

Notice of Meeting and Agenda Council

Date	Time	Venue
Thursday, 15 December 2022	09:30	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

MARK CONAGHAN
Head of Corporate Governance

Membership

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

Councillor Jennifer Adam: Councillor Fiona Airlie-Nicolson: Councillor Alison Ann-Dowling: Councillor Stephen Burns: Councillor Michelle Campbell: Councillor Graeme Clark: Councillor Carolann Davidson: Councillor Eddie Devine: Councillor Andy Doig: Councillor Audrey Doig: Councillor Chris Gilmour: Councillor Edward Grady: Councillor Gillian Graham: Councillor Neill Graham: Councillor John Gray: Councillor Anne Hannigan: Councillor John Hood: Councillor Lisa-Marie Hughes: Councillor Robert Innes: Councillor Alec Leishman: Councillor Bruce MacFarlane: Councillor James MacLaren: Councillor Kenny MacLaren: Councillor Mags MacLaren: Councillor Colin McCulloch: Councillor Janis McDonald: Councillor David McGonigle: Councillor Jamie McGuire: Councillor Marie McGurk: Councillor Iain McMillan: Councillor John McNaughtan: Councillor Kevin Montgomery: Councillor Sam Mullin: Councillor Will Mylet: Councillor Jim Paterson: Councillor Emma Rodden: Councillor John Shaw: Councillor Ben Smith: Councillor Andy Steel:

Further Information

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

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Items of business

Apologies

Apologies from members.

Declarations of Interest

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

1 Minutes of Meetings of Council, Boards and Panels (attached separately)

Council, 29 September 2022, pages 285 - 306

Special Personnel Appeals and Applied Conditions of Service Appeals Panel, 6 October 2022, pages 307 - 308

Communities and Housing Policy Board, 25 October 2022, pages 309 - 328

Regulatory Functions Board, 26 October 2022, pages 329 - 340

Special Personnel Appeals and Applied Conditions of Service Policy Board, 27 October 2022, pages 341 - 342

Education and Children's Services Policy Board, 27 October 2022, pages 343 - 348

Economy and Regeneration Policy Board, 1 November 2022, pages 349 - 352

Planning and Climate Change Policy Board, 1 November 2022, pages 353 - 362

Personnel Appeals and Applied Conditions of Service Appeals Panel, 3 November 2022, pages 363 - 364

Special Education and Children's Services Policy Board, 7 November 2022, pages 365 - 368

Petitions Board, 7 November 2022, pages 369 - 370

Infrastructure, Land and Environment Policy Board, 9 November 2022, pages 371 - 380

Regulatory Functions Board, 10 November 2022, pages 381 - 390

Audit, Risk and Scrutiny Board, 14 November 2022, pages 391 - 398

Local Review Body, 15 November 2022, pages 399 - 402

Finance, Resources and Customer Services Policy Board, 17 November 2022, pages 403 - 416

Special Council, 17 November 2022, pages 417 - 420

Special Personnel Appeals and Applied Conditions of Service Appeals Panel, 22 November 2022, pages 421 - 422

Special Personnel Appeals and Applied Conditions of Service Appeals Panel, 28 November 2022, pages 423 - 424

Leadership Board, 30 November 2022, pages 425 - 436

Special Regulatory Functions Board, 5 December 2022, pages 437 - 438

Special Finance, Resources and Customer Services Policy Board, 13 December 2022 (copy to follow)

Placing Requests and Exclusion Appeals Panel, 13 December 2022 (copy to follow)

2 Provost's Update

Hear from Provost

3 Financial Sustainability and General Fund Financial Outlook

Report by Director of Finance & Resources

4 A Prudential Framework for Capital Finance – Progress Report **25 - 36**

Report by Director of Finance & Resources

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Report by Chief Executive

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Report by Director of Finance & Resources

7 2023 Review of UK Parliament Constituencies – Consultation on Revised Proposals

Report by Chief Executive

8 Notice of Motion 1 by Councillors Ann-Dowling and Davidson

“Women Against State Pension Injustice (WASPI)

This council is disappointed in what it sees as the Conservative Government's inaction to end the injustice experienced by Renfrewshire women affected by the changes to state pension laws. Council notes the campaign of the Women Against State Pension Injustice (WASPI) group together with similar campaign groups, to achieve fair and fast compensation arrangements for all women who were born in the 1950s and were affected by these changes to the state pension age.

Council calls for the UK Government to accept the reported findings of the Parliamentary and Health Service Ombudsman that 1950s-born women have been severely affected by Department for Work and Pensions maladministration, to take the swift action that many believe is needed to provide the recommended level of compensation to the women, and to compensate beneficiaries of the estates of those who are deceased and failed to receive a pension.”

9 Notice of Motion 2 by Councillors Ann-Dowling and J Cameron

"Women, Life, Freedom

Council notes that women and girls in Iran are facing lethal levels of violence, perpetuated against them by Islamic Republic security forces.

Council condemns the atrocities committed against women and girls in Iran and stands in solidarity with their legitimate desire for autonomy and freedom of expression.

Council agrees to write to the UN Women's Rights Commission to request that Iran is removed from its membership, as a gesture of solidarity and to signal that the international community stands with Iranian women and girls defending their human rights against the Iranian regime."

10 Notice of Motion 3 by Councillors Smith and MacFarlane

"St Charles' RC Church- 125th Anniversary

Renfrewshire Council congratulates St. Charles' Roman Catholic Church, Paisley, on the 125th anniversary of the parish, founded on the 4th of November 1897. Now in its 13th decade, the parish continues to serve the wider community in Charleston and beyond. Under the leadership of the parish priest, Fr. Jim Duggan, St. Charles' continues to be a vibrant, multicultural community and the Council expresses its gratitude for the parish's commitment to serving and supporting the people of Charleston and Paisley."

11 Notice of Motion 4 by Councillors McMillan and Davidson

"GP Practices

Council understands the frustration being felt by local communities who are finding it difficult to access local G.P. services.

Council therefore agrees to write to the Health Secretary to ask that more be done by the Scottish government to restore people's confidence in their local practices."

12 Notice of Motion 5 by Councillors McMillan and Gilmour

"Type 26 Frigates

Renfrewshire Council welcomes the recent announcement that five more Type 26 frigates are to be built on the Clyde.

This will support 1700 jobs across the Govan and Scotstoun shipyards over the next decade. Council recognises that many of these jobs are held by Renfrewshire residents.

Council notes that these jobs are a result of Scotland being part of the United Kingdom."

**13 Notice of Motion 6 by Councillors Leishman and N
Graham**

"Gender Recognition Reform (Scotland) Bill

That Renfrewshire Council opposes the proposed new laws of the Gender Recognition Reform (Scotland) Bill currently supported by the Scottish Government.

That this Council recognises that the Bill's current proposals, while probably well-intentioned, will have ill consequences for the greater part of the broader population.

That this Council is gravely concerned about the impact this Bill in its current form would have on the safety, well-being and welfare of other groups within society that already experience marginalisation and unique challenges, specifically: women and girls; homosexuals, particularly young homosexuals and gay women; children; young persons; adolescents with Autistic Spectrum Disorder, learning difficulties/ disabilities or mental health issues; and post-operative transsexuals.

That this Council agrees that the protection of children, young persons and vulnerable persons is of paramount importance; and that they should be encouraged to consider long and carefully before committing to legal, pharmacological and surgical interventions that are life-altering, permanent and risk-prone; and that safeguards should be in place to discourage succumbing to socio-cultural contagions.

That this Council agrees that the negation or diminishment of the hard-won sex-based rights of women and girls is both wrongful and alarming.

That this Council agrees the rights of young persons and adolescents to experience healthy sexual and psychological development is self-evident and indisputable.

That this Council agrees that young gay persons should be encouraged to embrace and feel comfortable with their sexual orientation without their gender-identity being questioned.

That this Council agrees to communicate its concerns and opposition directly to the Scottish Government."

14 Notice of Motion 7 by Councillors G Graham and Smith

"Projected school rolls and section 75 agreements

The public has lost confidence in those involved in the gross miscalculation of the school roll for Dargavel Primary. This appalling miscalculation has caused significant distress to parents and will cost the people of Renfrewshire millions of pounds to resolve. Millions which would have been paid for by the developer had this Council got its figures right.

In light of the Dargavel debacle, Council will postpone signing off Section 75 agreements for both the Dykebar and Thornly Park developments until the Council's projected impact upon the school rolls of both St Andrews' Academy and Todholm Primary have been externally reviewed via the procurement of professional consultants. This review should also include the new Paisley Grammar development."

15 Notice of Motion 8 by Councillors Andy Doig and Hannigan

"Accessibility of UK National Energy Companies to Renfrewshire Consumers

"Council deplores the lack of accessibility of all UK national energy companies to the consumers of Renfrewshire, a dire situation which over recent years has got increasingly worse over the current cost of living crisis. The inability to contact energy suppliers easily and quickly is a source of considerable mental ill-health and stress to the most vulnerable service users, especially those with pay as you go meters".

"Council believes the status quo actively discriminates against the less digitally and IT proficient, and those financially excluded from IT networks, and therefore calls on all UK national energy companies to use their excessive profits to re-establish a network of shop front energy hubs where consumers can obtain face to face advice and support".

16 Notice of Motion 9 by Councillors Innes and MacFarlane

"The UK Supreme Court Decision and Defending Scottish Democracy Council upholds the right of the Scottish people to national self-determination, as recognised in Part 1, Article 1, of the United Nations International Covenant on Civil and Political Rights, an international treaty which the UK signed in 1976.

Council further notes that pro-independence parties won a majority of seats at the 2021 Scottish elections.

Council deeply regrets, therefore, the recent decision by the UK Supreme Court to deny the Scottish Government the right to hold an independence referendum and believes this means that the UK is no longer a voluntary union of nations.

As a majority pro-independence council, Renfrewshire Council therefore supports the right of political parties to contest national parliamentary elections on an independence mandate platform in defence of Scottish democracy."

17 Notice of Motion 10 by Councillors Innes and McGurk

"Green spaces and play parks"

That council welcomes the continued investment in improving our green

spaces and play parks around Renfrewshire. Further, it welcomes the inclusion of local members, communities and schools in shaping these plans going forward. Council recognises the positive impact that enhancing our play parks and green spaces has on Renfrewshire residents' health and well-being.

Council recognises the recent park improvements at Dunvegan Avenue, Elderslie; Campbell Street, Renfrew; Ardgyffe Park, Houston; Churchill Drive, Bishopton; Craggs Park, Paisley and Elm Drive, Johnstone. It also recognises the completed improvements to equipment at Kilbarchan Park, Kilbarchan; Sandyflats, Johnstone; Tinto Square, Renfrew; Lochwinnoch Park, Lochwinnoch; Barwood Park, Erskine; Maxwellton Park, East End Park, Durrockstock Park, Morar Drive, Ben Lawers Park, Paisley. Further welcomes the planned refurbishments to Moss Road Park, Bridge of Weir; Inchinnan Playing Fields, Inchinnan; and Houston Public Park, Houston."

18 Notice of Motion 11 by Councillors J MacLaren and Leishman

"Bishopton Football Pitch

Council agrees that it is good to encourage sport including football in Renfrewshire and recognises the size of the growing community in Bishopton and Dargavel, which has 17 adult and youth teams and 460 registered players.

As the existing grassed football pitch is rendered unplayable for much of the winter due to it being water logged, council agrees to make the provision of a 3g or 4g pitch a priority for Bishopton and Dargavel."

19 Notice of Motion 12 by Councillors Ann-Dowling and McMillan

"Supreme Court Referendum Ruling

Council notes that the Supreme Court unanimously ruled that matters relating to holding an independence referendum are outwith the legal remit of Scottish Parliament and Scottish Government. Council therefore requests that £20 million set aside by Scottish Government for a 2023 referendum should be directed to local government general funding settlements to support councils in alleviating the cost of living crisis."

20 Notice of Motion 13 by Councillors J MacLaren and Gray

"Cycle Paths Motion

Council is pleased to promote cycling for a healthy lifestyle and recognises that cycle paths need to be kept clean if cyclists are going to use them without risk of punctures. Council agrees that council owned cycle paths be swept on a frequent and regular basis."



To: Council

On: 15 December 2022

Report by: Director of Finance & Resources

Heading: Financial Sustainability and General Fund Financial Outlook

1. Summary

- 1.1 Successive reports to the Council over the course of 2022 have highlighted the increasingly challenging financial and economic environment the Council is facing. The recent publication by the UK Government of their 'mini-budget', subsequent policy reversals and then a new package of tax and spending measures in the Autumn Statement has added to volatility in financial markets which were already dealing with very high levels of inflation, high energy prices and a looming economic recession. This results in a financial and economic environment within which the Council is operating characterised by rapidly increasing levels of risk; placing the Council's financial stability and ongoing sustainability under much greater pressure than that experienced over the past decade.
- 1.2 Previous financial updates to Council outlined the requirement for the Council to restart transformation activity which would underpin a level of savings which would address sustainability concerns, along with a range of financial sustainability workstreams which would support the delivery of savings at the scale required.

- 1.3 This report provides an update with regards progress with these workstreams, and also provides an update with regards the current year financial position as cost pressures – largely driven by high levels of inflation, but also service demand – continue to build.
- 1.4 The report outlines a potential ‘central’ scenario for the medium term financial position, and the risks to this. Highlighted is the need for the Council to prioritise a range of measures to maintain financial sustainability in the short and medium term, and the use of financial flexibilities including the use of reserve balances to address a projected financial gap over the medium term; including principles around the use of reserve balances.

2. **Recommendations**

- 2.1 Note the economic outlook provided in the report
- 2.2 Note the update provided in relation to the current financial year and the potential use of reserve balances – both in year and over the medium term
- 2.3 Note the update provided in section 7 in relation to the net forecast financial position, the importance of Council understanding that the use of reserve balances to support the Council's financial position is a short term tool only; and agree the principles outlined in relation to the planned use of reserves.

3. **Economic outlook**

- 3.1 The main event which provides context for the current and future economic outlook was the UK Government Autumn Statement which was published on 17 November, accompanied by economic and fiscal forecast updates from the Office of Budget Responsibility (OBR). The main task of the Autumn Statement was to provide a way forward for UK public finances which satisfied expectations - of the OBR and markets - that the UK Government had a plausible plan to deal with the difficulties brought about by rising inflation, interest rates and a slowing

economy. Such difficulties may be traced back to a mixture of COVID, the war in Ukraine and Brexit.

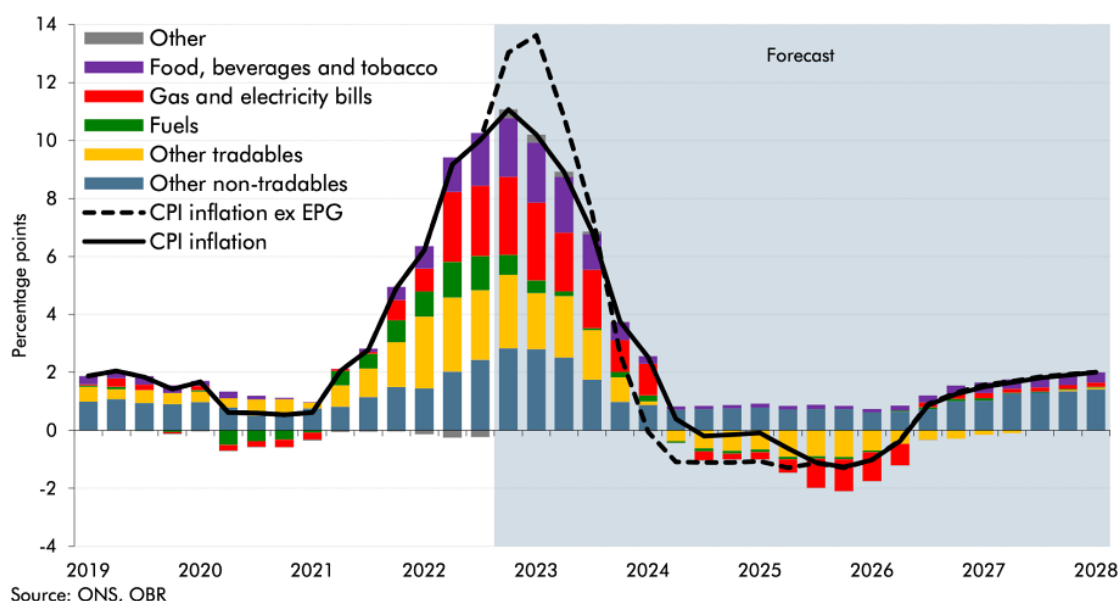
3.2 The Chancellor outlined a number of measures across a range of policy areas, with the impact being planned to take effect in some instances out until 2028:

- increasing tax: this came from a variety of sources, with a big contribution from energy related levies on companies. In terms of income related taxes, the significant freezing of income tax thresholds contribution will likely only partially compensated for the decision to not go ahead with the health and social care levy on National Insurance contributions;
- increasing payments to households: to compensate for higher inflation, including specifically to help with energy costs and generally with regards to most benefit payments, including pensions;
- squeezing departmental budgets: whilst some areas are protected to some degree from inflationary pressures, most are not. This means that what had been relatively promising real terms increases outlined in the October 2021 Spending Review are now much reduced, with the outlook now for real terms cuts to unprotected budgets.

3.3 In terms of the economic outlook, the combined announcements from the Treasury and OBR may be summarised as follows:

- **The Economy (GDP)**: a recession is forecast to have started in the third quarter of 2022 and to last for just over a year. This is followed by a stronger, migration led, bounce back than before;
- **Inflation (CPI)**: is now forecast to peak at 11.1% in the 4th quarter of 2022 (14.1% in the case of RPI) and to remain high in 2023 but falling. The speed of decline is such that there is negative inflation by 2025 and it is still very low in 2026, as shown in Figure 1 below. Clearly these forecasts are heavily dependent on future energy, and other, prices, as well as wage settlements. Note that different inflation measures - CPI, RPI, GDP deflator - can vary considerably in some years due to recent exceptional circumstances. This helps explain why it is difficult to be definitive about real, rather than cash, terms changes in the OBR forecasts;

Figure 1: Contributions to CPI inflation



- **Interest rates:** are based on market expectations and are expected to peak, briefly, at around 5% in the second half of 2023, then to fall back but remain around 4% until the end of the forecast;
- **Unemployment:** rises by just over half a million, peaking at 4.9% in the third quarter of 2024 before starting to slowly fall back;
- **Living standards:** are set to decline by a cumulative 7% in real terms over the next two financial years, by some margin the biggest recorded fall on record.

3.4 In terms of the impact for the Scottish Budget, Barnett consequentials cumulatively amount to around £1.5 billion for the two years 2023-24 and 2024-25, with much of this sum relating to the NHS, adult social care and education. The Scottish Government has announced that it will pass on all health consequentials but has made no such commitment for education. The real terms budget position for 2023-24 is unclear but the Deputy First Minister has suggested it was likely to be a real terms cut. Calculation of the actual position in real terms is made difficult by the large variation in deflator measures which could be applied.

3.5 Changes to the threshold for the UK additional rate of tax may also negatively impact on the Scottish Budget if copied by the Scottish Government as the sum raised in Scotland is relatively smaller than for the UK given fewer households in this tax bracket. However, the net impact will depend on where that extra UK money is spent. The next key Budget event will be the Scottish Government's Draft Budget, due

on December 15th, with publication of the detail of the local government settlement following some days thereafter. It is likely to be into the New Year before clarity is achieved with regards the Budget implications for the Council.

- 3.6 In a recent report Audit Scotland highlighted the risk of overspend in the Scottish Budget for 2022-23, with the possible consequence of this money being clawed back by the UK Government in the financial year 2023-24. The Scottish Government has revised its 2022/23 budget over two recent announcements; with significant reallocation of resource within budget headings in order to fund the increased cost of public sector pay awards.
- 3.7 In light of the above events, the Council's financial strategy remains dynamic and is constantly updated to reflect emerging new pressures or changing levels of existing pressure. This position underlines the necessity for the Council to take steps to address the immediate financial position, while also prioritising the development and implementation at pace of the financial sustainability and potentially other savings measures outlined later in this report.

4 2022/23 Financial Position

- 4.1 Members are aware of the current very high levels of inflation being experienced in the economy, driven in large part by the dramatic increase in energy costs. These cost increases are impacting on families and household finances, as well as the Council and associated bodies, community organisations and businesses. While the outlook for inflation has moderated slightly in recent weeks - the Bank of England has reduced its forecast for CPI inflation in December 2022 from 13% to 11%, remaining at high levels of around 10% possibly for the first half of 2023. This is obviously manifesting itself in a cost of living crisis for many households with many already in or facing the prospect of fuel poverty; however food prices are also increasing at a very high rate.
- 4.2 As has been previously reported, the Council is equally facing a surge in supplies costs – energy costs obviously - but also food, transportation and diesel costs. Vehicle parts costs are increasingly an issue, while building and construction cost pressures remain an ongoing concern. This volatile cost environment, while undoubtedly driven by soaring energy costs, is also affected by supply constraints.
- 4.3 In addition to cost increases, and as has been reported regularly throughout the year, the council is also experiencing higher demand for some services – most pressingly in children and families' social care following the pandemic. Despite intensive social work support, there

has been an increase in the level of risk for some children and young adults, resulting in them being placed in kinship care, accommodated in foster care or residential accommodation. For some, this entails highly-intensive care packages which are increasingly expensive. This position has been building over the past 12-18 months with an overspend being incurred in 2021/22 which was offset to some degree by the availability of Covid-related resource. However, in 2022/23, the service is – based on current levels of demand – forecasting an overspend of £4-5 million. The service anticipates that the level of demand being experienced is unlikely to reduce significantly over the medium term, therefore Council will require to make financial provision over this period in order to fund these unavoidable costs. As members are aware, increased social care funding has in recent years been passed in full to the HSCP as a specific condition of the local government settlement. This position is not sustainable moving forward. Council will continue to work through COSLA to emphasise the restrictive financial impact of such conditions. There remain other Covid-related pressures, with parking income still well below pre-pandemic levels and household waste levels remaining high but beginning to moderate.

4.4 The Council Overview finance report to the recent Finance, Resources and Customer Services Policy Board outlined a 2022/23 projected overspend (excluding the underspend projected in adult social care) of £8.4 million. This projection is exclusive of a number of other risks to the 2022/23 financial position:

- The 2022/23 pay award has been agreed for those employees on local government and craft terms & conditions. The agreement reached for these groups is broadly a combination of a core pay increase of 5% with further consolidated elements to support the lowest paid in the workforce who will receive a maximum £2,000 increase (based on a 36 hour working week, equivalent to a 10.2% increase for the lowest paid), and a £3,000 cap for those on salaries in excess of £60,000. An additional day of annual leave was also agreed on a consolidated basis. In setting the 2022/23 base budget, Council agreed a provision for pay awards based on the Scottish public sector pay policy, which broadly equates to a 2% level of provision. While additional Scottish Government funding has been provided to support the pay settlement, the amount allocated will be insufficient to meet the expected total cost, requiring the Council to fund the differential (estimated at c£3m) and to build this substantial deficit in to future base budgets.

- The position for teachers remains to be formally agreed, with trades unions seeking a pay settlement of 10%. Negotiations remain ongoing and having successfully balloted members with regards industrial action, a number of teachers strike days have been announced. Agreement on the 22/23 pay award has also still to be concluded with the chief officer group.
- As outlined above, energy costs are surging and while the Council made provision for increased costs in 2022/23, it is clear that this will not now be sufficient to meet the anticipated costs given spiralling gas prices. It is estimated that an additional £2m cost will be incurred in 2022/23 over existing energy budgets – a position again that will require to be incorporated into future base budgets. It is also now likely that additional financial support will require to be provided to OneRen, who are also experiencing dramatically increased energy costs despite taking proactive measures to try and mitigate this cost.
- There are a range of other cost pressures the Council is facing in relation to reduced parking income, increased streetlighting maintenance costs, higher levels of overtime due to annual leave which was accrued over the pandemic period now being taken and under-recovery of planning fees. While much of these cost pressures are incorporated into the forecast outturn figure above, there is a risk that other pressures may emerge over the winter period.
- The projection does not include any variance relating to the collection of Council Tax. Current forecasts suggest a slightly lower yield than 2021/22; however, it is recognised that the full impact of the cost-of-living crisis is yet to materialise which could have significant effect on yield.

4.5 One of the actions agreed by Council in September 2022 was to exercise in year the financial flexibility permitted by the Scottish Government in relation to accounting for service concession arrangements – in effect a revised approach to accounting for PPP contracts. This will allow an in year saving estimated at £1.5m to be generated, with reduced costs also being possible in future years out to 2036/37 which will be incorporated into the base budget. However, this revised approach will mean costs will be incurred in years after 2036/37 which were not previously, and the Council's longer term financial plans will require to take account of these. In addition, the decision by the UK Government to reverse the increase in National Insurance contributions (the Health and Social Care Levy) from November 2022 will part release the provision made for this cost in the 2022/23 base budget, providing in year capacity estimated at £0.5 million.

- 4.6 The sum of these pressures and in year savings, on top of the £8.4m outlined above, could result in the Council delivering a £10-12 million gross revenue overspend by the end of the 2022/23 financial year – some 2.5% of total spend. Directors and management teams are closely monitoring their costs, restricting spend to essential spend only and are aiming to mitigate increases where possible in line with agreement of Council. However, even taking this action, given the above pressures it is certain the Council will require to utilise reserve balances to fund the projected overspend and support a break even position at year end.
- 4.7 In terms of reserves use, Council has prudently held a number of reserve balances and made additional provision at the close of the 2021/22 financial year to support what was forecast to be a very challenging medium term outlook. This included the ringfencing of funding related to the Covid-19 pandemic, in anticipation that there would be both longer term costs incurred over the final stages of the pandemic, but also recognising that there was likely to be long term behavioural change by residents and communities which would have a financial impact on the Council.
- 4.8 A number of these reserves will require to be drawn down in order to achieve a breakeven position at year end, with the following reserves likely to be those utilised:

Table 1

Ringfenced reserve	Opening balance £m	Potential drawdown £m
COVID construction recovery	10	4
COVID Education recovery	6.3	2-3
COVID general recovery	9.1	4-5
Inflation mitigation	5	2-4

It should be noted the estimates above are subject to significant change given the current volatile financial environment. It should also be noted that the £4m drawdown from the construction recovery fund relates to the 2022/23 pay award funding provided by the Scottish Government as capital resource, and which Council agreed in September would be switched from this reserve ie this drawdown is not related to funding the £10-12 million potential overspend.

- 4.9 Members will note that the above potential use of reserves is on a scale which is not sustainable over the medium term, and reinforces the need for the Council to address its projected core funding deficit over this period as soon as possible. Members will also note that – at this point – there is no requirement to utilise unallocated reserves in 2022/23; however this has only been possible due to the prudent ringfencing of resources in prior years. Given the heightened financial risk environment, maintaining unallocated reserves at least at their current level is recommended.

Medium Term Financial Pressures

- 5.1 Previous reports to Council have outlined a central scenario potential funding gap over the medium term (ie 2023/24 – 2025/26) of £35 million, after assuming a council tax increase of 3% in each of these years (£44 million before any decision on council tax). Applying differing assumptions to reflect optimistic to pessimistic scenarios suggest a range of £28 – 61 million before any decision on council tax, reducing to a range of £19 – 52 million after council tax. The table below attempts to summarise the main movements for the central scenario:

Table 2

	2023/24 £m	2024/25 £m	2025/26 £m	
Income				
Movement in revenue grant	0.0	0.0	0.0	
Movement in council tax base	2.5	1.0	0.8	
	2.5	1.0	0.8	
Expenditure				
Pay award %	3.0%	3.0%	2.5%	
Pay award £	11.9	8.1	7.0	
Contract and inflationary pressures	7.8	6.0	6.0	
Long term debt	0.5	0.5	0.5	
	20.2	14.6	13.5	Total
Gross expenditure	17.6	13.5	12.7	43.8
Council tax @ 3%	3.0	3.0	3.1	
Net pressure	14.6	10.5	9.6	34.7

5.2 The above position is based on a range of assumptions which are outlined in further detail below:

5.3 Revenue Grant

The central assumption is for a flat cash allocation over the medium term, as was outlined in the Resource Spending Review published earlier in 2022. Given the current very high rates of inflation this will obviously constrain the Council given it represents a significant real terms cut to funding. While the Scottish Government is projected to receive an additional £1.5 billion from the UK Government over the next two financial years as outlined in the UK Government Autumn Statement, given the demands on the Scottish Government and the impact of inflation, there is little to suggest any improvement in the flat cash position for local government over the medium term. This position will be clarified (for 2023/24 at least) when the Scottish Government publishes its Draft Budget on 15 December.

5.4 Council tax

Each year an assessment is made with regards movement in the council tax base ie the number and banding of domestic properties for which a council tax liability may arise. Over the period of the pandemic, a prudent approach was taken with regards the potential growth in the base from new house building; and on review it is apparent that there is some “catch-up” which can be confidently assumed in 2023/24, which will increase the total council tax collected regardless of any decision on the rate of council tax. Risk remains however with regards actual yield as the cost of living crisis continues – council tax payments may be viewed as less of a priority than heating for example.

5.5 Pay inflation

As outlined above, the pay award for 2022/23 remains to be settled for all staff groups but is currently assumed at 5%, which despite additional funding from the Scottish Government will leave an unfunded gap in 2022/23 in the order of £3 million. The pay assumptions for future years are outlined in the table above; however given the current high levels of inflation, which are forecast to endure for a large proportion of 2023, there may again be pressure on these assumed levels of increase.

5.6 Non-pay inflation

The Council has a long standing principle of no general inflationary pressures being funded, with an expectation that Directors and their management teams will seek ongoing efficiencies in order to meet

general inflationary pressures. However, where a pressure is “unavoidable”, and there is no scope for the manager to mitigate these costs, then provision will be made within the Council’s base budget. Given the very high levels of inflation currently, the unavoidable pressure is unsurprisingly higher as we move in to 2023/24. The estimate for 2023/24 included in the table above is based on detailed returns from services which have been assessed and only the most pressing issues and costs are proposed to be funded. Pressures totalling in excess of £13 million have been outlined by services, however only a proportion of these are proposed to be funded, including an initial contribution to addressing the severe demand in children’s social care.

5.7 Long term debt

Members will recall that the 2022/23 revenue budget included use of longer term capital financing flexibilities totalling £7.5 million, which it was acknowledged would result in higher costs in the longer term but were required in order to manage through the medium term; with appropriate base budget adjustments being made in future years.

5.8 The above assumptions and anticipated costs represent only those for existing services. Of course there may be other issues which arise which have not been anticipated; or the assumed levels above may prove to be inadequate. There is also no provision within the above summary for further investment in Council priorities eg climate change, social renewal and Fairer Renfrewshire etc, over that which has already been set aside.

6 Efficiencies and Financial Sustainability Workstreams

6.1 The Council's main transformation programme – branded Right for Renfrewshire (RFR) most recently – is the main route for the Council to transform services and release efficiencies, thereby supporting the delivery of recurring savings over the medium term. Members will be aware that, at the onset of the coronavirus pandemic, a decision was taken to formally pause the programme, recognising the capacity of the Council required to be fully diverted to support the emergency response. As has been outlined in previous update reports, the longer term impact of this decision is that the Council's pipeline of associated savings has now fallen behind the requirements to secure overall financial sustainability. Members agreed in June that a revised savings target of £15 million be set for the remaining phases of the existing

medium term transformation programme, and that the programme be revised to clearly align with the financial sustainability portfolio.

- 6.2 Where management capacity has allowed, service reviews have taken place in discrete areas of the Council – corporate finance and ICT services have been reviewed utilising the RFR approach and recurring savings have been generated. In addition, reviews of the operations and infrastructure service within Environment and Infrastructure have also commenced with a view to savings being generated over the course of 22/23 to 24/25. Remaining areas of the Council where reviews will be undertaken include legal and committee services, events and communications, policy and commissioning and people and organisational development.
- 6.3 An area of significant spend within the Council relates to Children's Services (the service makes up nearly 50% of the Council total net revenue budget); however it is acknowledged that the current pressures being faced by elements of this service and wider obligations in terms of specific funding streams will make the delivery of recurring savings particularly challenging.
- 6.4 It is therefore apparent that the £15 million target is unlikely to be achieved over the medium term without impacting on service delivery. Based on work undertaken by services to date, and that for which specific plans are being developed over the next 12 – 18 months, it is estimated that £8 million of savings could be deliverable against the £15 million target.
- 6.5 Previous reports to Council have outlined a number of financial sustainability workstreams which are aiming to generate £20 million of savings over the medium term. Work has progressed over recent months with regards many of these; however it is becoming apparent that the ambition with regards the scale of savings is in some cases not going to be achievable within the 3 year period under consideration now that further investigation has been undertaken.
- 6.6 That being said, many of the workstreams have indicated potential to deliver savings in the longer term, or in some cases, while not delivering significant savings in their own right, the work is important to undertake as it is a critical enabler in the delivery of other service changes or savings. For example, development and improvement of the Council's web presence through the Digital Experience project will take some investment in the short to medium term, however this is a key enabler in increasing digital ways of working and digital customer services, which may generate efficiencies in the longer term.

- 6.7 In terms of savings which - at this point - can be confidently included within current financial plans, the total across all workstreams is in excess of £6 million. While this is well short of the £20 million target, as outlined above there remains a considerable amount of development of some proposals and there is scope for further achievement of savings from for example a more critical examination of the Council's property holdings. This work will continue over the coming months with update reports to be provided to Council and Policy Boards as appropriate; including consideration at Council budget setting. Development of further proposals and delivery of those which have been developed must remain a key Council priority and will be one which demands significant management capacity.

7 Medium Term Financial Position and Reserves

- 7.1 The culmination of the above pressures and savings can be summarised as follows:

Table 3

	2023/24 £m	2024/25 £m	2025/26 £m	
Net pressure as per Table 2	14.6	10.5	9.6	
Transformation programme	3.9	3.8	0	
Financial sustainability workstreams	5.4	0.8	0.2	Total
Gross pressures	5.3	5.9	9.4	20.6

- 7.2 It is apparent from the above table that there remains a considerable gap over the medium term – one which is increasing year on year – which will require to be addressed as Council considers most immediately the 2023/24 budget. As has been outlined in previous reports, there is a timing disconnect between the speed at which the financial gap is expected to emerge and the ability of the Council to generate and secure recurring savings to sustainably close it. The need for the Council to make spending and service prioritisation decisions at a greater scale and pace than over recent years in order to fully commit to the delivery of the material change and transformation required over the medium term has been consistently highlighted in every recent financial outlook report. This will require the lower level of real terms resources and spending capacity at the Council's disposal to be focused on those areas of greatest need and priority. These decisions

will be challenging for the Council; and must be balanced with the requirement to continue to deliver core services.

- 7.3 The application of financial flexibilities agreed by the Scottish Government, in particular that relating to service concession accounting mechanisms, has been agreed by Council and is outlined earlier in this report. The revised arrangements have a two-fold benefit: an ongoing reduction in revenue costs (which are in effect deferred to the end of the relevant contract period, linked to the remaining service potential from the underlying assets); and where the revised arrangements are put in place from the commencement of the original contract, retrospective application will generate a one-off benefit representing the position that (in accounting terms, not cash terms) the Council has 'overpaid' for the use of assets to this point. This benefit must be utilised prudently by the Council; recognising that there is a future cost which the Council will have to fund. However, the Council may consider short to medium term use of this funding to support the current financial challenge.
- 7.4 The planned use of reserves as a support to the Council's medium term financial position has been outlined in previous reports as likely to be required; and the above analysis clearly demonstrates this requirement. The application of reserves is a legitimate tool in managing shorter term financial challenges while sustainable savings are generated to match financial pressures, but it cannot ever be more than a short term measure.
- 7.5 While there remain uncertainties in much of the analyses above, it is prudent at this point to agree principles in terms of the planned use of specific reserve balances which could be deployed to support the Council's medium term financial position. It is proposed that the following principles are agreed:
- No planned use of unallocated reserve balances, which are held as a risk contingency
 - Unallocated balances are maintained at a minimum of £10 million (2.3% of net running costs) over the medium term
 - The Council clearly sets out the planned use of ringfenced or specific reserves which have been set aside to support the medium term financial position over a maximum 3 year period, and in the interim develops and implements plans to address the underlying financial gap in a sustainable manner.
 - Initially, use of the reserve balances included in Table 1 above will be considered; along with use of the service concession flexibility one-off benefit outlined in 7.3 above.

- 7.6 An updated financial outlook will be provided to future Council meetings including the annual budget setting meeting, incorporating the confirmed level of Scottish Government revenue support, any revised financial assumptions and any potential requirement to utilise ring-fenced reserve balances.

Implications of the Report

1. **Financial** - the report highlights the scale of the short and medium term financial challenge facing the Council. The development and implementation of the transformation programme and other financial sustainability workstreams as outlined in the report are critical to ultimately supporting the Council secure a financially sustainable position.
2. **HR & Organisational Development** - the medium term financial position and associated plans require to align with workforce and service plans to ensure the size and composition of the Council workforce remains appropriate and affordable.
3. **Community/Council Planning** – the Council requires to remain financially sustainable in order to deliver on its priorities as outlined in the Council and Community Plans; and these revised Plans will in turn require to inform the financial strategy.
4. **Legal** - none
5. **Property/Assets** - the report outlines a proposal to undertake a strategic review of property which will aim to ensure the Council's asset base remain effective and efficient
6. **Information Technology** - the report outlines the need to ensure the Council Digital strategy support ongoing financial sustainability; with any digital developments being underpinned by a robust business case
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential

for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** - *none*
9. **Procurement** – the report outlines a proposal for a strategic review of procurement practice in order to support the Council's ongoing financial sustainability.
10. **Risk** - as outlined in the report, the Council's financial risk exposure is increasing in the immediate term and over the medium term remains high. The report outlines increasing financial risks as well as a range of key measures to be implemented as part of the medium term financial planning arrangements to protect the Council's immediate financial stability and resilience but also continue to progress toward medium term financial sustainability.
11. **Privacy Impact** - none.
12. **Cosla Policy Position** – none
13. **Climate Risk** – none

Author: Alastair MacArthur, Director of Finance & Resources



To: Council

On: 15 December 2022

Report by: Director of Finance & Resources

Heading: A Prudential Framework for Capital Finance – Progress Report

1. **Summary**

- 1.1 The Local Government in Scotland Act 2003 and supporting regulations require local authorities to have regard to The Prudential Code for Capital Finance in Local Authorities (“the Prudential Code”).
- 1.2 The Council set its prudential indicators for 2022/23 on 3 March 2022. The purpose of this report is to consider the indicators as they stand at 14 October 2022, approximately halfway through the financial year, and revise them where appropriate.
-

2. **Recommendations**

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

3. **Background**

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

- That these risks will be managed to an acceptable level to the organisation;
- Capital investment plans are being made in light of the overall organisational strategy and resources, ensuring that decisions are being made with sufficient regard to the long run financial implications and potential risks to the authority.

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

3.3 The prudential indicators required by the Code are specifically designed to support local decision making in a manner that is publicly accountable. They are not designed to be comparative performance indicators.

3.4 CIPFA has recently issued a secondary consultation on updates to the Prudential Code following an initial consultation in early 2021. The main focus of the consultation is to bring greater clarity over any commercial investments, which may result in some changes or amendments to the Prudential Indicators. Any resulting changes to the Code will be incorporated into 2023/23 Prudential Indicators for Council approval in March 2023.

4 Capital Expenditure Indicators

4.1 The Council has a duty to determine and keep under review the maximum amount it can afford to allocate to capital expenditure.

4.2 The Council is required to make estimates of the capital expenditure it plans to incur for the forthcoming financial year and at least the following two years. Separate estimates should be made for Housing and Non-Housing services.

The Capital Investment Programmes for Housing and Non-Housing Capital Investment Programme were approved by Council on 3 March 2022, and the resulting indicators were updated to reflect the approved programme, incorporating the decisions taken by the Council at the budget meeting.

4.3 Council approved the following as an indicator for capital expenditure:-

CAPITAL EXPENDITURE			
	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Non-Housing*	131,756	174,617	82,044
Housing	29,995	53,227	67,747
Total	161,751	227,844	149,791

**The 2022/23 Non-Housing estimate excludes the estimated expenditure in relation to the Private Sector Housing Grant.*

4.4 Total capital expenditure to 14 October 2022 was £36.629m, of which £30.754m relates to Non-Housing and £5.876m relates to Housing.

4.5 A review of the forecast capital spending for 2022/23 suggests that the indicators need to be revised as follows for the current year. Indicators for 2023/24 and 2024/25 will be reviewed in March 2023 alongside the budget proposals.

CAPITAL EXPENDITURE	
	2022/23 Probable £000
Non-Housing	113,043
Housing	21,507
Total	134,550

4.6 The decrease of **£18.713m** in the planned Non-Housing capital expenditure during 2022/23 is mainly attributable to:

- The change in the cashflow profile of a number of programmes, resulting in a net adjustment of £36.993m from 2022/23 into 2023/24 and future years, as reported to relevant policy boards;
- Carry forward of programmed expenditure from 2021/22 to 2022/23 totalling £11.135m; and
- The addition of £7.145m funding for projects approved during 2022/23.

- 4.7 The decrease of **£8.488m** in the planned Housing capital expenditure during 2022/23 arises from the change in the cashflow profile of a number of programmes resulting in a net adjustment of £8.488m from 2021/22 into 2022/23 and future years as reported to the Communities, Housing & Planning Policy Board.

5 Capital Financing Requirement Indicator

- 5.1 *Capital Financing Requirement:* The Council has available to it a number of ways of financing traditionally procured capital investment. The term “financing” does not refer to the payment of cash, but the resources that are applied to ensure that any underlying amount arising from capital payments is dealt with absolutely, whether at the point of spend or over the longer term. A number of financing options involve resourcing the investment at the time that it is incurred. These are:

- Application of useable capital receipts
- A direct charge to revenue for capital expenditure
- The application of capital grants
- Up-front contributions from project partners

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

- 5.3 Members approved the following as the indicator for the Capital Financing Requirement at the end of each of the next three years at the Council meeting on 3 March 2022:

CAPITAL FINANCING REQUIREMENT			
	31/03/2023 Estimate £m	31/03/2024 Estimate £m	31/03/2025 Estimate £m
Non-Housing	364	442	467
Housing	122	160	211
Total	486	602	678

- 5.4 The revised projected capital financing requirement for 2022/23, based on the position at 14 October 2022 is noted in the table below. The 2023/24 and 2024/25 requirements will be reviewed in March 2023 alongside the budget proposals for 2023/24 and beyond.

CAPITAL FINANCING REQUIREMENT	
	31/03/2023 Probable £m
Non-Housing	352
Housing	110
Total	462

5.5 The decrease of £12 million in the probable Capital Financing Requirement at 31st March 2023 in Non-Housing services arises from the reduced capital expenditure forecast to the end of 2022/23 described in 4.6, partly offset by an increase in other liabilities in relation to new service concession flexibility arrangements. These were announced by the Scottish Government in September 2022 and the impact for Renfrewshire Council is explained in section 10.

5.6 The decrease of £12 million in the probable Capital Financing Requirement at 31 March 2023 in Housing arises from:

- The reduced capital expenditure forecast to the end of 2022/23 described in 4.7; and
- An accelerated repayment from the HRA to the loans fund in 2021/22 in order to smooth future loan fund repayments.

6 External Debt Indicators

6.1 External debt is referred to as the sum of external borrowing and other long term liabilities (e.g. covenants). The prudential indicators for external debt are set and revised taking into account their affordability. It is through this means that the objective of ensuring that external debt is kept within sustainable prudent limits is addressed year on year.

6.2 External debt indicators are set at two levels: an *Operational Boundary* and an *Authorised Limit*. Both of these need to be consistent with the Council's plans for capital expenditure and financing and with its Treasury Management policy statement and practices.

6.3 *Operational Boundary:* This is the focus of day-to-day treasury management activity within the Council, and is an estimate of the most likely scenario in terms of cashflow. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the Capital Financial Requirement and estimates of cashflow requirements for **all** purposes. It is possible that this boundary could be breached occasionally and this would not be regarded as significant. However, a sustained or regular trend would require investigation and action.

6.4 The Council has set for the current financial year and following two years an Operational Boundary for its total external debt, identifying separately borrowing from other long term liabilities.

OPERATIONAL BOUNDARY FOR EXTERNAL DEBT			
	31/03/2023 Estimate £m	31/03/2024 Estimate £m	31/03/2025 Estimate £m
Borrowing	408	528	607
Other long-term liabilities	78	74	71
Total	486	602	678

6.5 The probable outturn for the current financial year is anticipated at £462 million, a decrease in the Operational Boundary of £24 million. This is mainly as a result of the reduced Capital Finance Requirement due to lower capital expenditure for both Housing and Non-Housing Services outlined above, offset by the increase in revised service concession liabilities. There have been no breaches during the period from 1 April to 14 October that have required action. The 2022/23 and 2023/24 Operational Boundary will be reviewed in March 2023 alongside the budget proposals.

OPERATIONAL BOUNDARY FOR EXTERNAL DEBT	
	31/03/2023 Probable £m
Borrowing	366
Other long-term liabilities	96
Total	462

6.6 *Authorised Limit:* This is based on the same assumptions as the Operational Boundary, with sufficient “headroom” to allow for unusual/exceptional cash movements. Headroom of approximately 5% has been added to the Operational Boundary to arrive at an Authorised Limit which is sufficient to allow for cashflow management without breaching the limit.

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

AUTHORISED LIMIT FOR EXTERNAL DEBT			
	31/03/2023 Estimate £m	31/03/2024 Estimate £m	31/03/2025 Estimate £m
Borrowing	428	554	637
Other long-term liabilities	78	74	71
Total	506	628	708

6.8 The revised anticipated authorised limit for this financial year is projected at £481 million, a decrease of £25 million to the estimate and in line with the operational boundary reduction as outlined in 6.5. The authorised limit will be reviewed on an annual basis and any changes will require approval by Council.

AUTHORISED LIMIT FOR EXTERNAL DEBT	
	31/03/2023 Probable £m
Borrowing	385
Other long-term liabilities	95
Total	480

6.9 In December 2018 the CIPFA/LASAAC Local Authority Accounting Board confirmed that from 1 April 2020 the CIPFA Code of Practice on Local Authority Accounting would be adopting the accounting standard IFRS 16 Leases.

After consultation, in April 2022 the deadline for implementation of IFRS was extend to 1 April 2024 due to significant delays as a result of the Covid-19 pandemic. However, the Code will allow authorities to adopt IFRS 16 on 1 April 2022 or 1 April 2023.

The practical effect of adopting IFRS 16 will be to require any contract the Council has signed which provides the right to rent or lease exclusive use of an asset, such as property or vehicles, could potentially require to be recognised as an asset on the Council's balance sheet, with a corresponding debt liability recognised at the present value of the future lease payments. This liability will be treated as additional borrowing, therefore increasing the Capital Financing Requirement and other associated Prudential Indicators such as Operational Boundary, Authorised Limit and Revenue to Financing Cost ratios. A full review of all contracts that could be impacted by this is currently under way and will be factored into future Prudential Indicators once the full effect is known. The Council is likely to adopt IFRS 16 during 2023/24.

7 Loan Fund Advances

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

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

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

7.4 Members approved the 2022/23 policy on loan fund repayments on 3 March 2022. Statutory guidance requires the policy to be approved each year and the 2023/24 policy will be reviewed in March 2023 alongside the budget proposals.

7.5 The Council's current policy is as follows:

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

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

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

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment to GF by City Deal Grant £m	Repayment by HRA £m	Closing Balance £m
2021-22 actual	273	19	13	-	-	(16)	289
2022/23	289	70	19	-	-	(11)	367
2023/24 - 27/28	367	196	216	(7)	(4)	(40)	728
2028/29 - 32/33	728	-	-	(18)	(38)	(36)	636
2033/34 -37/38	636	-	-	(38)	(25)	(39)	534
2038/39 -42/43	534	-	-	(48)	-	(43)	443
2043/44 - 47/48	443	-	-	(52)	-	(56)	335
2048/49 - 52/53	335	-	-	(42)	-	(72)	221
2053/54 -57/58	221	-	-	(72)	-	(39)	110
2058/59 -62/63	110	-	-	(71)	-	(2)	37
2063/64 - 67/68	37	-	-	(18)	-	-	19
2068/69 - 72/73	19	-	-	(4)	-	-	15
2073/78 - 77/78	15	-	-	(5)	-	-	10
2078/79 - 82/83	10	-	-	(6)	-	-	4
2083/84 - 87/88	4	-	-	(1)	-	-	-

8 Treasury Management Indicators

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

8.2 Compliance with the Treasury Management Code requires a mid-year review of Treasury Management activity. This was reported to Finance, Resources and Customer Services Policy Board on 17 November 2022.

9 Indicators for Affordability

9.1 A key measure of affordability is the incremental impact of investment decisions on the council tax or house rents. Estimates of the ratio of financing costs to net revenue stream provide an indication of how much of the Council's revenue is committed to the repayment of debt.

9.2 As reported to Council on 3 March 2022 the ratios for the next 3 years are shown in the table below:

RATIO OF FINANCING COSTS TO NET REVENUE STREAM			
	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non-Housing	3.47%	3.62%	3.48%
Housing	34.16%	30.10%	30.12%

- 9.3 The revised ratios for 2022/23, based on the position at 14 October 2022 is noted in the table below. The 2023/24 and 2024/25 requirements will be reviewed in March 2023 alongside the budget proposals;

RATIO OF FINANCING COSTS TO NET REVENUE STREAM	
	31/03/2023 Probable
Non-Housing	3.22%
Housing	33.44%

10 Service Concession Flexibility

- 10.1 The term 'service concession' relates to a type of finance lease arrangement whereby annual contract payments (such as the unitary charge for PPP schools) are subject to accounting disclosure in the annual accounts that splits the full cost into different elements, being:
- Rental element, for occupying the asset;
 - Service charge element, for servicing the asset;
 - Interest element, to pay interest on the financing of the asset;
 - Lease principal (capital) element, to repay debt on the financing of the asset, spread over the life of the contract.
- 10.2 In September 2022, the Scottish Government published Finance Circular 10/2022, which sets out a new accounting flexibility for local authorities who have service concession arrangements dated prior to 1 April 2022, that allows this last element to be spread over the life of the asset, rather than the life of the contract.
- 10.3 Renfrewshire Council's PPP schools contract was established in 2006 and its term is 32 years. The capital element is spread on an annuity basis using the contractual interest rate of 7.65%.

The Council treats other school assets as having an expected useful life of 40 years, and therefore, as previously agreed by Council, the flexibility permitted under the Finance Circular will be employed from the 2022/23 financial year.

- 10.4 This revised accounting methodology will provide support to the Council's medium-term financial position, with increased costs over the useful life of the asset being incorporated into the Council's longer term financial planning arrangements.

Implications of the Report

1. **Financial** – Prudential indicators are being monitored by the Director of Finance and Resources throughout the year. They are based directly on the Council's capital and revenue budgets, as detailed in other reports considered by the Council on 3 March 2022 and reported to the Council's Policy Boards on a regular basis.
 2. **HR & Organisational Development** – None arising directly from this report
 3. **Community/Council Planning** – None arising directly from this report
 4. **Legal** – None arising directly from this report
 5. **Property/Assets** – None arising directly from this report
 6. **Information Technology** – None arising directly from this report
 7. **Equality & Human Rights** – None arising directly from this report
 8. **Health & Safety** - None arising directly from this report
 9. **Procurement** - None arising directly from this report
 10. **Risk** - None arising directly from this report
 11. **Privacy Impact** – None arising directly from this report
 12. **Climate Risk** – None arising directly from this report
 13. **Cosla Policy Position** – None arising directly from this report
-

List of Background Papers

Non-Housing Capital Investment Programme 2022/23 – 2026/27, Appendix 6: Prudential Framework for Capital Finance 2022-2025 (estimates) and Treasury Management Strategy Statement 2022-25. Council, 3 March 2022.

Treasury Management Mid-Year Review 2022/32. Finance, Resources and Customer Services Policy Board, 17 November 2022.

Author: Geoff Borland, Finance Manager, 0141 487 0875
geoffrey.borland@renfrewshire.gov.uk



To: Council

On: 15 December 2022

Report by: Chief Executive

Heading: Right for Renfrewshire - Management Structures

1. Summary

- 1.1 The purpose of this report is to seek approval to implement a revised chief officer management arrangement for the Council. As part of the ongoing organisational recovery from the sustained period of the COVID19 pandemic, these changes will support a renewed focus to the delivery of the Council's strategic priorities as outlined in the recently approved Council Plan 2022 – 27.
- 1.2 Specifically, the changes will provide an improved focus on progressing the Council's response to increasing challenges presented by the net zero agenda, as well as continuing plans to develop further the connected communities and tackling the inequality agenda across Renfrewshire. As well as providing the right mix of skills and capacity at a senior management level, the changes represent a direct response to the ongoing financial challenges the Council will continue to face over the medium term by providing a further tranche of financial savings from the chief officer structure and aligning with the management structure design principles developed as part of the Right for Renfrewshire programme. The changes also provide a revised service structure that will better support and compliment a range of future service redesign and modernisation opportunities that have been identified as part of the ongoing Right for Renfrewshire programme.
-

2. **Recommendations**

- 2.1 Members are asked to approve the proposed chief officer structures as detailed at Appendix 1, and delegate authority to the Chief Executive to implement the new structures in consultation with the relevant conveners.

3. **Proposed Changes to Management Structures**

- 3.1 It is important for the Council that the management arrangements continue to support the ongoing delivery of services, but also provide the right mix of skills, experience, and capacity to enable the Council to deliver on its strategic policy priorities and continue to manage what will be an increasingly difficult financial outlook for the foreseeable future.

- 3.2 It is essential that the Council, even in the face of constrained resources, remains policy and priority led. A review of existing management arrangements has been undertaken by the Chief Executive in consultation with the management team and several changes are now being proposed to ensure the management structure remains best placed to deliver for the Council moving forward.

3.3 **Overview of Key Strategic Drivers**

- 3.3.1 The revised structure is directly influenced by and designed to respond to the recently updated Council plan 2022 – 27. Although the existing structure was already well placed to support the Council to progress its strategic ambitions, the proposed changes seek to provide a greater alignment to the growing strategic emphasis that is given within the new plan to priorities associated with the climate agenda and journey to net zero as well as the ambition to continue to tackle inequality and, strengthen our partnership working and delivery of key outcomes with and for our local communities in a way which promotes a fairer Renfrewshire.

3.3.2 **Climate and Net Zero**

The climate agenda and transition towards net zero is a key strategic priority for the Council – encapsulated within the “Green” priority in the recently approved Council Plan. At present, the corporate lead for the Climate Agenda is provided through the corporate policy function within the Chief Executives Service. This reflects the predominant focus over recent years of understanding, developing and positioning the Council’s priorities and route map in relation to this developing strategic agenda.

Moving forward, it is recognised that the Council will be increasingly required to transition its focus to an action led net zero agenda which drives forward at pace the very significant change, both within the Council as an organisation and across our wider communities, that will be required to further our ambition of progressing towards net zero by

2030. In this context there is a need a need to create a clearer corporate identity for leading the delivery of the required programme of change linked to the green and net zero agenda within the Council's service and chief officer structure, albeit policy support will continue to be provided to this agenda by the Corporate Policy function.

3.3.3 Fairer Renfrewshire

The Council has for several years progressed a journey to build a range of services and interventions that look to increasingly support from within and with our communities to tackle inequalities. The new council plan has re-enforced and strengthened this commitment as part of the strategic priority for a fairer Renfrewshire where we seek a nurturing, bright, happy, and healthy futures for all. In developing this strategic priority there will be a greater focus on strengthening and developing our partnership working and delivery of key outcomes with and for our local communities in a way which promotes a fairer Renfrewshire. At present the Council's existing arrangements in relation to services which currently support the Council's focus on tackling inequalities and aspects of prevention and early intervention are fragmented across several service areas and functions. To better facilitate ambitions to increasingly progress in the future towards a model redesign that provides a more co-ordinated and consolidated set of sustainable services and support arrangements for our communities, the creation of a single strategic lead within the Chief Officer structure is identified as a key pre-requisite. This will provide a structural arrangement that will directly facilitate opportunities to consolidate and redesign services for the future and provide a focal point to develop increased partnership and co-ordinated delivery of services and support within our communities by both the council, partners and with communities themselves.

3.3.4 Right for Renfrewshire and Financial Sustainability

The Council has over a long period remained committed to progressing transformation, change and improvement across the organisation. This has included ensuring that the council's chief officer structure and service arrangements reflect the needs of the Council and is reflective of the financial sustainability challenges faced by the Council. Demonstrating sound leadership and vision, taking difficult decisions around the shape of our organisation to safeguard our future resilience and leading and supporting our people through these changes remains a key objective outlined in the Council plan. The proposed changes to the chief officer structure outlined below are reflective of this commitment and specifically support key organisational design objectives underpinning the Right for Renfrewshire Programme: -

- Management Structure Design Principles - work is being progressed to review the Council's existing management structures against a defined set of over-arching design principles focused primarily on the number of management layers and spans of control. These principles provide an overall framework from which to position and

guide the detailed design of the management structure the Council will carry moving forward. It is appropriate that the chief officer structure is demonstrably assessed against and guided by these design principles. Additionally, this will provide greater confidence that the revised structure will support effective long term succession planning, ensuring that within each layer of the management structure that officers are exposed to appropriate breadth of remits as part of their longer-term development and preparation as potential candidates for future roles within the Council.

- Strategic Management of Property - The Council's current service structures and approach in terms of the strategic management of the Council's property asset portfolio, its maintenance, long term investment approach is currently fragmented across several service structures. This current structural arrangement creates several challenges, with unnecessary service barriers, fragmented strategic and operational working, duplication of effort and hand-offs and fragmentation of professional property resources which adds to already increasing resilience and capacity challenges.
- Existing structures and service boundaries are adding unnecessary complexity to detailed service redesign opportunities and in its current form the existing service structure will potentially inhibit the pace at which the transformation and improvement agenda can be progressed. The prospect of bringing together a wider breadth of specific services under a single service structure and senior management team provides the best opportunity to drive forward a range of service redesign potential moving forward.

3.4 Overview of Key Changes

3.4.1 The principal change will bring together the current remits of the Environment and Infrastructure Service, the Communities and Housing Service (with exclusion of the Community Development team) along with Property Services from within Finance and Resources, within a new Environment, Housing, and Infrastructure Service. In addition, the following revised head of service structure is proposed to replace the existing arrangements which will reduce the establishment from five to four associated Heads of Service: -

- Head of Facilities & Property Services

Addressing the current fragmentation of existing arrangements, this role will consolidate services which support the strategic management of the Council's non housing property estate including professional property and technical support to major capital investment programmes and delivery of soft and hard facilities management services as well as the management of the operational and delivery arrangements supporting council housing day to day repairs service, planned maintenance, and compliance programmes.

This strategic and operational remit may be subject to further adjustments as the ongoing strategic corporate property review progresses and wider Right for Renfrewshire service designs progress in coming months.

- Head of Housing Services

This post predominantly maintains the existing arrangements, reflecting the importance of clear chief officer leadership of the delivery of the significant housing and homelessness functions provided by the Council.

- Head of Operations & Service Development

This division will be responsible for a range of environment and operational functions as well as providing the strategic lead for service development and improvement. The operational functions will consist of waste management and collection, neighbourhood services – street cleaning, litter picking and land maintenance, including providing a single corporate lead for the asset management of Council's open space areas. The head of service would retain responsibility for strategic and operational maintenance of the Council's vehicle fleet and operational depot and would provide line management support for the Council's Civil Contingencies function that is delivered through a Lead Authority model in partnership with three other local authorities.

- Head of Climate, Public Protection & Roads

This post will provide the strategic lead for the Council's response to the climate and net zero agenda, as well as leading the strategic and operation delivery of the roads infrastructure and services along with regulatory & public protection services and arrangements. This will include community safety services and providing the key link with police, fire and other multiagency partners including the CCTV hub. The provision of Community Development services which is currently aligned to this service cluster will transfer to the Chief Executives Service as detailed below.

3.4.2 The existing Procurement Function, which is currently part of the Chief Executives Service (Policy and Commissioning) will transfer to Finance & Resources. This will align corporate procurement support with a range of other professional support functions providing a greater level of integration of the procurement function within a single team where a significant degree of cross professional relationship exists.

3.4.3 The existing Head of Policy and Commissioning will be redesignated Head of Policy and Partnerships and will assume responsibility for the Community Development Service. This re-shaped remit will provide clearer chief officer leadership and capacity to take forward increasing the pace of development of priorities aligned to the Connected Communities, Fairer Renfrewshire

and Inequalities agenda. It is likely as this agenda continues to be developed over the medium term further service functions that are currently dispersed across several services, will be subject to redesign and consolidated within this division. Any changes in this regard will be reported as appropriate through the ongoing Right for Renfrewshire reporting arrangements.

Implications of the Report

1. **Financial** – The proposals result in a net recurring revenue from the Chief Officer structure that will provide support to the Council's ongoing financial sustainability programme.
2. **HR & Organisational Development** – Implementation of the revised management structures are expected to be implemented in a managed transitional fashion over the course of 2023 in accordance with the Council's HR policies, including the recognised recruitment and redeployment procedures and where appropriate use of the Council's VR/VER scheme. Future and ongoing consultation will be maintained throughout the process with Trade Unions and relevant workforce groups. The proposals facilitate a reduction in chief officer posts within the Council by 2 FTEs.
3. **Community/Council Planning** – none
4. **Legal** – none
5. **Property/Assets** – none
6. **Information Technology** - none
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report as it is for noting only and sets out the detail of an external investigation. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website. (Report author to arrange this).
8. **Health & Safety** - none
9. **Procurement** – none
10. **Risk** - none

11. **Privacy Impact** - none
12. **Cosla Policy Position** – none.

List of Background Papers

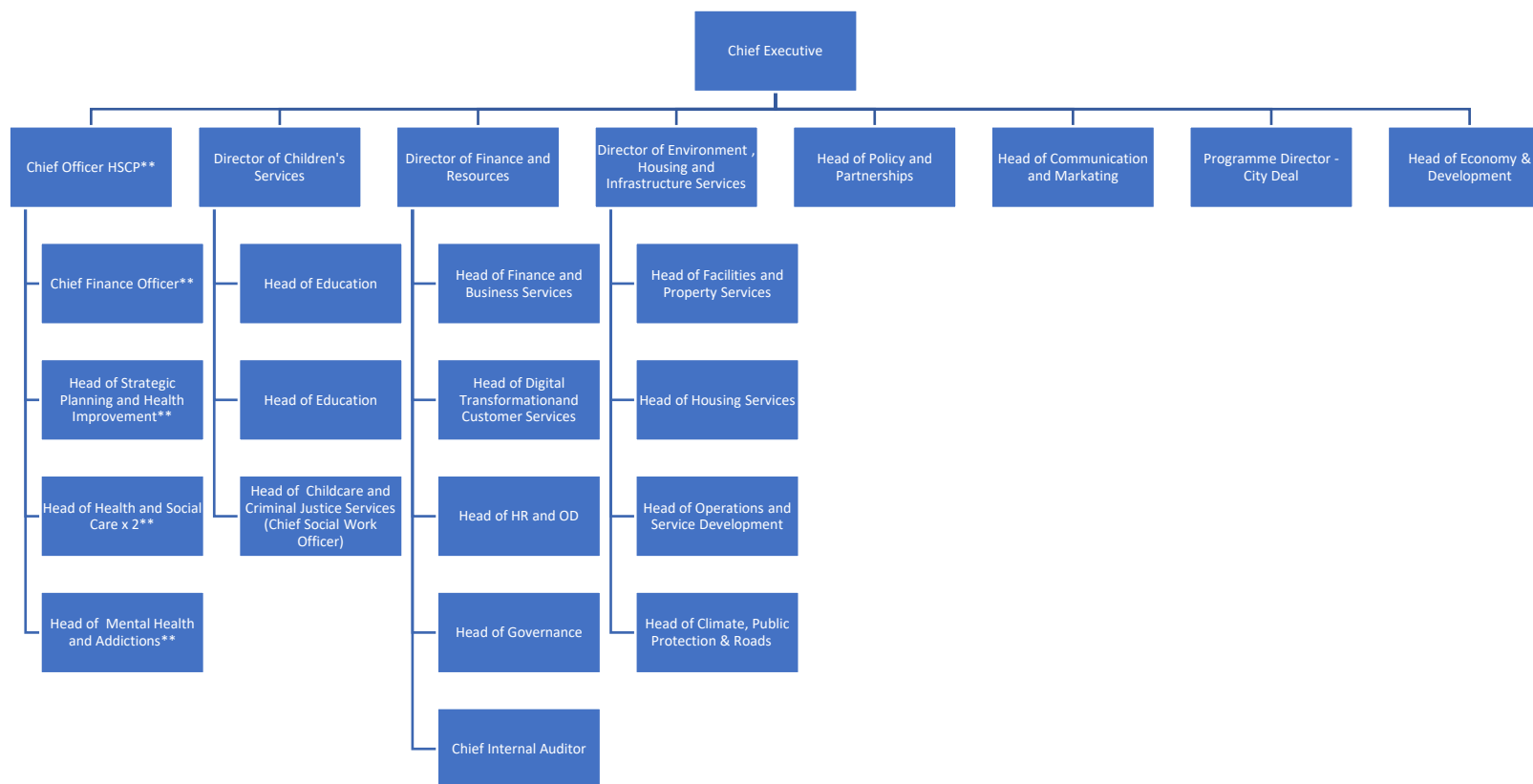
Author: Alan Russell
Chief Executive
alan.russell@renfrewshire.gov.uk

List of Background Papers

- (a) Background - none
-

Author: Alan Russell

APPENDIX 1



** The HSCP management structure is jointly funded with NHS GG&C through the integrated financial arrangements associated with the IJB/HSCP



To: Council

On: 15 December 2022

Report by: Director of Finance and Resources

Heading: Governance Arrangements

1. Summary

1.1 The report sets out a number of Board nominations by the Labour Group to fill the vacancies created following the resignation of Councillor Hood from that group.

1.2. The report also proposes the undernoted additional terms of reference to the Finance, Resources and Customer Services Policy Board in relation to the devolution from the Scottish Government to local authorities of empty property relief from 2023/24 onwards. The terms of reference of all Boards were agreed at the meeting of the Council held on 29 September 2022. However, the Provost is satisfied that the circumstances relevant to these additional terms of reference was not apparent at the time the decision on 29 September 2022 was made.

- To determine the operation and policies of any locally determined non-domestic rates schemes or reliefs in line with relevant legislation
 - To determine the operation and policies of any locally determined council tax schemes, discounts, or reductions in line with relevant legislation
-

2. **Recommendations**

2.1 Council is asked to:

Approve the following Board nominations by the Labour Group:

Councillor McDonald will fill the vacancy on the Audit, Risk and Scrutiny Board

Councillor Davidson will fill the vacancy on the Communities and Housing Policy Board

Councillor McMillan will fill the vacancy on the Infrastructure, Land and Environment Policy Board

Councillor Ann-Dowling will fill the vacancy on the Planning and Climate Change Policy Board

Councillor McDonald will fill the vacancy on the Regulatory Functions Board

Councillor Montgomery will fill the vacancy on the Renfrewshire Valuation Joint Board

2.2 Approve the addition to the terms of reference of the Finance, Resources and Customer Services Policy Board as follows:

35 To determine the operation and policies of any locally determined non-domestic rates schemes or reliefs in line with relevant legislation

36 To determine the operation and policies of any locally determined council tax schemes, discounts, or reductions in line with relevant legislation; and

that the remaining paragraphs be renumbered accordingly.

3 **Background**

3.1 Councillor Hood has resigned from the Labour Group. This has created a vacancy on each of the Boards and Joint Board on which he had been nominated by the Labour Group as a member. Councillor McMillan has advised of the Labour Group nominations to fill these vacancies.

3.2 Empty Property Relief (EPR) provides certain rates relief on unoccupied non-domestic properties. Empty Property Relief is currently mandatory and fully funded by the Scottish Government through the Local Government Settlement. The Scottish Government have devolved Empty Property Relief to local authorities from 2023-24 onwards. The devolution of this relief to the Council

will permit the Council to administer any support for unoccupied properties in a way that is tailored to local needs.

- 3.3 The Council will be required to consider, set and operate local policies as a result of this power being devolved. It is suggested that the most appropriate board to consider such matters is Finance, Resources and Customer Services Policy Board and that the terms of reference of that Board should be amended accordingly.

Implications of the Report

1. **Financial** - none
2. **HR & Organisational Development** - none
3. **Community/Council Planning** – none
4. **Legal** – as detailed in paragraph 3.2
5. **Property/Assets** – none
6. **Information Technology** – none
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report as it deals with Member appointments to Board, and the Council's internal governance arrangements in respect of terms of reference of boards. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website. (Report author to arrange this).
8. **Health & Safety** – none
9. **Procurement** – none
10. **Risk** – none
11. **Privacy Impact** – none
12. **CoSLA Policy Position** – as detailed in Settlement and Distribution Group (SDG) Paper September 2022 - Devolution of Empty Property Relief on 1 April 2023
13. **Climate change** - none

List of Background Papers

- (a) Correspondence from Councillors McMillan and N Graham intimating their nominations to Boards and Outside Bodies.
- (b) Settlement and Distribution Group (SDG) Paper September 2022 - Devolution of Empty Property Relief on 1 April 2023

Author: Lilian Belshaw/Dave Low
Democratic Services Managers
0141 618 7112/7105
Lilian.belshaw@renfrewshire.gov.uk/David.low@renfrewshire.gov.uk



To: Council

On: 15 December 2022

Report by: Chief Executive

Heading: 2023 Review of UK Parliament Constituencies – Consultation on Revised Proposals

1. Summary

- 1.1 The Boundary Commission for Scotland has published its Revised Proposals for UK Parliamentary constituencies and invited comments on those Proposals no later than 5 December 2022.
- 1.2 A response was issued by the Returning Officer which is attached as an appendix to this report. The Commission has indicated that provided an initial response was submitted to them, they would be willing to accept a final response from the Council by 15 December 2022 once it had been considered at the Council meeting.
- 1.3 After considering the responses to the consultation on the Revised Proposals, the Commission will develop its final recommendations and submit its report to Parliament by 1 July 2023.

2. Recommendations

2.1 Council is asked to:

- a) approve and adopt the response issued by the Returning Officer as a response on behalf of the Council to the Boundary Commission for Scotland's 2023 Review of UK Parliament Constituencies - Publication of Revised Proposals, which forms the appendix to this report
-

3. **Background**

- 3.1 At its meeting held on 16 December 2021 the Council agreed a response to the Boundary Commission for Scotland's Initial Proposals for the 2023 Review of UK Parliamentary constituencies.
- 3.2 The Commission has now published its Revised Proposals for the 2023 Review of UK Parliament Constituencies and has invited comments concerning those proposals to be submitted by 5 December 2022.
- 3.2 A link to the consultation on the Revised Proposals was issued to all elected members on 9 November 2022 and the consultation was also included on the Council's website.
- 3.3 The existing constituencies have been in place since 2005 and the last two reviews have not been implemented.
- 3.4 Scotland has been allocated 57 constituencies for the 2023 Review, two fewer than at present. Two constituencies, the Western Isles and Orkney and Shetland are protected by legislation and will not be subject to change.
- 3.5 Each constituency that the Commission recommends must contain no fewer than 69,724 Parliamentary electors, and no more than 77,062 (except the two protected constituencies) although the Commission can recommend a constituency with an electorate lower than the minimum if it is larger than 12,000 square kilometres.
- 3.6 Due to the reduction in the number of constituencies, and the requirements for each constituency to have a number of electors within set limits, the Commissioner has indicated that significant changes to existing constituencies are required.
- 3.7 The Commission's Revised Proposals are available through the following link

<https://www.bcomm-scotland.independent.gov.uk/?q=reviews/2023-review-uk-parliament-constituencies>

4. Renfrewshire Constituencies
- 4.1 At present Renfrewshire Council administers elections for two UK Parliament constituencies. These are Paisley and Renfrewshire North and Paisley and Renfrewshire South.
- 4.2 In terms of the Commission's Initial Proposals, Renfrewshire retained responsibility for two constituencies. However, both were different in several respects from the existing constituencies.
- 4.3 The main changes proposed were:
- Significant areas in Wards 10 and 11 were included in a new Inverclyde and Bridge of Weir constituency.
 - Part of Glasgow City Council's Ward 4 in Cardonald was included within the boundaries of the proposed Renfrew North constituency.
 - The boundaries between the Renfrew North and Renfrew South constituencies were different in some places than the boundaries between the two existing constituencies.
 - The new constituencies had been named Renfrew North and Renfrew South.
- 4.4 The Revised Proposals at this second stage remain as they were at first stage with only the proposed constituency names having altered. However, the proposals are still a significant change from the existing arrangements. The proposals see two constituencies which now retain the same names as before. However, the boundaries of those constituencies are significantly different from the existing boundaries.
- Paisley and Renfrewshire North will consist of Wards 1, 2, 3 & 12. In addition it includes part of ward 4 (Shortroods and Ferguslie) and part of Ward 11 (Bishopton, Dargavel and Langbank). It also includes Ward 4 from Glasgow City Council (Cardonald).
 - Paisley and Renfrewshire South will consist of the remaining part of Ward 4, Wards 5, 6, 7, 8 & 9 and part of Ward 10 (Linwood and Brookfield).
 - An extended Inverclyde seat, now called Inverclyde and Renfrewshire West, includes the remaining parts of the Renfrewshire

Council Area i.e. Ward 10 (Houston and Crosslee) and Ward 11 (Bridge of Weir).

5. Response to the Revised Proposals
- 5.1 The Returning Officer has submitted a response to the Commission forming the appendix to this report. The Commission has agreed to accept a final response from the Council by 15 December 2022 to enable it to be considered at the Council meeting today.
- 5.2 The response identifies some criticisms of the approach taken by the Commission in preparing both their Initial and Revised Proposals. The Commission has developed its proposals in council area groupings with Renfrewshire being in a grouping with Inverclyde and Glasgow.
- 5.3 The main points raised in the response are:
- There is no justification for the grouping of Renfrewshire with Inverclyde and Glasgow and excluding other authorities bordering on Glasgow.
 - A different approach should be taken with identifying how the reduction in the number of constituencies in Glasgow can be achieved by looking at its boundaries with other authorities, not just Renfrewshire.
 - The grouping of Renfrewshire with Inverclyde inevitably means that parts of existing Renfrewshire wards will be included in a new expanded parliamentary constituency based in Inverclyde, and that parts of Glasgow would be taken into one of the Renfrewshire constituencies to balance this.
- 5.4 After the end of this consultation, the Commission will develop their final recommendations which they will submit in a report to the Speaker of the House of Commons by 1 July 2023.

Members will be kept updated on developments throughout this process.

Implications of the Report

1. **Financial.** - *None*
2. **HR & Organisational Development** - *None*

3. **Community/Council Planning – None**
4. **Legal – as detailed in the report**
5. **Property/Assets – None**
6. **Information Technology - None**
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety - None**
9. **Procurement – None**
10. **Risk - None**
11. **Privacy Impact - None**
12. **Cosla Policy Position – None**

List of Background Papers

(a)

Author: Mark Conaghan, Head of Corporate Governance

2023 Review of UK Parliament Constituencies Response to Proposals

1. Introduction

This response is issued on behalf of Returning Officer for the Renfrewshire Council Area. The Council will also be asked to consider the terms of this response at the Council Meeting on 15 December and it may be adopted as formal response by the Council on that date.

As was set out in the Council's initial response to this consultation, it is noted that the last two reviews of UK parliamentary constituencies were cancelled which means that the existing constituencies have remained in place since 2005. Therefore, in principle it is accepted that a review is overdue and necessary.

It is also noted that the Commission must apply the rules on constituency population as set out by the UK Parliament. This has inevitable consequences for constituency sizes across the whole of Scotland and reflects the reduction in the total number of seats allocated to Scotland.

2. Constituency Design Approach

It is disappointing to note that despite the terms of the Council's response the Commission appear to have maintained the "constituency design approach" set out in the original consultation document. This grouped Renfrewshire with Inverclyde and Glasgow City Council. As set out previously, the logic for this is difficult to understand. It created a self-fulfilling outcome that to achieve the electoral quota for a revised Inverclyde based constituency, that constituency will need to include population centres from either one or both of the Renfrewshire based constituencies.

More importantly, it was also then a self-fulfilling outcome that this would require part of one of the Glasgow constituencies being incorporated in to at least one of the Renfrewshire Constituencies.

There was no logical basis for excluding all of the Glasgow constituencies from review with all of the neighbouring council areas (West and East Dunbartonshire, North and South Lanarkshire and East Renfrewshire).

There was also no logical basis for any grouping involving Inverclyde not to also include the only other constituency with which it currently shares a border, which is North Ayrshire and Arran.

The outcome of this approach is that the Commission has excluded itself from considering possible boundaries which would recognise local geographical and community connections, both in respect of Glasgow and Inverclyde. It then also means that recommendations are made for areas to sit within constituencies where there are no such connections.

It is submitted that parts of the Inverclyde constituency have as good geographical and transport links to the North Ayrshire and Arran area, particularly along the Clyde Coast, as they do with the areas of

Renfrewshire included in the proposed Inverclyde and West Renfrewshire constituency.

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

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

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

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

The consequence of this approach is that Cardonald is now split in two and a substantial part placed in the Paisley and Renfrewshire North Constituency. South Cardonald remains within the Glasgow South West Constituency. It is immediately clear from any examination of the map of the latter that all of Cardonald should remain within that constituency.

There is also no community or geographical connection between the relevant parts of Cardonald and the rest of the Paisley and North Renfrewshire constituency.

There are however clear community and geographical links between areas such as South Nitshill and Darnley, and Mansewood and Newlands (from the neighbouring Glasgow constituency) with East Renfrewshire.

By excluding East Renfrewshire from any grouping with Glasgow, the Commission has arrived at a result which sees areas of Glasgow with no logical connection with Renfrewshire placed in a Renfrewshire constituency, while ignoring close links with East Renfrewshire.

It is submitted that all of Cardonald should be placed in the Glasgow South West Constituency. The boundaries of that constituency should then be revisited to take the appropriate parts into the East Renfrewshire constituency.

The increase in population of the revised East Renfrewshire and South Glasgow constituency could then be balanced by Barrhead and Neilston transferring to Paisley and Renfrewshire South. This would reflect the existing Scottish Parliamentary arrangements.

Should there be any balancing required between the two Renfrewshire constituencies that can easily be adjusted by adjusting the boundaries within Paisley itself.

It is hoped that you will consider these comments on the proposals and take them into account when producing the final submission to Parliament.

Mark Conaghan

Head of Corporate Governance and Depute Returning Officer

