

## Notice of Meeting and Agenda Council

Date	Time	Venue
Thursday, 16 December 2021	09:30	Teams Meeting,

KENNETH GRAHAM  
Head of Corporate Governance

### Membership

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

Councillor Jennifer Adam: Councillor Alison Ann-Dowling: 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 Karen Devine-Kennedy: Councillor Andy Doig: Councillor Audrey Doig: Councillor Natalie Don: Councillor Edward Grady: Councillor Neill Graham: Councillor Jim Harte: Councillor John Hood: Councillor Lisa-Marie Hughes: Councillor Scott Kerr: 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:

### 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.

## **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. To find the webcast please navigate to the link below

<https://renfrewshire.public-i.tv/core/portal/home>

[https://youtu.be/dM0\\_5\\_FpN\\_c](https://youtu.be/dM0_5_FpN_c)

## Items of business

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

#### (attached separately)

Council, 30 September 2021, pages 117-142  
Appointment Board, 6 October 2021, pages 143-144  
Special Finance, Resources & Customer Services Policy Board, 22 October 2021, pages 145-148  
Audit, Risk & Scrutiny Board, 25 October 2021, pages 149-152  
Communities, Housing & Planning Policy Board, 26 October, 2021, pages 153-174  
Regulatory Functions Board, 27 October 2021, pages 175-186  
Education & Children's Services Policy Board, 28 October 2021, pages 187-192  
Infrastructure, Land & Environment Policy Board, 3 November 2021, pages 193-202  
Petitions Board, 8 November 2021, pages 203-206  
Finance, Resources & Customer Services Policy Board, 10 November 2021, pages 207-220  
Regulatory Functions Board, 11 November 2021, pages 221-234  
Appointment Board, 12 November 2021, pages 235-236  
Audit, Risk & Scrutiny Board, 15 November 2021, pages 237-242  
Special Council, 18 November 2021, pages 243-246  
Special Regulatory Functions Board, 25 November 2021, pages 247-250  
Leadership Board, 2 December 2021, pages 251-266  
Special Communities, Housing & Planning Policy Board, 7 December 2021, pages 267-269  
Special Finance, Resources & Customer Services Policy Board, 10 December 2021 (copy to follow)

### 2 Universal School Meals for All (STUC Women's Committee)

7 - 10

Report by Director of Environment & Infrastructure

### 3 General Fund Financial Update

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Report by Acting Director of Finance & Resources

### 4 A Prudential Framework for Capital Finance – Progress Report

25 - 34

Report by Acting Director of Finance & Resources

### 5 Governance Arrangements

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Report by Acting Director of Finance & Resources

- |           |   |                |
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| <b>6</b>  | <b>Timetable of Meetings May to December 2022</b>   | <b>39 - 46</b> |
|           | Report by Acting Director of Finance & Resources  |                |
| <b>7</b>  | <b>Revised Councillors' Code of Conduct</b>   | <b>47 - 52</b> |
|           | Report by Acting Director of Finance & Resources  |                |
| <b>8</b>  | <b>2023 Review of UK Parliament Constituencies-<br/>Consultation on Initial Proposals</b>   | <b>53 - 60</b> |
|           | Report by Chief Executive   |                |
| <b>9</b>  | <b>Notice of Motion 1 by Councillors Andy Doig and<br/>McCartin</b>   |                |
|           | <p>"Council notes the statutory role which Community Councils have in relation to the planning process, and further recognises their wider remit as valuable local forums through which community concerns can be expressed and articulated.</p> <p>Council therefore believes that Renfrewshire Council's Protocol for the naming of new streets and developments should be amended to include Community Councils as consultees in this process, so that the names of new developments and streets better reflect local history."</p>  |                |
| <b>10</b> | <b>Notice of Motion 2 by Councillors Sharkey and Devine</b>   |                |
|           | <p>"Cancellation of By-Election</p> <p>Council demands to know what the total cost to the public purse has been as a result of first, the calling of, and then the cancellation of the by-election due to be held on the 14th of December."</p>   |                |
| <b>11</b> | <b>Notices of Motion 3 by Councillors K MacLaren and M<br/>MacLaren</b>   |                |
|           | <p>"Council condemns the Conservative Government at Westminster for abandoning the Pensions Triple Lock. Council notes that the triple lock guarantees that pensions grow in line with whichever is the highest out of earnings, inflation or 2.5%. This is yet another manifesto promise broken by the Conservative Government and a betrayal of Scotland's pensioners who already receive the lowest state pension compared to our European neighbours.</p> <p>Council will contact the Prime Minister to call on him to perform another u-turn, reverse his current position and re-instate the Pensions Triple Lock."</p> |                |

**12 Notice of Motion 4 by Councillors Devine-Kennedy and Grady**

"Autistic Community Approved Communication Boards

Council commends the work of Peterborough Council in helping its autistic residents and joins with it in the belief that people with autism deserve to be understood and heard, to live in an autism friendly society where they can strive to be the best they can be without hidden or systemic barriers,

Council resolves to install autistic community approved communication boards in all our parks and instructs our officers to bring a report to the next meeting of this Council."

**13 Notice of Motion 5 by Councillors Graham and McIntyre**

"Sir David Amess MP

Council is shocked and saddened by the murder of Sir David Amess MP. Elected members from all political parties and none should be able to carry out their duties as elected representatives without fear and intimidation.

Council recognises that we as elected members should be setting an example to be seen to treat our fellow elected members with respect and dignity even in our disagreements.

This council is united in our condemnation of the attacks recently which has led to the deaths of Cllr Andy Pennington, Jo Cox MP and Sir David Amess. MP"






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**To: Council**

**On: 16<sup>th</sup> December 2021**

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**Report by: DIRECTOR OF ENVIRONMENT & INFRASTRUCTURE**

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**Heading: UNIVERSAL FREE SCHOOL MEALS FOR ALL**

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## **1. Summary**

- 1.1 At the Council meeting on 30<sup>th</sup> September 2021 Council agreed for a report to be brought back to the next Council meeting setting out the planning being undertaken to ensure everything is in place to deliver a healthy and nutritious free meal to every child whose family wants them to have one.
- 1.2 In June 2021 the Scottish Government announced as part of its programme for government the Expansion of (Free) School Lunch to all P4 pupils from August 2021, P5 pupils from January 2022 and P6 and P7 and all ASN pupils from August 2022. The Scottish Government has also indicated that the roll out of free milk for all Primary and ASN School pupils will form part of the school lunch expansion programme. This report outlines the work that is being undertaken to deliver the programme of free meal expansion to all primary school and ASN pupils in Renfrewshire.
- 1.3 Implementation of the primary 4 free school lunch offering for all was undertaken at the start of the school term in August 2021 and delivered with minimum alterations to the existing school meals provision, infrastructure and resource capacity. The service is currently preparing for expanding the free school meal offering to all primary 5 pupils, with resource and infrastructure requirements in place to support this expansion.
- 1.4 The Scottish Futures Trust are on behalf of the Scottish Government reviewing the capital, one off and ongoing revenue requirements of each local authority to deliver the expanded school meal provision to all primary and ASN pupils. Renfrewshire will require a number of infrastructure investments to take place across the school estate to expand and alter kitchens and servery areas to deliver a full expansion programme.

Recruitment is underway to support the primary 5 expansion in January 2022, with a further programme of recruitment planned during 2022 to support primary 6, 7, and ASN expansion.

## **2. Recommendations**

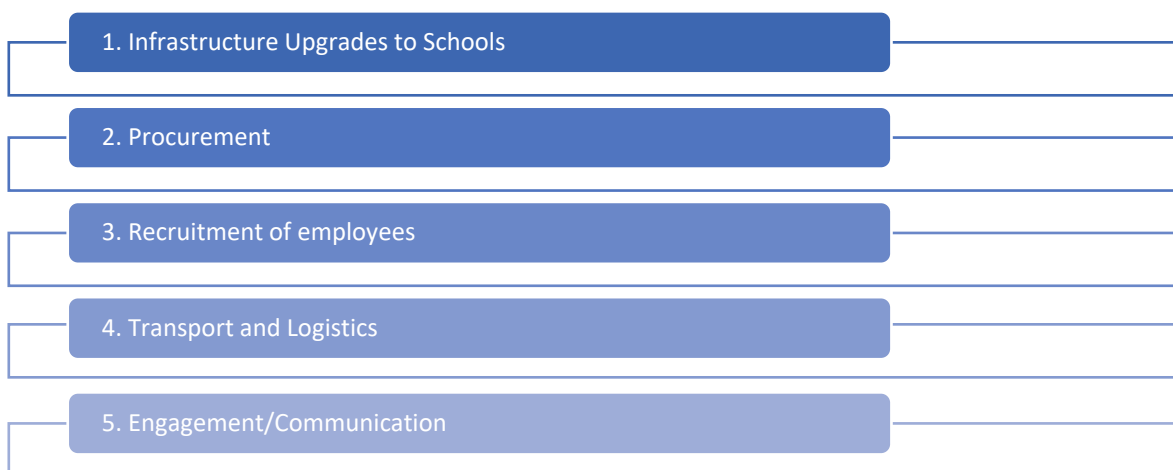
It is recommended that Council:

- 2.1 Notes the work undertaken to deliver the universal free school meal provision for Primary 4 & 5 pupils during this 2021/ 2022 academic school year.
- 2.2 Notes the ongoing work with Scottish Futures Trust on behalf of the Scottish Government to gather estimated capital, revenue and one-off costs to support the expansion of free school meal provision for pupils in primaries 4-7 and ASN schools with updates on progress being reported via the Finance, Resources and Customer Services Policy Board.

## **3. Overview**

- 3.1 To meet the challenging implementation deadlines for further expansion, Renfrewshire Council has responded quickly, to ensure that delivery of the P5, P6 and P7 and ASN School Lunch can be implemented timeously across the school estate. This is a complex project involving a significant programme of building work and recruitment of Facilities Management (FM) and support staff. This is a collaborative project and is being resourced with service experts across Council services to ensure successful delivery.
- 3.2 The Scottish Futures Trust (SFT) on behalf of the Scottish Government requested information from Councils to determine both the Capital and Revenue funding required to deliver this programme. Initial information was provided to SFT at end of October 2021 and is the subject of ongoing discussion and clarification. It is expected that the information gathered from all Councils will inform the Scottish Government 2022/23 budget setting discussions.
- 3.3 The design and development activities for this project has been divided into a suite of workstreams, to which objectives, resource and timescales will be assigned. These are noted in the table below:





### **3.4 Infrastructure Upgrades to Schools**

Plans are being developed to upgrade school kitchens and servery areas to accommodate additional pupils. This will require construction and upgrading works. Professional surveys have been undertaken to establish the capacity and capability of our primary school kitchens and to highlight building works, where required, to accommodate the increase in school lunch provision.

### **3.5 Procurement**

A procurement strategy will support this programme to procurement contractors to undertake the building works through the normal tendering process once funding is confirmed, with construction works likely to continue through 2022. At this time the purchase of items such as ovens, fridges and crockery has commenced, in line with the Councils procurement regulations.

### **3.6 Recruitment of Employees**

Additional staffing is required within FM to prepare and serve meals and in Children's Services to support the supervision of pupils across multiple locations. The recruitment has already started with some applicants already selected for the posts, further adverts will continue to ensure adequate staff are in place to deliver the programme.

### **3.7 Transport & Logistics**

Work is underway with colleagues to determine the requirement for the recruitment of additional drivers and for the routing arrangements for delivery of meals, where required.

### **3.8 Engagement & Communication**

The expansion of the free school meal programme is supported with a communication and marketing campaign that will support both universal and targeted messages for schools along with engagement with pupils, parents and teachers.

## Implications of the Report

1. **Financial** - There are large capital infrastructure and ongoing revenue costs required by the Council to deliver free school meals to all primary and ASN pupils. Initial revenue funding has been provided for the academic year 2021/22 to support the Primary 4 and 5 expansion. These costs are currently being considered and discussed with Scottish Futures Trust on behalf of the Scottish Government. Updates on the implications for the Council of this will be provided to the FARC's policy board.
2. **HR & Organisational Development** – The expansion of free school meals will require employment of additional staff to support both the cooking, serving and supervision of the school meal service
3. **Community Planning** – Tackling inequality, ensuring opportunities for all through the provision of free school meal provision to all
4. **Legal** – None
5. **Property/Assets** – Alterations to many of the school properties to support the role of free school meals
6. **Information Technology** – None
7. **Equality & Human Rights** -
8. **Health & Safety** – None
9. **Procurement** – As set out in the report there are procurement requirements to support the roll out of free school meals to all primary and ASN pupils.
10. **Risk** -That the timescales to undertake the required infrastructure expansions will not be possible in all schools by August 2022, with contingency arrangements in place to support the roll out of the service provision.
11. **Privacy Impact** - None
12. **Cosla Policy Position** – None
13. **Climate** – None

## List of Background Papers –

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**Author:** Gordon McNeil, Director of Environment & Infrastructure




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**To:** Council

**On:** 16<sup>th</sup> December 2021

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

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**Heading:** General Fund Financial Update

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## 1. Overview and Key Messages

- 1.1 The Council's financial outlook remains subject to increased risk over the medium term as the Council continues to support both community and organisational recovery from the COVID19 pandemic; however the financial position in the current financial year remains stable and consistent with previous reports.
- 1.2 The UK Budget and Comprehensive Spending Review (CSR) outlines that the inflationary risks which previously were anticipated to be transitory now appear to be longer lasting at higher levels, with consequential impact for the Council in terms of supplies costs and potential pay costs. The prospects for economic recovery though have improved from previous forecasts, with the vaccine roll out being a key enabler in allowing quicker improvement.
- 1.3 UK Government borrowing, while still high in historic terms, is forecast to be lower than previous forecasts which provides the UK Government with some additional capacity for public spending. This capacity is further supplemented by increased tax receipts from the measures outlined by the Chancellor over 2021 ie the introduction of a health and social care levy on both employers and employees; increased corporation tax and the freezing of income tax thresholds. These improved forecasts may however be shortlived, with economic prospects in terms of lower growth forecasts in the later years of the spending review period and stubbornly high inflation also highlighted.
- 1.4 The CSR has confirmed that the Scottish Government block grant will increase substantially in 2022/23, with only very moderate increases over the remainder of the spending review period. Under fiscal devolution, this block grant settlement from the UK Government represents only a staging post in the

process of setting a Scottish Budget for 2022/23 and ultimately the local government settlement. The Scottish Budget will be published on 9 December, however it is anticipated that the detailed breakdown of the local government settlement by Council will not be published until 20 December.

- 1.5 The Scottish budget is subject to a number of pressures and there is no guarantee that the levels of increase for the block grant as a whole will be reflected in the local government settlement. In addition, the Scottish Government has committed to a number of policy priorities which will require to be funded and which may subsume much of any increase in the settlement. For context, growth in the block grant settlement of 3.5% emerged in 2020/21, after which the Council's grant settlement ultimately experienced a like for like cut of 1.1%. Therefore healthy real terms growth in the block grant nationally does not automatically translate into an expectation of an improved outlook for the local government grant settlement.
- 1.6 Based broadly on the central planning scenario over 2022/23 – 2024/25 it is anticipated that the Council is likely to be faced with a funding gap of circa £26 million prior to any decisions on council tax, albeit this is subject to significant uncertainty, predominantly driven by future grant settlements and pay awards.
- 1.7 The Right for Renfrewshire transformation programme has been heavily disrupted by the capacity of the council being diverted to support the COVID19 response and this is expected to remain a significant constraint on the programme over the course of 2022. The current financial planning assumption is that the transformation programme will provide little further delivery of savings in 2022/23. Further, it is anticipated that the delivery of the transformation programme is now likely to require to be refreshed and extended into a longer term programme.
- 1.8 Consequently, it is anticipated that the Council's financial strategy over the next two years will require to draw heavily on changes approved locally by the Council to establish financial flexibilities arising from changes to capital financial planning arrangements. It is important for members to note that the use of such financial flexibilities as part of the medium financial term strategy represent a temporary measure, providing the Council with time and space to organisationally recover and re-stabilise post COVID19 and transition back to driving forward delivery of the transformation programme. Re-establishing the programme at scale will be crucial to the financial sustainability of the Council over the medium to longer term.

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## 2. Recommendations

- 2.1 It is recommended that members
- note the update provided in the report,
  - note that the next update is anticipated to form part of the budget report to Council based on the planned announcement of the Scottish Government budget on the 9<sup>th</sup> December and the local government financial settlement in the days thereafter, and

- note that if it is apparent from the Scottish Budget announcement on 9 December that any of the information within this report requires to be fundamentally revised, that a further update will be provided to members at the Council meeting.

### 3. **Revenue Summary Update**

#### Current Financial Position including COVID19 related impact

- 3.1 The financial outlook report to Council in September outlined an expectation that - excluding education recovery costs – the net additional costs expected to be incurred in 2021/22 in relation to COVID19 were in the region of £9 million. This position has not changed markedly, with the range of costs now estimated at £9 – 10m. Some areas of cost have increased as prevention measures remain in place and the societal impact of the pandemic endures e.g. continuing high levels of household waste collection cost as working from home remains recommended. Increased costs are also being experienced in childcare. These estimates are based broadly on the current environment of moderate restrictions remaining in place until the end of the financial year. Should this change materially, for example with increasing levels of restrictions coming into place over the winter period, there is likely to be a consequential impact on council services and associated costs.
- 3.2 This forecast includes an anticipated impact on net council tax income of around £0.5m and an estimated loss of £1.3m for Renfrewshire Leisure (RL). Both of these forecast outturns appear likely to reduce however there is still some risk as the full impact of the ending of furlough support continues to be felt across households; and the potential for increased restrictions may again impact on footfall within leisure facilities.
- 3.3 In line with the approach outlined in previous reports, the Council's financial forecast does not include any net unfunded costs being incurred by Renfrewshire HSCP. This position continues to be informed by the formal Scottish Government commitment that that costs incurred by the HSCP in relation to the pandemic will be fully funded through the use of COVID19 reserve balances and by the Scottish Government should these reserves be exhausted.
- 3.4 Costs related to the pandemic which are being incurred in schools and ELC are estimated to be £3.3 million. It remains the expectation that this cost will be self contained within the additional funding provided by the Scottish Government specifically for education recovery. As mentioned above, additional children's social care costs are estimated to be £1.3m which will require to be funded from Covid specific reserves.
- 3.5 In terms of the Council's core financial position, current forecasts outline an expected slight underspend of £2m which is compiled of a range of smaller underspends across all council services which will continue to be closely monitored. It should be noted however that this position excludes the anticipated impact of the now agreed 2021/22 pay award which is expected to cost the Council £2-3m more than what was budgeted for 2021/22, more than negating the core underspend anticipated. In addition, members will recall that the 2021/22 budget was set based on an unaddressed deficit of £1.7m to be

supported temporarily from non-recurring COVID19 resources. This figure will also increase due to the additional pay pressures.

- 3.6 In summary in relation to the current year financial outlook, the position has not changed markedly from that previously reported to Council, with a substantial reliance on COVID19 non-recurring resource being required to meet the exceptional costs still being incurred. The estimates above do not take into account any costs which are likely to be incurred in relation to COVID19 organisational recovery measures which will be required; nor additional costs being experienced in terms of the capital programme which are likely again to have to be addressed through the use of COVID19 resources. Cost pressures are now being evidenced through increased tender price submissions and this pressure may be sustained for some time as inflationary concerns endure. This issue is explored further later in this report.

- 3.7 As approved by Council, unallocated reserves have been replenished to £10 million moving into 2021/22 - approximately 2.3% of the Council's net revenue expenditure. This prudent step has increased the financial resilience of the Council and is reflective of the heightened financial risks the Council will continue to face from the pandemic, in terms of its ongoing impact, legacy risks and the recovery period, but also from the wider impact on the Council's financial strategy and additional financial risks caused by the disruption to the Right for Renfrewshire transformation programme.

#### 4 **Medium Term Economic Outlook**

- 4.1 The UK Budget and Comprehensive Spending Review was published on 27 October. At the same time, the Office for Budget Responsibility (OBR) published updated economic and fiscal forecasts.

##### Economic outlook

- 4.2 According to the OBR, the successful vaccine rollout has allowed the economy to reopen largely on schedule, despite continuing high numbers of coronavirus cases. The vaccines' high degree of effectiveness, combined with consumers' and businesses' adaptability to public health restrictions, has meant that output this year has recovered faster than expected in March, boosting tax revenues in the process. The stronger economic recovery has also helped to reduce the fiscal cost of pandemic-related support to below their March 2021 forecast. The economy is now expected to grow by 6.5 per cent in 2021 (2.4 percentage points faster than predicted in March).
- 4.3 Over the medium term, the OBR has revised up real GDP as they now expect post-pandemic scarring of potential output to be 2 per cent – rather than the 3 per cent assumed in March. They forecast that the UK economy will return to pre-pandemic levels at the start of 2022, earlier than previously anticipated. The forecast growth of 6.5% this year is expected to be followed by growth of 6% in 2022, 2.1% in 2023, 1.3% in 2024 and 1.6% in 2025. Unemployment is now expected to peak across the UK at 5.2% this year, lower than previously forecast. In the longer term, they also now forecast that the pandemic will have a less damaging 'scarring' effect on the size of the UK economy.
- 4.4 The strength of the rebound in demand in the UK and internationally has led it to bump up against supply constraints in several markets, causing supply bottlenecks which have been exacerbated by changes in the migration and trading regimes following Brexit. Energy prices have soared, labour shortages

have emerged in some occupations, and there have been blockages in some supply chains. These can be expected to hold back output growth in the coming quarters, while raising prices and putting pressure on wages. The OBR expects CPI inflation to reach 4.4 per cent next year, with the risks around that tilted to the upside ie inflation could peak at close to 5 per cent in 2022.

- 4.5 Overall, the OBR forecast a more optimistic economic outlook than the previous one presented at the UK Budget of just seven months ago, but there are still significant downside risks – chief amongst these being higher inflation over a longer period. Rising inflation also means that an interest rate rise cannot be ruled out. If this were to happen, it could feed into public spending via the resulting increase to the costs to the UK government of their extensive borrowing. Higher interest on borrowing means that less is available for public spending by the UK government, with potential knock on effects for Scotland.

#### Borrowing

- 4.6 UK Government borrowing, while still high in historic terms, is forecast to be lower than previous forecasts, with total borrowing of £320bn in 2020/21 being £35bn lower than expected, with the OBR expecting borrowing of £183.0 billion in 2021-22. Public Sector Net Debt has reached the highest level since the early 1960s, with public sector net debt excluding the Bank of England expected to rise by nearly 10 percentage points of GDP from 75.9% of GDP in 2019-20 to a peak of 85.7% of GDP by the end of 2023-24.

#### Tax

- 4.7 According to the OBR, stronger and more tax-rich growth, coupled with the tax rises announced over the last two Budgets, raise the tax burden from 33.5% of GDP recorded before the pandemic in 2019-20 to 36.2% of GDP by 2026-27 – its highest level since the post-war period in the early 1950s. Alongside a modest increase reflected in the plans the Chancellor inherited in March 2020, this 2.7 percentage point increase in the tax take is largely thanks to the combined effects of three tax rises announced by this Chancellor:

- Increases in the main rate of **corporation tax** to 25 per cent from April 2023 onwards, as a result of the cancelling of the cut from 19 to 17 per cent at the March 2020 Budget and then raising the rate from 19 to 25 per cent at the March 2021 Budget. These together raise £25.7 billion (0.9 per cent of GDP) a year by 2026-27.
- The five-year income tax **personal allowance and higher rate threshold freeze** from the March 2021 Budget, which raises £13.9 billion (0.5 per cent of GDP) by 2026-27.
- September's announcement of a **new health and social care levy** of 1.25 per cent on employees, employers and the self-employed directly raises £18.2 billion (0.6 per cent of GDP) by 2026-27 (although net of its effect on wages it raises £15.0 billion).

### Fiscal outlook

4.8 Despite the high levels of borrowing and debt, public spending is still set to grow in real terms (ie after adjusting for inflation) in the coming years, with the Chancellor announcing that each UK department is projected to receive a real-terms increase over the spending review period as a whole.

4.9 The stronger underlying fiscal position this year, coupled with higher nominal GDP over the medium term, provided the Chancellor with significantly more fiscal room for manoeuvre going into his first three-year Spending Review – which he increased further through the tax rises outlined above. The Chancellor has therefore increased spending by around £30 billion a year – with about half going directly from the new levy into the NHS and social care budgets and half undoing the £18 billion of cuts to pre-pandemic departmental spending totals pencilled in at the March 2021 Budget. According to the Budget publication:

*“Total departmental spending is set to grow in real terms at 3.8% a year on average over this Parliament – a cash increase of £150 billion a year by 2024-25 (£90 billion in real terms). This is the largest real-terms increase in overall departmental spending for any Parliament this century.”*

4.10 It should be noted however, increases are not spread evenly over the CSR period – much of the increase is front loaded into 2022/23 with only marginal real terms increases in the final two years of the period.

### Scottish Block Grant

4.11 As mentioned above, the increases in departmental spending are frontloaded – a large increase next year, and relatively flat in real terms in the subsequent two years of the Spending Review period (the position of the resource block grant in 2024/25 is only £300m improved than what was projected based on the UK government’s projected spending envelope announced in September).

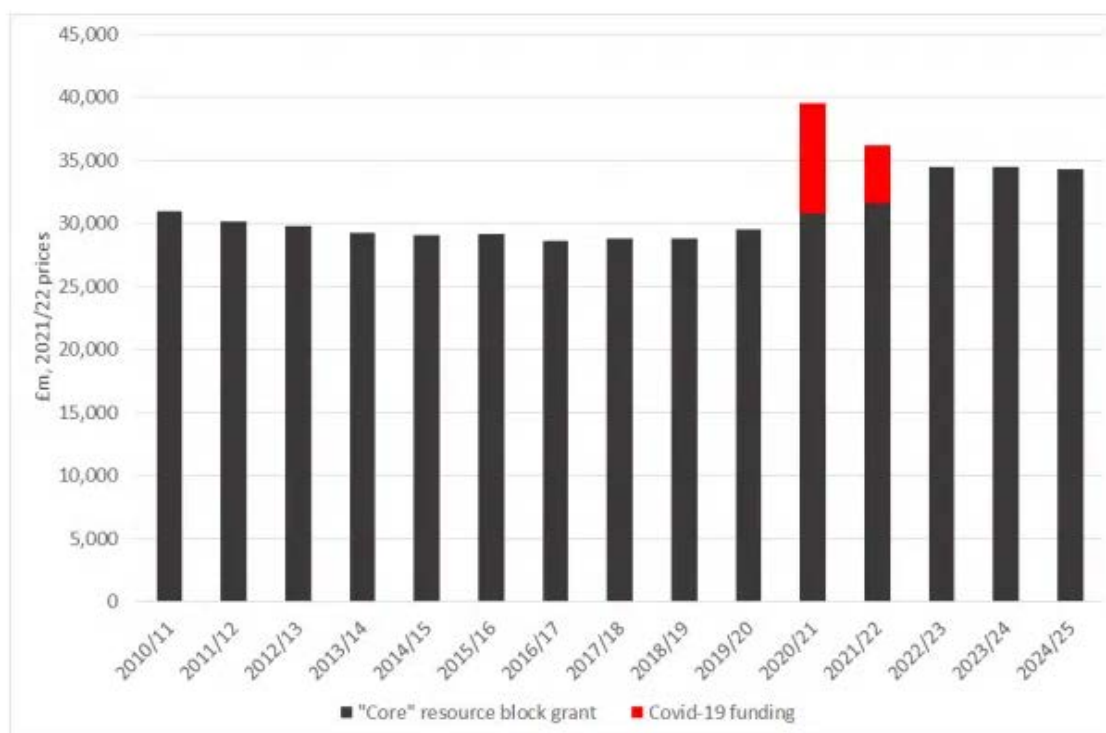
4.12 The Budget included an average increase in the total Departmental Expenditure Limit for Scotland of £4.6bn per year, being £4.1bn revenue and £0.5bn capital. These figures may be affected by the current review of the Fiscal Framework which operates between the UK and Scottish Governments, and any change in particular to the reconciliation and block grant adjustment process..

### **Budgets in Cash Terms for Scotland**

#### **DEL = Departmental Expenditure Limits**

	<b>Baseline 2021-22 (£b)</b>	<b>Plans 2022-23 (£b)</b>	<b>Plans 2023-24 (£b)</b>	<b>Plans 2024-25 (£b)</b>
<b>Resource DEL</b>	31.6	35.0	35.7	36.3
<b>Capital DEL</b>	5.2	5.6	5.6	5.5
<b>Total DEL</b>	36.7	40.6	41.2	41.8
<b>% increase</b>		10.7%	1.48%	1.46%





Source – Fraser of Allander Inst

4.13 While the Scottish Government now has some visibility over the SR period, it is likely that the Scottish Budget for 22/23 will again be for one year only. However, the Scottish Government has also committed to publishing its Medium Term Financial Strategy on 9 December which may give some indication at a portfolio level as to the potential direction of travel for public spending. A further commitment has been provided with regards consulting on a resource spending review which will be published by May 2022. It should be noted however that the publication on 9 December will detail departmental level aggregate spending only – it is anticipated the local government finance circular which provides detail on the settlement for each Scottish Council will not be published until 20 December. It is only at this point that the Council will get the full detail required to establish understanding of the local government settlement; and indeed it could take some weeks into the New Year to clarify the local government settlement through the mechanisms COSLA will put in place before the Council will have the complete picture in terms of grant for 2022/23.

4.14 Should sufficient detail emerge in the Scottish Government budget which would alter any of the information within this report, or necessitate a revision to the broad financial plans outlined, officers will provide an update to Members either in advance of, or at, the Council meeting.

## 5 Updated Financial Outlook

5.1 As outlined in the report to Council in September and reiterated above, the Council is expected to be running a recurring deficit position of approximately £4-5m as we move into 2022/23. This position requires to be addressed in the budget setting for next financial year prior to any further budget considerations.

There are a number of key risks to the medium term financial position which are further detailed below.

#### Government Grant

- 5.2 The section above outlines the position for the Scottish Block Grant increasing in 2022/23, however this does not necessarily translate into an equal uplift being programmed for the local government settlement. The Council's financial outlook is currently based on the assumption that revenue grant will increase by 1% year on year over the medium term. This was based on the most recent medium term financial plan published by the Scottish Government which suggested improved prospects for the local government settlement which would broadly mirror the movement anticipated in the overall Scottish budget. The CSR has confirmed further improvement in the 2022/23 Scottish Budget with a considerable uplift expected, however this is followed by two years of marginal real terms growth which is a concern in terms of the Council's financial outlook.
- 5.3 Assuming this pattern is reflected in the local government settlement then it may be that grant prospects for 2022/23 are improved; however this does not account of any new burdens or commitments which local government may be asked to deliver. Experience suggests that where there have been significant uplifts in resource for local government, this has been accompanied by equally significant new responsibilities which reduce the like-for-like uplift to near flat cash levels. A live example of this is the expansion of free school meals to all primary pupils over the course of the next financial year. The recently announced increase in the Scottish Child Payment in 2022/23 will also impact on the resource available for other portfolios within the Scottish Budget – necessitating “hard choices” for elsewhere in the Budget.
- 5.4 On this basis the medium term outlook continues to be based on an assumed 1% year on year growth which is viewed as a prudent level given the risks outlined above; and the known commitments made by the Scottish Government in relation to for example the expansion of free school meals; and ongoing risks around COVID19 recovery which may require the Scottish Government to disproportionately support for example the NHS or the provision of support to businesses directly affected by the pandemic and the protection measures required.
- 5.5 COSLA has recently commenced its Budget Lobbying Campaign which outlines the need to invest in local government in order to ease pressures on the NHS and ensure the joint aim that everyone can “Live Well Locally”. The campaign highlights that since 2013/14 there has been an estimated 20% real terms reduction in the local government grant settlement; and that simply to stand still in terms of current levels of service and known Scottish Government policy commitments, the local government settlement will need to increase by £0.7bn or 6.5%. From these figures it can be viewed that even should the local government settlement receive a substantial increase in 2022/21, this will simply address existing pressures and will unlikely trigger the conditions for increased investment potential.

#### Pay

- 5.6 A revised pay offer has now been agreed which will exceed the budget provision made in setting the 2021/22 by an estimated £2-3m. This position will require to be addressed in setting the provision for the pay settlement in 2022/23. In addition, the 2022/23 pay provision will need to reflect the additional employer costs from the new Health & Social Care levy estimated at £1.7m for

the Council, unless specific funding is included within the financial settlement to cover this additional cost burden. The UK Budget included a commitment that the pause in pay rises for public sector workers would be lifted for the CSR period from 2022/23, with recommendations being sought from pay review bodies which ensure fairness and sustainability of the public finances and which broadly reflect parity with the private sector. The Scottish Government will develop their own view on public sector pay which may reflect the UK view or potentially diverge from this

- 5.7 As outlined above, there are increasing fears that the relatively high levels of inflation currently being experienced may linger for longer than had been previously anticipated; potentially increasing pressure for higher pay settlements. It has been hoped that the publication of the CSR would provide the Scottish Government with increased certainty around the block grant it will receive, thereby allowing a multi-year settlement to be announced in Scotland, however it appears that publication of more detailed information in relation to years beyond 2022/23 will be delayed until May 2022 once the consultation on the Resource Sending Review proposed by the Scottish Government is complete.
- 5.8 Given the current backdrop, pay negotiations for 2022/23 are likely again to be challenging. There is therefore a very strong possibility that the Council will need to set a budget for 2022/23 in the absence of an agreed pay settlement and will therefore be required to manage and provide for this uncertainty moving into next financial year.

#### COVID19 longer term impact

- 5.9 It is expected that there will be longer term costs incurred in relation to the pandemic or from decisions the Council has taken in order to respond and to support communities and the organisation recover. These costs continue to evolve but it is expected that there will be permanent behavioural and societal changes which will demand a service response and which may manifest themselves in terms of both increased cost and/or reduced income. Examples of this include increased levels of household waste, longer term hybrid or remote working, increased cleaning requirements and ongoing support to communities. The longer term impact on council tax collection levels will also require to be closely monitored with there being some uncertainty as to how (or if) collection levels will recover. The medium term financial strategy will require to reflect these potential additional costs.

#### Other medium term financial issues

- 5.10 There are a range of other considerations for the financial strategy which are likely to impact over the medium term and which are summarised below:
- HSCP – the National Care Service proposals which are being considered for implementation over the course of the current Parliament will potentially impact on the Council's financial arrangements, but more significantly on the HSCP. The practice of requiring ring-fenced elements of the local government revenue grant to be passed through to the HSCP is anticipated to continue, with the Council's budget assumption being that no further contribution from Council resources will be made.
  - Education recovery – the Council has received in both 2020/21 and in 2021/22 additional resource from the Scottish Government to support education recovery, with costs being incurred on additional teaching

staff and pupil support; and also on devices which enable remote learning. It is expected that this funding will continue to be utilised over a number of academic years to ensure ongoing recovery and additionality of teaching resource; however there may be recurring costs which arise and endure after the current funding has been utilised which the Council will require to fund.

- Council Commitments – as previously reported to Council, the financial plan includes provision for the recurring impact of existing commitments including City Deal investments and schools investment; and will require to reflect longer term impacts which may emerge from service changes required to support current initiatives in regard to Tackling Poverty, Social Renewal, Alcohol and Drugs and the Climate Emergency.

5.11 The Council's medium term financial plan is continually updated in light of new information as outlined above and in response to evolving views on uncertainties linked to particularly to grant and pay. The updated outlook continues to consider a range of scenarios which suggest that over the next three year period, the Council will continue to require to deliver significant budget savings to achieve a balanced budget. Since the previous update in September however, the scale of these has remained broadly consistent and likely to fall within a range of £14 million - £36 million. These estimates are prior to the impact of any Council tax increases in each year. Members will recall that Council Tax provides a critical but limited avenue to increase resources. For illustrative purposes these lower and upper forecasts would reduce to circa £7 million - £29 million after adjusting for an exemplar 3% per annum increase in Council Tax levels each year.

5.12 This three year forecast continues to represent a wide variation in potential lower and upper planning scenarios and it is probable that over the three year period the actual outcome has a greater likelihood of falling closer to the central scenario of circa £26 million (circa £19 million after adjusting for the illustrative Council tax increase). At this juncture, this continues to be a broadly valid financial outlook. Over the course of the coming months, the budget announcement by the Scottish Government will provide greater certainty for 2022/23, however there may be limited insight as to how this may inform what 2023/24 and beyond holds for the Council's financial outlook.

## 6 **Financial Strategy Response**

6.1 The Council's three year financial strategy 2020 – 2023 was underpinned by a requirement for the R4R transformation programme to support the delivery of £25 million of recurring revenue savings over the medium term period to 2023. An initial phasing assumption of savings of £7 million, £13 million and £5 million was made for each financial year through to 2023. Members will however be aware that, at the onset of the coronavirus pandemic, a decision was taken to formally pause the R4R programme, recognising the capacity of the Council was required to be fully diverted to support the emergency response.

6.2 The approved 2021/22 budget included £1.7m of recurring savings linked to the full year effect of savings agreed in 2020/21 from the Tranche 1 service redesigns, bringing the total saving from the initial service redesigns to approximately £6m. In line with the original savings objective, there would remain approximately £19 million of associated savings yet to be delivered through the Council's transformation programme. In the context of the above

financial outlook, this financial target remains at this stage broadly appropriate in scale.

6.3 The financial update report to Council in September outlined a requirement to revise the financial strategy to reflect the pausing of the Right for Renfrewshire programme and the consequent impact on the phasing of savings delivery over the medium term. It remains the case that the Council's organisational capacity remains focussed on COVID19 response and increasingly, recovery. It is therefore unlikely that the Council's financial planning for the forthcoming year will be able to place reliance on the transformation programme delivering significant savings over those relatively minor measures outlined in the June update to the Leadership Board. However, the financial risks outlined above reinforce the need for the Council to be decisive and make substantial and potentially more challenging decisions than it has previously in order to fully commit to the delivery of the significant change and transformation which will be required over the medium term.

6.4 As agreed by Council in September, a number of measures will require to be taken in order to position the 2022/23 budget for the medium term:

- A minimal target of £2m of transformation savings from the full year effect of the initial RFR reviews and those non-frontline areas agreed to be included in Phase 2
- The use of longer term corporate financing flexibilities to bridge the savings gap over the short term; recognising that these savings will entail increased borrowing to support the capital programme and will result in higher borrowing costs over the long term, to be met through appropriate base budget adjustments and the release of long term flexibility resources.
- Plans to develop a refreshed transformation programme will be progressed, recognising the emerging environment post-COVID19, however there remains a significant risk that even once fully remobilised and restarted, the pace at which transformation work can progress may continue to be hampered and constrained by the capacity of the organisation.

6.5 The financial outlook will continue to be updated in light of the Scottish Budget for 2022/23 and any subsequent announcements which may affect the position outlined above over the short and medium term. The UK CSR publication has created the potential for a multi-year settlement to be developed by the Scottish Government once they have fully considered the CSR, consulted on the Scottish Resource Spending Review, and progressed discussions on the Fiscal Framework which is currently being reviewed by both UK and Scottish Governments. Reports will be provided to future cycles as the financial outlook and strategy is updated and adapted as appropriate.

#### Revenue Investment Capacity

6.6 Since 2010/11 the Council's rolling three year financial strategy has focused on maintaining a medium term view when progressing transformation and savings plans. This has supported the Council to consistently secure recurring savings in advance of immediate need which has both provided confidence in addressing the medium term financial challenge that has persisted over the last decade but also critically facilitated both recurring and non-recurring investment capacity in emerging priorities for the Council.

- 6.7 However, the significant and rapid shift in the Council's financial strategy due to the direct and indirect impact of COVID19 has effectively removed such opportunities moving forward. Rather than remaining ahead of the curve of required savings, the Council is now likely to remain behind the curve over the medium term and be reliant upon financial flexibilities to support the annual budget process. In this context, it is therefore anticipated that the Council is likely to have limited revenue funded investment capacity to support new service developments or initiatives, or indeed capital investment funded by prudential borrowing over the medium term. The financial challenge over the next two to three years for the Council is most likely to be focused first and foremost on achieving a balanced budget position each year and progressing the medium term target to secure financial and service sustainability.

## 7 **Capital Investment Programme**

- 7.1 Previous reports to Council have outlined the impact that COVID19 has been having on the capital programme, with initial lockdown measures severely delaying progress over the course of 2020 and ongoing social distancing and supply constraints continuing to impact progress on live projects over 2021.
- 7.2 Further, an arguably more significant second phase of risk has emerged and continues to increase in significance over the course of 2021 in relation to construction inflation. Both supplies and labour shortages are being experienced which is driving inflation in the sector higher, along with increased demand as backlog maintenance is tackled and new projects are beginning. Key materials such as timber, roof tiles and copper are experiencing both increased costs and supply shortages. Estimates of inflation across the construction and infrastructure sector range from 4 to 8% for 2022.
- 7.3 The impact of this is now being increasingly experienced in both live Council projects and as Council projects are coming to the market. The Council will need to keep under careful and detailed review the cumulative impact on both individual projects and the overall approved capital plan as set against available resources and contingencies; and remain alert to the prospect of capital projects requiring additional funding to maintain the deliverability of the overall programme. In this context and as agreed by Council in September, £5 million of COVID19 resources are earmarked for this purpose in the first instance. The adequacy of this provision will be assessed over the coming months however it should be noted that in the context of the general fund capital programme this represents a relatively limited level of additional financial cover for the Council and further actions may require to be considered. The capital programme will continue to be reviewed for any opportunities to assess the medium term pipeline of planned investment activity and ensure that an appropriate level of flexibility is established to provide, if required, the opportunity to scale back the scope of investment activity in a planned manner.
- 7.4 Moving beyond the existing capital programme, the level of Scottish Government capital grant the Council can expect in future years will continue to be pressured as demands for capital investment across the public sector increases. Within local government significant capital costs are anticipated in relation to the expansion of free school meals which may impact on the residual amount of general capital grant available to be distributed. Scottish Government capital grant was reduced by around 20% in 2020/21, maintained at this level in 2021/22 and there is therefore little prospect of any recovery in this source of grant funding moving forward. Members will recall that at this level of funding, capital grant resource is able only to support a limited rolling lifecycle maintenance

programme across all asset classes. The Council will therefore be required to continue to seek out and pursue alternative capital grant opportunities from government funds and other grant providing bodies as well as recognising that prudential borrowing represents the major lever at the Council's disposal to support major investment. However, prudential borrowing requires to be financially sustainable and underpinned by recurring revenue resources to ensure this is the case. As the Council moves forward and major financial challenges persist for the revenue budget, the capacity to sustainably support prudential borrowing will become an increasing challenge.

- 7.5 The Council agreed in March capital investment plans for housing and general services for the period 2021/22 to 2025/26 which included investment totalling £443 million. In the current financial year, it was planned that spend of £115 million of investment would take place. Owing to the delays being experienced as outlined above, it is now anticipated that spend in 2021/22 will be approximately £90m with budget pushed further into the future to match anticipated spend profiles. This rephasing of spend will have a consequential impact on potential borrowing costs which may provide some short term headroom in revenue budgets which will be incorporated into the medium term financial plans as outlined above.
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## Implications of the Report

1. **Financial** – the report highlights the scale and shape of the medium term financial challenge facing the Council. The recommencement and delivery of the transformation programme and associated savings are critical to ultimately supporting the Council secure a financially sustainable position. Financial flexibility capacity secured will in the short term provide the Council with a level of temporary financial support to stabilise, recover from the COVID19 disruption and restart the medium term transformation programme.
2. **HR & Organisational Development** – the medium term financial position and associated plans require to align with workforce and service plans to ensure the size and composition of the Council workforce remains appropriate and affordable.
3. **Community/Council Planning** – the Council requires to remain financially sustainable in order to deliver on its priorities as outlined in the Council and Community Plans.
4. **Legal** - none
5. **Property/Assets** - none
6. **Information Technology** - none
7. **Equality & Human Rights** – n/a at this stage and any implications will be assessed as part of associated proposals taken forward as part of the financial strategy and wider transformation programme.
8. **Health & Safety** - none
9. **Procurement** – none
10. **Risk** – as outlined in the report, the Council's financial risk exposure both in the immediate term and over the medium term remains high. The report outlines the ongoing uncertainty as well as a range of key measures to be implemented as part of the medium term financial planning arrangements to protect the Council's immediate financial stability and resilience but also continue to progress toward medium term financial sustainability.
11. **Privacy Impact** - none
12. **Cosla Policy Position** – none
13. **Climate Risk** - none

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**Author:** *Alastair MacArthur, Interim Director of Finance & Resources*






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**To:** Council

**On:** 16 December 2021

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

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**Heading:** A Prudential Framework for Capital Finance – Progress Report

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**1. Summary**

- 1.1 The Local Government in Scotland Act 2003 and supporting regulations require local authorities to have regard to The Prudential Code for Capital Finance in Local Authorities ("the Prudential Code").
- 1.2 The Council set its prudential indicators for 2021/22 on 4<sup>th</sup> March 2021. The purpose of this report is to consider the indicators as they stand at 15<sup>th</sup> October 2021, approximately halfway through the financial year, and revise them as appropriate
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**2. Recommendations**

- 2.1 It is recommended that members consider this report and approve the changes to the prudential indicators as detailed in the report.
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**3. Background**

- 3.1 The key objectives of the Prudential Code are to ensure, within a clear framework, that:
- Capital investment plans are affordable, prudent and sustainable;
  - Treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved;
  - That these risks will be managed to an acceptable level to the organisation;

- Capital investment plans are being made in light of the overall organisational strategy and resources, ensuring that decisions are being made with sufficient regard to the long run financial implications and potential risks to the authority.

- 3.2 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 Code does not include suggested indicative limits or ratios. These are for the Council to set itself.
- 3.3 The prudential indicators required by the Code are designed to support and record local decision making. The system is specifically designed to support such local decision making in a manner that is publicly accountable. They are not designed to be comparative performance indicators.
- 3.4 CIPFA has recently issued a secondary consultation on updates to the Prudential Code following an initial consultation in early 2021. The main focus of the consultation is to bring greater clarity over any commercial investments which may result in some changes or amendments to the Prudential Indicators. The revised version of the Prudential Code is not expected to be issued until Spring 2022 and would therefore potentially not be incorporated into the Council position until the Prudential Indicators for 2023/24 are considered.

#### **4 CAPITAL EXPENDITURE INDICATORS**

- 4.1 The Council has a duty to determine and keep under review the maximum amount which it can afford to allocate to capital expenditure.
- 4.2 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. Separate estimates should be made for Housing and Non Housing services. The Capital Investment Programmes for Housing and Non Housing Capital Investment Programme were approved by Council on the 4<sup>th</sup> March 2021, the resulting indicators were updated to reflect the approved programme incorporating the decisions taken by the council at the budget meeting.
- 4.3 Council approved the following as an indicator for capital expenditure:-

<b>CAPITAL EXPENDITURE</b>			
	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>
Non Housing*	114,129	119,014	84,723
Housing	25,602	46,917	53,465
<b>Total</b>	<b>139,731</b>	<b>165,931</b>	<b>138,188</b>

\*The 2021/22 Non Housing estimate excludes the estimated expenditure in relation to the Private Sector Housing Grant.

- 4.4 Total capital expenditure to 15<sup>th</sup> October 2021 is £31.009m, of which £22.179m relates to Non Housing and £8.921m relates to Housing.

- 4.5 A review of the updated capital spending plan for 2021/22 suggests that the indicators need to be revised as follows for the current year. Indicators for 2022/23 and 2023/24 will be reviewed in March 2022 alongside the budget proposals.

<b>CAPITAL EXPENDITURE</b>	
	<b>2021/22 Probable £'000</b>
Non Housing	77,946
Housing	19,876
<b>Total</b>	<b>97,822</b>

- 4.6 The net decrease of **£36.183m** in the planned Non Housing capital expenditure during 2021/22 is mainly attributable to re-profiling of expenditure to 2022-23 and beyond as a result of the delays to capital work largely as a result of the effects of Covid-19 pandemic in terms of contracts being signed later than anticipated and longer delivery times for raw materials. The full net effect of the decrease is a result of the following factors:

- (i) The change in the cash flow profile of a number of programmes resulting in a net adjustment of £47.858m from 2021/22 into 2022/23 and future years as reported to relevant policy boards.
- (ii) Carry forward of programmed expenditure from 2021/22 to 2010/21 totalling £9.739m.
- (iii) The addition of £2.165m funding for projects approved during 2021/22.

- 4.7 The decrease of **£5.726m** in the planned Housing capital expenditure during 2021/22 arises from the net effect of:-

- (i) Expenditure brought forward from 2020/21 into 2021/22 of £0.664m.
- (ii) The change in the cash flow profile of a number of programmes resulting in a net adjustment of £6.390m from 2021/22 into 2022/23 and future years as reported to the Communities, Housing & Planning Policy Board. The majority of this relates to planned work on existing properties which is taking longer to complete due to Covid-19 guidance over the access of properties.

## 5 CAPITAL FINANCING REQUIREMENT INDICATOR

- 5.1 *Capital Financing Requirement:* The Council has available to it 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 any 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 involve resourcing the investment at the time that it is incurred. These are:

- Application of useable capital receipts
- A direct charge to revenue for capital expenditure

- The application of capital grants
- Up-front contributions from project partners

5.2 Capital expenditure which is not financed up front by one of the above methods will increase the Capital Financing Requirement of the Council.

5.3 Members approved the following as the indicator for the Capital Financing Requirement at the end of each of the next three years at the Council meeting on 4<sup>th</sup> March 2021:

<b>CAPITAL FINANCING REQUIREMENT</b>			
	<b>31/03/2022</b>	<b>31/03/2023</b>	<b>31/03/2024</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Non Housing	341	431	467
Housing	119	149	188
<b>Total</b>	<b>460</b>	<b>580</b>	<b>655</b>

5.4 The revised projected capital financing requirement for 2021/22, based on the position at 15<sup>th</sup> October 2021 is noted in the table below. The 2022/23 & 2023/24 requirements will be reviewed in March 2022 alongside the budget proposals;

<b>CAPITAL FINANCING REQUIREMENT</b>	
	<b>31/03/2022</b>
	<b>Probable</b>
	<b>£m</b>
Non Housing	268
Housing	107
<b>Total</b>	<b>375</b>

5.5 The decrease of £73 million in the probable Capital Financing Requirement at 31<sup>st</sup> March 2022 in Non Housing services arises from:

- The reduced capital expenditure forecast to the end of 2021/22 described in 4.6.
- Accelerated repayment of General Fund loans made during 2020/21 in line with the Council's approved debt smoothing strategy
- Grant received from Scottish Government in 2020/21 in relation to City Deal projects.

5.6 The decrease of £12 million in the probable Capital Financing Requirement at 31<sup>st</sup> March 2022 in Housing services is a result of the reduced capital expenditure in 2021/22 described in 4.7 and accelerated HRA loan repayments made during 2020/21.

## 6 EXTERNAL DEBT INDICATORS

- 6.1 External debt is referred to as the sum of external borrowing and other long term liabilities (e.g. covenants). The prudential indicators for external debt are 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.
- 6.2 External debt indicators are set 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.
- 6.3 *Operational Boundary*: This is the focus of day-to-day treasury management activity within the Council, and is an estimate of the most likely 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 Financial Requirement and estimates of cashflow 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 require investigation and action.
- 6.4 The Council has set for the current financial year and following two years an Operational Boundary for its total external debt, identifying separately borrowing from other long term liabilities.

OPERATIONAL BOUNDARY FOR EXTERNAL DEBT			
	31/03/2022	31/03/2023	31/03/2024
	Estimate	Estimate	Estimate
	£m	£m	£m
Borrowing	390	514	593
Other long-term liabilities	70	66	62
<b>Total</b>	<b>460</b>	<b>580</b>	<b>655</b>

- 6.5 The probable outturn for the current financial year is anticipated at £375 million, a decrease in the Operational Boundary of £85 million. This is mainly as a result of the reduced Capital Finance Requirement due to lower capital expenditure for both Housing and Non-Housing Services outlined in paragraphs 5.5 and 5.6. There have been no breaches during the period from 1<sup>st</sup> April to 15<sup>th</sup> October which have required action. The 2022/23 and 2023/24 operational boundary will be reviewed in March 2022 alongside the budget proposals.

<b>OPERATIONAL BOUNDARY FOR EXTERNAL DEBT</b>	
	<b>31/03/2022 Probable £m</b>
Borrowing	303
Other long-term liabilities	72
<b>Total</b>	<b>375</b>

6.6 *Authorised Limit:* This is based on the same assumptions as the Operational Boundary, with sufficient “headroom” to allow for unusual/exceptional cash movements. Headroom of approximately 5% 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.

6.7 The Council has set for the forthcoming financial year and following two years an Authorised Limit for its total external debt, but identifying separately borrowing from other long term liabilities.

<b>AUTHORISED LIMIT FOR EXTERNAL DEBT</b>			
	<b>31/03/2022 Estimate £m</b>	<b>31/03/2023 Estimate £m</b>	<b>31/03/2024 Estimate £m</b>
Borrowing	410	540	623
Other long-term liabilities	70	66	62
<b>Total</b>	<b>480</b>	<b>606</b>	<b>685</b>

6.8 The revised anticipated authorised limit for this financial year is projected at £4390 million, a decrease of £90 million to the estimate and in line with the operational boundary reduction as outlined in 6.5. The authorised limit will be reviewed on an annual basis and any changes will require approval by Council.

<b>AUTHORISED LIMIT FOR EXTERNAL DEBT</b>	
	<b>31/03/2022 Probable £m</b>
Borrowing	318
Other long-term liabilities	72
<b>Total</b>	<b>390</b>

6.9 In December 2018 the CIPFA/LASAAC Local Authority Accounting Board confirmed that from 1<sup>st</sup> April 2020 the CIPFA Code of Practice on Local Authority Accounting would be adopting the accounting standard IFRS 16 Leases. This was extended to 1<sup>st</sup> April 2022 as result of the Covid-19 pandemic.

The practical effect of adopting IFRS 16 will be to require any contract the Council has signed which provides the right to rent or lease exclusive use of an asset, such as property or vehicles, could potentially require to be recognised as an asset on the Council's balance sheet with a corresponding debt liability recognised at the present value of the future lease payments. This liability will be treated as additional borrowing, therefore, increasing the Capital Financing Requirement and other associated Prudential Indicators such as Operational Boundary, Authorised Limit and Revenue to Financing Cost ratios. A full review of all contracts that could be impacted by this is currently under way and will be factored into future Prudential Indicators once the full effect is known.

## **7 LOAN FUND ADVANCES**

7.1 Loans fund accounting arrangements are governed by the provisions set in the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.

7.2 Repayment of loans fund advances are required to be made in line with the Scottish Government's statutory Guidance on Loans Fund Accounting.

7.3 The aim of prudent repayment is to ensure that the Council's net capital expenditure is financed over a period of years in which that expenditure is expected to provide a benefit and that the repayment each year is reasonably commensurate with the period and pattern of benefits. Housing and Non-Housing advances and associated annual repayments are identified separately.

7.4 Members approved the 2021/22 policy on loan fund repayments on the 4<sup>th</sup> March 2021. Statutory guidance requires the policy to be approved each year and the 2022/23 policy will be reviewed in March 2022 alongside the budget proposals.

7.5 The Council's current policy is as follows:

**Asset Life Method:** Loans fund advances will be repaid with reference to the life of an asset using an average life of 40 years for General Fund assets and 30 year for HRA assets, with an annuity rate of 6.00%

Assets constructed under City Deal arrangements will have differing asset lives and loans fund repayments will be over 60 years at the asset life method. This will ensure that the repayments are reasonably commensurate with that over which the assets will provide benefits.

7.6 The Council's latest estimates of its loan fund account information are as follows:

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment to GF by City		Closing Balance £m
					Deal Grant £m	Repayment by HRA £m	
2020-21 actual	298	5	7	(8)	(10)	(19)	273
2021/22	273	31	15	-	(3)	(13)	303
2022/23 - 26/27	303	213	70	(4)	(9)	(45)	528
2027/28 - 31/32	528	-	-	(20)	(24)	(23)	461
2032/33 - 36/37	461	-	-	(37)	(25)	(22)	377
2037/38 - 41/42	377	-	-	(44)	-	(20)	313
2042/43 - 46/47	313	-	-	(47)	-	(23)	243
2047/48 - 51/52	243	-	-	(40)	-	(30)	173
2052/53 - 56/57	173	-	-	(57)	-	(12)	104
2057/58 - 61/62	104	-	-	(63)	-	(2)	39
2062/63 - 66/67	39	-	-	(17)	-	-	22
2067/68 - 71/72	22	-	-	(4)	-	-	18
2072/73 - 76/77	18	-	-	(5)	-	-	13
2077/78 - 81/82	13	-	-	(6)	-	-	7
2082/83 - 86/87	7	-	-	(7)	-	-	-

7.7 On 10<sup>th</sup> March 2021 the Scottish Government issued an amendment to the Local Authority (Capital Finance & Accounting) Regulations with the Local Authority (Capital Finance & Accounting) (Scotland) (Coronavirus) Amendment Regulations 2021.

7.8 The amendment permits a Local Authority to reduce loan fund repayments to an amount not less than zero for the 2021-22 financial year. The table above assumes this option will not be exercised for Non-Housing repayments in 2021-22 due to the very limited benefit of exercising the option.

## 8 **TREASURY MANAGEMENT INDICATORS**

8.1 The prudential indicator in respect of treasury management is that the local authority has adopted CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* (the "Treasury Management Code").

8.2 Compliance with the Treasury Management Code requires a mid-year review of Treasury Management activity. This was reported to Finance, Resources and Customer Services Policy Board on 10<sup>th</sup> November 2021.

## 9 **INDICATORS FOR AFFORDABILITY**

9.1 A key measure of affordability is the incremental impact of investment decisions on the council tax or house 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.

9.2 As reported to Council on 4<sup>th</sup> March 2021 the ratios for the next 3 years are shown in the table below:



RATIO OF FINANCING COSTS TO NET REVENUE STREAM			
	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Non Housing	3.31%	3.96%	4.67%
Housing	42.14%	38.40%	36.13%

- 9.3 The revised ratios for 2021/22, based on the position at 15<sup>th</sup> October 2021 is noted in the table below. The 2022/23 & 2023/24 requirements will be reviewed in March 2022 alongside the budget proposals;

RATIO OF FINANCING COSTS TO NET REVENUE STREAM	
	31/03/2021 Probable
Non Housing	3.92%
Housing	39.91%

## Implications of the Report

1. **Financial** – Prudential indicators are being monitored by the Director of Finance and Resources throughout the year. They are based directly on the Council's Capital and Revenue budgets, as detailed in the other reports considered by the Council on 4<sup>th</sup> March 2021 and reported to the Council's Policy Boards on a regular basis.
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** -
  - (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. **Climate Risk** – None
  - 13. **Cosla Policy Position** – None
- 

#### **List of Background Papers**

- (a) Non-Housing Capital Investment Programme 2021/22 – 2025/26, Appendix 6: Prudential Framework for Capital Finance 2021-2024 (estimates) and Treasury Management Strategy Statement 2021-24. Council, 4<sup>th</sup> March 2021.
  - (b) Treasury Management Mid-Year Review 2021/22. Finance, Resources and Customer Services Policy Board, 10<sup>th</sup> November 2021.
- 

**Author:** Geoff Borland, Principal Accountant, 0141 618 4786  
*geoffrey.borland@renfrewshire.gov.uk*



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**To: Council**

**On: 16 December 2021**

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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 The main purpose of this report is to set out arrangements for the next cycle of Board meetings starting in January 2022 up to and including the full Council meeting on 3 March 2022.
  - 1.2 The report outlines arrangements for meetings going forward taking into account the current position on public health measures in place to combat Covid-19, including the Omicron variant, and other health concerns over the winter.
  - 1.3 The arrangements set out in the report aim to allow maximum flexibility to enable meetings to take place in the most appropriate and safe way, while taking into account any public health guidance or advice available at the time of the meetings.
  - 1.4 The report also provides an update on the appointment of a new chief executive for Renfrewshire Council and seeks approval to a change of a Board membership by the SNP Group and to a change to the Council's representative on a joint committee.
-

## **2. Recommendations**

### **2.1 Council is asked to:**

- a) approve the arrangements for the next cycle of Council and Board meetings set out in section 3 of this report, which will continue to include the options to use hybrid meetings involving elected members attending meetings in person in Renfrewshire House, should this be consistent with advice and guidance on public health, or to hold meetings remotely using the Teams platform.
  - b) note that Alan Russell has been appointed to the post of chief executive and Head of Paid Service of Renfrewshire Council.
  - c) approve the appointment of Cllr Kenny MacLaren to the Communities, Housing and Planning Policy Board to replace Cllr Jim Paterson and Cllr Andy Steel to replace Cllr Natalie Don as the Council's representative on the West of Scotland Archaeology Services Joint Committee.
  - d) note that a further report on the arrangements for future meetings of Council and Boards will be brought to the next scheduled meeting of the Council on 2 March 2022.
- 

## **3. Background-Arrangements for the Next Cycle of meetings**

- 3.1 At its last meeting on 30 September 2021, the Council noted the introduction of hybrid meetings for Council Boards with the Convener of each Board having discretion to continue holding meetings of their board by Teams. It was also noted that all of the Council and board meetings could be broadcast live to allow the public to observe those meetings.
- 3.2 Members will be aware that the new Omicron variant of the Covid-19 virus has emerged recently and there is concern that this variant is more transmissible than previous variants. The current guidance which applies to office-based working is that where possible you should continue to work from home. In these circumstances, it is suggested that until there is clarity on the full impact of the Omicron variant it would not be appropriate to relax existing physical distancing requirements in the Council Chamber. Although legal requirements have been removed, there is still a duty on the Council to protect the health and well-being of its elected members and employees.
- 3.3 The current arrangements in place that were approved at previous Council meetings allow for hybrid meetings to take place in the Council Chamber but the protocol adopted by the Council for hybrid meetings allows each convener to decide to hold the meeting remotely by Teams. It is proposed that those arrangements continue and are reviewed again at the next scheduled Council meeting in March 2022.

- 3.4 Any decision to remove the current physical distancing requirement in the Chamber will only be taken after a full risk assessment has been completed taking into account the relevant Scottish Government Guidance in force at the time.
- 

#### **4. Chief Executive of Renfrewshire Council**

- 4.1 At the last Council meeting it was noted that Sandra Black has intimated that she is retiring from her post as Chief Executive and Head of Paid Service of Renfrewshire Council with effect from 15 December 2021.  
A recruitment process to identify her successor was undertaken and Alan Russell, the Council's Director of Finance and Resources has been appointed to replace Sandra.
- 

#### **5. Board memberships**

- 5.1 The SNP group have intimated that due to a material change in circumstances they wish to replace Cllr Jim Paterson with Cllr Kenny MacLaren on the Communities, Housing and Planning Policy Board.
- 5.2 It is also proposed that Cllr Andy Steel will replace Cllr Natalie Don as the Council's representative on the West of Scotland Archaeology Services Joint Committee.
- 

### **Implications of the Report**

1. **Financial** – None.
2. **HR & Organisational Development** – The report refers to the appointment of a new chief executive.
3. **Community/Council Planning** – None.
4. **Legal** – As detailed in the report.
5. **Property/Assets** – None.
6. **Information Technology** – The report refers to the successful introduction of a system from Public-i which enabled meetings to be undertaken with some members being present in the Chamber with others accessing remotely and also for those meetings to be broadcast live.
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 because it is for noting only.

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 proposals in the report recognise that it's formal Council and Board meetings only take place in Renfrewshire House when it is safe to do so. The report also acknowledges that where meetings can take place in Renfrewshire House, the number of attendees will be limited by the social distancing restrictions that are in place at the relevant time.
9. **Risk** – None.
10. **Privacy Impact** – The report refers to the introduction of live broadcasting of Council and Board meetings.
11. **Cosla Policy Position** – None.
12. **Climate Risk** – None.

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#### **List of Background Papers –**

- 1) Minute of the Council meeting on 30 September 2021.

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**Author:** Ken Graham, Head of Corporate Governance.



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**To: Council**

**On: 16 December 2021**

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

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**Heading: Timetable of Meetings May to December 2022**

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## **1. Summary**

- 1.1 A proposed timetable, as appended to this report, for meetings of the Council and its Boards, has been drawn up until the December 2022 recess, on the basis of the Council's current decision making structure. Therefore, should the Council decide, following the local government elections, to make modifications to the structure these will require to be reflected within the timetable of meetings.
- 1.2 The timetable is again based on five cycles per annum and is broadly similar to the previous timetable operated by the Council. The usual recess periods have been incorporated:
- Summer – 7 weeks (starting after the June Council meeting and allowing for the Paisley Fair)
  - October - 2 weeks
  - Christmas - 2 weeks
- 1.3 To assist members' diary arrangements, dates of the first meetings of the Licensing Board have been included. The training date for members of the Licensing Board has still to be confirmed.

- 1.4 As previously, meetings of the Appeals Board and Local Review Body have been timetabled. However, it may be that these meetings are not required and will be cancelled as appropriate.
- 

## **2. Recommendations**

- 2.1 That the Council determines the timetable for meetings of the Council and its Boards, including the dates during which there are to be recesses until December 2022;
- 2.2 That a report be submitted to the December 2022 meeting of the Council relative to the timetable from January 2023 onwards;
- 2.3 That it be agreed that meetings of the Appeals and Local Review Body, although timetabled, be cancelled if there is no substantive business;
- 2.4 That it be noted that the timetable of meetings may be subject to change following the Local Government Elections in May 2022
- 

## **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** - 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** – none
  - 13. **Climate Change** - none
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**List of Background Papers:** none

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**Author:** David Low, Democratic Services Manager



May 2022						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 – public holiday	3	4	5 local government elections	6	7
8	9	10	11	12	13	14
15	16	17	18	19 - 9.30am: Statutory meeting of Council	20	21
22	23	24	25	26	27	28
29	30	31				
June 2022						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			18	2 – public holiday	3 – day of no work requirement	4
5	6	7 – 10am: Climate Change Sub-committee 1pm: Communities, Housing, & Planning 3pm – Police, Fire & Rescue Scrutiny	10am: Regulatory Functions	9 – 1pm: Education & Children’s Services	10	11
12	13 - 10am: Audit, Risk & Scrutiny	14	15 – 1pm: Infrastructure, Land & Environment 2pm: Finance Resources and Customer Services	16 – 9.30am: Appeals	17	18
19	20 – 10 am: Licensing Board 2pm: Petitions	21	22 – 1pm: Leadership	23	24	25
26	27	28 – Local Review Body	29	30 – 0930 Council		
July 2022 recess						

August 2022						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 public holiday	2 recess	3 recess	4 recess	5 recess	6
7	8 recess	9 recess	10 recess	11 recess	12 recess	13
14	15	16– 1pm: Communities, Housing, & Planning 3pm – Police, Fire & Rescue Scrutiny	17 – 10am: Regulatory Functions	18 – 1pm: Education & Children’s Services	19	20
21	22 – 10am: Audit, Risk & Scrutiny	23	24 – 1pm: Infrastructure, Land & Environment	25 – 9.30am: Appeals	26	27
28	29 – 2pm: Petitions	30– 2pm: Joint Negotiating Committee for Teaching Staff	31 – 10am: Climate Change Sub-committee 2pm: Finance, Resources & Customer Services			
September 2022						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 – 10am: Regulatory Functions	2	3
4	5 – 10 am – Licensing Board	6 – 2pm: Local Review Body	7	8	9	10
11	12	13	14 – 1pm: Leadership	15	16	17
18	19	20	21	22	23 Public Holiday	24
25	26 Public Holiday	27 – 10am: Audit, Risk & Scrutiny	28	29 – 9.30am: Council	30	
October 2022						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 recess	4 recess	5 recess	6 recess	7 recess	8
9	10 recess	11 recess	12 recess	13 recess	14 recess	15
16	17	18	19	20	21	22
23	24	25 – 1pm: Communities, Housing & Planning 3pm: Police and Fire & Rescue Scrutiny	26 – 10am: Regulatory Functions	27 – 1pm: Education &	28	29

				Children's Services		
30	31 – 10am: Audit, Risk & Scrutiny					
<b>November 2022</b>						
<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
		1	2 – 1pm: Infrastructure, Land & Environment	3 – 9.30am: Appeals	4	5
6	7 – 2pm: Petitions	8 – 2pm: Joint Negotiating Committee for Teaching Staff	9 – 2pm: Finance, Resources & Customer Services	10 – 10am: Regulatory Functions	11	12
13	14	15 – 2pm: Local Review Body	16 – 10am: Climate Change Sub-committee 11am: Investment Review Board	17	18	19
20	21 – 10 am – Licensing Board	22	23	24	25	26
27	28	29	30 – 1pm: Leadership			
<b>December 2022</b>						
<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15 – 9.30am: Council	16	17
18	19 recess	20 recess	21 recess	22 recess	23 recess	24
25	26 public holiday	27 public holiday	28 recess	29 recess	30 recess	31





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**To: Council**

**On: 16 December 2021**

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

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**Heading: Revised Councillors' Code of Conduct**

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## **1. Summary**

- 1.1 The single Code of Conduct, approved by the Scottish Parliament, is applied to every Scottish councillor in all 32 Local Authority areas within Scotland. The original Councillors' Code of Conduct came into force in May 2003 and was revised in 2010 and 2018.
- 1.2 The Finance, Resources and Customer Services Policy Board considered a report at its meeting held on 3 February 2021 relative to the Scottish Government's consultation on its most recent review of the Councillors' Code of Conduct. The Board noted that elected members would be advised of the final version of the revised Code, once that had been approved by the Scottish Ministers.
- 1.3 On 24 November 2021 the Minister for Social Security and Local Government wrote to all Council Chief Executives advising that the revised Councillors' Code of Conduct would come into force on 7 December 2021.
- 1.4 The Standards Commission has sent the final version of the Revised Code together with guidance on the revised Code and these two documents have already been issued to elected members.

- 1.5 A briefing on the revised Code will be provided to elected members in early 2022.
- 

## **2. Recommendations**

- 2.1 That the revised Councillors' Code of Conduct and Guidance be noted; and
- 2.2 That it be noted that a briefing on the revised Code would be provided to elected members in early 2022.
- 

## **3. Background**

- 3.1 All elected members are required to agree to be bound by and comply with the Councillors' Code of Conduct issued in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000. The aim of the Code is to set out clearly and openly the standards that councillors must comply with when carrying out their duties.
- 3.2 The last time the Code was fully reviewed was in 2010 although there have been some minor changes since then with the current version of the Code being implemented in 2018.
- 3.3 The purpose for the review was to bring the Code up to date, to make the Code easier to understand and to take into account developments in society such as the increased use of social media. It also proposed to strengthen the Code to reinforce the importance of behaving in a respectful manner and to make it clear that bullying and harassment was completely unacceptable and should not be tolerated. The aim was to produce a Code that was fit for purpose and would ensure the highest standards of conduct by councillors to maintain and strengthen the trust of those they were elected to serve.
- 3.4 The Minister for Social Security and Local Government, Ben Macpherson MSP has advised all Scottish Council Chief Executives that the revised Councillors' Code of Conduct will come into force on 7 December 2021. This follows the laying of the SSI covering the revised Register of Interests on 8 November and which was cleared by the Scottish Parliament on 6 December.
- 3.5 The main areas of change are:
- A general rewrite changing the Code to the first person and adopting plain English wherever possible. This makes it easier to understand and encourages councillors to take ownership.



- A greater emphasis on addressing discrimination and unacceptable behaviour.
- Stronger rules around accepting gifts, both to protect councillors and to build confidence in their impartiality amongst the general public.
- A substantial rewrite of Section 5 which deals with declarations of interest establishing three clear and distinct stages to determine a declaration – Connection – Interest – Participation. This is a major departure from the current narrative style setting out declaration of financial and non-financial interests of councillors, their spouses/partners and close relatives and associates. There are also changes to the provisions concerning the registration of interests. In particular they no longer require Councillors or the Council to publish a Councillor's home address.
- The revised Section 5 significantly liberalises the guidance/rules around being a council-appointed representative on an outside body. The exceptions to this are for quasi-judicial matters and other situations where such appointments would create a clear conflict of interest.
- Makes clearer the rules around access and lobbying.
- Section 7 which deals with decisions on planning and regulatory matters has been substantially reworked in order to provide a more generic approach that can cover all types of applications and decisions, and not be so heavily focussed on planning matters.

3.6 It should be noted that the date any alleged misconduct occurs is the key date for considering whether the new Code applies, not the date any complaint was actually made. Any alleged misconduct that occurring up to and including 6 December will be considered against the existing Code, and any allegation of misconduct that occurs on or after 7 December 2021 will be considered against the revised Code.

3.7 The Revised Code of Conduct has already been circulated to Councillors along with the Guidance which accompanies the Revised Code. These documents can also be accessed on the Standards Commission website through the undernoted links:-

Revised Code of Conduct -

<https://www.standardscommissionscotland.org.uk/codes-of-conduct>

Revised Guidance -

<https://www.standardscommissionscotland.org.uk/guidance/guidance-notes>

The Standards Commission has also updated and revised its Advice Notes in light of the changes to the Code. The revised Advice Notes can be found at;-

<https://www.standardscommissionscotland.org.uk/education-and-resources/professional-briefings>

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## **Implications of the Report**

1. **Financial** – none
2. **HR & Organisational Development** – none
3. **Community/Council Planning** – none
4. **Legal** – The report concerns changes to the Councillors Code of Conduct, which is a statutory code governing behaviour and conduct of all elected members.
5. **Property/Assets** – none
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** – none
10. **Risk** – none
11. **Privacy Impact** - none

12. **COSLA Policy Position** – none

13. **Climate Change** - none

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**List of Background Papers:** Letter dated 24 November 2021 from Ben Macpherson MSP, Minister for Social Security and Local Government to Council Chief Executives

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**Author:** David Low, Democratic Services Manager





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**To: Council**

**On: 16 December 2021**

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**Report by: Chief Executive**

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**Heading: 2023 Review of UK Parliament Constituencies- Consultation on Initial Proposals**

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## **1. Summary**

- 1.1 The Boundary Commission for Scotland has published its Initial Proposals for UK Parliamentary constituencies and invited comments on those Initial Proposals no later than 8 December 2021.
  - 1.2 A response was issued to meet the deadline. The response is attached as an appendix to this report. The Commission has indicated that provided an initial response was submitted to them by the specified deadline, they would be willing to accept a final response from the Council by 17 December 2021 once it had been considered at the Council meeting.
  - 1.3 The report seeks approval to the response and advises that there will be two further rounds of consultation in 2022.
- 

## **2. Recommendations**

- 2.1 Council is asked to:
  - a) approve the response issued on behalf of the Council to the Boundary Commission for Scotland's 2023 Review of UK Parliament Constituencies - Publication of Initial Proposals, which forms the appendix to this report.
  - b) note that there will two further consultations on the Review during 2022.

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### **3. Background**

- 3.1 The Boundary Commission for Scotland has published its Initial Proposals for the 2023 Review of UK Parliament Constituencies and has invited comments concerning those proposals to be submitted by 8 December 2021.
- 3.2 A copy of the consultation was issued to all elected members on 15 October 2021 and the consultation was also included on the Council's website.
- 3.3 The existing constituencies have been in place since 2005 and the last two reviews have not been implemented.
- 3.4 Scotland has been allocated 57 constituencies for the 2023 Review, two fewer than at present. Two constituencies, the Western Isles and Orkney and Shetland are protected by legislation and will not be subject to change.
- 3.5 Each constituency that the Commission recommends must contain no fewer than 69,724 Parliamentary electors, and no more than 77,062 (except the two protected constituencies) although the Commission can recommend a constituency with an electorate lower than the minimum if it is larger than 12,000 square kilometres.
- 3.6 Due to the reduction in the number of constituencies, and the requirements for each constituency to have a number of electors within set limits, the Commissioner has indicated that significant changes to existing constituencies are required.
- 3.7 The Commission's Initial Proposals are available through the following link  
<https://www.bcomm-scotland.independent.gov.uk/?q=reviews/2023-review-uk-parliament-constituencies>

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### **4. Renfrewshire Constituencies**

- 4.1 At present Renfrewshire Council administers elections for two UK Parliament constituencies. These are Paisley and Renfrewshire North and Paisley and Renfrewshire South.
- 4.2 In terms of the Commission's Initial Proposals, Renfrewshire will retain responsibility for two constituencies. However, both are different in several respects from the existing constituencies.

4.3 The main changes that are proposed that members should note are:

- Significant areas in Wards 10 and 11 have been included in a new Inverclyde and Bridge of Weir constituency.
  - Part of Glasgow City Council's Ward 4 in Cardonald has been included within the boundaries of the proposed Renfrew North constituency.
  - The boundaries between the Renfrew North and Renfrew South constituencies are different in some places than the boundaries between the two existing constituencies.
  - The new constituencies have been named Renfrew North and Renfrew South.
- 

## **5. Response to the Initial Proposals**

5.1 The response on behalf of the Council forming the appendix to this report was submitted on 8 December 2021 to meet the Commission's deadline. The Commission has agreed to accept a final response from the Council by 17 December 2021 to enable it to be considered at the Council meeting today.

5.2 The response identifies some criticisms of the approach taken by the Commission in preparing their Initial Proposals. The Commission has developed its proposals in council area groupings with Renfrewshire being in a grouping with Inverclyde and Glasgow.

5.3 The main points raised in the response are:

- There is no justification for the grouping of Renfrewshire with Inverclyde and Glasgow
- A different approach should be taken with identifying how the reduction in the number of constituencies in Glasgow can be achieved by looking at its boundaries with other authorities, not just Renfrewshire
- The grouping of Renfrewshire with Inverclyde inevitably means that parts of existing Renfrewshire wards will be included in a new expanded parliamentary constituency based in Inverclyde
- The proposed names given to the two new Renfrewshire based constituencies should be changed. For example, both names refer to "Renfrew" rather than Renfrewshire even though no part of the town of Renfrew is in the proposed Renfrew South constituency.

5.4 After the current initial consultation period, the Commission plans to hold a six week secondary consultation where the representations made during the initial consultation will be published. During the secondary consultation period further representations may be made to comment on the submissions made initially. The Commission will also hold public hearings around Scotland to explain their proposals and to give an opportunity for others to make representations on those proposals.

- 5.5 After the end of the secondary consultation, the Commission will publish on its website all written representations received during the secondary consultation period, together with transcripts of the public hearings. There will then be a third consultation period of four weeks to make comments on representations made at public hearings. The Commission will then decide whether to alter its Initial Proposals in view of the representations it has received. If the Initial Proposals are revised the resulting Revised Proposals will be published for consultation. The target for the Commission is to submit its recommendations to the Speaker of the UK Parliament is 1 July 2023. Members will be kept updated on developments throughout this process.
- 

## **Implications of the Report**

1. **Financial** – None.
  2. **HR & Organisational Development** – None.
  3. **Community/Council Planning** – None.
  4. **Legal** – As detailed in the report.
  5. **Property/Assets** – None.
  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 because it is for noting only. 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. **Risk** – None.
  10. **Privacy Impact** – None
  11. **Cosla Policy Position** – None.
  12. **Climate Risk** – None.
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## **List of Background Papers – None**

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**Author:** Ken Graham, Head of Corporate Governance.



**2023 Review of UK Parliament Constituencies**

**Response to Initial Proposals**

**1. Introduction**

This response is issued on behalf of Renfrewshire Council.

It is noted that the last two reviews of UK parliamentary constituencies have been cancelled which means that the existing constituencies have remained in place since 2005. Therefore, in principle it is accepted that a review is overdue and necessary.

It is also noted that there will be two further public consultations with the Commission's final recommendations being submitted by July 2023.

Therefore, this response concentrates on the overall approach being taken in the Commission's Initial Proposals although because they are related, there is also comment on the details of the constituency boundaries for those constituencies administered by Renfrewshire.

**2. Constituency Design Approach**

The main area of concern regarding the Initial Proposals is the "constituency design approach" set out in the consultation document.

Renfrewshire is included in a grouping with Inverclyde and Glasgow City Council. The logic for this is difficult to understand.

The existing Inverclyde constituency is below the electoral quota the Commission has used for the purpose of the review. In the three area grouping that has been used, that constituency only shares a boundary with the two existing Paisley and Renfrewshire constituencies. This establishes a self-fulfilling outcome that to achieve the electoral quota for a revised Inverclyde based constituency that constituency will need to include population centres from either one or both of the Renfrewshire based constituencies.

In the view of the Council any grouping involving Inverclyde ought to have also included the only other constituency with which it currently shares a border, which is North Ayrshire and Arran. It is noted that the last-mentioned constituency is remaining unchanged in the Initial Proposal. It is submitted that parts of the Inverclyde constituency have as good geographical and transport links to the North Ayrshire and Arran area, particularly along the Clyde Coast as they do with the areas of Renfrewshire included in the proposed Inverclyde and Bridge of Weir constituency.

It is also submitted that there is no reason why East Renfrewshire constituency is maintained as a stand-alone constituency outwith any grouping which means that it is not included in any consideration of changes to the boundaries to the Paisley and Renfrewshire South constituency.

This approach also immediately excludes several of the factors established by rules for the distribution of seats namely 5(a), (c) and (e).

In particular, it excludes the existing Scottish Parliamentary boundaries between East Renfrewshire and Renfrewshire Councils.

The position of Glasgow is even more fundamental. At present the seven Glasgow City constituencies are bordered by nine other constituencies that are dealt with by six local authorities: Renfrewshire, West Dunbartonshire, East Dunbartonshire, North Lanarkshire, South Lanarkshire and East Renfrewshire Councils.

No explanation is given as to why Renfrewshire is the only neighbouring area included in a grouping with Glasgow. The grouping is also undermined by the published proposal which includes part of an existing Glasgow constituency being transferred to West Dunbartonshire, which is not part of the grouping.

It is suggested that more thought needs to be given to the way Glasgow is dealt with in the review given that the main aim is to achieve a reduction of one constituency within the City. The Council believes the focus should be on the boundaries between Glasgow and all of its neighbouring authorities, not just Renfrewshire, particularly as many areas of Glasgow are likely to have greater connections with those neighbouring authorities than Cardonald does with Renfrewshire.

Therefore, at this stage, the inclusion of part of a Glasgow ward within the boundaries of the proposed North constituency is not supported.

Once these wider matters are addressed, it would be appropriate at that stage to address how the boundaries in Paisley between the two Renfrewshire based constituencies are drawn.

### 3. Constituency Names

If the new constituencies are to be taken forward, it would be asked that the proposed names of both Renfrewshire based constituencies are reconsidered.

The names of the existing constituencies both include reference to Paisley, which is the largest town in the area. Paisley is not mentioned in the names of either of the new constituencies. Renfrew, the town rather than the county name, is used for both of the new constituencies although no part of the town of Renfrew is in the South constituency.

It is suggested that a better name for the South constituency would be "Paisley and Renfrewshire SouthWest." While I would suggest that the North constituency retains the name "Paisley and Renfrewshire North".

It is noted that the three Scottish Parliamentary constituencies are Renfrewshire North and West, Renfrewshire South and Paisley so there is no conflict.

It is hoped that you will consider these comments on the Initial Proposals and take them into account when producing revised proposals next year.

Ken Graham  
**Head of Corporate Governance**

