

**Business Operations and Partnerships Department**

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Date: 10 March 2023

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TO: Councillors O O'Donnell (Chair); A Anderson (Vice Chair); D Devlin and K Pragnell.

**CABINET**

A meeting of the Cabinet will be held in the Council Chambers, East Renfrewshire Council Headquarters, Eastwood Park, Giffnock on **Thursday, 23 March 2023 at 10.00am.**

The agenda of business is as shown below.

**Louise Pringle**

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DIRECTOR OF BUSINESS OPERATIONS & PARTNERSHIPS

**AGENDA**

1. **Report apologies for absence.**
2. **Declarations of Interest.**
3. **Non-Domestic Rates – Empty Property Policy – Report by Director of Business Operations and Partnerships (copy attached, pages 3 - 14).**
4. **Debt Recovery Policy – Report by Director of Business Operations and Partnerships (copy attached, pages 15 - 36).**
5. **Trading Under Best Value – Report by Head of Accountancy (Chief Financial Officer) (copy attached, pages 37 - 48).**
6. **Proposed Lease, Former Cowan Park Gate Lodge, Darnley Road, Barrhead – Report by Director of Environment (copy attached, pages 49 - 58).**
7. **East Renfrewshire Council City Deal Programme Update – Report by Director of Environment (copy attached, pages 59 - 78).**

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EAST RENFREWSHIRE COUNCIL  
CABINET

23 March 2023

Report by Director of Business Operations and Partnerships

NON-DOMESTIC RATES - EMPTY PROPERTY POLICY

**PURPOSE OF REPORT**

1. To provide an update on Non-Domestic Rates and devolution of Empty Property Relief to Local Authorities, and bring forward a new Empty Property Relief Policy for approval.

**RECOMMENDATIONS**

2. Council is asked to:
- a) Note the changes introduced by the Scottish Government to devolve the setting of Empty Property Relief to Local Authorities from 1<sup>st</sup> April 2023;
  - b) Approve the Non-Domestic Rates – Empty Property Relief policy at Appendix 1, which retains the “status quo” for the 2023/24 year;
  - c) Approve a review of reliefs in 2023, including consultation on potential change to reliefs, which would be brought back for Cabinet approval and take effect in the 2024/25 year.

**BACKGROUND**

3. Non-domestic Rates (NDR), often referred to as business rates, are levied on non-domestic properties, subject to statutory exemptions and reliefs. The NDR framework for Scotland is devolved to the Scottish Parliament and Scottish Government, and although broadly similar, is different in detail from arrangements in the rest of the UK.

4. A number of reliefs are available for certain types of property under current Scottish legislation, some reliefs are mandatory (i.e. they must be awarded) and some are discretionary (i.e. local authorities have discretion whether to award or not).

5. Currently, Empty Property Relief (EPR) is mandatory, and therefore all Scottish local authorities follow the same regulations with a consistent approach to the awarding of this type of relief throughout the country. There are various pieces of legislation related to this area, being sections 24 to 25 of the Local Government (Scotland) Act 1966, the Non Domestic rating (Unoccupied Property) (Scotland) Regulations 1994, the Non Domestic Rating (Unoccupied property) (Scotland) regulations 2018 and section 3A of the Local Government (Financial Provisions etc.) (Scotland) Act 1962.

6. From 1<sup>st</sup> April 2023, EPR will be devolved to Scottish local authorities and each Council will decide in what circumstances, and for how long, they will award empty property relief. Local Government Revenue funding will be adjusted to reflect the devolution of EPR.

## REPORT

### Rationale for the change

7. There are two key aims in devolving EPR to Scottish Local Authorities. One is to give councils additional fiscal flexibility, with councils able to adjust reliefs and generate revenue to invest in regenerating local economies. The other is to stimulate the occupation of long-term empty properties, many of which are in high profile sites such as town centres.

8. East Renfrewshire has a relatively small business caseload, with just over 1,800 properties listed in the Valuation Roll. 162 properties are currently empty and subject to relief. There is therefore less scope for the Council to deliver substantial benefits from this change (see paragraph 9) as compared to other councils.

### Policy options

9. There are 2 key options available to East Renfrewshire Council:

- Transition all reliefs as they are and make no changes
- Review the reliefs and make changes. If more relief is provided this would have to be funded directly by the Council, but if less relief is provided the increased income can be retained by the Council.

10. The level of reliefs over the past 5 years have varied from £210k in 2018/19 to £124k in 2022/23. Due to the Covid-19 pandemic, reliefs in recent years have varied as a significant level of temporary reliefs were introduced to support businesses at that time. The following table shows the empty property reliefs at February 2023:

Type of Relief	Number of properties	Value of relief (£)
Empty Property Relief 10%	33	13,828
Empty Property Relief 50%	20	7,625
Industrial Empty Relief 10%	6	1,315
Industrial Property 100%	6	4,979
Insolvency 100%	2	349
Listed Building 100%	21	86,703
Rateable Value Less Than Limit 100%	74	9,606
<b>Total</b>	<b>162</b>	<b>124,405</b>

11. It is understood through the Institute of Revenues Rating and Valuation (IRRV) that many councils may retain the “status quo” during 2023/24 to allow the transition to take place. Our neighbouring council, Renfrewshire who also administer NDR on behalf of East Renfrewshire Council, are following this approach, with one change which will reduce listed buildings relief from 100% to 10% during 2023/24.

12. Officers from Renfrewshire and East Renfrewshire Council have worked closely on this matter, recognising the importance and opportunities that this change can deliver, particularly to bring empty buildings back into use. For ease of administration, to limit scope for error and to minimise the cost to each council, it would be preferable for both councils to have the same policy. However, it is recognised that consultation on any change to these reliefs would be required prior to a change to reliefs to ensure that all options, issues and potential impacts have been considered. It is therefore proposed that East Renfrewshire Council transition all reliefs with no change for 2023/24 and that further engagement is undertaken on future potential changes to reliefs, including looking first at listed buildings, with a view to bringing back a revised Policy later in 2023 for Cabinet approval prior to implementation of changes for 2024/25.

## **FINANCE AND EFFICIENCY**

13. Funding available from Scottish Government to fund EPR will be provided through Local Government Revenue funding based on historic levels of relief awarded. There is potential to generate a financial benefit for East Renfrewshire Council through a review of reliefs for 2024/25, however there is a risk that future grant levels from Scottish Government related to EPR will be amended to reflect local policy decisions.

## **CONSULTATION**

14. Consultation with Environment Team (Economic Development & Estates), Accountancy and Legal has taken place as well as extensive discussion with colleagues in Renfrewshire Council and other Scottish Councils through the IRRV. As part of the next stage of development, consultation would need to be undertaken with local businesses that could potentially be affected by any future change to policy. This will be undertaken prior to development of new policy proposals for 2024/25.

## **PARTNERSHIP WORKING**

15. NDR is administered by Renfrewshire Council on East Renfrewshire Council's behalf. Any change to policy will be reflected in the SLA that governs this arrangement.

## **IMPLICATIONS OF THE PROPOSALS**

16. An Equality Fairness and Rights Impact Assessment (EFRIA) will be carried out to inform any future policy proposals.

## **CONCLUSIONS**

17. Following a change to Scottish Government regulations, local authorities are required to develop their own policies for Empty Property Relief from 1 April 2023. Given the short timescales for preparations and engagement, it is recommended that the Empty Property Reliefs currently in place in East Renfrewshire will transition across with no change effective from 1st April 2023. Any potential changes to reliefs will be subject to consultation for consideration by Cabinet at a future meeting, with potential to implement a new policy for 2024/25.

## **RECOMMENDATIONS**

18. Council is asked to:

- a) Note the changes introduced by the Scottish Government to devolve the setting of Empty Property Relief to Local Authorities from 1<sup>st</sup> April 2023;
- b) Approve the Non-Domestic Rates – Empty Property Relief policy at Appendix 1, which retains the “status quo” for the 2023/24 year;
- c) Approve a review of reliefs in 2023, including consultation on potential change to reliefs which would be brought back for Cabinet approval and take effect in the 2024/25 year.

**REPORT AUTHOR**

Alison Ballingall, Senior Revenues Manager, [Alison.ballingall@eastrenfrewshire.gov.uk](mailto:Alison.ballingall@eastrenfrewshire.gov.uk)

Louise Pringle, Director of Business Operations & Partnerships



# **Non-Domestic Rates – Empty Property Relief Policy**

**Draft February 2023**

Approved: To be considered by Cabinet 23/3/23

Owner: Alison Ballingall, Senior Revenues Manager

Version: 1, February 2023

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## 1. Introduction & Context

East Renfrewshire Council's vision is to be a modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better.

We work together with our partners to achieve the best outcomes for our 95,000 residents in terms of early years and vulnerable young people; learning, life and work; the economy and environment; to deliver safe and supportive communities and for older people and people with long term conditions.

For the purposes of this policy, Outcome 3 – East Renfrewshire is a thriving, attractive and sustainable place for business and residents and our Efficiency outcome (Our physical, information and financial assets are efficiently managed) are most relevant.

We achieve these outcomes by focusing on 5 capabilities: prevention, empowering communities, data, modernisation and digital.

And in everything we do, we seek to live by our values of Ambition, Kindness and Trust.

## 2. Background

### 2.1 Non-Domestic Rates

Non-domestic rates (NDR), often referred to as business rates, are levied on non-domestic properties, subject to statutory exemptions and reliefs. The NDR framework for Scotland is devolved to the Scottish Parliament and Scottish Government, and although broadly similar, is different in detail from arrangements in the rest of the UK. A number of reliefs are available for certain types of property nationally under current Scottish legislation, some reliefs are mandatory (i.e. they must be awarded) and some are discretionary (i.e. local authorities have discretion whether to award or not).

This policy relates to the Empty Property Relief aspect of NDR.

East Renfrewshire has a relatively small business caseload, with just over 1,800 properties listed in the Valuation Roll (at February 2023). 162 properties are currently empty and subject to relief.

NDR is administered for East Renfrewshire Council by Renfrewshire Council.

#### 2.1. Empty Property Relief

2.1.1. Prior to 1 April 2023, Empty Property Relief was mandatory and fully funded by the Scottish Government through the Local Government Settlement.

2.1.2. During 2019/20 budget discussions, the Scottish Government committed to the devolution of empty property relief on 1 April 2023, with 2 key aims:

- To give councils additional fiscal flexibility, to adjust reliefs and generate revenue to invest in regenerating local economies;
- To stimulate occupation of long-term empty properties.

2.1.3. Empty Property Relief (EPR) provides certain rates relief on unoccupied non-domestic properties.

**2.2. Devolution of Empty Property Relief**

2.2.1. Local authorities have powers contained in section 3A of the Local Government (Financial Provisions etc.) (Scotland) Act 1962 to award discretionary local reliefs. Such reliefs are funded by councils and could be used to offer relief in full or in part for empty properties from April 2023.

**3. Policy Purpose & Objectives**

**3.1. Purpose:**

3.1.1. The purpose of this policy is to:

- Specify the Council's position in relation to the awarding of relief for empty non-domestic properties
- Detail the appropriate reliefs applicable for all categories of empty non-domestic properties.
- Provide a supporting measure to help bring empty properties back into economic use

**3.2. Policy Objectives**

3.2.1. The objectives of this policy are to:

- To allow property owners a window to achieve reoccupation of property without the burden of a full Non-Domestic Rates charge on a property which has become unoccupied.
- Offer an (immediate) incentive for owners of empty non-domestic properties to invest in / dispose of / consider the building's future recurring financial liabilities for them as an owner.
- Minimise to an optimum level the number of derelict non-domestic properties in East Renfrewshire.
- Generate additional economic activity in East Renfrewshire by incentivising the marketing of properties to attract at rental charge which as a minimum covers the non-domestic rates charge

### 3.3. Policy Risks

- Owners may seek to demolish their property or render it unoccupiable as a result of not being willing / able to pay NDR.
- Any future increase in the value of reliefs awarded may exceed government funding, although this will be partly mitigated by the removal of indefinite listed building relief. Additionally, any risk of shortfall would also increase where the level of grant from Scottish Government related to Empty Property Relief is amended to reflect local policy decisions.

## 4. Empty Property Relief – Unoccupied Properties

### 4.1. Awarding defined relief

- 4.1.1. Unoccupied industrial property is eligible for 100% relief for the first six months since becoming unoccupied, and 10% thereafter.
- 4.1.2. Other (non-industrial) unoccupied non-domestic property is eligible for 50% relief for the first three months since becoming unoccupied and 10% thereafter.
- 4.1.3. Any property part way through a defined period of relief as at 1 April 2023, awarded under the previous legislative framework, will continue to receive the relief awarded until the appropriate end date is reached i.e., six months for an industrial property and three months for other properties.

### 4.2. Awarding indefinite 100 % Relief

- 4.2.1. 100% relief is provided indefinitely for unoccupied properties which meet any of the following criteria:
  - listed building
  - rateable value is under £1,700
  - owned by a trustee for sequestration, liquidation or executors
  - cannot be occupied by law
  - under a compulsory purchase order
  - the property has no buildings i.e., it comprises of empty land
  - the owner is in administration (or subject to an administration order)
  - the owner is a company or partnership being wound up

**5. Dispute Process**

**5.1. Appeals**

5.1.1. An appeal can be made on the grounds that the rates charged have been incorrectly calculated. All appeals must be made within 28 days of the date on the notice by writing to the Director of Business Operations & Partnerships.

5.1.2. Where an appeal is received and is wholly in relation to the award of relief for an unoccupied property, a Senior Officer will review the case and respond to the appellant to explain that reliefs are non-legislative and that a local policy is in place.

5.1.3. If the appellant wishes to progress the appeal thereafter, a senior officer will make a submission to the NDR Appeal Panel.

**5.2. Complaints**

5.2.1. Any complaints received concerning this policy will be logged, investigated and responded to in accordance with the Council’s Complaints Handling Procedure.

**6. Debt Recovery Action**

6.1.1. The Council’s normal recovery action will be taken, where appropriate.

**Ownership and Control**

Owner:	Alison Ballingall, Senior Revenues Manager
Review date:	Ongoing and minimum formal review every 5 years
Updates and Changes:	Version 1, February 2023

EAST RENFREWSHIRE COUNCILCABINET23 March 2023Report by Director of Business Operations and PartnershipsDEBT RECOVERY POLICY**PURPOSE OF REPORT**

1. To provide an update on debt recovery and bring forward an updated debt recovery policy for the charges administered by the Revenues Service. This covers Council Tax, Non Domestic Rates, Sundry Debt charges, ERCLT charges and Housing Benefit Overpayments.

**RECOMMENDATIONS**

2. Council is asked to approve the revised Debt Recovery Policy for Council Tax, Non Domestic Rates, Sundry Debt charges, ERCLT charges and Housing Benefit Overpayments.

**BACKGROUND**

3. East Renfrewshire Council has a statutory duty to collect debts owed. As reported to Council in December 2022, collection of debts such as Council Tax debt is a complex area, with many considerations and at times contradictory requirements. There are various frameworks which outline the Council's approach, such as the income management strategy and the debt recovery policy. Internal Audit identified that the existing Business Operations & Partnerships debt recovery policy required review and update and a commitment was made to implement a new policy for 2023/24.

4. As with all other councils, East Renfrewshire is are facing considerable cost challenges, gaps in funding, with potential reduction in services for future years. It is therefore critical to maximise the recovery of debt (income) which is due to the Council and the application of a clear and effective Policy, supported by underlying procedures, will facilitate this.

5. East Renfrewshire Council has a range of debt types and recovery methodologies available. The purpose of this policy is to provide information on how East Renfrewshire Council's Revenues Service will seek to manage and recover debt which is due to the Council. This policy specifically focuses upon the following income streams:-

- Council Tax Charges and Arrears
- Non Domestic Rates Charges and Arrears
- Sundry Debt Charges and Arrears
- East Renfrewshire Culture and Leisure Trust (ERCLT) Charges and Arrears
- Housing Benefit Overpayments

6. Debts which are excluded from this policy document include, but are not limited to Housing, Commercial Rents and School Meals Debt. Separate policies currently exist for these within services across the Council. Moving forward where possible, we will look to

consolidate this to further strengthen the collaborative approach taken across all council service ERC areas, providing for consistent and commensurate recovery practices being applied.

7. In the meantime, this Policy provides a clear, fair and transparent framework for recovery, while at the same time recognising that each debt case requires to be looked at and considered on an individual basis, to ensure the recovery action is appropriate and commensurate with the circumstances of both the debt and the customer. Throughout this process, working in conjunction with the Money Advice and Rights Team (MART) and ERC Citizens Advice Bureau (CAB) is key.

8. Debt Recovery Policies and Procedures vary across other councils, however from a sample selected the general principles and approach are consistent with the revised policy set out here. Other external sources for example, the Cosla Response to Social Justice and Social Security Committee (November 2022) and Collaborative Council Tax Collection paper of May 2022 have also been considered.

## REPORT

9. The following sets out the key elements of the revised policy:

- The overall theme of the Policy has been designed to ensure the right balance between the need to recover outstanding debt which is owed to the Council, to help ensure the continued provision of goods and services to local residents, while at the same time recognising our customers may be experiencing financial hardship and/or be in a vulnerable position;
- Emphasises the need to work and collaborate in particular with MART and CAB to ensure the necessary support, guidance and advice to customers is available, with the ultimate aim of breaking the customer's cycle of debt;
- Incorporates clear aims and principles which must be adhered throughout the recovery process, ensuring these are aligned to Council values;
- Provides clear definition of the different Debt Types, the framework for recovery and forms of diligence available, noting individual procedural matters will be dealt with at Departmental level;
- Includes a range of payment methods available and subject to debt type, monetary value and individual circumstances, considerations for Payment arrangements;
- Sets out the Debt Remedies which are available, while ensuring both Statutory and Legal requirements are adhered to;
- At all times sound recovery management practices will be applied, specifically seeking to engage with customers as much as possible to achieve realistic and achievable solutions;
- Core housekeeping elements are met including Reporting, Write Off and Data Management.

10. Much of this policy is set out in statute and legal obligation, the Council has little choice about how to apply these directions. **The main change to the policy is to align debt recovery procedures with supporting actions that can be taken in extenuating circumstances to support people experiencing severe financial hardship.**

## FINANCE AND EFFICIENCY

11. There are no specific financial implications arising from this report, however it should be noted that this policy is an important component in the Council's drive to maximise income collection and minimise sums written off. The Policy is intended to set out a clear and defined



approach to assist with maximising the recovery of outstanding debt and income due to East Renfrewshire Council.

## **CONSULTATION**

12. Legal, Audit, Accountancy and MART have all been engaged as part of Policy review. As outlined at point 6 of Background section, papers and documents produced and available from various external bodies and parties have been considered while developing the Policy.

## **PARTNERSHIP WORKING**

13. There is already a close working relationship between Revenue Services, MART and CAB and this will be integral moving forward. Revenue Services also form part of wider external forums where relevant discussion on approaches, best practices etc. take place. For example the Institute of Revenues, Rating and Valuation [IRRV]).

## **IMPLICATIONS OF THE PROPOSALS**

14. The Council faces two contradictory requirements: firstly to ensure that our statutory duties are fulfilled following national processes, income collection maximised and debt minimised; and secondly a duty to do everything possible to support vulnerable customers. Given the Council's budgetary pressures the first is a priority and, given the wider cost of living crisis, so too is the second. These are not always easy duties to reconcile.

15. An Equality Fairness and Rights Impact Assessment (EFRIA) has been completed and published. Much of this policy is set out in statute and legal obligation. The main change to the policy is to align debt recovery procedures with supporting actions that can be taken in extenuating circumstances to support people experiencing severe financial hardship.

## **CONCLUSIONS**

16. Income maximisation and the maintenance of the Council's high council tax and non-domestic rates collection levels sit at the heart of this policy. However, it is important also that the Council and its partners find ways to support our more vulnerable members of our local communities and support them on the journey to more sustainable financial circumstances.

17. In conclusion the Debt Recovery Policy requires updating to:-

- Provide clear instruction and guidance;
- Provide consistency and transparency;
- Reflect current and future social and economic factors;
- Allow for recovery of income to be maximised.

## **RECOMMENDATIONS**

18. Council is asked to approve the revised Debt Recovery Policy for Council Tax, Non Domestic Rates, Sundry Debt charges, ERCLT charges and Housing Benefit Overpayments.

**REPORT AUTHOR**

Alison Ballingall, Senior Revenues Manager, ([Alison.Ballingall@eastrenfrewshire.gov.uk](mailto:Alison.Ballingall@eastrenfrewshire.gov.uk))

Director: Louise Pringle, Director of Business Operations and Partnerships

Report Date: 28 February 2023

**BACKGROUND PAPERS**

- Council Tax Collection, Council 14 December 2022
- Collection of Council Revenues – Debt Recovery Policy, Cabinet 16 June 2016



# Debt Recovery Policy

March 2023

Approved: TBC – Draft to Cabinet March 2023

Owner: Alison Ballingall, Senior Revenues Manager

Version: 1

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## Introduction

The purpose of this policy is to provide information on how East Renfrewshire Council's Revenues Services Teams seek to manage and recover debt which is due to the Council, but which has not been paid. East Renfrewshire Council has a wide range of debt types, with this policy specifically focussing upon the following income streams:-

- Council Tax Charges and Arrears
- Non Domestic Rates Charges and Arrears
- Sundry Debt Charges and Arrears
- East Renfrewshire Culture and Leisure Trust (ERCLT) Charges and Arrears
- Housing Benefit Overpayments

Debts which are excluded from this policy document include, but are not limited to Rents and School Meals Debt. Separate Policies currently exist for these and moving forward where possible, we will look to consolidate this to further strengthen the collaborative approach taken across all Council service areas, providing for consistent and commensurate recovery practices being applied.

As highlighted above, the Council has different income streams and recovery of these may be governed by legislation, statutory obligations or sound principles of debt management. Residents and Businesses (collectively referred to as customers) within East Renfrewshire have a responsibility to pay for services and goods they receive and Revenues Services is committed to maximising recovery of debt due, to help protect provision of these public services.

The policy is also designed to outline the approach, support, guidance and advice both undertaken and available to customers where they may be facing financial hardship or in a vulnerable position. This is reflected within the recovery process and involves collaboration with appropriate internal and external parties including Money Advice and Rights Team (MART) and East Renfrewshire Citizens Advice Bureau (CAB).

East Renfrewshire Council will pursue debts which have not been paid and remain outstanding. A number of recovery methods are available and these will be used proportionately within the framework set out in this policy.

Individual areas are responsible for developing and maintaining their own detailed procedures to support application of this policy.

## Policy Aims

The aim of the Policy is to maximise collection of debt due to East Renfrewshire Council, ensuring the processes are efficient, cost effective and reflect both the level of debt and individual customer circumstances. In doing so, the desired outcome is to break the customer's cycle of debt.

More specifically, aims include:

- To complement the Council's Income Management Strategy, which aims to offer the right payment channels for the service, based on customer needs, whilst maximising income and minimising arrears;
- To complement Fairer East Ren, which is the Local Outcome Improvement Plan for the East Renfrewshire Community Planning Partnership, defining how partners will work together to reduce socio-economic inequality and also adhering to the principles of the Child Poverty Act (Scotland) 2017;
- To set out a clear and transparent approach for maximising recovery of the debt types covered by the policy and protecting income streams;
- To ensure the approach taken to managing debt is fair, reasonable and proportionate, recognising that debt which remains outstanding will impact the Council's ability to provide goods and services;
- To provide a clear framework for managing each debt type, to help ensure consistency in approach, recovery methodology is fair and equitable and is reflective of customers individual circumstances and means for payment;
- To consider, in cases where the customer is experiencing severe financial difficulty or hardship, whether the provision of a payment arrangement may provide the right outcome for both the Council and the customer;
- To outline other internal and external parties who are able to provide support, guidance and assistance on financial wellbeing to customers;
- To ensure the Policy adheres to the Council's values, together with Legislative and Statutory requirements;
- To adhere to best debt recovery practice, through collaborative working with other council departments, councils, Government bodies and relevant agencies;
- To ensure through completion of appropriate Equality, Fairness and Rights Impact Assessments that any potential impacts are considered;
- By adhering to the above, to maximise recovery of the income which is due to East Renfrewshire Council.



## Principles

East Renfrewshire Council's vision is to be a modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better.

We work together with our partners to achieve the best outcomes for early years and vulnerable young people; learning, life and work; the economy and environment; to deliver safe and supportive communities and for older people and people with long term conditions.

We achieve these outcomes by focusing on 5 capabilities: prevention, empowering communities, data, modernisation and digital.

And in everything we do, we seek to live by our values of Ambition, Kindness and Trust.

Through our Debt Recovery Policy, our guiding principles are to:-

- Seek recovery of income which is rightfully due to East Renfrewshire Council, to help secure revenue streams and protect provision of goods and services to all council customers;
- Take customers' individual circumstances into consideration to ensure a compassionate and reasoned response to debt collection;
- Direct customers who may be experiencing financial hardship or are in a vulnerable position, to other internal or external parties where additional assistance and guidance can be provided and may benefit;
- Be fair, firm and consistent when dealing with our customers and take into account any additional needs which they may have when dealing with the Council;
- Every effort will be made to contact our customers (including letter, phone, text, email) and engage with them to find an acceptable solution;
- Take reasonable and proportionate steps to recover monies due, consistent with the amount of debt, cost involved and time outstanding;
- Adhere to Legislative and Statutory requirements in place at the time together with good debt management practices;
- Consider where, dependent upon the type, level of debt and customer financial situation, whether a payment arrangement would provide a fair and reasonable outcome, with affordable and sustainable payments within an agreed period of time;
- In the event of a complaint or dispute arising, this will be dealt with in accordance with the Council's practices;
- Monitor Policy to identify where either improvements can be made arising from internal or external factors i.e. system changes or economic environment.

## Scope

The following income streams are within the Scope of this Policy:

- Council Tax charges / arrears
- Non Domestic Rate charges / arrears
- Sundry Debt charges / arrears
- ERCLT charges / arrears
- Housing Benefit Overpayments

For other Debt types (e.g. Housing and Commercial Rents), reference should be made to relevant Department Policies.

The previous section sets out the general principles which are applied. However there are specific Regulations and Legislation governing the different debt types and these are outlined within this policy.

## Income Stream and Recovery Method Framework

### Council Tax

Council Tax is levied on all eligible domestic properties. The amount of Council Tax due, is dependent on the Council Tax band of a property. The owner or occupier is responsible to pay the full amount, unless entitlement of a reduction, discount or exemption is applied. Council Tax rates are set following Government/Council annual financial budgeting. East Renfrewshire Council will bill, collect and recover all Council Tax income and debts in accordance with Legislation (Local Government Finance Act 1992 and Council Tax (Administration and Enforcement) Scotland Regulations 1992).

As part of this process, the Council also bills and collects for Scottish Water.

East Renfrewshire Council Tax debt recovery is based on a staged escalation process, which ensures legislative requirements are adhered to and helps provide the customer with every opportunity to repay or reach agreement. These stages are as follows:-

- The Council is obligated to bill and recover Council Tax in accordance with Scottish Legislation;
- Billing: Timetable is set out annually, with bills issued (customers have option to pay over 10/12 month period by various payment methods). Bills include details of discounts and exemptions possible, together with details of where help can be obtained should the customer be concerned they will be unable to make payment;
- Internal/External Assistance: Customers are strongly encouraged to engage with our services as early as possible in the process and pay what they can, and to seek support from either MART or CAB if they are struggling to pay their bills. MART and CAB consider the individual circumstances and review all applicable discounts/exemptions and whether the customer is receiving appropriate benefits;
- Council Tax payment not made: 1<sup>st</sup> reminder notice is issued and if not paid will move to final notice stage;
- Further payments fall due: Where following the 1<sup>st</sup> reminder, payment is made, however the customer falls behind again, a 2<sup>nd</sup> reminder will be issued prior to commencing final notice. Reminders issued, provide 7 days for payment to be made;
- Engagement: Throughout the process the customers will be encouraged to engage by whatever means (phone, email etc.) to discuss and reach resolution;
- Payment arrangement: A Payment arrangement will be considered where it has been identified customers are experiencing exceptional financial hardship with internal and

external teams working together, to help identify the right solution, including how the arrangement will be managed;

- Summary Warrant: Legislation is in place which dictates the process which must be adhered to when recovering Council Tax debt. This includes a petition to be presented to court, which if signed by the Sheriff, provides the Council with a Summary Warrant. When a summary warrant is granted a statutory penalty of 10% of the unpaid charge is added to the balance. Other diligence may also be considered as outlined within this Policy;

## **Income Stream and Recovery Method Framework**

### **Council Tax (cont.)**

- Sheriff Officers: The customer is advised that Sheriff Officers may be engaged in recovery of the debt and that in addition they will be liable for costs incurred (in addition to the 10% referred to above). Sheriff Officers will then pursue the debt and may agree a suitable payment plan. It has been agreed with the Sheriff Officers that they will accept the “common financial statement” (the Common Financial Statement is the budgeting tool used by advice agencies and insolvency practitioners in Scotland to produce an accurate overview of debtors' income and expenditure. It is then used to determine the amount of contribution a debtor must pay if they are in a statutory debt solution or debt management product in Scotland) which is used by MART and CAB when considering these plans. In addition they will accept plans proposed by Council advice services when they have been used. Further as part of the Sheriff Officers process they will serve a Charge for Payment and at this point the customer is also provided with a Debt Advice and Information Pack should the customer wish to seek further financial assistance;
- DWP: In the event the debt remains unpaid, the case may be referred to the DWP where a deductible benefit exists;
- Water Direct: A scheme is available called Water Direct, whereby water and sewerage debt may be collected from customers in receipt of Council Tax Reduction, direct from their benefits, at source by DWP. Should this scheme be adopted, this would provide a further means for recovery;
- Debt Enforcement: As set out within this Policy there are Legal remedies available and dependent upon circumstances, may include earnings or Bank arrestment and for larger debt cases potential option of petitioning for sequestration (bankruptcy).

### **Non Domestic Rates (NDR)**

Business (Non-Domestic) Rates is a tax levied on business properties, which is classed as a local form of taxation. Similar to Council Tax, the full rate is liable to be paid unless the property, owner or occupier has applied and succeeded in obtaining a reduction or exemption. Exemptions may include for example empty properties and charitable relief.

The types of properties for which non-domestic rates may be payable include:

- Hotels,
- Offices,
- Public houses,
- Schools,

- Shops.

At present Renfrewshire Council administer all collection activity for NDR on behalf of East Renfrewshire Council. A Service Level Agreement is in place covering the delivery of billing and recovery services (which statutory recovery service includes issue of reminders, final notices, petitions, summary warrants, while at all times adhering to applicable statutes, subordinate legislation, regulations, guidance and common law). Quarterly review and ad-hoc meetings are held between East Renfrewshire Council and Renfrewshire with these covering but not limited to, localised operational matters, debt recovery activities, National Agenda and potential future legislative changes.

## **Income Stream and Recovery Method Framework**

### **Charges for Services ('sundry debts')**

East Renfrewshire Council provide a range of chargeable services, with examples of these including Community Alarms, Factoring fees and Commercial Rents.

The Council's preference is that payments for these services must be obtained prior to the service being provided, unless due to circumstances of the charge, it is not possible to do so. For charges that cannot be paid in advance, managers must take cognisance of any existing outstanding debt and consider as to whether the services should still be provided, with at all times taking into consideration the customers vulnerability and financial hardship situation.

All billing, collection and recovery must be undertaken both efficiently and in accordance with legislation. East Renfrewshire Council's preferred payment method is Direct Debit which will facilitate this.

The stages for Sundry Debt recovery are as follows:-

- Invoice raised: Departments providing the service are responsible for the raising and issuing of invoices. Invoices will only be raised for amounts in excess of £10;
- Supporting documentation: Departments must ensure sufficient evidence of the service is held, the invoice is accurate and contains sufficient information for both customer and Council purposes including date the debt became due and detailed description. This is key, should it become necessary for enforcement action to be taken;
- Payment Due: Invoices must be issued promptly for the service being provided. Once issued, the sum becomes due and payable within 28 days;
- Internal/External Assistance: Customers are strongly encouraged to engage with our services and pay what they can, and to seek support from either MART or Citizens Advice Bureau (CAB) if they are struggling to pay the debt which is due;
- Payment Arrangement: Consider where, dependent upon the type and level of debt and customer financial situation, a payment arrangement would provide a fair and reasonable outcome, with affordable and sustainable payments within an agreed period of time;
- Debt Enforcement: In the event payment is not made in full or an acceptable payment arrangement cannot be made, consideration will be given to engaging with Internal Legal and/or External parties and proceeding with various forms of Diligence available, to assist with recovery of the debt;

- Ongoing Engagement: While Revenue Services are involved in the recovery of the debt, the responsible Department has a critical role to play in minimising sundry debt which includes stopping service, or the non supply of a future, non statutory Council service. Revenue Services will provide departments with Management Information on a regular basis to show the debt outstanding which they are responsible for;
- Departments should take pro-active action to engage with customers to aid recovery;
- Dispute: In the event of a dispute arising on the debt, the Department responsible should again assist wherever possible to facilitate recovery of the outstanding debt

## **Income Stream and Recovery Method Framework**

### **East Renfrewshire Culture & Leisure Trust**

In July 2015 East Renfrewshire Culture and Leisure Trust was established.

As part of the SLA, the Revenue Services team are responsible for the billing and collection of income in respect of invoiced services such as hall lets.

Revenues Services will process invoices raised by ERCLT and collect payments by a range of methods which include cash, on line payments by bank card, standing orders etc. invoices will be issued to customers on a weekly basis.

Reminders will be issued in line with Council processes. Accounts outstanding at the end of normal recovery cycles will again be actioned in accordance with Council (Sundry Debt) processes.

Records of invoices raised and payments received will be accounted for in the financial ledger system maintained for ERCLT by the Council's Accountancy Services.

ERCLT will be responsible for agreeing service provision and price with customers and raising appropriate invoices accordingly.

### **Housing Benefit Overpayments**

Housing Benefit Overpayments (HBO) can occur as a result of error or where a claimant fails to notify or incorrectly notifies the Council of their financial circumstances, resulting in a payment having been made to which they are not entitled. This may be as a result of fraud or error. The reasons for the overpayment occurring together with the claimants' circumstances will determine the action taken to recover the debt.

Various methods of recovery are available and may be utilised to recover any Overpayment made. These include:-

- Deductions from ongoing Housing Benefit;
- Deductions from Landlords Payments for Housing Benefit (in the normal course payment is in the first instance sought from the claimant);
- Deductions from DWP benefit;
- Raising invoice for payment;

- Consider where, dependent upon the type and level of debt and customer financial situation, a payment arrangement would provide a fair and reasonable outcome, with affordable and sustainable payments within an agreed period of time;
- Earnings arrestment.

Recovery of HBO's is covered within legislation. Initial recovery will be through deduction from ongoing Housing Benefit where possible to reduce the overpayment, or through deduction from the Department of Work and Pensions (DWP) if the former is not possible.

The DWP issue an annual communication to all councils advising of the maximum amounts which can be deducted from ongoing Housing Benefit entitlement.

## **Income Stream and Recovery Method Framework**

### **Housing Benefit Overpayments (cont.)**

The Council will use and adhere to recovery options available in terms of legislation, where it has been necessary to invoice the overpayment and attempts to prompt and engage with the customer have been unsuccessful.

Where the customer is not in receipt of ongoing benefit from which deductions can be made and notwithstanding the advice of overpayment, have failed to repay, decisions will be made on the recovery process and method which may include:-

- Invoice: An invoice will be issued to the claimant which sets out the reason why there has been an overpayment;
- Payment Due: A notice will be issued subsequent to the Overpayment being identified. Once issued, the sum becomes due and payable;
- Payment arrangement: Entering into a Payment arrangement, dependent upon the level of debt and customer financial situation;
- Debt Enforcement: In the event payment is not made in full or an acceptable payment arrangement cannot be made, consideration will be given proceeding with various forms of Diligence available to assist with recovery of the debt;
- Fraud: When the overpayment is as a result of fraud, the maximum level of deduction will be taken from ongoing benefit with referral to appropriate authorities.

## Payment Methods

### Payment Methods available

A wide range of payment methods are currently available including:

- Direct Debit (Council Tax, NDR & sundry debt charges), noting this is the Council's preferred method of Payment, for ongoing fees and charges;
- Online via the Council's website;
- Debit / credit card via automated phone line;
- Phone payment to a member of staff by debit / credit card payment during office hours;
- Face to face payment at council offices – cash, cheque, debit/credit card accepted;
- Standing Order;
- At the post office (Council Tax only);
- Cheque payments can be posted or hand delivered to East Renfrewshire's offices.

East Renfrewshire Council continue to review payment methodologies as part of our Income Management Strategy.

## Payment Arrangements

### General considerations for Payment Arrangements

The recovery methods available and taken, will at all times seek to ensure customers are treated fairly and consistently. As outlined within this policy there are different types of income streams, methods for recovery and support available. Payment arrangements are not entered into without due consideration of the type and level of debt together with customer financial circumstances. With any payment arrangement general considerations may include:-

- Repayment would allow for the debt to be cleared within a realistic timeframe;
- The level of payments are reflective of the customer circumstances, are affordable and take cognisance of other debts;



- Allow for modest savings to be accrued;
- Benefits, or other entitlements the customer is entitled to;
- Allocation of payments across different types of debts which may have arisen and be due to the Council;
- In the event a Payment arrangement is not adhered to, recovery of the full amount may re-commence.

## **Help and Internal/External Points of reference**

### **Links and various sources for advice and guidance**

East Renfrewshire Council does all it can to assist its customers with their financial circumstances. This can include referring customers onto the Money Advice & Rights Team (MART) who can assist the customer to maximise income and potentially reduce levels of arrears through forms of debt relief. The team can also provide budgeting skills to residents. There are close working relationships between the teams collecting income and the financial assistance services in the Council. These connections also extend to CAB and DWP. All teams work together to get the best outcome for the customer and financial statements are prepared by MART to ensure any payment arrangement is realistic in terms of the customer's income and other outgoings.

Through this collaborative approach, customer benefits and support include:-

- A free, confidential, impartial and independent advice service;
- Provision of personalised money advice and income maximisation reviews through MART and CAB;
- Help identify potential benefits, discounts or exemptions to which the customer is entitled and may assist their financial hardship situation;
- Consistency across different parties (i.e. MART, Sheriff Officers) involved in debt recovery with a common Standard for debt management and income/expenditure assessment;
- Improved understanding of a customers' personal and financial circumstances, which allows for longer term sustainable solutions to be implemented.

## Debt Enforcement remedies

East Renfrewshire Council's recovery approach reflects both the Council's need to collect income, but also the vulnerability and financial wellbeing of a customer. While legal remedies vary depending upon debt types, as a general overview, the recovery process will normally include demand & reminder letters, direct customer engagement (phone email etc.) obtaining warrants and use of Sheriff Officers. This will be undertaken over a period of time to maximise the opportunity to reach realistic solutions with the customer.

However where it is recognised that the customer may have the means to pay, but is not prepared to do so (*i.e. can't pay vs won't pay*), further forms of diligence are available. Appropriate engagement will always occur between Revenues Services and the Council's Legal Services, both before and during recovery, as and when required. This to assist in ensuring that any action is appropriate and proportionate to the case. These forms of recovery include, but are not limited to:

- Summary Warrant: Used to recover unpaid Council Tax and NDR;
- Earnings arrestment: Allows a set amount to be taken for customer earnings. Will depend upon customer employment situation i.e. self-employed difficult to enforce;
- Bank Arrestment: To attach funds held in customer Bank account;
- Inhibition: Preventative form of diligence which restricts the customer's ability to dispose of a heritable property without settling outstanding debt;
- Simple Procedure: Action involves application to Sheriff Court;
- Ordinary Action; More complex and lengthier recovery process;
- Sequestration (for Companies liquidation). There are statutory limits in place and these will be adhered to prior to this form of diligence being applied;
- Any other remedies consistent with the terms of this policy.

Revenues Services only instigates legal action as a last resort, when all other avenues of collection activity have proven ineffective and will adhere to current legislation, which is subject to review via the professional body for local government taxation (Institute of Revenues, Rating and Valuation [IRRV]).

## **Reporting**

### **Reporting**

Revenues Service both produces and participates in internal/external reporting and benchmarking which includes DWP, IRRV (Institute of Revenues, Rating & Valuation), SOLACE (Society of Local Authority Chief Executives) Local Government Benchmarking Framework, CIPFA, Directors of Finance and Scottish Government.

## **Debt Management**

In the case of a small number of debts, all viable means of collection can be exhausted with no or less than full payment being received. Therefore the Cabinet will consider annually the management of debts which are considered irrecoverable. These include situations where the:

- Customer is deceased and has left no estate;
- Customer is no longer resident at the address where the debt occurred, and all available tracing options have been exhausted;
- Customer has been sequestrated (individual), liquidated or ceased trading (Business);
- Sheriff Officer advises low probability of debt recovery;
- Costs to recover outweigh level of debt (£20);
- Some exceptional circumstances, such as an approach by HSCP regarding a nursing home resident or terminally ill customer with no assets.

## Data

### Retention

All data will be managed in accordance with East Renfrewshire Council Policy and Procedures.

### Analytics

Data analytics may be used from time to time to help identify customers who may already be facing financial hardship or in a vulnerable position and where additional support may be beneficial.

## Ownership and Control

Owner:	Alison Ballingall, Senior Revenues Manager
Review date:	Ongoing and minimum formal review every 5 years i.e. by April 2028
Updates and Changes:	

EAST RENFREWSHIRE COUNCILCabinet23 March 2023Report by Head of Accountancy (Chief Financial Officer)TRADING UNDER BEST VALUE**PURPOSE OF REPORT**

1. The purpose of this report is to reconsider the classification of Council activities in terms of trading operations as defined by the Local Government in Scotland Act 2003 and as modified in June 2013 by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

**RECOMMENDATION**

2. The Cabinet is requested to approve that there are no trading services operated by the Council that should be classified as “significant”.

**BACKGROUND**

3. Following a report to the Cabinet on 10 March 2022 it was approved that the Council do not classify any of its trading operations as significant.

4. This decision was reached after taking account of the CIPFA/LASAAC guidance, which defined a trading operation as having to meet **both** the following criteria: -

- the service is provided in a 'competitive environment' - i.e. the user has discretion to use alternative providers.
- the service is provided on a basis other than straightforward recharge of cost - i.e. users take the service on the basis of quoted lump sums, fixed periodical charges or rates, or a combination of these.

5. Subsequent guidance has also been provided by LASAAC advising that trading operations may only apply to external trading and to those services which are not statutory.

6. It is appropriate that the Council reviews services with a view to considering Significant Trading Operations on an annual basis. This report reviews activities for the year ending 31 March 2023.

**MATTERS TO BE REVIEWED***Competitive Environment*

7. A competitive environment exists simply where there is a mature marketplace with a choice of alternative suppliers.

8. A competitive environment also exists where the user is a member of the public who has a choice of alternative providers for e.g. a local business which can choose who will collect its commercial waste.

9. **Conclusion - some services are operating in a competitive environment.**

*Recharge at Cost*

10. Within Environmental Services there are several activities that include a profit element within their service recharges e.g. Special Uplifts

11. **Conclusion - some services do not operate on a recharge of cost basis.**

*Basis of Charges*

12. The Council adopts a number of different methods of charging for services but not all of these are within the scope of trading operations.

- Charges for commercial and industrial properties are not related to cost as they are levied on a rental basis.
- Some charges have no direct relationship to full cost recovery as they are specified by Scottish Government e.g. Development Management

13. **Conclusion - charging for services does not necessarily mean the service is trading.**

*Test of Significance*

14. In addition to the fundamental tests of competitive environment and recharge at cost, the guidance emphasises the importance of applying a test of significance. This test is important as it determines which trading operations require to maintain a statutory trading account, distinct from other non-statutory trading accounts which can be kept for internal purposes. The criteria for considering the test of significance should be set corporately and applied consistently across different trading operations although they should not be regarded as fixed and final as they will have to adapt to the changing circumstances of the Council. Suggested criteria in the guidance are:

- Financial criteria
  - Turnover of the trading operation should exceed 1% of the Council's gross operating expenditure.
  - Risk of financial loss to the authority being exposed in carrying out the operation
- Non Financial Criteria
  - Whether the trading account is important in demonstrating service improvement and the achievement of targets
  - Whether the authority is exposed to risk of service or reputational loss in carrying out the operation
  - Whether the service areas are likely to be of interest to key stakeholders and their needs.

15. The classification of whether a trading operation is regarded as significant will depend on whether the answers to these questions are mainly yes or no.

16. **Conclusion – there may be some services’ trading operations that are significant.**

## **CONCLUSION**

17. Taking the above conclusions into account a detailed review of services is attached at Appendix A. In addition a summary of trading operations and the criteria used to determine if they are significant is shown at Appendix B.

18. The outcome of the review is that there are no trading operations classified as significant for statutory purposes, this is consistent with last year’s findings.

## **RECOMMENDATION**

19. The Cabinet is requested to approve that there are no trading services operated by the Council that should be classified as “significant”.

## **REPORT AUTHOR**

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Chief Accountant

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Report Date:

21 February 2023

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NOTES	ACTIVITY	COMPETITIVE ENVIRONMENT YES/NO	RECHARGE AT MORE THAN COST YES/NO	APPLY TEST OF SIGNIFICANCE YES/NO	REASONS
EDUCATION	Early Learning & Childcare	Yes	No	No	External & Statutory
	Primary	Yes	No	No	External & Statutory
	Secondary	Yes	No	No	External & Statutory
	Psychological	Yes	No	No	External & Statutory
	Music Tuition	Yes	No	No	External, Non Statutory and recharged other than at cost. From August 2021 there have been no recharges for instrumental tuition in line with Scottish Government Policy
	Additional Support for Learning	Yes	No	No	External & Statutory
	Early Learning & Childcare Add On	Yes	No	No	External, Non Statutory and recharged other than at cost
	Janitors	No	No	No	Internal
	School Crossing Patrols	No	No	No	Internal
	School Transport	Yes	No	No	External & Statutory (mainly)
	School Meals	Yes	No	No	External, Statutory & Non Statutory and recharged other than at cost
Although there are external providers in the sphere of Education none of the above services could realistically be described as trading					
	Cleaning	Yes	No	No	Internal (mainly)
	Catering	Yes	No	No	Internal (mainly)

## TRADING OPERATIONS CRITERIA TEST

NOTES	ACTIVITY	COMPETITIVE ENVIRONMENT YES/NO	RECHARGE AT MORE THAN COST YES/NO	APPLY TEST OF SIGNIFICANCE YES/NO	REASONS
ENVIRONMENT	Roads Consultancy	Yes	Can Be Yes	Yes	External, Non Statutory and recharged other than at cost
	Property Enquiries	Yes	Can be Yes	Yes	External, Non Statutory and recharged other than at cost
	Development Management	No	No	No	External & Statutory
	Building Standards	No	No	No	External & Statutory
	Development Planning	No	No	No	External & Statutory
	Roads Maintenance	Yes	No	No	Internal
	Burials	No	No	No	External & Statutory
	Garden Waste	No	No	No	External, Non Statutory
	Commercial Waste	Yes	Yes	Yes	External, Non Statutory and recharged other than at cost
	Special Uplifts	Yes	Yes	Yes	External, Non Statutory and recharged other than at cost
	Refuse Collection	Yes	No	No	External & Statutory
	Street Cleaning	Yes	No	No	External & Statutory
	Grounds Maintenance	Yes	No	No	Internal
	Vehicle Maintenance	Yes	Yes	No	Internal
	Vehicle Management	Yes	Yes	No	Internal
	MOT Testing	Yes	No	No	External, Non Statutory and recharged other than at cost
	TAXI Inspections	No	No	No	External & Statutory
	Pest Control	Yes	Can be Yes	Yes	External, Non Statutory and recharged other than at cost

## TRADING OPERATIONS CRITERIA TEST

ENVIRONMENT ( continued)	Pitches Lets	Part	No	No	<i>External, Non Statutory and recharged other than at cost</i>
	Environmental Health	No	<i>No</i>	<i>No</i>	<i>External &amp; Statutory</i>
	Refuse Disposal	Yes	<i>Minimal (Small Traders)</i>	<i>No</i>	<i>External &amp; Statutory</i>
	Technical	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Health and Safety	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>
	Industrial Units	Yes	Yes	Yes	<i>External, Non Statutory and recharged other than at cost</i>
	Council Officers	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>

NOTES	ACTIVITY	COMPETITIVE ENVIRONMENT YES/NO	RECHARGE AT MORE THAN COST YES/NO	APPLY TEST OF SIGNIFICANCE YES/NO	REASONS
Business Operations & Partnership	Civil Contingencies	<i>No</i>	<i>No</i>	<i>No</i>	<i>External &amp; Statutory</i>
	Policy	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>
	Communications	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Human Resources	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	ICT	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Revenues	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Printing	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Administration	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>
	Registrars	Yes	<i>No</i>	<i>No</i>	<i>External &amp; Statutory</i>
	Communities & Strategy	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>
	Customer Services	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>

## TRADING OPERATIONS CRITERIA TEST

Business Operations & Partnership	Equal Opportunities	No	No	No	Internal
	Support & Insight	No	No	No	Internal
	Community Safety (including Decriminalised Parking)	No	No	No	Internal

NOTES	ACTIVITY	COMPETITIVE ENVIRONMENT	RECHARGE AT MORE THAN COST	APPLY TEST OF SIGNIFICANCE	REASONS
		YES/NO	YES/NO	YES/NO	
CEO	Accountancy	Yes	No	No	Internal
	Licensing	No	No	No	External & Statutory
	Legal	Yes	No	No	Internal
	Internal Audit	Yes	No	No	Internal

HSCP	Care at Home	Yes	No	No	External, Non Statutory and recharged other than at cost
	Meals	Yes	No	No	External, Non Statutory and recharged other than at cost
	Lunch Clubs	No	No	No	External, Non Statutory and recharged other than at cost
	Community Alarms	No	No	No	External, Non Statutory and recharged other than at cost
	Residential Care	Yes	No	No	External, Non Statutory and recharged other than at cost
	Respite Charges	Yes	No	No	External, Non Statutory and recharged other than at cost
HOUSING	Housing Management	Yes	No	No	External & Statutory

TRADING OPERATIONS CRITERIA TEST

	Commercial Properties	Yes	Yes	Yes	<i>External, Non Statutory and recharged other than at cost</i>
	Maintenance Services	Yes	No	No	<i>Internal</i>
	Factoring Services	No	No	No	<i>External, Non Statutory and recharged at cost</i>
	Repairs charged to homeowners	Yes	No	No	<i>External, Non Statutory and recharged at cost</i>

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<b>ACTIVITY</b>	<b>FINANCIAL TURNOVER</b>	<b>RISK OF EXPOSURE TO FINANCIAL LOSS</b>	<b>RISK OF REPUTATIONAL LOSS</b>	<b>INTEREST TO KEY STAKEHOLDERS</b>	<b>IMPORTANCE OF DEMONSTRATING SERVICE IMPROVEMENT</b>	<b>OUTCOME</b>
Roads Consultancy	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Property Enquiries	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Pest Control	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Commercial Waste	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Special Uplifts	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Industrial Units	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Commercial Properties	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>

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EAST RENFREWSHIRE COUNCILCABINET23 March 2023Report by Director of EnvironmentPROPOSED LEASE, FORMER COWAN PARK GATE LODGE  
DARNLEY ROAD, BARRHEAD**PURPOSE OF REPORT**

1. The purpose of the report is to ask Cabinet to approve the proposed lease of the former gate lodge at Cowan Park, Barrhead to the charity Include Me 2 Club.

**RECOMMENDATION**

2. The Cabinet is asked to;
- a) note the Court's approval of the Council's application to remove the Cowan Park Gate Lodge from the Barrhead Common Good Fund for a term of 30 years to facilitate the development of a new social enterprise and community hub;
  - b) approve the proposed lease of the former Cowan Park Gate Lodge to the charity Include Me 2 Club;
  - c) approve the proposed terms of the lease at a peppercorn rent of £1 per annum for 30 years; and
  - d) delegate to the Director of Environment, in consultation with the Chief Officer (Legal and Procurement), to finalise negotiations and conclude the proposed lease.

**BACKGROUND AND REPORT**

3. In November 2018, an East Renfrewshire Council Officer Working Group was established to develop proposals that would result in the derelict Cowan Park Gate Lodge situated off Darnley Road, Barrhead, being brought back into productive use and deliver community benefit. A Cowan Park Community Engagement Steering Group (with 40 community members) was formed to engage the wider community on projects including the Gate Lodge. The results of the community engagement and survey were published in July 2019. This highlighted the refurbishment of the Gate Lodge as a priority project for the local community with preferred uses including a café, public toilets and social enterprise hub. The lack of such facilities in the park has been an issue for local residents for many years.

4. In July 2019, Voluntary Action East Renfrewshire as the Third Sector Interface in East Renfrewshire, issued a call for expressions of interest to over 260 local community groups and social enterprises to seek their interest in running these services from the Gate Lodge.

5. Include Me 2 Club's business case proposing their vision for the facility, along with supporting evidence, resulted in their selection as the preferred occupier in October 2019. East Renfrewshire Council then submitted a bid to the Scottish Government's Regeneration Capital Grant Fund bid.

6. The proposal received the backing of the Scottish Government with the successful award of a Regeneration Capital Grant Fund (RCGF) Award of £499,000. East Renfrewshire Council's contribution of £391,000 was reflected in the Council's General Fund Capital Programme for 2021/22 and 2022/23. Following an increase in costs the Scottish Government's RCGF awarded a further £200,000 with an additional £28,700 allocated from the Department of Environment's existing budgets. Include Me 2 contributed £75,000 towards the capital works. Total project costs are £1,193,700.

7. All outstanding snagging items were addressed in the week commencing 6th March 2023. The temporary licence to occupy was issued to Include Me 2 on 3rd March 2023.

8. This project will regenerate a derelict property and deliver a new Enterprise & Community Hub in Barrhead. The Hub will provide the following:

- café
- public toilets
- enterprise and community space for hire
- hot-desking and meeting spaces for hire
- cycling hub, bike hire and maintenance
- skills development, training and improving employability prospects.

9. The proposed tenant is a well-established registered charity that provides services, support and advice to individuals and their families with additional support needs, learning, physical disability, or mental health condition, suffering isolation or loneliness. The charity operates from the McGuire Building at 124 Main Street, Barrhead providing support to adults and children throughout Scotland. They currently have a licence to occupy at the McGuire Building via East Renfrewshire Council.

10. The charity proposes to lease the Cowan Park Gate Lodge property (in addition they have a licence to occupy the Maguire Building and a commercial lease of an industrial unit at Crossmill) to deliver additional services and activities to meet local demand. The property and outdoor space proposed to be included in lease is denoted at Appendix 1. The proposed lease for Cowan Park is in addition to the tenant's occupation of the Maguire Building.

11. To improve the viability of the community hub and in accordance with the permissions granted under the Court approval, Include Me 2 Club have requested to lease the building at a peppercorn rent of £1 per annum for 30 years. The long lease terms will enable the organisation to apply for external funding to sustain and meet the demands of a full repairing and insuring terms lease and a service level agreement. Additionally, Include Me 2 Club have put forward that their business case financials and subsequent investment into the project was based on obtaining a long-term lease of 30 years.

12. The Cabinet is asked to approve a 30-year lease. In considering the recommendation, Cabinet should note that this is not consistent with recently approved Council Commercial Lets policy. Details of this are included in paragraphs 28-31 of this report.

13. To approve a lease for the premises, a temporary disposal of the "Common Good" status of Cowan Park Gate Lodge was required. To permit the property to be temporarily disposed from the Common Good Fund for a period of 30 years, the Council sought approval

from the Court. This approval was granted in November 2022 subject to the restriction of the use.

14. The Court approval states;

*“The subjects shall be used for the purpose of a community hub consisting of a café and social enterprise meeting and activity space, two shipping containers to create a cycle hire facility and 9 parking bays with associated designated access routes into the parking area and for no other purpose whatsoever; and without prejudice to the foregoing it is declared that on the subjects no alcoholic liquor shall be sold or consumed or stored.”*

15. In addition there will be a service level agreement forming part of the lease. This Schedule will set out the service and management expectations the community and Council seek from the facility.

16. Include Me 2 currently have a licence to occupy the Gate Lodge and this has been issued on a rolling four week basis.

17. In October 2022, an independent valuation of the property was undertaken by the District Valuer. Their professional opinion of value took into account the refurbishment of the asset, locality, age, condition and amenity of the property comparing this against market evidence of transactions of similar assets (both sales and rental). It was reported there was a lack of direct comparable evidence however this was unsurprising given the unique characteristics of the subject property. The Valuer reported their opinion of values as detailed below;

DESCRIPTION	VALUE
Market Value with current restriction to community use in place	£115,000
Market Value with the special assumption that the community use restriction is not in place	£260,000
Market Rent subject to a community use only	£8,500 per annum

18. The proposed terms of the lease are detailed in paragraph 19. Taking into account the tenant obligations, the financial contribution by Include Me 2, and the Regeneration Capital Grant Funding awarded towards the project to date, a nominal rent of £1 per annum is proposed.

19. The lease of the renovated Gate Lodge to Include Me 2 Club is accordingly proposed subject to the following terms and conditions.

- The tenant being Include Me 2 Club.
- Include Me 2 Club, as tenant, maintaining its charitable status for the duration of the proposed lease.
- The rent remaining at £1 per annum (if asked).
- The lease being for thirty years
- The renovated former Cowan Park Gate Lodge being used as a community facility to assist in the delivery of services to children, young people and adults with additional support needs.
- The lease of the property being on full repairing and insuring terms. The tenant will be liable for all compliance of the property.
- The tenant will enter into a service level agreement detailing the range of services which the Council will expect to be delivered in exchange for the £1 (if

asked) rental. The Tenant shall be responsible for and deliver the following services from the subjects;

- a) The building should be made available between the hours of 9am-9pm, Monday to Friday and 8am to 6pm weekends to maximise the use and impact of the asset excluding the two week period of the festive season to accommodate proposed tenant's annual closure of services.
  - b) Access to public toilets, 7 days a week from 9am until 5 pm. These facilities should be kept maintained/clean/ secure excluding the two week period of the festive season to accommodate proposed tenant's annual closure of services.
  - c) The main building operations would be open from:  
9am to 5pm for café with late evening opening when required  
9am to 5pm for activity hub with late evening opening when required  
5pm to 9pm for activities, groups & events
- The tenant not being permitted to assign the lease to another party without the landlord's formal consent first being obtained.
  - The tenant being responsible for meeting all running costs.
  - The tenant being responsible for any necessary planning permissions, building warrants together with any other consents, statutory or otherwise, needed in relation to its tenancy and occupation of the subjects. For the avoidance of doubt this includes all compliance issues being addressed by the tenant.
  - In accordance with the council's standard practice, the council's reasonable legal and surveyor's fees, incurred in concluding the proposed lease, being reimbursed by the tenant.
  - All other terms and conditions required in relation to the proposed lease being a matter for negotiation between the respective parties' solicitors.

## **FINANCE AND EFFICIENCY**

20. The project was awarded £699,000 grant funding from the Scottish Government's Regeneration Capital Grant Fund and £419,700 match funding was provided by East Renfrewshire Council.

21. The proposed lease enables the delivery of a community use and public toilet provision to the Barrhead wider community within the renovated former Gate Lodge, with the tenant responsible for meeting the cost of its occupation and all future maintenance. There are no UK Subsidy Control implications triggered by this letting.

22. The proposed lease will be issued at a peppercorn rental of £1 (if asked). This rental would be below a market rental.

23. Consideration has been given to the processes detailed under Section 74 of the Local Government (Scotland) Act 1973 and the Disposal of Land by Local Authorities (Scotland) Regulations 2010. Section 74 gives the local authority the power to dispose (for sale or lease) of land in any manner they wish unless the land is being disposed of for less than best consideration that can reasonably be obtained, in which case we can only dispose of land at 'less than best consideration' where such a proposal meets the requirements of the Disposal of Land by Local Authorities (Scotland) Regulations 2010. This requires that the local authority must appraise and compare the costs and other dis-benefits and benefits of the proposal and determine that the 'circumstances' set out in Regulation 4 are met.

24. The 'circumstances' in which a local authority may dispose of land for a consideration less than the best that can be reasonably obtained are that the local authority is satisfied that the disposal for that consideration is reasonable, and the disposal is likely to contribute to any of the 'purposes' set out within the regulations (in respect of the whole or any part of the area of the local authority or any persons resident or present in its area).

25. These 'purposes', which the local authority must consider, include the promotion or improvement of following types of benefit economic development, regeneration, public health, social wellbeing and/or environmental wellbeing. It is assessed that the regeneration of a derelict building to deliver wellbeing services, in addition to the new facilities that will be provided as set out in paragraph 8 above demonstrate that these circumstances have been met.

## **CONSULTATION**

26. Consultation has taken place with a range of key stakeholders including the Council's Property and Technical Services, Paisley Sheriff Court, Legal and Procurement teams, Barrhead Community Council and the Scottish Government.

## **PARTNERSHIP WORKING**

27. The proposed lease continues the current partnership working with East Renfrewshire Council and Include Me 2, the details of which are noted at paragraphs 3-5 and paragraph 9. This project has been worked on in partnership with Include Me 2 since 2019. In addition, wider stakeholder involvement has taken place with Barrhead Community Council. Furthermore, the facility itself will provide a community hub to support local groups and facilitate partnership working.

## **IMPLICATIONS OF THE PROPOSAL**

28. In April 2022, the Council approved the paper outlining the policies and procedures when granting of commercial leases, a copy of which can be found at;

[www.eastrenfrewshire.gov.uk/commercial-property](http://www.eastrenfrewshire.gov.uk/commercial-property).

29. The policy states a market rental should be sought considering the comparable evidence and reviewed every 3 or 5 years in line with the Local Authority Scotland Act 1972. The Council policy does permit an exception whereby a charitable organisation can be granted an agreement on a week to week basis at £1 (if asked). Such tenancies are subject to a maximum term of 52 weeks. If the tenant wants to remain in the property thereafter they will need to pay the market rent or consider options under a Community Asset Transfer request.

30. The approval sought by Include Me 2 for a 30 year lease is not consistent with current Council policy. Cabinet may wish to note that the negotiations of the renewed terms of the lease to Include Me 2 began in 2019; some 3 years prior to the implementation of the new commercial leases policy. Over this period, they have worked alongside Council teams to present the need for the facility and benefits they deliver to the community.

31. Legal Services advise that Cabinet is in a position to competently approve the proposed length of lease even though the recommendation is contrary to Council policy. The policy in question was itself approved by Cabinet. As such Cabinet has sufficient standing in

the Council's hierarchy to approve this derogation from policy especially given that the report contains enough information to explain the basis for the derogation in this particular case.

32. The partnership with Include Me 2 has facilitated the attraction of the significant regeneration funds to allow a derelict building to be brought back into productive use to support economic, social and environmental activity in Barrhead. Negotiations could not be concluded until the regeneration plans for the project were progressed and the required Court case to remove the property from the Common Good Fund for 30 years was concluded.

33. There are no staffing, equality or sustainability implications associated with this report.

## CONCLUSIONS

34. The proposed lease will bring the vision of a newly created social enterprise and community hub within the renovated Cowan Park Gate Lodge to fruition. Include Me 2 Club will provide public toilet facilities, a café provision and many more social, economic and community benefits to the park and wider area.

## RECOMMENDATIONS

35. The Cabinet is asked to;

- a) note the Court's approval of the Council's application to remove the Cowan Park Gate Lodge from the Barrhead Common Good Fund for a term of 30 years to facilitate the development of a new social enterprise and community hub;
- b) approve the proposed lease of the former Cowan Park Gate Lodge to the charity Include Me 2 Club;
- c) approve the proposed terms of the lease at a peppercorn rent of £1 per annum for 30 years; and
- d) delegate to the Director of Environment, in consultation with the Chief Officer (Legal and Procurement), to finalise negotiations and conclude the proposed lease.

Director of Environment

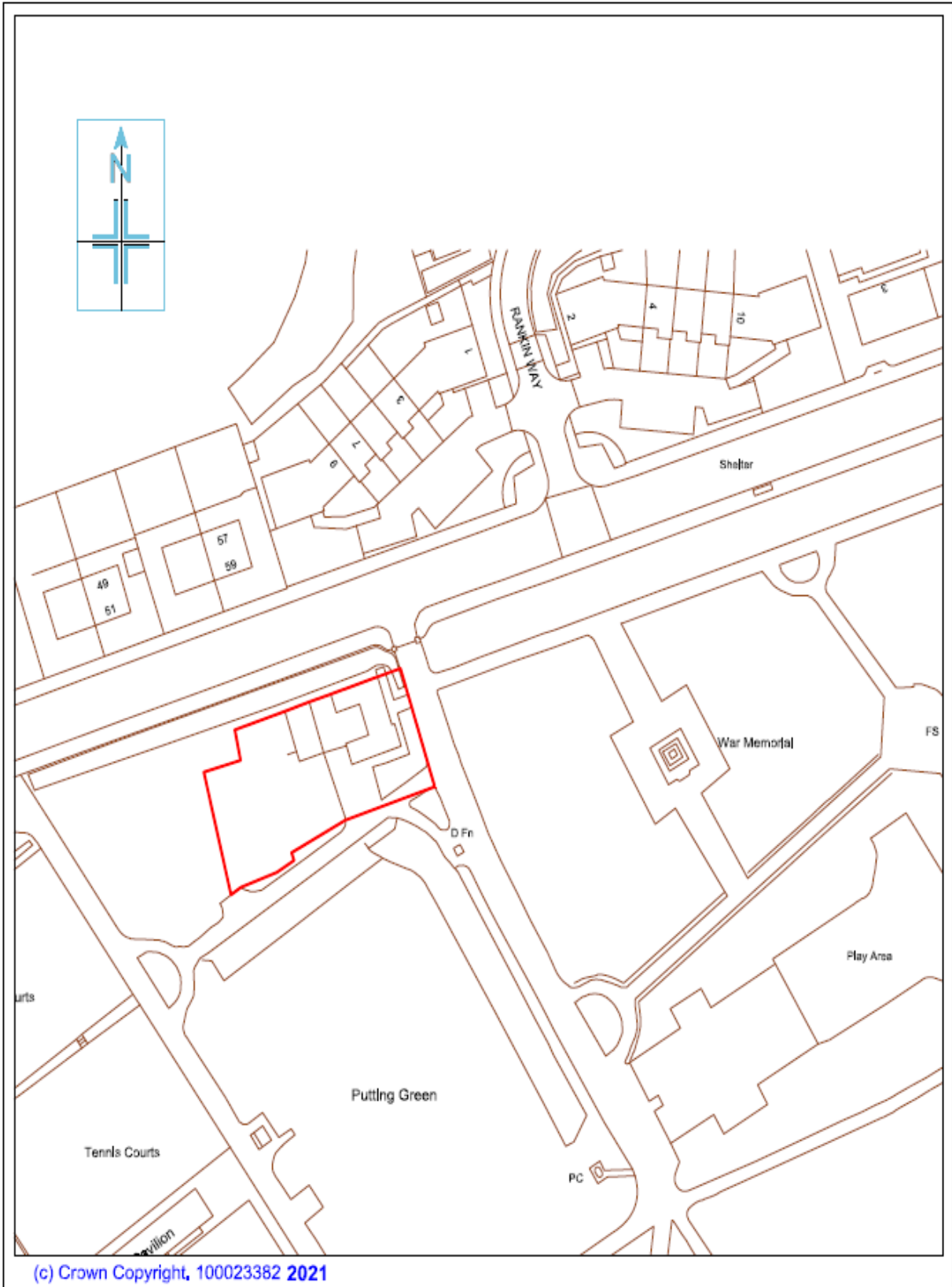
Further information can be obtained from Phil Daws, Head of Environment (Strategic Services) 0141 577 3186 or [phil.daws@eastrenfrewshire.gov.uk](mailto:phil.daws@eastrenfrewshire.gov.uk)

February 2023

# APPENDIX ONE

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EAST RENFREWSHIRE COUNCILCABINET23 March 2023Report by Director of EnvironmentEAST RENFREWSHIRE COUNCIL CITY DEAL PROGRAMME UPDATE**PURPOSE OF REPORT**

1. The purpose of this report is to update Cabinet on the progress of East Renfrewshire Council's Glasgow City Region City Deal funded M77 Strategic Corridor Programme.

**RECOMMENDATIONS**

2. The Cabinet is asked to:
- a) note the success of the three completed City Deal projects;
  - b) note the progress of the remaining three City Deal projects;
  - c) agree to delegate authority to the Director of Environment for the submission of two Business Cases to Glasgow City Region Programme Management Office for approval and release of the next phase of project funds:
    - i. Aurs Road Improvement Full Business Case to be submitted to Glasgow City Region Chief Executives' Group, and
    - ii. New Rail Station in Barrhead South Outline Business Case to be submitted to Glasgow City Region Cabinet; and
  - d) note that Cabinet will receive further updates on progress.

**BACKGROUND**

3. The £1.13 billion City Deal infrastructure fund across the Glasgow City region is to enable a programme of works that will add to the value of the local regional economy over a number of years.

4. East Renfrewshire is benefiting from a £44 million investment package comprising £38million investment from the Scottish and UK Governments and co-funded by the Council with a £6 million capital contribution.

5. In terms of the City Deal investment, a programme of ambitious projects was approved (entitled the M77 Strategic Corridor Programme) by the Council in 2015 to stimulate economic growth, improve transport links, increase leisure opportunities, support business development, unlock residential land and generate economic benefits measured as additional Gross Value Added (GVA) and employment. The programme of projects is as follows:

- Lavern Works
- Greenlaw Business Centre (The Greenlaw Works)
- Balgraystone Rd improvements
- New Rail Station at Barrhead South

- Aurs Road Improvements
- Country Park Visitor Facilities.

6. A new road between Barrhead and Newton Mearns, the Lavern Link has been deferred and as a result is no longer included in the current programme.

## REPORT

7. Three City Deal projects are now complete. Appendix 1 contains images of the projects. Rising costs in recent times have been a challenge for the delivery of the projects and Cabinet agreed on [13 May 2021](#) to profile the City Deal programme for East Renfrewshire, deferring the Lavern Valley link road. This was subsequently approved by the Glasgow City Region Cabinet on 7 December 2021.

### Completed City Deal Projects

#### Lavern Works

8. Completed in 2016, this project prepared vacant land in Barrhead for business growth and commercial investment. The projects are both based within the Dunterlie ward which ranks within 4% most deprived in Scotland. It was jointly funded by City Deal funding and Scottish Government Regeneration Capital Grant Fund and comprises two elements:

- Crossmill Business Park - the development of ten 72sqm commercial units in Barrhead in 2016. The project is complete and all units have been fully let since 2017 enabling 10 small local businesses to grow.
- Former Nestle factory site at Glasgow Rd - preparation of part of the site for private sector investment. This investment attracted a major discount retail park to the site and the 6080sqm/65,500sqft retail park is currently being developed in conjunction with the private sector and is due to open Spring 2023. It is expected to boost economic growth and provide substantial local job opportunities in the region of 150-200 jobs.

9. Work EastRen, the Council's employability team, has been in discussion with six of the employers regarding upcoming vacancies (Starbucks, Card Factory, Baynes the Baker, Burger King, B&M Stores, Lidl). These employers have been offered assistance in terms of promoting vacancies, access to job fairs and to employer recruitment incentives. Work EastRen are also hosting several retail vocational training courses to residents to help prepare them for job opportunities which will cover aspects of Customer Service, Communication Skills and Employability as well as Accredited Certificates for Emergency First Aid and Food Hygiene.

#### The Greenlaw Works (Greenlaw Business Centre)

10. The provision of high quality office accommodation to meet a growing local demand, helping to stimulate local economic growth and create opportunities for start-up and small to medium sized businesses to develop within East Renfrewshire. The 20,000 sqft building comprises 35 office suites, meeting rooms, breakout areas, a co-working lounge, ample parking and a Business Gateway presence onsite. Located in Newton Mearns, adjacent to Junction 4 of the M77, it creates the final element of the existing retail and commercial centre at Greenlaw, providing employment opportunities.

11. The facility was completed and due to open in Spring 2020 but remained temporarily closed due to the global pandemic, with the carpark serving as a Covid testing centre.

12. Since opening in September 2022, 80% of floorspace is now occupied by 27 businesses from a diverse range of sectors including finance, law, architecture, marketing and logistics. Marketing activity is ongoing to secure tenants for the remaining office spaces with activity including social media, signage, targeted TV and print advertising.

13. An event to mark the official opening of The Greenlaw Works took place on 16 February 2023 and was attended by both UK and Scottish Government Ministers.

#### Balgraystone Road Improvement

14. This road improvement project has accelerated residential development in Barrhead and improved accessibility to the Country Park and planned rail station. The project is complete and the road opened in October 2020. It was subject of a full report to the Cabinet in February 2021. The following added value has been achieved:

- New residential development opportunities have been developed to support the regeneration of Barrhead. The first phase of which includes a development of around 47 Council homes.
- 336 new homes have been built in Barrhead South including 71 social rented homes, 26 entry level homes and 239 privately owned homes creating new residential community with affordable homes prioritised.
- The Council's land at Barrhead South is currently being marketed with a closing date of the end of March this year. The enhanced infrastructure will assist the marketing of the 60-acre Council owned site as access and utility services to the new housing developments have been enabled.
- Improved access to Dams to Darnley Country Park and the proposed new rail station has been created further enabling a future rail and bus interchange and active travel infrastructure to the new rail station and Country Park from Barrhead.
- Along with planned improvements to Aurs Road, this project will support the wider long term economic objective of delivering a new sustainable community.

### **Projects in Progress**

#### New Railway Station at Barrhead

15. The delivery of a new railway station at Barrhead South will support the new community at Barrhead South and enhance the sustainable travel options for existing and new residents. The new railway station will also improve access to jobs, services and communities. The provision of the new rail station on the existing Glasgow to Neilston line will also support increased visitor numbers to the Dams to Darnley Country Park from both East Renfrewshire and the wider City Region. The access road and bus-turning circle are already in situ as part of the Balgraystone Road works.

16. The new station will provide easy, direct and sustainable transport access to Glasgow and the Country Park for local residents. It will help to achieve increased visitor numbers to the Country Park as well as promote increased health and wellbeing associated with the enhanced parks and green spaces offering within the area. This sustainable transport alongside the improved access to the new rail station with active travel options will assist the Council to achieve the transition to reduced car journeys and modal shift onto public transport.

17. Network Rail provided outline design options for the station layout in November 2022 and progress will be reported to Glasgow City Region Cabinet in Spring 2023 as part of the Outline Business Case (OBC). An artist's impression of the proposed Rail Station is attached which shows the scale of ambition (Appendix 1).

18. Transport Scotland formally commented on and endorsed the Stage 2 Detailed Strategic Transport Appraisal (STAG2) in January 2023. These comments are informing the contents of the augmented OBC. It is anticipated that the Glasgow City Region Cabinet will approve the OBC and release the next tranche of funding in August 2023. Construction is estimated to start in Spring 2024 with a 12-18 month build.

### Aurs Rd Improvements

19. This project will improve local connections between Newton Mearns and Barrhead and enable visitor facilities at the Country Park. It will upgrade and realign 2km of Aurs Road from the junction of Springfield Road in Barrhead to Stewarton Road in Newton Mearns and includes the installation of a promenade and active travel route. An artist's impression of the project is attached (Appendix 1). The Council is working in partnership with Scottish Water to deliver this project comprising:

- Road improvements
  - two sections of new road to provide improved alignment
  - a new bridge to replace an existing weak road bridge
  - a narrowing of Aurs road to one lane and associated traffic signal control as it passes beneath the railway bridge
  - the installation of new roundabout
  - the resurfacing of the full stretch of road
  - The release of land to enable the construction of Country Park Visitor Facilities and associated off road parking provision. Site layouts and park provision will be determined separately as part of the Visitor Facilities Business Case accommodation works within neighbouring farm land
- Pedestrian and Active Travel provision
  - a new Promenade on dam face of Balgray Reservoir providing pedestrian and cycle connectivity
  - a new 2 km active travel link between Barrhead and Newton Mearns
  - a new foot bridge over Brock Burn to serve the Active Travel route
  - the partial alteration of the existing walkway bridge to Scottish Water's drawdown tower
- Works to Balgray Reservoir structure
  - the installation of replacement culvert between Balgray Reservoir and Brock Burn by undertaking deep cut through the existing dam structure (on behalf of Scottish Water);
  - the removal and infill of the existing Brock Burn overflow weir which enables footpath improvements.

20. This is a complex project involving ten stakeholders / partners, working across a wide range of government and crown agencies and collaborating with reservoir and roads engineers, legal and property experts as well as roads and planning. This project will go out to tender with construction contractors in Spring 2023.

21. The Council is in discussions with Scottish Water (SW) related to a range of different interest including wayleaves, servitudes and leases. This partnership is progressing towards

a legal document, which will be part of a future report to Cabinet setting out the terms of the legal document.

22. It is anticipated that the Glasgow City Region Chief Executives' Group will approve the Full Business Case in Summer 2023 under delegated authority. This 12-month construction project is due to commence late summer / autumn 2023.

## **Future Projects**

### Country Park Visitor Facilities

23. This project will create visitor facilities sympathetic to the surroundings at Dams to Darnley Country Park. This will be the final project in the programme sequential to the straightening of Aurs Road because it releases sufficient land for the construction for visitor facilities and will be situated adjacent to the new promenade. Some initial feasibility and site investigations have been undertaken and will inform the final design. The detailed design stage of this project will commence once the Aurs Road project has completed. The Strategic Business Case will be informed by discussion with key partners, potential stakeholders, with development work likely to commence in 2023 as the Aurs Road project progresses.

24. The aim of this project is to create much needed visitor facilities and utilities within the park to increase visitor numbers (currently approximately 100,000 per annum). The facilities will provide enhanced leisure and recreational opportunities for the benefit of all visitors. The visitor facilities aim to stimulate and attract complementary commercial and leisure opportunities to the park, which could include non-motorised water sports such as wake boarding. Ultimately, the project will enhance the park and green spaces offering within the area providing increased health and wellbeing benefits.

## **FINANCE AND EFFICIENCY**

25. East Renfrewshire is benefiting from a £44 million investment package comprising £38million investment from the Scottish and UK Governments and co-funded by the Council through a £6 million capital contribution.

26. No additional funding is requested.

## **CONSULTATION**

27. Since inception in 2015, the Council has undertaken a number of consultations at various stages of project development involving a wide range of stakeholders.

## **PARTNERSHIP WORKING**

28. With regard to partnership working, details are set out in paragraph 21 above for the Aurs Road realignment project. In addition there has been consultation with the Glasgow City Region City Deal Programme Management Office, Scottish Water, Sustrans, Transport Scotland, Roads and Transportation, Dams to Darnley Country Park Officer, local landowners and other Council teams.

## IMPLICATIONS OF THE PROPOSALS

29. An equalities impact assessment in accordance with the Equality Act 2010 has been undertaken for this project, to supplement the Equalities and Human Rights Impact Assessment (E&HRIA) that was prepared alongside the East Renfrewshire Proposed Local Development Plan. The E&HRIA sets out what positive and negative impacts for the plan or its policies might have. Individual City Deal funded projects are assessed individually at the appropriate time within the preparation of each business case and in conjunction relevant Council colleagues.

30. A Climate Change Impact Assessment (CCIA) Stage 1 has been completed. A stage 2 report will be prepared alongside the preparation of the Augmented Outline Business Case for the proposed New Rail Station in Barrhead South in due course.

31. For the Aurs Road Improvements project, a CCIA Stage 2 Report was undertaken in November 2022 which concluded that the project will have a moderate detrimental impact on Council Operations achieving Get to Zero which will be limited to the years of construction with no long-term detrimental impact beyond the supply-chain emissions. The project will have a small positive effect on climate impacts and a small positive effect on climate adaptation with the delivery of active travel routes and the possibility of using which solar street lighting would reduce impact on electricity emissions.

## CONCLUSIONS

32. East Renfrewshire's £44 million City Deal programme is a clear example of long-term planning by the Council to stimulate sustainable inclusive economic growth. Significant economic benefits have already been achieved with a number of projects now complete.

33. The delivery of the City Deal Programme and its individual strategic projects has been more complex given the different processes for gaining consents and permissions from partners such as Scottish Water, Network Rail and Transport Scotland. However good progress has been made to date.

34. Since early 2022, the Covid-19 pandemic, Brexit impacts and the current financial crisis have impacted on the delivery timescales of projects. The full impact of these events on the ongoing projects will become clearer as the projects move through the tendering process in the first half of 2023.

## RECOMMENDATIONS

35. The Cabinet is asked to:

- a) note the success of the three completed City Deal projects;
- b) note the progress of the remaining three City Deal projects;
- c) agree to delegate authority to the Director of Environment for the submission of two Business Cases to Glasgow City Region Programme Management Office for approval and release of the next phase of project funds:
  - i. Aurs Road Improvement Full Business Case to be submitted to Glasgow City Region Chief Executives' Group, and
  - ii. New Rail Station in Barrhead South Outline Business Case to be submitted to Glasgow City Region Cabinet; and
- d) note that Cabinet will receive further updates on progress.



Director of Environment

Further information can be obtained from: Gillian McCarney, Head of Environment (Chief Planning Officer), [Gillian.McCarney@eastrenfrewshire.gov.uk](mailto:Gillian.McCarney@eastrenfrewshire.gov.uk)

March 2023

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# 1. East Renfrewshire Council's six City Deal funded projects

## East Renfrewshire – M77 Strategic Corridor

**Balgraystone Road Improvement**  
Accelerated residential development in Barrhead and improved accessibility to the Country Park and planned rail station.

**Aurs Road Improvement**  
Improving local connections between Newton Mearns and Barrhead and enabling visitor facilities at the Country Park.

**New Rail Station: Barrhead**  
New purpose built rail station and bus interchanges at Barrhead South improving access to jobs, services and communities.

**Visitor Facilities**  
Creating much needed visitor facilities at Dams to Darnley Country Park.

**Levern Works**  
New commercial units developed at Crossmill Business Park, Barrhead. Vacant land prepared for private retail park development.

**The Greenlaw Works**  
Quality office building delivered in Newton Mearns to boost business growth.

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East Renfrewshire COUNCIL  
GLASGOW CITY REGIONAL City Deal

## 2. Crossmill Business Park, Glasgow Rd, Barrhead



3. Site layout of new Barrhead Retail, Glasgow Rd, opening Spring 2023

**TO LET**

**BARRHEAD RETAIL PARK**  
GLASGOW ROAD, BARRHEAD G78 1BF

98% PRE-LET/  
UNDER OFFER  
AVAILABLE  
SPRING 2023

POPETEYES  
bm  
Indigo sun  
cardfactory  
BAYNE'S  
Gateway  
Health  
TO LET UNIT #  
1,430 SQ FT

PRE-LETS AGREED WITH

bm  
POPETEYES  
BURGER KING  
STARBUCKS COFFEE

**C 71,607 SQ FT RETAIL PARK  
WITH 98% PRE-LET/UNDER OFFER**

A DEVELOPMENT BY  
**LSPIM**  
PROPERTY

**LAST REMAINING UNIT TO LET: 1,430 SQ FT  
SUITABLE FOR A VARIETY OF USES**



4. The purpose built Greenlaw Works completed 2019



5. The Greenlaw Works welcoming occupants since August 2022





**6. Balgraystone Road - looking South on new stretch of Balgraystone Road**



**7. Balgraystone Road - crossing point at new access road created off newly formed Balgraystone Road. This access road provides a link into the future rail station car park**



**8. Balgraystone Road - opening ceremony for newly built 47 No. homes for rent. The development is part of ERC's social housing stock and was made possible by the installation and upgrade of Balgraystone Road.**





**9. New rail station at Barrhead South on Glasgow to Neilston line**



**10. New rail station and bus interchange at Barrhead South on Glasgow to Neilston line**



**11. Aurs Road Improvements - view looking south towards Newton Mearns**



**12. Aurs Road Improvements - view looking north towards Barrhead**



**13. Aurs Road Improvements - view looking North towards Barrhead at point where Aurs Road crosses Brock Burn**



**14. Aurs Road Improvements - mid-way along the Promenade**



**15. Aurs Road Improvements - This is a typical section through the Promenade showing the arrangement of spaces (vehicle heading South)**





**16. Area of land release for Visitor Facilities and car park following realignment of Aurs Rd**



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