subsequent alterations to the approved landscaping scheme are to take place unless submitted to, and approved in writing by, the Planning Authority in consultation with Glasgow Airport Safeguarding.

Reason: In the interests of amenity, and to avoid endangering the safe movement of aircraft and the operation of Glasgow Airport through the attraction of birds and an increase in the bird hazard risk of the application site.

- 20 That prior to the commencement of development on site full details of the improvements to the traffic signal junction at Ferry Road/Greenock Road, Bishopton shall be submitted for the written approval of the Planning Authority. The details thereafter agreed shall be fully implemented on site in the approved manner prior to the occupation of any residential unit hereby approved.

Reason: In the interests of pedestrian and traffic safety.

- 21 Any application for approval of matters specified in condition (AMSC), and in particular as set out in Conditions 2 and 9 above, shall be supported by an updated survey for legally protected species carried out within at least 18 months of the time of the application for AMSC. If changes in the use of the area by protected species are identified, an updated assessment of the impacts of the development on protected species must be completed and appropriate mitigation measures identified if required. If the implementation of the identified mitigation measures is not sufficient to avoid offences under protected species legislation, a licence will be required from Scottish Natural Heritage before the work can proceed.

Reason: In the interests of safeguarding any legally protected species on the site.



- 22 Prior to the submission of any application for approval of matters specified in conditions (AMSC) an updated Ecological Design and Management Plan (EDMP) shall be submitted for the written approval of the Planning Authority. The updated EDMP shall reflect changes in legislation, best practice for surveying and mitigation, current licence arrangements, site roles and responsibilities and any other relevant changes. The EDMP thereafter approved shall be implemented in the agreed manner.

Reason: In the interests of protection of the ecology of the site.

- 23 Prior to the submission of any application for approval of matters specified in conditions (AMSC) an updated Badger Protection Plan (BPP) shall be submitted for the written approval of the Planning Authority. The updated BPP shall reflect changes in legislation, best practice for surveying and mitigation, current licence arrangements, site roles and responsibilities and any other relevant changes and shall form the basis to support any future licence applications. The BPP thereafter approved shall be implemented in the agreed manner.

Reason: In the interests of protection of the ecology of the site.

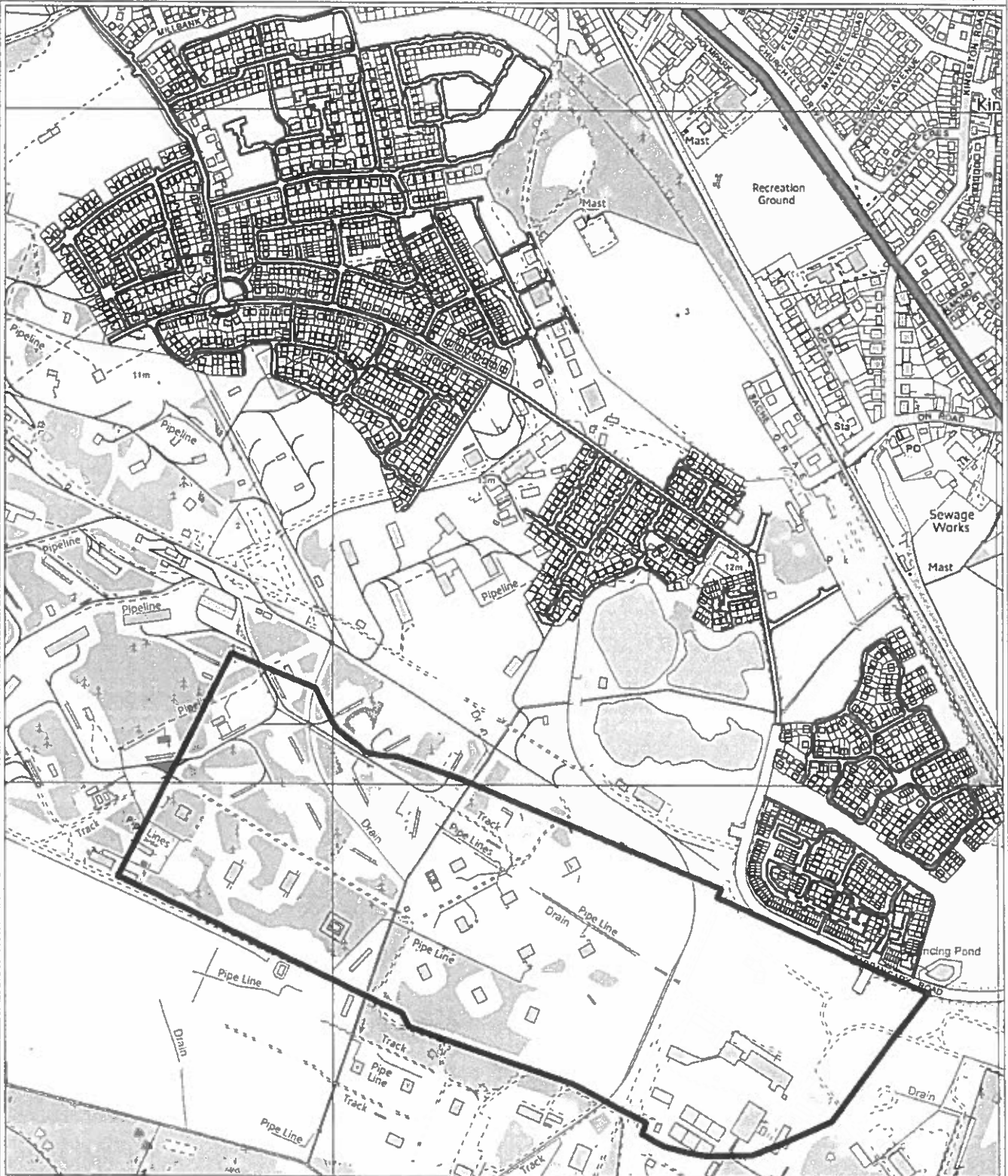
Fraser Carlin  
Head of Planning and Housing

Local Government (Access to Information) Act 1985 - Background Papers

For further information or to inspect any letters of objection and other background papers, please contact David Bryce on extension 7892.







Notes:  
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