

EAST RENFREWSHIRE COUNCIL28 February 2019Report by Head of Accountancy (Chief Financial Officer)CAPITAL INVESTMENT STRATEGY**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the Capital Investment Strategy covering the long term capital ambitions of the Council. This report, together with the Treasury Management Strategy report, provides background information on the scale, objectives, affordability and risks associated with the Council's capital plans.

RECOMMENDATIONS

2. The Council is invited to approve the Council's Capital Investment Strategy.

REPORT

3. All Councils are now required to prepare a Capital Investment Strategy setting out their long term capital ambitions and the associated resource implications and risks. The new Capital Investment Strategy has been compiled with regard to these requirements and is more extensive than the Capital Strategy approved by Council in March 2018, which it replaces.

4. The Capital Investment Strategy has been developed with regard to the Prudential Code 2017 and the Treasury Management Code of Practice 2017.

5. The strategy adopts a corporate approach to long term capital planning, beyond the span of our current capital plans, taking direction from the Council's Outcome Delivery Plan and a range of other key plans and strategies. These objectives, determined by the Council, will be driven forward by the Corporate Management Team, working in conjunction with partner organisations and local communities to ensure that investment is aligned to our strategies and that performance is measured against expected outcomes.

6. Whilst approval of the Capital Plan later on today's agenda will commit to the Council's capital expenditure for 2019/20 only, a long term strategic and financial view is essential for resilience in uncertain times and the Capital Investment Strategy will continue to be updated as new challenges and opportunities arise so that future capital plans can also be adapted.

7. The Council will continue to take a prudent approach to affordability and risk, assessing resource impacts through the prudential indicators and seeking to take a long term view to ensure that funding is in place for the delivery of our capital ambitions. Delivery of projects will also be closely monitored through tailored capital project monitoring at both officer and elected member level.

8. The Council has significant capital investment ambitions across the authority and the Capital Investment Strategy, together with the Treasury Management Strategy, Capital Plan and Revenue Estimates and Financial Planning reports sets out how these will be funded and managed.

CONCLUSION

9. Councils are now required to prepare a Capital Investment Strategy, compiled with regard to the relevant guidance, to assist in the long term planning of their capital ambitions.

RECOMMENDATION

10. The Council is invited to approve the Council's Capital Investment Strategy.

Further information is available from:

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KEY WORDS

Capital Investment Strategy, Capital Plans, Prudential Code, Treasury Management Code.



Capital Investment Strategy

February 2019

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Contents

Capital Investment Strategy Intention	3
Focus on the Long-term Approach.....	4
Summary of Capital Investment Strategy.....	5
Core Influences on Capital Investment.....	8
Capital Investment Ambition by Strategic Outcome	27
8-year Capital Investment Plan.....	30
Risk Management and Risk Assessment	41
Governance and Monitoring	50
Appendix A - Summary of Asset Management Plans	51
Appendix B - Capital Project Appraisal Template	54
Appendix C - List of Counterparties for Treasury Investments	67
Appendix D - Risk Management Process	69
Appendix E - Action Plan	72

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Capital Investment Strategy Intention

We have set out a clear and strong direction for the Council in our Outcome Delivery Plan. This sets the scene for our investment ambition, which is intended to contribute significantly towards addressing the challenges that we are facing in continuing to provide excellent services to our communities, businesses and residents. Challenges such as meeting early learning and childcare requirements, achieving housing targets and maintaining school excellence.

Our Capital Investment Strategy considers how we can deal with short to medium term financial uncertainty by taking a longer term view of how our capital investment can be put to best effect to meet the needs of the area, as demonstrated in our strategies and plans, such as the Local Development Plan and Housing Strategy.

It is clear that we cannot achieve our investment ambition on our own, we need to work collaboratively with communities and localities to make sure that we have understood local needs properly and that we can deliver what we promise. This means delivering the commitments in our Community Plan, (including the aims in Fairer East Ren) and making sure that this works on the ground through the delivery of locality plans and other community initiatives.

We are realistic about what we can achieve with our known available resources, which is why we are working with partners to deliver regional economic and infrastructure improvements. By working strongly with partners, we are ensuring that our resources can sit alongside external funding opportunities to optimise the benefits for our area. A key example of this partnership working in action is the progress that we are making with City Deal initiatives.

Councillor Tony Buchanan – Leader of the Council

Focus on the Long-term Approach

It is important for us to effectively and realistically plan for the delivery of our intended investment ambition. Our Capital Investment Strategy demonstrates the many influences on our capital investment plan, particularly external and partner influences, such as Scottish Government policies and the Glasgow and Clyde Valley City Deal.

When delivering our commitments, as set out in our Outcome Delivery Plan, we need to invest strongly for longer term benefit but always be mindful that any investment must be undertaken in a prudent, affordable and sustainable manner. Our Capital Investment Strategy takes a whole Council approach, ensuring that the Corporate Management Team is driving the delivery of our capital investment plan, ensuring that it is aligned to our strategy and measuring performance against the expected strategic outcomes.

Our Capital Investment Strategy is more than just a financial document. It has been informed by discussions across Directorates and service teams to produce a Strategy which encompasses all investment activities underway and in the pipeline. It explains why we are undertaking these investment activities in delivering our commitments to our communities, businesses and residents.

Our strategic corporate and financial management processes are essential for achieving financial resilience in uncertain times. We must use our property, land and available resources wisely and ensure that we attract appropriate external funding to our area. Our Capital Investment Strategy will continue to evolve and be updated as strategic influences change over time, as new challenges and opportunities present themselves and as the delivery of our investment ambition is realised.

Lorraine McMillan – Chief Executive

Summary of Capital Investment Strategy

This Capital Investment Strategy aims to set out our ambitions for capital investment across the full range of services provided by the Council for our communities. Whilst our General Fund and Housing Capital Plans cover the next 8 and 5 years respectively, the Capital Investment Strategy considers longer term ambitions and allows them to be reflected in future planning. Not only does this longer term approach ensure that all future resource needs are recognised well in advance, but it also allows any challenges, shortfalls and opportunities for joint development to be identified early and addressed.

The Capital Investment Strategy is closely linked to the Council's medium and long term strategic plans. It is also aligned, however, with a range of national and regional plans and strategies across a number of individual services. This approach is strengthened by working with various partner organisations where appropriate, allowing the Council to benefit from an exchange of best practice and economies of scale.

The Council maintains a rolling, detailed 8 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's strategic objectives and asset management plans, are deliverable, affordable and represent best value. A 5 year rolling capital plan is also maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and / or running / maintenance costs are then reflected in the Council's revenue budget planning.

The Council's proposed 8 year General Fund and 5 year Housing capital plans referred to in this document are derived from the Capital Investment Strategy and aim to deliver on the stated priorities of the Council and its partners. In particular, these focus on the demand for more schools to serve the increasing numbers of houses being built in the area, on the need to replace and upgrade existing leisure facilities nearing the end of their useful life, the requirement to significantly improve the condition of local roads and the commitment to deliver new Council housing across the authority.

Progress against the Council's capital plan is monitored by Cabinet, the Corporate Management Team and full Council, with any major issues examined by the Corporate Asset Management Group to ensure that good practice is followed in all projects. Risks are also identified and managed at both corporate and departmental level.

Whilst the Corporate Management Team will ensure that asset management plans and capital ambitions are continuously updated to take account of developing local and national strategies, the Chief Financial Officer will oversee the formal annual update of the Council's Capital Investment Strategy.

Relationship to other plans and strategies:

The Capital Investment Strategy does not stand in isolation but is closely linked to the strategic and operational plans developed by the Council and its partners. Figure 1 illustrates how our capital planning process aligns with both medium and long term local plans.

Figure 1: Integrating Strategic Plans and Operational Management

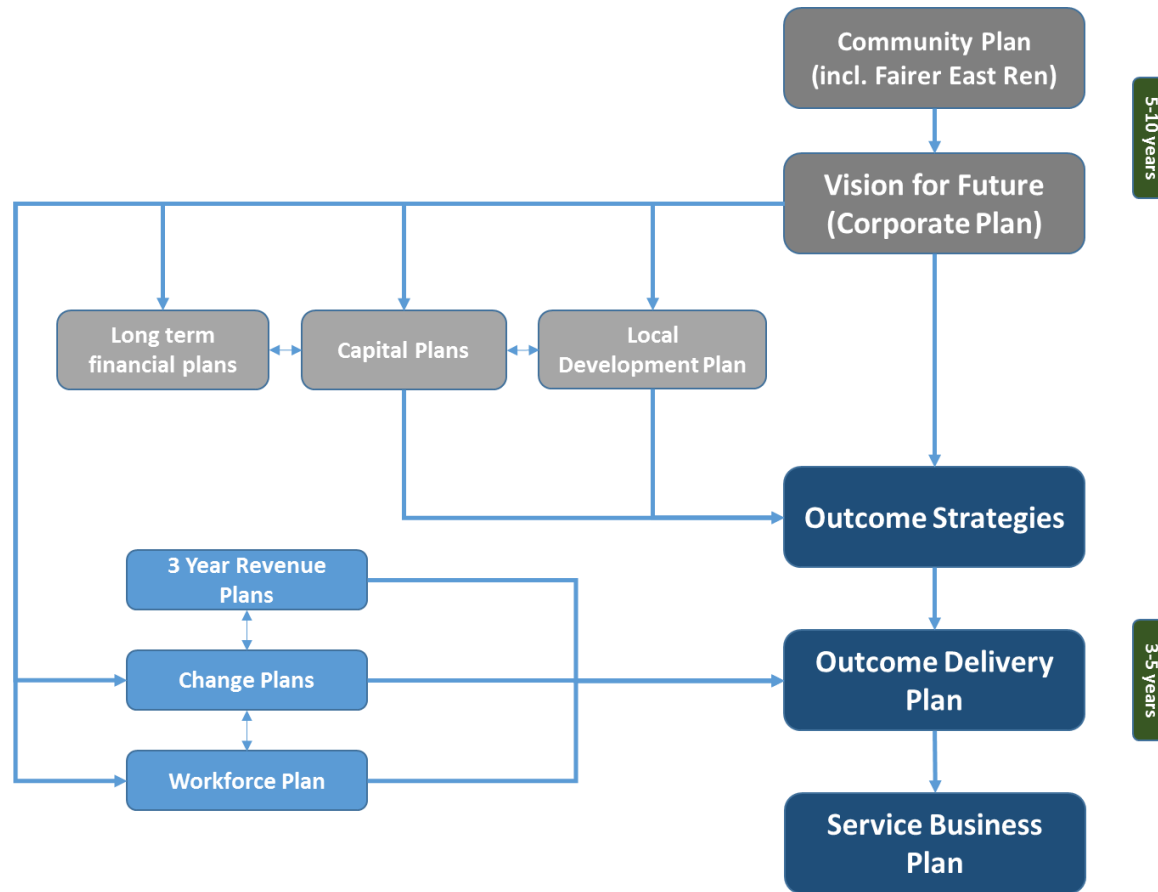
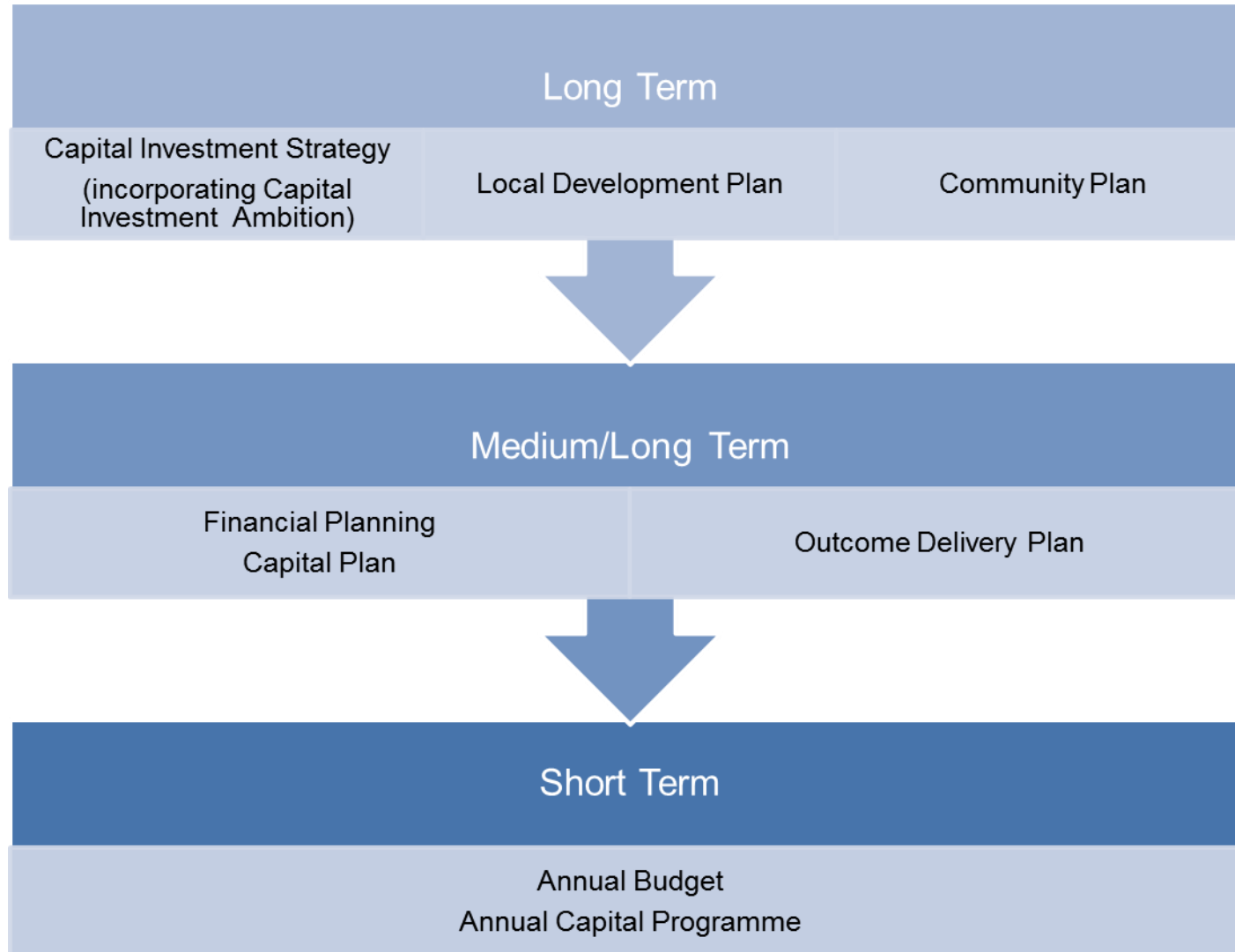


Figure 2: Summary of links to other plans and strategies



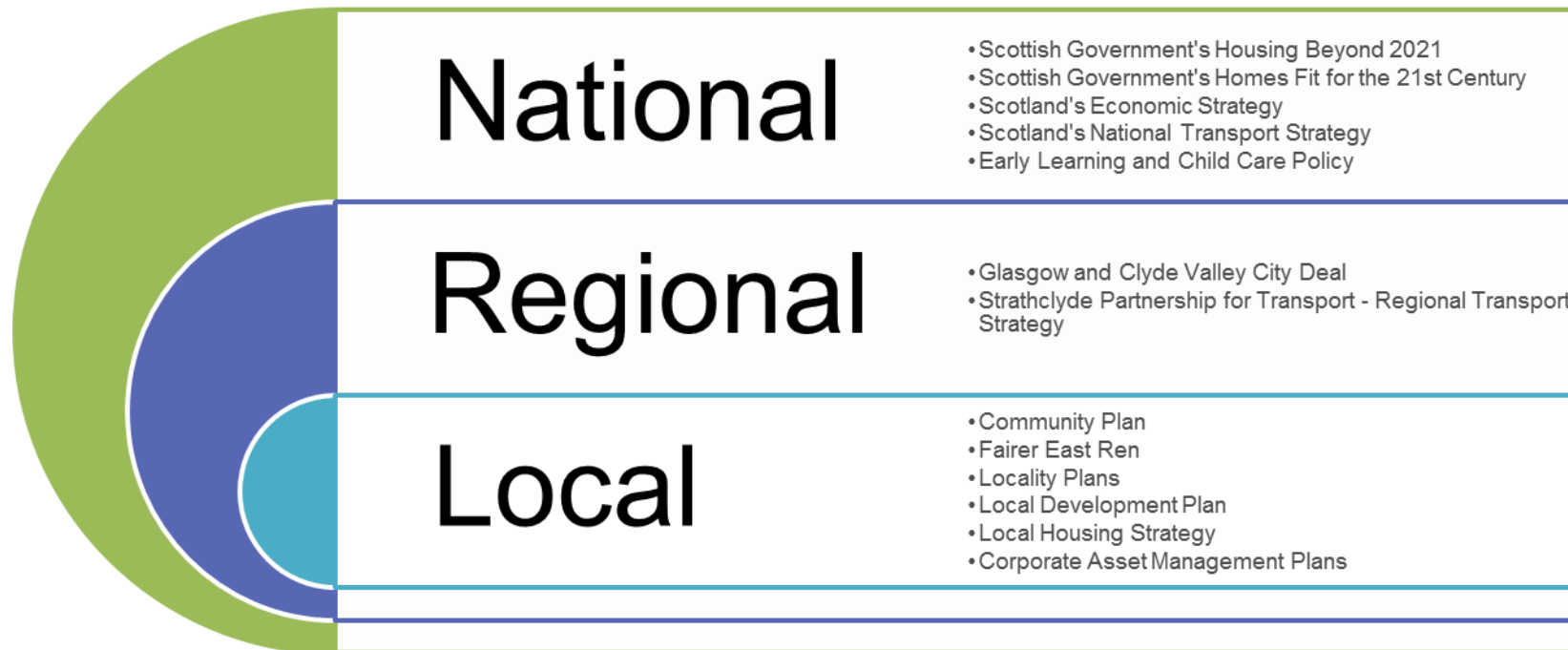
The above two diagrams show how the Capital Investment Strategy relates to the Council’s overall aims and flows thorough to our multi year capital plans and the capital programmes for the coming year.

Core influences on Capital Investment

Our Capital Investment Strategy is influenced by many different factors. We have named them core influences, as these must be taken into account before establishing the appropriate strategy for contributing to the delivery of our Strategic Outcomes. In addition to the Council's own aspirations, these also reflect the ambitions of our local and regional partners as well as national strategies. More broadly, changing demands and demographic factors as set out in the Council's long term Financial Planning paper and our Planning for the Future statistical document also impact on our capital ambitions.

The following chart illustrates our core influences:

Figure 3: Summary of influences on the Capital Investment Strategy



Our Capital Investment Strategy has taken account of the external, partner and internal influences in shaping our approach. The following sections provide a summary of main points and our strategy and intended actions in each case:

National influences

Housing Beyond 2021

The Capital Investment Strategy will make links to the Scottish Government housing strategies and initiatives, and to the Council's Local Housing Strategy and Strategic Housing Investment Plan, in terms of the contribution that the Council's capital investment ambition is expected to make to the wider expectations for addressing the housing need in Scotland. Ownership and use of land assets will be set out in the Capital Investment Strategy to understand how assets are being best placed within developments to achieve the various strategic priorities.

Supporting information:

[Link to Scottish Government Housing Beyond 2021 briefing paper](#)

On 4 September 2018, the First Minister announced the Programme for Government for the next 12 months and, as part of that, the Scottish Government has committed to beginning work on a vision for how our homes and communities should look and feel in 2040 and the options and choices to get there.

Over the next 12 months, we will be engaging extensively with local government, businesses, the third sector, home owners, tenants and others to do this. As part of that process, Scottish Government will be engaging with housing stakeholders over the autumn to identify some themes and outline options to explore further, as well as seeking views on what might be part of a vision for 2040.

[More Homes Scotland March 2018 update](#)

The existing Government initiative, More Homes Scotland, has put in place a commitment to year-on-year increases in funding for affordable homes to be shared by councils across Scotland. The £1.75 billion investment from 2018-19 to 2020-21 is said to give councils and housing associations the certainty they need to help deliver the ambitious affordable homes target.

Supporting information:

[Link to Scottish Government More Homes Scotland March 2018 update](#)

We're working to increase the number of homes across Scotland so everyone has a good quality home that they can afford and that meets their needs.

Over this Parliament we'll spend more than £3 billion to deliver at least 50,000 affordable homes, of which 35,000 will be for social rent. Two years ago we launched the More Homes Scotland approach to help with this. It involves:

- *investing more public and private money in housing*
- *getting land ready for housing*

- *making sure we plan for new housing effectively*

Homes Fit for the 21st Century: the Scottish Government's strategy and action plan for housing in the next decade 2011-2020

The Scottish Government's Homes Fit for the 21st Century strategy and action plan sets out four housing-related targets to be achieved by 2020. The national policy continues to develop using this 10-year plan as the basis and this is captured within our Local Housing Strategy. As such the Council's Capital Investment Strategy seeks to demonstrate the alignment of the Local Housing Strategy to the national strategy and action plan.

The Council is confident that housing targets can be met over the current 5-year planned period, as set out in the Local Housing Strategy 2017-2022, and discussed in more detail below. We are mindful, however, that emerging new housing policies and initiatives will impact on local plans and the Capital Investment Strategy would have to consider this impact and how it will be delivered and managed over the medium to longer term.

The Council continually monitors Scottish Government housing policy activity and will update the Capital Investment Strategy to address the resulting challenges and opportunities, as outlined below beyond 2020.

Supporting information:

[Link to Homes Fit for the 21st Century: the Scottish Government's strategy and action plan for housing in the next decade 2011-2020](#)

For 2020, our vision is for a housing system which provides an affordable home for all. To achieve this, we will need a strong recovery in the construction sector and a substantial increase in the number of homes of all types, including housing to meet the needs of disabled people and older people for independent living. We also need to see improvements in the quality of our homes, so that everyone has a warm and comfortable home, whether they own it, part own it, rent it privately, or rent from a social landlord.

Over the decade to 2020, we have worked towards achieving the four major housing-related targets set by the Scottish Parliament or the Scottish Government:

- *by December 2012, all unintentionally homeless households will be entitled to settled accommodation;*
- *by April 2015, all social landlords must ensure that all their dwellings pass all elements of the Scottish Housing Quality Standard;*
- *by November 2016, so far as is reasonably practicable, nobody will be living in fuel poverty in Scotland; and*
- *by December 2020, improved design and greater energy efficiency in housing will have made a contribution to Scotland's commitments to reduce our energy consumption by 12% and our greenhouse gas emissions by 42%.*

Beyond 2020:

- *The Energy Efficient Scotland Programme will drive a continuing increase in energy standards that will be required across all housing tenures beyond 2020.*
- *To 2021, a target of 50,000 new homes has been set by the Scottish Government across Scotland, with 30,000 to be affordable homes and investment funding in new homes committed in each local authority area. Future resource planning assumptions beyond 2021 will govern local capacity to deliver new affordable housing.*

The Scottish Government has recently published its plans for eradicating homelessness and ensuring rapid rehousing for those who require it, and each local authority will approve a 5-year plan to address this locally from 2019-2024 (by March 2019). The capital investment strategy will be updated to reflect physical

investment requirements to meet the commitments of this approved 5-year plan.

Scotland's Economic Strategy

Scotland's Economic Strategy sets out four priorities for sustainable growth. The Council's Capital Investment Strategy seeks to demonstrate the alignment of the local economic strategy to the national strategy.

The East Renfrewshire area currently has a relatively modest level of business activity. However, given the population growth expectations and the desirability for the area for families, particularly related to school excellence, there is merit in considering the potential knock on affect to business activity, particularly with regard to retail and leisure provision.

The Council and its partners plan to develop a Regional Economic Strategy which will cover the wider City Deal region. The East Renfrewshire Economic Strategy will link to Scotland's Economic Strategy where this makes sense from a local perspective.

The development of East Renfrewshire Economic Strategy will be informed by the Local Development Plan. Once adopted, the Economic Strategy will inform the Council's capital investment plan, as part of the Capital Investment Strategy,

Supporting information:

Link to Scotland's Economic Strategy

Since 2007, this Government's central purpose has been to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. This remains the Government's ambition to which all our efforts and actions are directed and is at the core of our Economic Strategy.

A strong, vibrant and diverse economy is essential to our national prosperity and in creating the wealth to support high quality public services. Ensuring that growth is shared and sustainable is the key to unlocking all of Scotland's potential and strengthening our greatest asset - the people of Scotland.

Scotland's Economic Strategy sets out an overarching framework for how we aim to achieve a more productive, cohesive and fairer Scotland. It forms the strategic plan for existing and all future Scottish Government policy. It prioritises boosting investment and innovation, supporting inclusive growth and maintaining our focus on increasing internationalisation.

Our purpose of creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth remains at the centre of our approach.

Our approach is therefore based on two key pillars: increasing competitiveness and tackling inequality.

Our approach to delivering Scotland's Economic Strategy is underpinned by four priorities for sustainable growth:

- *Investing in our people and our infrastructure in a sustainable way;*
- *Fostering a culture of innovation and research and development;*
- *Promoting inclusive growth and creating opportunity through a fair and inclusive jobs market and regional cohesion; and*

- *Promoting Scotland on the international stage to boost our trade and investment, influence and networks.*

Scotland's National Transport Strategy

The National Transport Strategy contains five High Level Objectives and three Strategic Outcomes. The Strategy also sets the scene for the Regional Transport Partnerships. In the case of East Renfrewshire the national Strategy influences the Strathclyde Partnership for Transport strategies and plans.

East Renfrewshire is demonstrating its alignment with national and regional transport strategy via the strategic City Deal projects. This is considered in more detail below.

2019 will see the commencement of 2 of the major City Deal roads projects, Balgraystone Rd and Aurs Rd realignment. Good progress is also being made with development of the proposed rail station at Barrhead South. As the position becomes clearer on the City Deal transport project details the Council will consider if there is any further need for transport infrastructure in the area, over and above what will be achieved from the current funding package. Any capital investment ambition that is unmet will form the basis of future discussions with Scottish Government and strategic partners.

When seeking to determine the longer-term strategy for the Council, it is not immediately possible to identify investment in any detail beyond the current City Deal timescale. On this basis, the Council will consider any risks, financial and non-financial, which will inform decision making at a local level.

Supporting information:

[Link to Scotland's National Transport Strategy](#)

Transport Vision

An accessible Scotland with safe, integrated and reliable transport that supports economic growth, provides opportunities for all and is easy to use; a transport system that meets everyone's needs, respects our environment and contributes to health; services recognised internationally for quality, technology and innovation, and for effective and well-maintained networks; a culture where transport providers and planners respond to the changing needs of businesses, communities and users, and where one ticket will get you anywhere.

Five High Level Objectives

- *Promote economic growth by building, enhancing managing and maintaining transport services, infrastructure and networks to maximise their efficiency;*
- *Promote social inclusion by connecting remote and disadvantaged communities and increasing the accessibility of the transport network;*
- *Protect our environment and improve health by building and investing in public transport and other types of efficient and sustainable transport which minimise emissions and consumption of resources and energy;*
- *Improve safety of journeys by reducing accidents and enhancing the personal safety of pedestrians, drivers, passengers and staff; and*
- *Improve integration by making journey planning and ticketing easier and working to ensure smooth connection between different forms of transport.*

Three Key Strategic Outcomes

- *Improved journey times and connections, to tackle congestion and lack of integration and connections in transport*
- *Reduced emissions, to tackle climate change, air quality, health improvement*
- *Improved quality, accessibility and affordability, to give choice of public transport, better quality services and value for money, or alternative to car*

Early Learning and Child Care

From August 2014, all local authorities had a duty to increase provision to 600 hours of free early learning and childcare (ELC) for all 3 and 4 year old children and eligible two year olds; and to introduce some flexibility on how entitlement is provided for parents. This placed demands on the capacity (available places) and resulting occupancy levels of East Renfrewshire ELC facilities.

The Council expanded provision to meet these duties for example the new Cart Mill Family Centre and increase in the nursery classes at Crookfur and Calderwood Lodge primary schools and the extended new build replacement Arthurlie Family Centre. In addition, further early years places for population growth are being taken forward with a new nursery class at St Cadoc's Primary School and at the new non-denominational primary school being established at Maidenhill both for August 2019.

The Scottish Government's A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland now requires Councils to provide 1140 hours per year for all 3 and 4 year olds and eligible 2 year olds by 2020. This effectively doubles the entitlement to free ELC and requires additional provision and increased workforce to be in place for 2020. Councils' Expansion Plans should be based on having 'neutral' providers, i.e. provision should be neutral to parents and as such include local authority provision and Partnership Providers i.e. private, voluntary and independent sectors and childminders. With more parental choice and the commitments of increased flexibility and accessibility of provision, planning is made more difficult and inevitably occupancy is less efficient.

East Renfrewshire will require to build new facilities and increase places through Partner Providers (including childminders). Geographically land is at a premium in East Renfrewshire with very little Council-owned available land, which presents a challenge moving forward to establish new facilities particularly within timescale and resources. The Council seeks to provide 10 new build /significantly extended early years centres across its four ELC community areas in a phased approach by 2020 to 2024 to account for its growing population and to provide parents a flexible and accessible place for their child(ren) addressing key national themes of the expansion.

It is expected that additional capital and revenue funding will be available from the Scottish Government to meet the costs of this new burden for the 2020 delivery date. Levels of capital and revenue funding have now been confirmed and will contribute in part towards the Council's plans for future provision. East Renfrewshire Council nurseries have always been very popular with parents and at present there is a reasonable level of flexibility and accessibility to full day provision for families within their own geographical community. This level of flexibility and accessibility is at risk if the Council is unable to invest and expand the existing ELC estate.

This evolving requirement will need to be updated in future iterations of the Capital Investment Strategy. It is a relatively high-risk area from a service delivery, asset and financial perspective, which is addressed in the Capital Investment Strategy risk assessment.

Supporting information:

[Link to Early Learning and Child Care](#)

We aim to develop a flexible and high-quality Early Learning and Childcare (ELC) system that is accessible, affordable, and integrated with school and out-of-school care.

This will improve outcomes for all children, especially those who are more vulnerable or disadvantaged, and help to close the attainment gap.

ELC will also support parents to work, train or study, especially those who need help with finding sustainable employment.

Increasing the free entitlement to ELC

The Children and Young People (Scotland) Act 2014 made 600 hours of free ELC available for all three and four-year-olds and eligible two-year-olds in Scotland from August 2014.

By 2020 we will increase the hours of free ELC from 600 to 1,140 hours per year, to further reduce barriers preventing parents from working.

Increasing the entitlement will require a substantially larger workforce, significant investment in infrastructure, and new, innovative models of delivery.

Regional influences

Glasgow and Clyde Valley City Deal

The Glasgow and Clyde Valley City Deal was formally signed in August 2014. The Council achieved a £44 million investment through the City Deal to deliver the infrastructure to support and enhance the place making strategy adopted through the Council's Local Development Plan.

Our £44m investment is focused on five key projects around the M77 Strategic Corridor, designed to provide economic benefits through employment, recreational, tourism, residential and business opportunities:

1. **Levern works** – Crossmill Business Units were completed in 2016 and all 10 units are now occupied. The former Nestle site is prepared for private investment. A planning application has been submitted and the expectation is that substantive development will be completed over the next 5 years. This will produce job outcomes.
2. **Dams to Darnley Country Park enhancements** – exciting plans are in place to transform the Dams to Darnley Country Park into a must visit leisure destination including a visitor centre, wake board park and boardwalk - **planned completion 2021/22**
3. **Enhanced road network** - Improving connections between the communities of Barrhead, Newton Mearns and the M77 – **planned completion by 2021**
4. **New Railway Station** - Improving access to jobs, services and communities – **planned completion 2021**
5. **Greenlaw Business Centre** - meeting a growing demand for flexible business space – **planned completion 2019**

The City Deal is a strong demonstration of the Council's approach to collaboration and partnership working, prioritising projects which will have an impact on the wider region.

The Capital Investment Strategy makes the connection between the ambitions of the City Deal and the delivery of continuing projects at a local level, as demonstrated in the capital investment plan.

The Council will continue discussions with regional partners to identify delivery and funding opportunities, by engaging effectively as an integral part of the City

Deal governance and through its wider partnership networks.

Supporting information:

Link to Glasgow and Clyde Valley City Deal

Glasgow and Clyde Valley is comprised of eight local authorities: East Dunbartonshire Council; East Renfrewshire Council; Glasgow City Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council (hereinafter referred to as “Glasgow and Clyde Valley”).

Over its lifetime local leaders in Glasgow and the Clyde Valley estimate this City Deal will:

- *Support an overall increase in the economy of around 29,000 jobs in the city region.*
- *Work with 19,000 unemployed residents and support over 5,500 back into sustained employment.*
- *Secure £1 billion of Scottish Government and UK Government capital funding to support the proposed infrastructure investment programme for the area. This will be complemented by a minimum of £130 million of investment from Glasgow and Clyde Valley local authorities.*
- *Lever in an estimated £3.3 billion of private sector investment into the proposed infrastructure investment programme.*
- *Spread the benefits of economic growth across Glasgow and Clyde Valley, ensuring deprived areas benefit from this growth.*

Strathclyde Partnership for Transport Strategy: A Catalyst for Change 2008-21

The Regional Transport Strategy (RTS) shared goals and objectives are an important influence on the Council’s Capital Investment Strategy. It is important for the Council to demonstrate the alignment of local and regional transport strategy and to recognise the capital investment made by the Council via the Strathclyde Partnership for Transport (SPT) programme.

The new RTS is planned to be completed by late 2020 / early 2021, with the implementation of the new Strategy from 2021. The current position is covered by the SPT Delivery Plan 2018/19 – 2020/2021.

There are understandably a number of areas to be resolved with regard to the content of the Regional Transport Strategy and more clarity will be needed from the SPT in order to enable the Council to effectively plan for future transport proposals and the impact this will have at a local level.

The Council consider that the RTS (2008-2021) is still relevant but it is recognised that the regional transport situation has changed in the last decade. The Glasgow Region City Deal is a vehicle that will deliver new development and infrastructure and there are trends of increased congestion and car ownership. There is more emphasis on environmental issues, pollution, with sustainable transport and active travel being more prominent today. The Council acknowledge that whilst the RTS is still relevant, its renewal is a priority.

The Council is content with its involvement and engagement in the renewal of the RTS, being both a City Deal partner, along with SPT, being involved in the meetings with SPT to discuss the renewal of the RTS and as a member of the working group that has been set up. The Council is content that it will be able to appropriately influence the outcomes.

The Council do not envisage that the renewal of the RTS will impact on current or proposed capital projects, but this will continue to be assessed via future updates of the Capital Investment Strategy.

Supporting information:

Link to Strathclyde Partnership for Transport Regional Transport Strategy – A Catalyst for Change 2008-21

The Vision

A world class sustainable transport system that acts as a catalyst for an improved quality of life for all.

Shared Goals:

- *Develop the Economy: through improving connectivity for business and freight, making transport more effective and efficient, providing access to employment, education, shopping and leisure, by improving transport integration.*
- *Promote social inclusion and equality: by providing a transport system that is safe, accessible, and affordable to all sections of the community*
- *Improve health and protect the environment by minimising emissions and consumption of resources and energy by promoting active travel, quality public transport and modal shift.*

Strategic Objectives:

- *Safety and Security: To improve safety and personal security on the transport system*
- *Modal Shift: To increase the proportion of trips undertaken by walking, cycling and public transport.*
- *Excellent Transport System: To enhance the attractiveness, reliability and integration of the transport network*
- *Effective and Efficiency: To ensure the provision of effective and efficient transport infrastructure and services to improve connectivity for people and freight*
- *Access for All: To promote and facilitate access that recognises the transport requirements of all*
- *Environment and Health: To improve health and protect the environment by minimising emissions and consumption of resources and energy by the transport system*
- *Economy, Transport and Land-use Planning: To support land-use planning strategies. Regeneration and development by integrating transport provision.*

Local influences

Community Plan

The strategic context for the Council starts with the Community Plan. The Community Plan was updated in 2018, which means that it has a very current and relevant influence on the Council's Capital Investment Strategy. The Community Plan also includes the Fairer East Ren aims which are discussed in more detail below.

The importance of community engagement and consultation in successfully planning for, and delivering, capital investment cannot be underestimated. The Council is very outcome focused, which makes it much easier to get strong messages across to community organisations, communities and residents when it comes to the purpose and expected outcome of capital investment plans.

The capital investment plan will be developed around the Community Plan strategic outcomes.

Supporting information:**Link to Community Plan**

Five Outcomes:

1. **Early Years and vulnerable young people** – all children in East Renfrewshire experience a stable and secure childhood and succeed
2. **Learning, Life and Work** – East Renfrewshire residents are healthy and active and have the skills for learning, life and work
3. **Economy and Environment** – East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents
4. **Safer, Supportive Communities** – East Renfrewshire residents are safe and live in supportive communities
5. **Older People and people with long term conditions** – Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives

Fairer East Ren

The Council's Fairer East Ren Plan is important in setting the scene for strategic financial planning. Reference to this Plan could form part of the contextual material provided in relation to capital proposals and individual proposals could be aligned to the aims within this Plan.

The Fairer East Ren themes are incorporated into the Community Plan and have been mapped to national outcomes. This is important in setting the scene for a partnership approach to capital investment and an open and frank dialogue with local communities.

The Fairer East Ren themes will be mapped to the capital investment plan where relevant, alongside the Community Plan and Outcome Delivery Plan Strategic Outcomes.

The Council considers that the engagement enabled by the Fairer East Ren approach is a very useful way of consulting local communities, via Locality Plans. Engagement to date has progressed so far in the areas of ADD2 Barrhead and Auchenback is underway in Neilston and is now commencing in Thornliebank.

Supporting information:**Link to Fairer East Ren (Local Outcomes Improvement Plan)**

The Fairer East Ren Plan is our local name for the Local Outcomes Improvement Plan. It aims to make our area fairer, with fewer inequalities, and is initially based around four key themes, identified through engagement with our communities:

- *Reducing the impact of Child Poverty – The impact of child poverty is reduced*
- *Improved employability – Residents have the right skills, learning opportunities and confidence to secure and sustain work*
- *Moving around – East Renfrewshire's transport links are accessible, attractive and seamless*
- *Improving mental health and wellbeing – Residents' mental health and wellbeing is improved*
- *Reducing social isolation, loneliness and increasing safety - Residents are safe and are more socially connected within their communities.*

Locality Plans

The Locality Plans highlight specific areas of focus within the community with a specific aim of tackling inequality. Locality Plans are a good example of partnership working and collaboration in East Renfrewshire.

The Council will consider how the relationship with partners and the community, via Locality Plans, can be used to best effect to leverage greater investment capability and to find the best fit for community needs.

The Council will consider the timescale for increasing the number of Locality Plans. The resource implications will be considered and priorities for further roll-out will be examined.

Supporting information:

[Link to current Locality Plans](#)

ADD2 Barrhead 2017-27

Auchenback 2017-27

Neilston 2019-2029

Thornliebank 2019-2029

Outcome Delivery Plan 2018-21

The Council's Outcome Delivery Plan is updated annually and covers a 3 year rolling period. The Outcome Delivery Plan is the Council's contribution to the Community Plan and provides a very current and relevant influence on the Council's Capital Investment Strategy. The Outcome Delivery Plan drives the Council's capital investment ambition.

The Outcome Delivery Plan has intermediate outcomes and Community Plan Partnership (CPP) critical indicators for each Strategic Outcome, which clearly links to the Community Plan, Fairer East Ren and Locality Plans, making it easier to map capital investment decisions to Community and Council priorities.

The Outcome Delivery Plan sets out the Council's contribution and the associated critical activities, which makes the Plan specific and measurable. It also describes the Council's policies, setting the Council's capital investment in context and highlighting service provision and challenges with strong examples.

The Outcome Delivery Plan Strategic Outcomes will be mapped to the capital investment plan where relevant, alongside the Community Plan Outcomes and the Fairer East Ren themes. This helps with the evaluation and prioritisation of future capital schemes, where a business case needs to consider the contribution to the achievement of priorities, as well as non-financial and financial benefits.

Supporting information:

[Link to Outcome Delivery Plan 2018-2021](#)

East Renfrewshire Council is committed to improving the lives of local people, promoting equality and fairness and enhancing the area in which we live, now and for the future. This is the Council's Outcome Delivery Plan (ODP). It covers the time frame 2018-2021 and sets out how services across the Council are

contributing to the delivery of our outcomes, and our vision to be:

“A modern, ambitious council creating a fairer future with all”

The Council works with our Community Planning Partners to deliver on our five strategic outcomes.

Local Development Plan 2015-25

The Council adopted the East Renfrewshire Local Development Plan 2015-2025 (LDP1) in June 2015. This document sets out a vision, development strategy and policy framework to guide and manage development in the area up to 2025 and beyond. The Plan aims to shape the investment plans and allocation of resources of the Council and other public, voluntary and private sector organisations. It is influenced by national, regional and local policy and together with Clydeplan, the Strategic Development Plan, makes up the Development Plan for East Renfrewshire.

The preparation of LDP2 is currently underway and this will be published for consultation in 2019. LDP2 will cover the period up to 2029 and beyond and the Capital Investment Strategy acknowledges this development. The Council will continue to monitor the need for infrastructure to support new development and will identify requirements through the emerging plan. The preparatory work on LDP2 reflects increased housebuilding and population growth and the major impact on new school requirements.

The Strategic Aim and Objectives contained within LDP2 will influence the Council’s capital investment ambition. The Council will consider the long-term impact of LDP2, and incorporate in a future update of the Capital Investment Strategy, to identify the part that the Council’s capital investment will play in contributing to meeting the long term needs of the local population and area.

Supporting information:

[Link to Local Development Plan 2015-2025](#)

Strategic Aim:

“to foster a rich and diverse environment and promote and manage land use change for the benefit of the local community and economy in a manner which is sustainable”.

Strategic Objectives:

- *Promote the principles of sustainable economic growth.*
- *Provide for local needs and equality of access to housing, jobs, facilities and services, particularly to assist in social inclusion.*
- *Protect and enhance heritage and environmental resources and seek to provide opportunities for improving physical well-being.*
- *Facilitate reducing the overall need to travel and the reliance on car use.*
- *To promote sustainable development and reduce carbon emissions.*

Local Housing Strategy 2017-22

It is important for the Strategic Priorities in the Local Housing Strategy (LHS) to be reflected in the Council’s Capital Investment Strategy, both from a direct

capital investment perspective and an enabling perspective. The Council plays a vital role in ensuring that the Local Delivery Plan is delivered in terms of projects, housing mix and timescale.

The Housing Strategy highlights the importance of working in partnership and internal service collaboration, particularly related to homelessness. The capital investment requirement is put into this context in the Capital Investment Strategy to demonstrate how this investment is contributing to the achievement of important housing targets.

The Council confirm the housing target is being met – the previous LHS for the period 2012-2017 was set at an average of 30 affordable units per year and was exceeded. The new LHS and LDP2 have a target of 45 units per year (on average over the 5-year period), which is a realistic target. 20 units of affordable housing have been achieved in 2018/19 to date with a further 22 on site and for future years the expectation is that targets will be met.

The Council does not expect the new LDP2 to change the housing targets, as these are based on needs analysis. A new Housing Needs and Demand Assessment (HNDA) is due to be undertaken over 2019 and 2020 and may affect targets in future. A joint approach to target setting is in place between Housing and Planning.

A revised Regional Housing Need and Demand Assessment (HNDA 2015) has been prepared to support the approved Strategic Development Plan and this provides housing estimates up to 2029. The Housing Supply Targets for LDP2 and the new LHS have been prepared jointly between Housing and Planning Teams based upon the HNDA.

The Council considers that there is currently a significant difference between the grant funding available to councils in comparison to RSL’s. For example, councils are given a maximum £59k per unit, which has to cover all sizes and types. By comparison RSL’s are funded differently and get on average £78k per unit but in certain circumstances can get more. This was based on the premise that Councils have favourable borrowing rates from prudential borrowing whereas RSL’s have to go out to the market. At present due to such low interest rates, this argument is not valid, and the Council will be seeking a more equitable approach.

Supporting information:

[Link to Local Housing Strategy 2017-2022](#)

Vision:

'Good quality and affordable housing opportunities are available to all our residents, within safe and attractive neighbourhoods'

Strategic Priorities:

1. *Increase Access to Housing*
2. *Thriving, Attractive and Sustainable Neighbourhoods*
3. *Facilitate Independent Living*
4. *Improve Access and Participation*



As with the Local Housing Strategy, it is important for the planned resource allocation priorities, set out in the Strategic Housing Investment Plan, to be reflected in the Council's Capital Investment Strategy both from a direct capital investment perspective and an enabling perspective. The Council plays a vital role in ensuring that the Local Delivery Plan is delivered in terms of projects, housing mix and timescale and the SHIP sets out the strategic approach to the housing capital investment plan.

The Council is undertaking a lot of work to identify suitable sites for housing, including Council owned sites. The Capital Investment Strategy now articulates all aspects of housing planning that result in capital investment for the Council, both in terms of direct capital outlay and contribution of sites. The thread from the Local Housing Strategy through to identification of land in the Local Development Plan results in the planned investment articulated in the SHIP. This will be evident in the Capital Investment Strategy over the long term.

The Council does not consider that LDP2 will be likely to change the SHIP priorities – these have recently been based on the masterplan sites. The priorities are set on regeneration of Barrhead and delivering the right type, size and location of affordable housing to meet high demand across the authority area.

To deliver our housing requirements and wider development needs a number of new sites have been identified in the emerging LDP2 and the Council can confirm that, once LDP2 has been adopted, these will be added to the SHIP. These sites will provide increased numbers of affordable and particular needs housing in the Eastwood area where supply is currently limited.

Housing Services engage regularly with the RSL's to discuss SHIP delivery and future projects – the SHIP is assessed annually and a number of RSL's are working on key delivery sites. Between the Council and RSL's identified sites are being actively developed. The key delivery challenge relates to joint projects with private developers who have more focus on viability and less on affordable housing delivery.

The Council will update its Local Housing Strategy, SHIP and Capital Investment Strategy upon adoption of LDP2, to ensure that any changes from the current expected position are reflected and all strategies and plans are aligned as appropriate.

Supporting information:

[Link to Strategic Housing Investment Plan \(SHIP\) 2019-2024](#)

East Renfrewshire has a predominantly owner occupied market equating to over 80% of housing stock plus a limited supply of properties to rent and buy affordably. This coupled with a lack of Council owned sites for new build; means that the Council faces a number of challenges in terms of meeting shortfalls in affordable housing to alleviate unmet demand and homelessness pressures.

SHIP resources are therefore focused towards:

- *The delivery of new social rented homes (including Council);*
- *Proposals for affordable housing to meet a range of needs, including smaller and family homes, and those suitable for the elderly and disabled;*
- *Developments with the greatest certainty over timing and deliverability.*

Our objective is to provide new homes that:-

- **Are fit for purpose:** *reflecting modern lifestyles with the flexibility to adapt to meet the current and future needs of existing and future tenants*
- **Are a catalyst for creating new and consolidating existing local communities:** *respecting the character of the local environment and creating communities where people want to live*
- **Are affordable and environmentally friendly:** *meeting and exceeding levels of sustainability to protect tenants from rising fuel costs and minimising environmental impact.*
- **Are providing choice:** *reflecting existing and prospective tenants needs and aspirations*

- **Are secure:** providing safe and secure places for tenants to live
- **Are cost effective to manage and maintain:** utilising existing tried and tested components that fit with the Council's current asset management strategy.

Corporate Asset Management Plan

The importance of the link between the Corporate Asset Management Plan, and its constituent Asset Management Plans (AMPs), is stressed in the CIPFA Prudential Code. The AMPs should inform the Capital Investment Strategy but this also works both ways. The vision and ambition that is articulated in the Capital Investment Strategy should set the scene for the direction that the asset management in any particular area of operation should take.

There are six AMPs maintained by the Council. There is a process in place for maintaining these plans, which are reviewed biennially. The Roads AMP is produced on a Scotland wide basis, which leads to a consistent approach that will ensure a standard level of quality. The Asset Management Plans have strategic objectives that clearly link with the Council's Strategic Outcomes.

Each AMP is brought to members of Capital Asset Management Group (CAMG) firstly for peer review and comment and discussed at the CAMG forum. Following this process, the AMP's are reported to cabinet. CAMG will review the process once all AMP's have been reported to Cabinet. Summaries of the AMPs can be found at Appendix A.

The council will ensure that any refresh of the AMPs that results in a significant change will be reflected in an update to the Capital Investment Strategy.

Supporting information:

Corporate Asset Management Plan

There are six asset management plans. These are:

1. Roads
2. Fleet
3. Open spaces
4. Property
5. ICT
6. HRA Assets

The Roads Asset Management Plan is completed through participation with the Society of Chief Officers of Transportation in Scotland (SCOTS), which is a Scotland wide project which has prepared a standardised Roads Asset Management Plan format involving Transport Scotland and all Scottish Councils.

All other Asset Plans are prepared in accordance with the CIPFA Guide to Asset Management and Capital Planning and Audit Scotland's Best Value toolkit.

Partnership and collaborative working

The following tables map our Strategic Outcomes against our partnership and collaborative working activity. It is important to demonstrate these links to assist with demonstrating how the capital investment plan will contribute to the medium to long term commitments that result from these activities:

Strategic Oversight of Community Planning	Community Planning Partnership Board Performance and Accountability Review				
Strategic Outcomes	All children in East Renfrewshire experience a stable and secure childhood and succeed.	East Renfrewshire residents are healthy and active and have the skills for learning, life and work	East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	East Renfrewshire residents are safe and live in supportive communities	Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.
Regional Level Partnerships		Education Regional Improvement Collaborative	City Deal Board (regional level)		
Strategic Partnerships	Fairer East Ren: child poverty delivery group Children and Young Peoples' Services Plan <ul style="list-style-type: none"> • Early Years Sub-group <ul style="list-style-type: none"> ○ Parenting 	Fairer East Ren: Local Employability Partnership – Strategic Community Learning and Development Partnership	Fairer East Ren: transport delivery group Local Housing Strategy Partnership Group	Fairer East Ren: Improving Outcomes for Adults Group (mental health and wellbeing and safe and socially connected)	

	<p>Steering Group</p> <ul style="list-style-type: none"> • ASN sub-group • Corporate Parenting sub-group • Young Persons' Steering Group <p>Early Learning and Childcare Expansion Board</p>			<p>Community Justice Partnership</p> <p>Alcohol and Drugs Partnership</p> <p>Violence Against Women and Girls Partnership</p> <p>Tobacco Alliance</p> <p>Greater Results in Partnership (GRIP)</p>	HSCP Strategic Planning Group
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<u>East Renfrewshire Community Plan</u>: our high-level ambitions for all age groups and communities, and tackling inequality					
Community Plan Strategic Outcomes	All children in East Renfrewshire experience a stable and secure childhood and succeed.	East Renfrewshire residents are healthy and active and have the skills for learning, life and work	East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	East Renfrewshire residents are safe and live in supportive communities	Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.
Regional and CP Partner strategies and strategic plans that help us to deliver our vision		<p>Skills Development Scotland: vision for 2015-2020</p> <p>Voluntary Action East Renfrewshire Strategic Plan</p> <p>West College Scotland Regional Outcome Agreement</p>	<p>Glasgow City Region Economic Strategy and Action Plan</p> <p>Scottish Enterprise Strategic Plan</p> <p>A Catalyst for Change: The Regional Transport Strategy for the west of Scotland 2008-2021</p> <p>Strathclyde Partnership for Transport:</p> <p>Transport Outcomes</p>	<p>East Renfrewshire Local Fire and Rescue Plan</p> <p>Police Scotland's Local Policing Plan for East Renfrewshire</p> <p>Adult Mental Health Strategy 2018-2023 (NHS GGC wide)</p> <p>Voluntary Action East Renfrewshire Strategic Plan</p>	Voluntary Action East Renfrewshire Strategic Plan

<u>East Renfrewshire Community Plan</u>: our high-level ambitions for all age groups and communities, and tackling inequality					
			Report Regional Transport Strategy Clydeplan		
Outcome-focused Partnership strategies and strategic plans (*strategies in development are in italics)	<i>Fairer East Ren: child poverty delivery plan</i> Getting it Right with You: East Renfrewshire Children and Young Peoples' Plan 2017-2020 (ICSP)	<i>Fairer East Ren: employability delivery plan</i> / Local Employability Strategy Getting it Right with You: East Renfrewshire Children and Young Peoples' Plan 2017-2020 (ICSP) <i>Community Learning and Development Strategy 2018-21</i>	<i>Fairer East Ren: transport delivery plan</i> Local Housing Strategy 2017-2022 <i>Adaptations Strategy (planning for climate change)</i>	<i>Fairer East Ren: mental health and wellbeing delivery plan</i> Community Justice Outcome Improvement Plan <i>Violence Against Women and Girls Delivery Plan 2017-2020</i>	<i>Fairer East Ren: safe and socially connected delivery plan</i>
Council "family" strategies and strategic plans (includes HSCP and Trust)	Health and Social Care Partnership Strategic Plan Early Years Strategy Corporate Parenting Plan	Health and Social Care Partnership Strategic Plan East Renfrewshire Culture and Leisure Trust Business Plan Sports Facilities Strategy <i>Tobacco Strategy</i> <i>Libraries Strategy</i> <i>Autism Strategy</i>		Health and Social Care Partnership Strategic Plan	Health and Social Care Partnership Strategic Plan <i>Carers Strategy</i>
Council strategies and strategic plans	East Renfrewshire Council Outcome Delivery Plan	East Renfrewshire Council Outcome Delivery Plan	East Renfrewshire Council Outcome Delivery Plan	East Renfrewshire Council Outcome Delivery Plan	East Renfrewshire Council Outcome Delivery Plan

<u>East Renfrewshire Community Plan</u>: our high-level ambitions for all age groups and communities, and tackling inequality					
	Early Learning and Childcare Strategy	Education Local Improvement Plan Advancing Equity and Excellence	Local Development Plan Contaminated Land Strategy <i>Economic Development Strategy</i> <i>Tourism Strategy</i> <i>Environmental Sustainability Strategy</i> <i>Community Benefits Strategy</i>		
Locality Plans (based on locally determined priorities)	Auchenback Locality Plan ADD2Barrhead Locality Plan <i>Neilston Locality Plan</i>				

Capital Investment Ambition by Strategic Outcome

The following table illustrates how key elements of our 8-year General Fund investment plan and 5-year housing investment plan will deliver against the Strategic Outcomes in our Outcome Delivery Plan:

Outcome	Scheme Name	Short Narrative explaining the proposal	Output
All children in East Renfrewshire experience a stable and secure childhood and succeed	Early Learning and Childcare Expansion to 1140 Hours	As local nurseries and family centres are already operating close to capacity a significant increase in places must be provided in order to deliver the national requirement of 1140 hours per child per year from the existing 600 hours level.	Up to 10 new or extended early years facilities provided across the Council area by August 2021.
East Renfrewshire residents are healthy and active and have the skills for learning, life and work	New non-denominational primary/nursery school for Newton Means	New house building in the area requires a large increase in school places. This cannot be accommodated within the existing school estate and so a new facility is required.	New 2 stream primary school and nursery to be open for August 2019.
	Eastwood Leisure	Existing leisure facilities in the Eastwood area are dated and at the end of their lifespan. Improved facilities are needed to address local demands.	Investment in leisure/community facilities to be provided in the Eastwood area.
	Learning and Leisure in Neilston	Local school and community facilities in Neilston are in poor condition and require replaced/upgraded. Some Scottish Government funding is anticipated to support school condition improvements.	Replacement of St Thomas' PS, Neilston PS, Madras Nursery, Neilston Leisure Centre, Neilston Library and Glen Halls with a new community campus (subject to consultation).

East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents	New railway station – Barrhead South	To serve new housing and leisure developments in the Barrhead area rail transport links will be improved via a City Deal initiative.	New railway halt to be delivered for Barrhead South.
	New link road from Junction 5 to Barrhead	As part of the City Deal economic growth proposals road links between the east and west of the authority will be improved.	New link road from the M77 Junction 5 to Barrhead will be provided.
	Country Park Visitor Centre and Infrastructure	As part of the City Deal initiative a new visitor centre is planned together with improved access to the country park.	New visitor centre, board walk, parking etc to be built for Dams to Darnley country park.
	Roads	Increased capital investment is planned to ensure that roads are maintained in a safe condition.	Improved roads condition.
	Council House New Build Programme	The Council will deliver up to 240 new homes for rent as part of the commitment to increase affordable housing supply set out in the Local Housing Strategy (and SHIP) and in line with national priorities for investment.	240 new homes for rent from East Renfrewshire Council. Ph 1 sites (Barrhead) – Blackbyres Rd, Robertson St & Fenwick Rd (on site 2018/19); Balgraystone Rd (commence 2019/20). 83 units. Ph 2 sites – remainder of units to be delivered at Maidenhill, Newton Mearns.
East Renfrewshire residents are safe and live in supportive communities	CCTV Infrastructure Refresh	Ageing infrastructure to be replaced.	Modern, more reliable CCTV coverage of public areas.

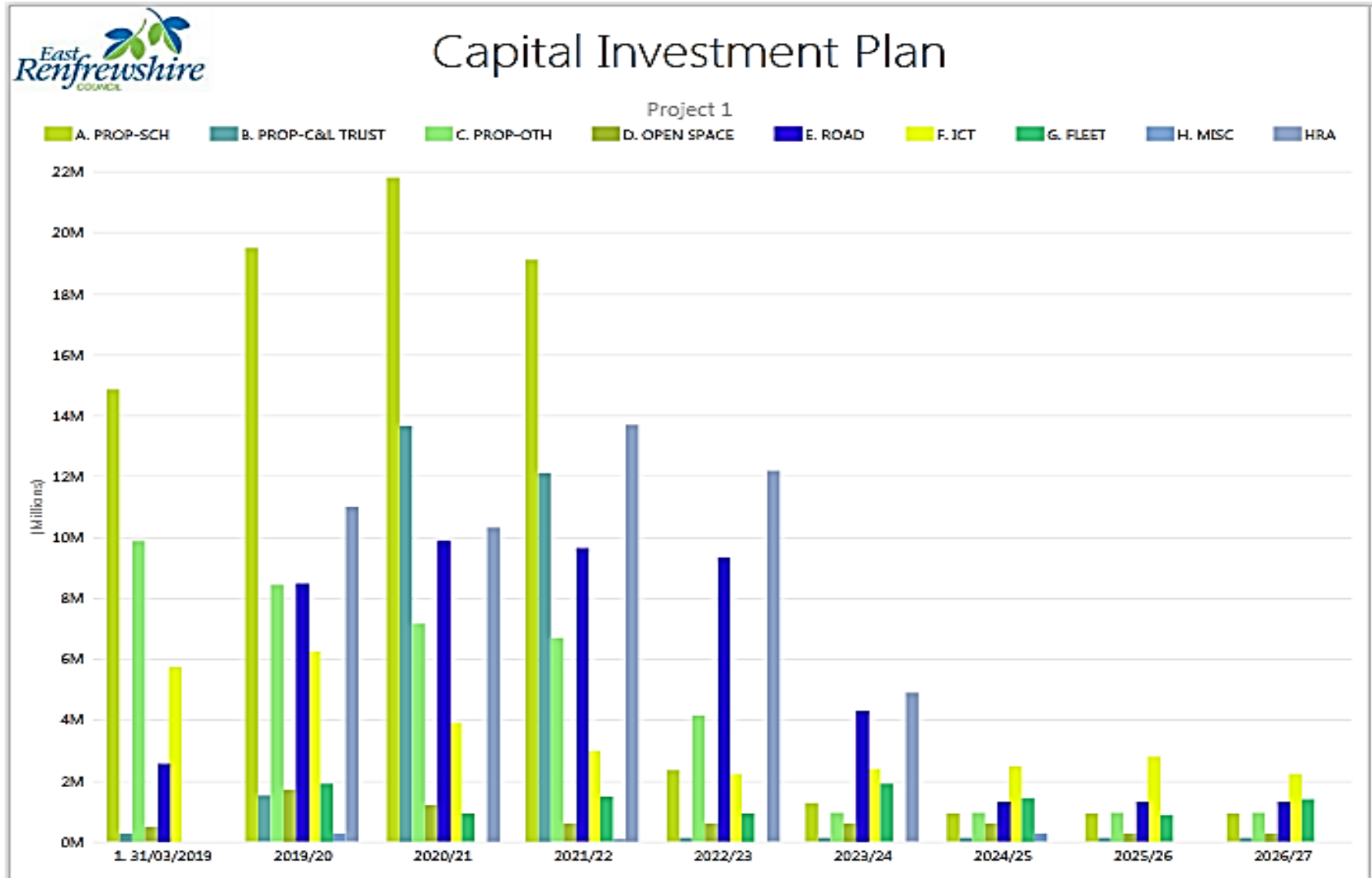
Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.	Bonnyton House Improvements	Care home for the elderly needs significant modernisation and improvement.	New roof and remodelled facilities to meet changing community needs.
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8-year Capital Investment Plan

Our 8-year capital investment plan covers the period 2019-2027, based on our capital investment ambition, similarly we have prepared a 5-year housing capital investment plan. These have been prioritised by applying our evaluation methodology to ensure that the longer term position is affordable and deliverable as planned and this is specifically addressed in our annual Treasury Management report which sets out the Prudential Indicators for the Council's spending plans. Our risk assessment examines the risk against the affordability and deliverability assumptions and this will inform the ongoing review of performance and update of the capital investment plan to ensure that it is effectively managed. Both capital plans are scheduled to be approved by Council on 28 February and links to these documents will be included in this strategy thereafter.

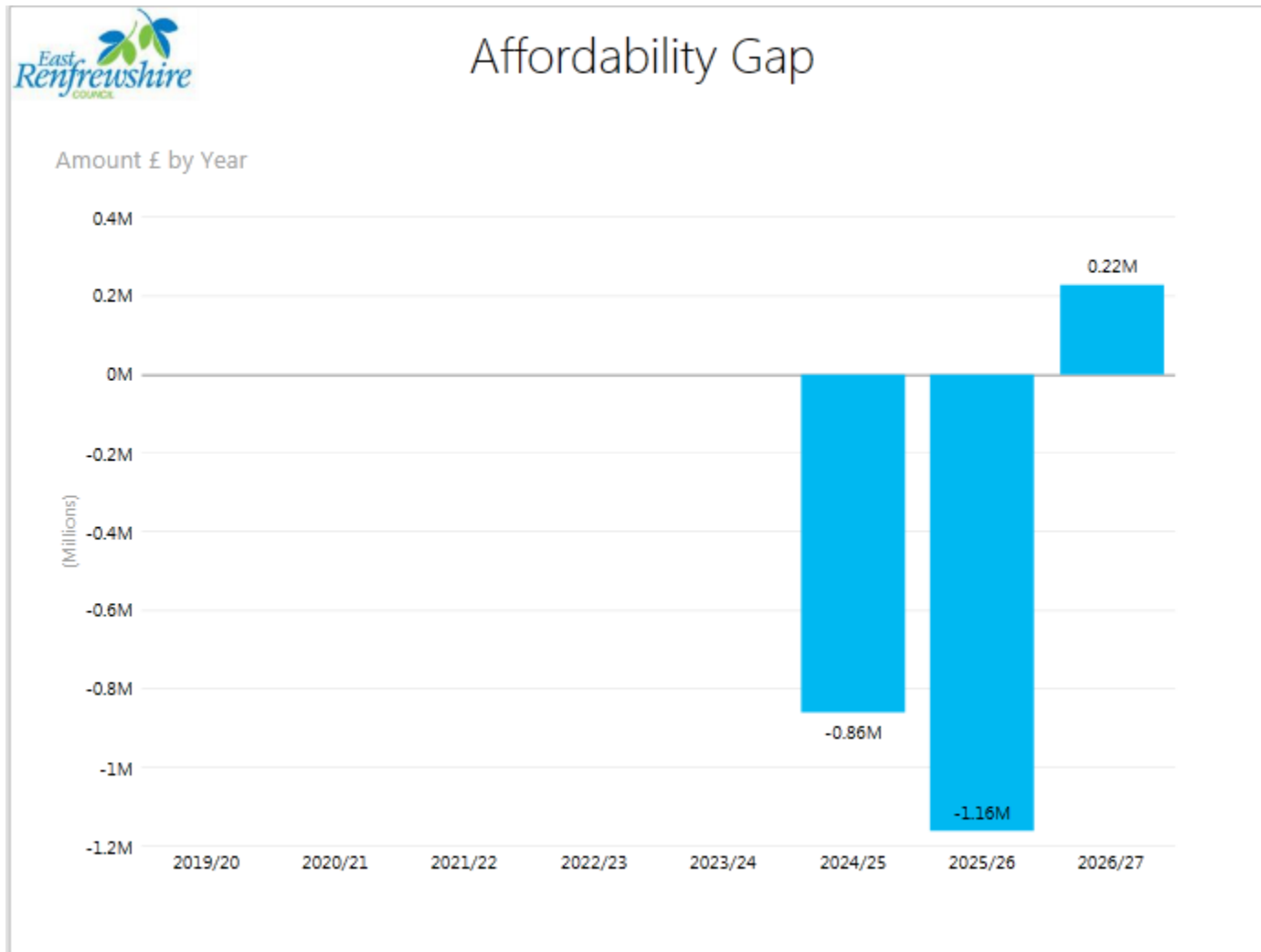
Several tables and charts have also been included within this strategy to provide a view of the 8-year capital investment plan from an investment and financing perspective, an affordability perspective and in terms of the contribution to the achievement of our Strategic Outcomes, our community improvements and our growth targets:

As work continues on development of our Local Development Plan 2, further capital investment needs are emerging. Once the timing and quantum of these items as been clarified they will be added to our future Capital Plans.



This graph shows the level of planned capital spend over the Council’s asset categories as set out in the Capital Plans, General Fund 2019-2027 and Housing 2019-2024

The following sections examine the evaluation and prioritisation of our 8-year capital investment plan, the additional analysis that informs our Capital Investment Strategy principles, our capacity to deliver and the potential options for addressing our capital investment ambition gap.



This graph shows the shortfall in resources in the later years of the Council's capital plan. This will be kept under review and is expected to grow as LDP2 pressures are incorporated into our future capital ambitions.

The Council's capital investment ambitions incorporated into its proposed capital plans would require additional funding, in addition to the borrowing set out in its capital plans 2019-27 and 2019-24, as shown above.

Examination of outcomes from prioritisation

The Council maintains a rolling, detailed 8 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's key objectives and asset management plans, are deliverable, affordable and represent best value. Only those proposals which make a significant contribution to the Council's objectives and are considered deliverable are progressed past an initial stage to a full appraisal by the Corporate Asset Management Group before being considered by the Corporate Management Team, Budget Strategy Group and Council. The current CPA template form is attached as Appendix B, however the appraisal template is currently being reviewed and redesigned for 2020 to ensure that it is fully Green Book compliant. For routine investments, such as ICT system renewals, property and roads major maintenance, set sums are included in annual capital investment plans to facilitate forward planning and minimise administration.

The Corporate Asset Management Group also consider whether any adjustments are required to projects already listed in the capital plans (e.g. increased costs, reduced cost requirement, amended timing of spend etc.).

A 5 year rolling capital plan is maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and or running/maintenance costs are then reflected in the Council's revenue budget planning.

New projects added to the capital plan this year are listed in the table below.

PROJECT	ASSET CATEGORY	£'000
Learning & Leisure in Neilston	Property - Schools	30,384
St Mark's PS Car Park	Property - Schools	350
ERCLT General Building Improvement Fund	Property – Culture & Leisure Trust	800
Eastwood HS Sports Centre Changing Rooms	Property – Culture & Leisure Trust	429
Overlee Pavilion Changing	Property – Other	905
Bonnyton House Care Home Upgrade	Property - Other	434
Roads Infrastructure	Roads	15,000
ERCLT Digital Platform	ICT	410
Cleansing/Recycling Vehicles	Fleet	185

Any projects which have been identified later in the year may not yet have been fully costed and appraised so are not included in the Council's updated capital plans to be considered in February 2019, however they will be incorporated into future years' updates. This applies to projects emerging as the Council's new Local Development Plan (LDP2) is developed. These major projects currently identified are listed here to ensure that they are taken into consideration for future planning purposes.

PROJECT	TIMING	COMMENT
New primary school	TBC	Identified via Local Development Plan 2. Developer contribution funding anticipated. Further reports to be brought to Education Committee.
New primary school	TBC	Identified via Local Development Plan 2. Developer contribution funding anticipated. Further reports to be brought to Education Committee.
New secondary school	TBC	Identified via Local Development Plan 2. Developer contribution funding anticipated. Further reports to be brought to Education Committee

Capital Project Appraisal Process

Capital Project Appraisal Form

The Capital Project Appraisal (CPA) Form, as shown in Appendix B, is designed to capture specific project information in order for that project to be assessed by the Capital Asset Management Group.

The form captures project details and objectives, links to strategic documentation and plans and how the project can support these strategies and plans, finance details and delivery schedule. Both the form and the CPA process are currently under review by the Corporate Asset Management Group, to improve and refine the form, enhance the process and approval stages, and monitor the outcomes.

Corporate Asset Management Group

The Council has established a Corporate Asset Management Group (CAMG). In addition to identifying and monitoring any major issues relating to the Council's capital and asset management plans, the CAMG assesses the individual Capital Project Appraisal forms according to the Project Appraisal Evaluation Guidance.

The Guidance requires that projects are scored according to:

- whether the project meets a statutory requirement
- whether it supports the Council's strategic objectives

- whether it meets a health and safety requirement or neither.

The scoring mechanism is included below:

Very low: No real impact or relationship	1
Low: Some impact or relationship	2
Medium: A noticeable contribution	3
High: A Significant contribution	4
Very High: A major contribution	5

The projects are also evaluated against:

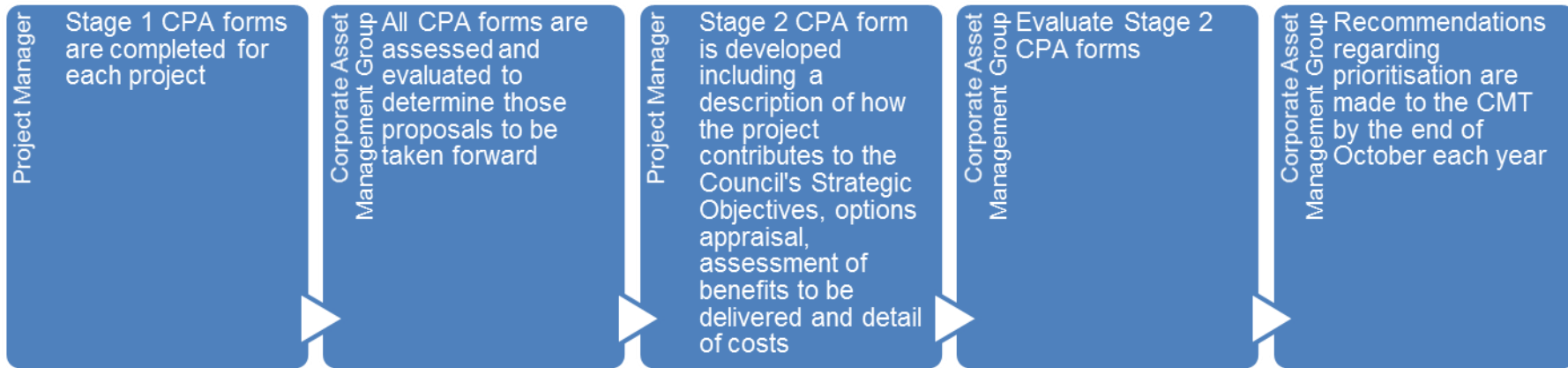
- 5 capabilities
- Single Outcome Agreement
- Link to Asset Management Plan

Proposals must be assessed against the relevant Asset Management Plans, which are updated annually.

Developing proposals

The Council has established a structured Capital Project Appraisal (CPA) process which begins in April of each year and concludes by November. Based on this process, the Corporate Management Team (CMT) make recommendations to the Budget Strategy Group.

The chart below summarises the process as described in the Strategy:



Capital resource allocation and analysis of balance sheet, treasury and reserve implications.

Current levels of capital grant are insufficient to address the Council's capital investment ambitions and so consideration must be given to closing the financial gap by additional borrowing (subject to affordability of future repayments), and by developer contributions, utilisation of capital reserves, capital receipts and grants from other bodies where available.

Decisions on the funding approaches require a joint evaluation of the revenue and capital financial needs and ambitions of the Council. This will take into account the overall availability of reserves, likely future pressures on capital and revenue budgets arising from both local demands and anticipated government grant settlements and the consideration of prudential indicators as set out in the CIPFA code. The impact of capital investment on the revenue budget (through increasing loan repayments arising from additional borrowing) are clearly articulated as this can directly impact on the level of revenue budget savings requirements in later years.

Over the next year consideration will also be given to the new loans fund reprofiling flexibility offered to Councils in the 2019/20 Scottish Government settlement. This may assist in supporting future years' capital plans.

The following table highlights the Net Borrowing Requirements for the following 5 years and corresponding Prudential Indicators highlighting the current under borrowing position i.e. internal borrowing utilised.

General Fund £'000	2017/18 Actual	2018/19 Probable	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Expenditure	24,047	36,987	48,017	58,460	52,540	19,586	11,497
Other Relevant Expenditure	22,307	-	-	-	-	-	-
Total	46,354	36,987	48,017	58,460	52,540	19,586	11,497
Financed by:							
Capital Receipts	194	1,810	3,450	1,350	600	-	-
Capital Reserve	11,500	8,466	1,200	-	-	-	-
Developer Contributions	453	611	1,644	3,806	-	-	-
Govt. General Capital Grant	7,459	6,866	7,929	6,634	6,634	6,634	6,634
Govt. Specific Capital Grants	23,467	7,577	6,883	4,779	12,600	1,440	-
Other Grants & Contributions	296	235	75	75	75	75	75
Repairs &							

258

Renewals Fund/CFCR	878	125	64	-	-	-	-
Net Borrowing Requirement for the year	2,107	11,297	26,772	41,816	32,631	11,437	4,788

Housing £'000	2017/18 Actual	2018/19 Probable	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Expenditure	5,496	9,539	10,969	10,320	13,693	12,167	4,874
Financed by:							
Capital Receipts – Right to Buy	1,504	196	-	-	-	-	-
Capital Receipts – Land Disposal	-	-	-	500	500	500	500
Recharges to Owners	377	401	615	409	424	467	482
Govt. Specific Capital Grants	319	2,518	2,100	955	3,533	2,991	100
Commuted Sums	52	417	32	437	291	245	-
CFCR	500	-	-	-	-	-	-
Net Borrowing Requirement for the year	2,744	6,007	8,222	8,019	8,945	7,964	3,792

£'000 as at 31 March	2017/18 Actual	2018/19 Probable	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Borrowing	81,754	89,146	136,993	166,442	166,069	165,252	164,887
Other Long Term Liabilities	94,789	90,480	85,747	80,960	75,954	70,830	65,548
Total Gross Debt (Prudential Indicator PI-3)	176,543	179,626	222,740	247,402	242,023	236,082	230,435
CFR – the borrowing need	193,235	196,508	216,633	251,566	276,462	276,591	264,732
(Under) / Over Borrowing	(16,692)	(16,882)	6,107	(4,164)	(34,439)	(40,509)	(34,297)

(Prudential Indicator PI-6)							
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Summary of non-treasury and treasury investments

Treasury investments are set out in the Treasury Management Strategy. The Council does not hold any significant non-treasury investments. All treasury investments are with approved counter parties as stated in Appendix C.

Council investments are carried out in accordance with the CIPFA Treasury Management code. The Council's investment priorities are security first, liquidity second and then return. This authority has adopted a prudent approach to managing risk and its risk appetite is set out in the Treasury Management Strategy.

Prudential Indicators / local indicators

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plan is reflected in the prudential indicators summarised below, further details of which can be found in the Treasury Management Strategy Report.

Indicator Reference	Indicator	Page Ref.	2019/20	2020/21	2021/22	2022/23	2023/24
PRUDENTIAL INDICATORS							
Capital Expenditure Indicator							
PI-1	Capital Expenditure Limits		£'000	£'000	£'000	£'000	£'000
	General Fund						
	Housing		48,017	58,460	52,540	19,586	11,497
	Total		10,969	10,320	13,693	12,167	4,874
			58,986	68,780	66,233	31,753	16,371
PI-2	Capital Financing Requirement		£'000	£'000	£'000	£'000	£'000
	General Fund						
	Housing		182,043	212,456	231,813	227,551	215,635
	Total		34,590	39,110	44,649	49,040	49,097
			216,633	251,566	276,462	276,591	264,732
Affordability Indicator							
External Debt Indicators							
PI-3	Gross Debt		£'000	£'000	£'000	£'000	£'000
	Borrowing		136,993	166,442	166,069	165,252	164,887
	Other Long Term Liabilities		85,747	80,960	75,954	70,830	65,548

	Total		222,740	247,402	242,023	236,082	230,435
PI-4	Operational Boundary for External Debt Borrowing		£'000	£'000	£'000	£'000	£'000
	Other Long Term Liabilities		139,146	166,993	166,442	166,069	165,252
	Total		90,480	85,747	80,960	75,954	70,830
			229,626	252,740	247,402	242,023	236,082
PI-5	Authorised Limit for External Debt Borrowing		£'000	£'000	£'000	£'000	£'000
	Other Long Term Liabilities		160,018	192,042	191,408	190,979	190,040
	Total		90,480	85,747	80,960	75,954	70,830
			250,498	277,789	272,368	266,933	260,870
Indicators of Prudence							
PI-6	(Under)/Over Gross Borrowing against the CFR		£'000	£'000	£'000	£'000	£'000
			6,107	(4,164)	(34,439)	(40,509)	(34,297)
TREASURY INDICATORS							
TI-1	Upper Limit to Fixed Interest Rates based on Net Debt		100% of debt position				
TI-2	Upper Limit to Variable Interest Rates based on Net Debt		30% of debt position				
TI-3	Maturity Structure of Fixed Interest Rate Borrowing		15% maturing in any one year				
TI-4	Maximum Principal Sum invested greater than 365 days		5%	5%	5%	5%	5%

Examination of capacity to deliver

In determining capital investment consideration is also give to the following areas:

- **People** – The Council monitors capacity of staff in services such as property, accountancy, ICT, Legal and Procurement so as to ensure adequate resources are available to support capital plans. Where insufficient capacity is in place it may be possible to engage temporary/agency staff (potentially funded from the Council's Modernisation Fund reserve) or to utilise external consultants (e.g. private firms or public sector organisations such as hub West Scotland).
- **Procurement** – Wherever possible the Council encourages managers to self serve for routine procurements and smaller procurements (under £50k) are undertaken by managers using the Quick Quote guidance. Projects over £50k are undertaken in conjunction with procurement professionals using a full tender process.
- **Reserves** – The Council maintains a Capital Reserve, Modernisation Fund, Insurance Fund and Repairs and Renewals Fund. These may be accessed in appropriate circumstances and such instances will be identified by the Corporate Asset Management Group.
- **Project support** – The Council's Project Management Office is available to provide project management support for major change projects such as system implementations. A capacity grid system is operated to assess whether any new demands can be accommodated. The Corporate Management Team have also developed a new executive reporting system to monitor progress of key projects.
- **Consultation process** – The Council has well established processes, particularly within the Environment and Education departments, for consultation with the public and other stakeholders on new proposals. It is essential that these are planned well in advance as long timescales are often required to accommodate both the consultation period and any potential objection/appeal processes.
- **Decision making process** – The Council has a clear process for consideration of capital proposals. This runs throughout the year from early summer when initial proposals are submitted, to February when formal approval of new schemes is granted by Council after consideration of affordability etc. Cabinet then monitors progress during the year with any changes to the agreed programme requiring approval by Council whose meetings are typically every 6 weeks.

Identification of platform for lobbying / negotiation / further discussion with Scottish Government / partners

The Council compiles a 3 year statement setting out key areas where it seeks additional powers or resources from the Scottish Government in order to support change. The statement for 2018-2021 is currently being finalised but may include several issues directly related to the Council's capital ambitions.

- Request for increased investment funding for improvement/replacement of school buildings.
- Request for increased funding for infrastructure (e.g. education, leisure, community facilities) to meet demands from population growth associated with increased local housing targets.
- Request for streamlined process for changes to the school estate.
- Request for more equitable funding for Councils building affordable housing.

Risk Management and Risk Assessment

Strategic Risk Register and Management Process

Updates to the Strategic Risk Register and Risk Management Process are provided bi-annually to Audit & Scrutiny Committee and are based on a 'live' risk register which is maintained by the Corporate Management Team.

These updates include a register of the corporate risks and draw out those which are evaluated as high or medium level risks. Where a risk has been evaluated as "low" it has been removed from the Strategic Risk Register and will be monitored within Departmental or Operational registers if appropriate'.

The report highlights how risks have been updated / re-evaluated according to the latest position, and illustrates the level of 'risk tolerance', through a matrix to demonstrate how risks have been scored.

The table below contains extracts from the Council's current Risk Management Strategy, demonstrates the processes in place to manage risks and the various levels of responsibility throughout the organisation. Details of the Council's risk management approach can be found here (<https://www.eastrenfrewshire.gov.uk/article/8087/How-are-council-risks-managed>) and our risk management process is set out in Appendix D.

Area considered	Current Practice
Risk Management Strategy	<p>The Council's recognises the benefits of discussing risk on an open basis which are described as follows:</p> <ul style="list-style-type: none"> • Genuine consensus about the main risks (no hidden risks) • Clear allocation of risks and ownership as to how the risks will be managed • A clear process for managing and updating the view of risks • Greater trust and buy-in • One view and good communication is paramount. <p>Good risk management is about identifying what might go wrong, what the consequences might be of something going wrong and finally, deciding what can be done to reduce the possibility of something going wrong. If it does go wrong, as some things inevitably will, making sure that the impact is kept to a minimum.</p> <p>Risk management should ensure that an organisation makes cost effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact.</p>

Area considered	Current Practice																																																																																																			
	<p>Risk management should be a continuous and developing process which runs throughout the organisation's strategy and the implementation of that strategy, methodically addressing all risks surrounding the Council's activities past, present and future.</p> <p>Risk Appetite:</p> <p>The term risk appetite describes our attitude towards the amount of risk that the Council is prepared to accept in trying to achieve our outcomes. The attitude towards risk can differ across our services, from risk averse to risk taking. Risk appetite is about taking well thought through risks where the long-term rewards are expected to be greater than any short-term losses.</p> <p>East Renfrewshire Council's approach is to minimise its exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of innovation and improved outcomes. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.</p> <p>The following diagram illustrates the Council's risk tolerance levels across different areas of activity:</p> <table border="1" data-bbox="705 790 1780 1236"> <thead> <tr> <th></th> <th colspan="4">Unacceptable to take risks</th> <th colspan="6">Higher willingness to take risks</th> </tr> <tr> <th></th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> <th>9</th> <th>10</th> </tr> </thead> <tbody> <tr> <td>Reputation</td> <td>█</td> <td>█</td> <td>█</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Compliance</td> <td>█</td> <td>█</td> <td>█</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Financial</td> <td>█</td> <td>█</td> <td>█</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>People and culture</td> <td></td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operational services</td> <td></td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Major change activities</td> <td></td> <td></td> <td></td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td></td> </tr> <tr> <td>Environmental and social responsibility</td> <td></td> <td></td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td></td> <td></td> </tr> </tbody> </table>		Unacceptable to take risks				Higher willingness to take risks							1	2	3	4	5	6	7	8	9	10	Reputation	█	█	█								Compliance	█	█	█								Financial	█	█	█								People and culture		█	█	█	█	█	█				Operational services		█	█	█	█	█	█				Major change activities				█	█	█	█	█	█		Environmental and social responsibility			█	█	█	█	█	█		
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Major change activities				█	█	█	█	█	█																																																																																											
Environmental and social responsibility			█	█	█	█	█	█																																																																																												
<p>Risk Assessment and Recording</p>	<p>The Risk Management Strategy enables the Council to deliver advanced risk practice by incorporating risk within service plans and encouraging the use of joint risk registers where possible for projects and partnerships.</p> <p>Currently, each service has an operational risk register to record day to day and service specific risks. Meanwhile at council level, the strategic risk register sets out the key strategic risks to be considered by East Renfrewshire Council</p>																																																																																																			

Area considered	Current Practice
	<p>and details the actions that management has put in place to manage these risks. The strategic risk register is reviewed weekly by the CMT.</p> <p>The risk assessment technique used to determining the severity of the risk is consistent across the Council.</p>
<p>Risk Ownership:</p> <p>Roles and responsibilities</p>	<p>Roles and responsibilities in risk management are described in the Council’s Risk Management Strategy, from Cabinet to individual employees, as illustrated in the following diagram:</p>  <p>The Risk Management Strategy (https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17458&p=0) contains a table summarising the roles and responsibilities in managing risk across the authority.</p>
<p>Monitoring and reporting:</p>	<p>The Risk Management Strategy includes risk reporting guidance and references tools available for the further information. One of these tools is the ALARM toolkit on how to complete a risk register. The Council continually monitors risk and reports are submitted to Audit & Scrutiny Committee twice yearly and annually to the Cabinet.</p>

Using the corporate Risk Management Strategy and Risk Assessment Technique, the following capital specific risk register summarises some of the risks relevant to the Capital Investment Strategy.

Risk ID#	Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (for review)	Risk Owner	Residual Risk Score
	Reputational	Insufficient catchment places available for children and young people as a result of new development results in reputational damage for the Council	Continue to lobby Scottish Government and discuss implications of future requirements. Develop engagement plan with key stakeholders. Education statutory consultation to be undertaken in advance.	Annually	Education Team	5
	Compliance	Difficulty in reporting, in full compliance with Codes and Guidance, due to late availability of guidance publications and unavailability of best practice examples	Valuable Council-wide exercise undertaken External support commissioned Ongoing monitoring of relevant publications and statements Attendance at relevant seminars and training courses	Ongoing	CFO	4
	Financial	Poor capital scheme forecasting leading to capital scheme overspends and higher revenue impact	Collaboration across all relevant support services with intelligence and data sharing Application of scenario and sensitivity approach to test forecasts and assumptions Performance and exception reporting linked to main reporting cycle	Quarterly	CMT/CAMG	8

266

	Financial	Poor capital programme management leading to slippage	<p>Strong management structure in place</p> <p>Robust governance and programme management in place</p> <p>Performance and exception reporting linked to main reporting cycle</p>	Quarterly	CMT/CAMG	9
	Financial	Adverse impact on General Reserves position	<p>Reserves Policy in place and reviewed at least annually</p> <p>Robust governance and programme management in place</p> <p>Reporting on reserve position on a regular basis</p>	Quarterly	CFO	6
	Financial	New development requirements (as a result of the Local Development Plan 2) require new school places resulting in additional educational infrastructure requirements, resulting in new financial commitment from the Council.	<p>Regular review of places and demand.</p> <p>Current capital plan reflects new build educational estate supplemented as appropriate by developer contributions, according to timescales and extent of provision noted in LDP (1), approved June 2015.</p> <p>Education/Environment have carried out a full review of demographic data to assist in forecasting future needs in terms of the school estate.</p> <p>Capital Plan regularly reviewed and updated to align with developments as they occur and reflect operational requirements.</p>	Quarterly	Education Team	8
	Financial	Proposed increase to 1,140 annual hours of flexible early learning and childcare (by 2020) or further changes	Multi-year revenue and capital funding announced by Scottish Government (SG)/COSLA (reflecting national population projections).	Quarterly	Education Team	8

		<p>require additional educational infrastructure requirements resulting in new financial commitment from the Council.</p>	<p>Report to Education Committee in June 2018 highlighted funding gap due to local population projections higher than national assumptions and recommended officers and elected members continue to lobby SG/COSLA to understand the impact of insufficient funding on quality, flexibility and choice for families.</p> <p>Infrastructure projects approved via the capital plan being progressed subject to the outcome of the planning permission process.</p> <p>Support new partner providers to establish high quality nurseries in areas where places are at a premium.</p> <p>Subject to funding, offer a further cohort of employees the opportunity to gain necessary qualification to work in Early Learning and Childcare sector.</p> <p>Invest in current and future playworkers by providing the opportunity to uplevel their qualifications to SVQ Level 3 or HNC equivalent.</p> <p>Work as part of an inter-authority partnership to develop clear guidelines on quality early learning and childcare provision.</p> <p>Continue to lobby SG/COSLA with regards to implications of funding being based on national rather than local population projections.</p>			
	Financial	Glasgow and Clyde Valley City Deal infrastructure	Continue to engage with partners to monitor and contribute to delivery as	Ongoing	Corporate Management	4

		projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits owing to 3rd party issues, resulting in a gap in funding provided by UK and Scottish Government	required. Explore opportunities for partnership delivery mechanisms where appropriate. Participate in City Deal Gateway Review		Team	
People and Culture	Failure to recruit / retain staffing resource to deliver the volume of ICT work / projects both underway and planned constrains delivery of ICT projects and specific pieces of work, impacting on delivery of services and morale of existing staff.	Continue to promote skills sharing. Continue to manage absence in line with corporate policy. Continue use of alternative resources e.g. external employment agencies are used and/or contracts. Maintain use of Capacity Grid internally, highlighting areas of concern which require corrective action. Skills Framework for the Information Age being introduced which will facilitate skills capture and planning. Renew framework contract to allow ICT to draw down additional ICT resources as required. Ensure scope within budgets to ensure that financial resources are available to obtain additional resource as required.	Ongoing	ICT Management Team	4	
Operational services	Reliance on the Council's single shared internet pipe across the Council results in lack of internet resilience for Council connectivity,	Use of JaNET connectivity managed by SWAN and part of national infrastructure. Proactive monitoring for alert &	Ongoing	ICT Management Team	4	

		potentially affecting delivery of operational services.	detection of problems to facilitate more proactive approach. Deliver second pipe through 2nd data centre delivery.			
--	--	---	---	--	--	--

Governance and Monitoring

Roles and responsibilities

The Chief Financial Officer will co-ordinate the annual updating of the Council's Capital Investment Strategy for approval in February each year, together with the Treasury Management Strategy and Prudential Indicators, prior to agreement of the revenue budget and capital plans.

The Corporate Management Team will review and update relevant strategies and influences as required by December each year.

The Corporate Asset Management Group will assess new capital proposals and any required changes to the current capital plan by October each year.

Cabinet will monitor progress against capital plans four times per year, with any changes being approved by Council.

Skills and training

Relevant professional staff will maintain up to date knowledge of capital issues by attendance at appropriate technical seminars (e.g. CIPFA training).

The Council's corporate procurement strategy sets out the process for all levels of projects and all projects over £50k are progressed in conjunction with procurement professionals through a full tender process.

All elected members will be offered capital, revenue and treasury management training as part of their induction, with refresher training normally offered every 2 years.

Capital Strategy Date for Review

The Capital Investment Strategy is intended as a 'living' document which is updated and refreshed in accordance with any changes in strategic influences and direction. The Strategy will therefore be updated on an annual basis, or as required.

Consultation and stakeholder engagement

All departments will be invited annually to submit proposals for inclusion in the Council’s Capital Investment Plans. These will then be reviewed by the Corporate Asset Management Group, Corporate Management Team and elected members.

Where appropriate (e.g. for major property developments or proposals to build on open space), stakeholder consultation will be carried out in addition to any statutory consultation requirements.

A handwritten signature in blue ink, appearing to be 'M. M. C.', with a long horizontal flourish extending to the right.

Signed: S95 Officer

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Asset Management Plan Summaries

Executive Summary

Asset management ensures that assets are administered in the best way to meet the needs of the organisation and ensure the delivery of its corporate goals and objectives. This Capital Asset Management Plan is about the long term broad plan for our assets to support corporate goals and objectives, derived from consideration of possible management options. The Capital Asset Management Plan serves to encapsulate that strategy and the key actions we will take to achieve our targeted outcomes.

Forward planning for assets is vital to secure best value for money:

- Time is needed to thoroughly formulate the Council's needs for assets and to translate those into sound proposals;
- It takes times to procure and deliver change in assets;
- Upkeep of assets can involve highly variable levels of expenditure that need to be forward planned; and
- Assets are expensive to provide and need to be used for the maximum time appropriate.

There are six services that are integral to the development of this Capital Asset Management Plan and the ongoing maturity of East Renfrewshire Council's asset management approach.

Property

Property is an extremely important asset to the Council, as it can have a significant impact on all the services that East Renfrewshire Council provides to local residents. The long term objective for property is to ensure that the Council has the right properties in the right place to ensure they are fully utilised and provide best value to East Renfrewshire. Although, current performance of property assets is good, it is not where the Council wants to be, and the actions within the document and the individual Property Asset Management will drive forward an approach to asset management that allows the Council to identify improvements, and increase the performance of the service in the long term. The latest Property AMP is for 2018-20 and has recently been approved by the Corporate Asset Management Group (CAMG) for reporting to Cabinet.

Roads

East Renfrewshire Council's roads service is dealing with a significant backlog of maintenance requirements and as roads is one of, if not the most valuable assets that the Council has, it is clear that a step change in the way it is managed is required to combat this issue. Future roads asset management will be focussed on creating an innovative approach to repairing backlog maintenance, and the order in which repairs are prioritised. The Council will ensure that it is a systematic approach that takes a long term view of areas such as lifecycle, maximising benefits, balancing demands and allocation of resources. THE Roads AMP, unlike the other AMP's in the Council's suite, is undertaken through a national reporting system. A large bid to address backlog issues for the years between 2019 – 2024 is currently awaiting Council approval.

Housing

There is a high pressure on housing stock across East Renfrewshire, this present the Council with a key area for focus. Asset management techniques and processes will be embedded into Housing service delivery to maintain and improve current core stock, as well as enabling decision making for new homes across the area. Furthermore, East Renfrewshire Council will continue to make strong developments in ensuring all housing stock is at optimal levels of energy efficiency.

The objectives of the Housing Asset Management plan are as follows:

- Ensure reliable stock condition information and thereby permit accurate level of EESSH compliance;
- Establish the level of investment required to achieve and maintain EESSH;
- Assess the make-up of the best portfolio required to deliver the Housing Service and meet housing need;
- Maximise efficiency of service delivery, ensuring that assets used for service delivery are fit for purpose;
- Improve stakeholder involvement and satisfaction with the provision of service;
- Ensure compliance with all statutory, legislative and regulatory requirements;
- Develop and implement programmes for energy efficiency initiatives that will deliver long term and sustainable energy use; and
- Develop and implement a planned maintenance and improvement programme that will maintain the assets to a good standard.

The current Housing Services AMP will be reported to Cabinet in February 2019, for the years between 2019-23.

ICT

Investment in ICT assets is prioritised to enable the delivery of all ODP Outcomes and to ensure that the Council is modern and ambitious. The Councils focus will now be on how digital technology can improve outcomes for customers, particularly in big spend areas such as Education and Social Care. The Council will need to embrace and utilise new technologies to gather data that will enable decision making for quicker responses and the support of those who cannot access digital technology easily.

The goals of ICT Asset Management are:

- To acquire appropriate ICT assets for the Council with minimum costs and maximum benefits

- To optimise the use of each ICT asset during its life
- To dispose of ICT assets when they no longer provide a benefit compared to the cost to maintain them
- To support ICT asset compliance with relevant standards
- To provide the information needed for internal and external requirements

The ITC AMP spans from 2018-20.

Fleet

East Renfrewshire Council has an extremely high performing fleet management service, continually performing outstandingly well against other UK authorities at APSE benchmarking data level. In the long term the Transport Service wishes to focus on building a wider role for fleet management, to ensure the continued success of the department, particularly concentrating on lower costs and reduced emissions. Furthermore, succession planning will play a large part in the performance of the service over the next 5 years.

The current Fleet AMP, as approved by Cabinet runs between 2018-2020.

Open Spaces

Open Spaces is a combination of local parks and outdoor access areas such as Dams to Darnley and Whitelee Wind Farm. Green and Open spaces area an important part of making East Renfrewshire an attractive place to live and providing a healthy and active lifestyle.

Rouken Glen Park continues to be developed as one of Scotland's most loved parks, and continues to win awards and accolades, being named Best Park in the UK 2016. Continued investment is required to ensure that parks and open spaces are improved and provide a diverse range of visitor opportunities across the area.

The corporate objectives for Open Spaces are:

- Provide a variety of opportunities for residents and visitors to exercise, learn and enjoy
- Provide a well-managed, accessible, attractive environment
- Focus on the needs of users and the community, and encourage their active involvement in the management of our land asset.

The OSAMP also includes information on woodland management, play areas and cemeteries.

Asset management for open spaces will be focused on developing a common and consistent approach to management, maintenance, operation and delivery across the services.

The current Outdoor Space AMP was approved by Cabinet in April 2018, and straddles the years 2018-2020.

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Capital Project Appraisal Form

Project Title: _____

Capital Project Business Case

Section 1: Project Details & Objectives

1.1 Project Title:

1.2 Project Reference:

1.3 Project Description:

Please provide a brief description of the project. This should include the project objectives, physical outcomes (deliverables) of the project, estimated start and completion dates, and the benefits of undertaking this project to both East Renfrewshire Council and the wider community:

1.4 Sponsoring Service:

1.5 Service Lead Officer:

1.6 Project Purpose/Need:

1.7 Impact if the Project is not Undertaken (Service Risks)



Capital Project Business Case

Section 2: Link to Council SOA, 5 capabilities, vision and values and Asset Management Plan

2.1 Relationship with Council Plan:

This section is to be used to identify the main strategic objectives which the project will satisfy. Full definitions of these Corporate objectives are detailed in the current SOA.

From the lists below please identify the relevant links to the Council’s priorities:

Link to SOA Themes		Link to 5 capabilities		Applicant to advise on links to current Plans & Strategies

Provide full details of the positive impact this project will have against the SOA, 5 capabilities and current Council policies and strategies:

Single Outcome Agreement and Outcome Delivery Plan:

5 Capabilities:

Current Council Policies.

2.2 Link to Asset Management Plan:

This section should be used to demonstrate any link between the outcome of the Asset Management Planning (AMP) process and the proposed capital investment.

2.3 Assessment Criteria:

Please provide details of how the project fits in with the following assessment criteria:	
How does the project improve/enhance assets?	
Is the project required to fulfil a statutory obligation, Health & Safety, or legal requirement and if so, what reasons?	
Will the project lead to increased efficiency and/or reduced revenue running costs and if so, please provide details? If there are ongoing revenue implications, please identify.	
Are there any other factors not covered by the above which need to be taken into account?	

Capital Project Business Case

Section 3: Project Financial Details and Delivery Schedule

3.1 Project Delivery Schedule:

Milestones	Timescales
Project Development Phase: (surveys & analysis)	
Construction Phase: (all subject to funding & procurement)	

3.2 Project Implementation Costs – Capital Expenditure (excluding Revenue - £000):

Financial Year	Purchase of site	Site prep	Fees	Build costs	Equipment / Furniture	IT costs	Demolition of old site	Other costs	Total
Pre 2018/19									
2019/20									
2020/21									
2021/22									
Total									

3.3 Impact on the Council Revenue Budget:

Please provide details of any potential impact on the Council's Revenue budget:

Capital Project Business Case

Section 4: Options Appraisal

4.1 Options Appraisal:

A concise summary of the options considered should be detailed below.

Number	Options considered	Comments
1		
2		
3		
4		

This section to be completed, assessed and scored by the Capital Asset Management Group

Capital Project Business Case

Section 5: Evaluation Criteria / Scoring

5.1 Relationship with Council Priorities:

Consider outcome that the proposed scheme contributes to and score accordingly	Score
Very Low – no real impact	1
Low – some impact	2
Medium – a noticeable contribution	3
High – a significant contribution	4
Very High – a major contribution	5

5 Capabilities	Score	Comments
Prevention		
Modernisation		

Engagement		
Digital		
Data, Evidence and Benchmarking		

Single Outcome Agreement	Score	Comments
1. SOA 1 All children in East Renfrewshire experience a stable and secure start to their lives and are supported to succeed.		
2. SOA 2 East Renfrewshire Residents are fit and active and have the skills for learning, life and work.		

<p>3. SOA 3</p> <p>East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses to grow.</p>		
<p>4. SOA 4</p> <p>East Renfrewshire residents are safe and supported in their communities and homes.</p>		
<p>5. SOA 5</p> <p>Older people in East Renfrewshire are valued; their voices are heard and they are supported to enjoy full and positive lives for longer.</p>		

<p>Link to other Policies and</p>	<p>Score</p>	
--	---------------------	--

priorities		

5.2 Asset Management

Where proposals affect existing assets the relevant Asset Management Plan should be consulted.

Outcome	Score	Comments
Total Score to Summary =		

5.3 Summary

No	Evaluation Criteria	Score	Weighting	Weighted Score
5.1	Relationship with Single Outcome Agreement			

5.2	Relationship with 5 Capabilities			
5.3	Relationship with Asset Management Plan			
	Total:			

Please ensure all relevant persons verify the information contained on the Business Case, and sign/date where appropriate.

5.4 Verification of accuracy and relevance of Bid Paper

By signing below, you are confirming (to the best of your knowledge) the accuracy of details included within this Capital Project Business Case. This includes:

- Accuracy of costs (at 2018/19 prices or beyond if appropriate)
- Revenue implications
- Project impact
- Relationship with SOA, 5 capabilities and Asset Management Plans

	Signature	Date
Property Representative		
Service Representative		
Finance Representative		

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Organisations approved for the investment of surplus funds

Banking Group	Individual Counterparty	Limits Deposit	Transaction
Bank of England	Debt Management Office UK Treasury Bills	£5m £5m	£5m £5m
Barclays Banking Group	Barclays Bank	£5m	£5m
Goldman Sachs International Bank		£5m	£5m
Lloyds Banking Group:	Bank of Scotland Lloyds Bank	} £10m	£10m
Royal Bank of Scotland Group:	Royal Bank of Scotland National Westminster Bank	} £5m	£5m
Santander Group	Santander UK PLC	£5m	£5m
Standard Chartered Bank		£5m	£5m
Clydesdale Bank		£0	£0
Building Societies			
Nationwide		£5m	£5m
Local Authorities			
All Local Authorities including Police & Fire		£5m	£5m
Money Market Funds and Ultra-Short Dated Bond Funds			

Maximum limit of £5m per fund, exception being Federated with £35m £5m
a maximum of £10m

Credit Ratings

	Fitch		Moody's		S&P	
	LT	ST	LT	ST	LT	ST
Minimum Criteria	A-	F1	A3	P-1/P-2	A	A-1/A-2

(Unless Government backed)

(please note credit ratings are not the sole method of selecting counterparty)

Limit

Investment of surplus funds is permitted in each of the above organisations, with the limits set on an individual basis by the Head of Accountancy (Chief Financial Officer).

The limit may only be exceeded or another organisation approved with the written permission of the Head of Accountancy (Chief Financial Officer).

Deposit Periods

The maximum period for any deposit is currently set at 6 months, based on the Link Assets Services suggested Duration Matrix, with the exception of the Bank of Scotland which is set at 365 days. These limits can only be exceeded with the written permission of the Head of Accountancy (Chief Financial Officer).

Hub scheme deposit periods are dependent on the lifetime of the associated scheme.

Risk Management Process

Risk Scoring Mechanism

A scoring chart and key is illustrated below:

Likelihood	4				
	3				
	2				
	1				
		1	2	3	4
		Impact			

Risk Score	Overall Rating
11-16	High RED
5-10	Medium YELLOW
1-4	Low GREEN

Roles and Responsibilities

The responsibility for managing risks lies with all members of the organisation and is summarised in the table below:

Group	Role
Cabinet (Reporting <i>Annually</i>)	Oversee the effective management of risk throughout the council, and gain an understanding of its benefits.
Audit and Scrutiny Committee (Reporting <i>Quarterly</i>)	Provide independent assurance of the risk management process and its benefits. To be informed of the key risks facing the Council and the control measures which have been put in place to mitigate those risks.
Corporate Management Team (Reporting <i>Annually</i>)	Oversee the implementation of the risk management strategy and agree any inputs and resources required supporting the work corporately. Support the development of the risk management process, review the strategic risk register regularly, share experience on risk, and aid/advise in the review of risk management issues.
Corporate Risk Management Group (Reporting <i>Bi-annually</i>)	Champion the risk management process throughout the council with both Members and officers ensuring the process is embedded and effective. The role of the departmental representative on the Corporate Risk Management Group is outlined in Appendix 1 of this strategy.
Service Managers	Raise awareness, manage and implement the risk management process effectively in their services areas, attend risk management training and recommend any necessary training for employees on risk management. To produce and review risks relating to the delivery of targets and activities within their service plans.
Employees	Manage risk effectively in their jobs, liaising with their manager to assess areas of risk in their job. Identify new or changing risks in their job and feed these back to their line manager.

Risk Reporting

The following table summarises the risk reporting and monitoring processes in place, along with associated timescales.

Timeframe	Description	Involvement from	Reported to
Weekly	Review of the strategic risk register	Corporate Management Team	Internally (keep live register of risks)
Biannually (November and May)	Risks related to service delivery (within service plans)	Chief Executive and Directors	Chief Executive (meetings)
Biannually (April and September)	Review of the strategic risk register	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Cabinet (annually) and Audit and Scrutiny Committee (biannually)
Biannually (February and August)	Progress on risk management	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Audit and Scrutiny Committee
Every 3 years	Review of the risk management strategy and process document to identify and agree major changes	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Cabinet and Audit and Scrutiny Committee

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Action Plan

APPENDIX E

Strategic Influences – action plan

Action	Why is this required?	Responsibility	Timescale
Monitor Scottish Government housing policy activity and update the Capital [Investment] Strategy to address any resulting challenges and opportunities.	It is important for the Council to continually monitor Scottish Government housing policy activity to inform the Local Housing Strategy, the Capital [Investment] Strategy and future Local Development Plans. This is particularly important for the planning of future school places.	Director of Environment/Director of Education	February 2020
Liaise closely with local Health Board partners to identify initiatives requiring new capital investment or facilitating joint development.	Integration of health and social care services continues to increase with plans to further shift the balance of care and deliver more cost effective community services.	Chief Officer, IJB	February 2020
Liaise closely with regional initiatives associated with City Deal so as to reflect any challenges and opportunities in Council capital planning.	Joint development of economic growth and improved service delivery vehicles is becoming more prevalent and can deliver new initiatives in an efficient and economical manner.	Director of Environment/Director of Education	February 2020

Strategic Outcomes – action plan:

Action	Why is this required?	Responsibility	Timescale
Keep under review, particularly as LDP2 is developed.	As the Council's Local Development Plan is currently under review there are likely to be several significant changes required to	CMT	February 2020

Action	Why is this required?	Responsibility	Timescale
	future capital investment plans.		

Capital investment ambition gap – action plan

Action	Why is this required?	Responsibility	Timescale
Review Developer Contribution policy	To ensure adequate contribution to new schools/community infrastructure as a result of increased housebuilding.	Director of Environment	February 2020
Closely monitor progress on capital projects and identify/rectify delays or overspends.	Projects should be kept to planned phasings as far as possible to align with financial and staffing resource plans and to ensure benefits re promptly delivered.	Corporate Management Team /Head of Property (?)/ Head of ICT	Ongoing
Continue to consider allocation of any in year revenue underspends to capital and other reserves	Such allocation would reduce the need for new borrowing and thus ease pressures on future revenue budgets.	Chief Financial Officer	February 2020
Continually review opportunities to lobby Scottish Government and/or partners for support with capital schemes	Existing grant funding levels and constrained revenue budgets do not align with the Council's capital investment ambitions.	Corporate Management Team	Ongoing

Risk Management Action Plan

Action	Why is this required	Responsibility	Timescale
Refresh and review specific capital risks as the Capital Investment Strategy is updated	To ensure that the Capital Investment Strategy is consistent with corporate risk management practices and that stakeholders are aware of how capital	CMT/CEO Business Manager	As and when the Capital Investment Strategy is updated and at least

Action	Why is this required	Responsibility	Timescale
	specific risks are aligned with ambitions as set out in the Capital [Investment] Strategy		annually

Evaluation process – action plan

Action	Why is this required?	Responsibility	Timescale
Review criteria for evaluation of CPAs to ensure aligns with Council priorities	Council updates its objectives and priorities and CPAs must reflect these.	CMT/CAMG	August 2019

Governance and monitoring – action plan

Action	Why is this required?	Responsibility	Timescale
Review and update the Capital Investment Strategy	To continually refresh the Strategy in line with evolving strategic influences and delivery of the capital investment plan	Leadership team	Annually / as required

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